

Market Planning (Introductory aspects only)

Meaning

Marketing planning is the preface to any business enterprise. Planning is deciding at present as to what we are going to do in the future. It involves not only anticipating the consequences of decisions but also predict the events that are likely to affect the business.

Marketing planning is to direct the company marketing efforts and resources towards present marketing objectives like growth, survival, minimizing risks, maintain status-quo, profit maximization, service to customers, diversification, and image building and so on.

“Marketing plan” is the instrument to implement the marketing concept; it is one that links the firm and the markets; it is the foundation for all corporate plans and planning. Marketing plan is the document of future course of action that spells out as to how the resources at the command of the firm are to be deployed to achieve the marketing goals.

Simply stated, marketing plan is a written document that specifies in detail the firm’s marketing objectives and how marketing management will use the controllable marketing tools such as product design, channels, promotion and pricing to achieve these objectives.

It is the central instrument for directing and coordinating the marketing efforts. It is to do with selling objectives and designing strategies and programmes for achieving these objectives of marketing. It is a blue-print for marketing action. It is a written document containing strategies to achieve present goals.

Marketing plan is one that specifies as to how the various implements of forces of marketing will be utilized and marketing implements are the marketing mix elements namely the four Ps. It contains an executive summary, current marketing situation, opportunity and issue analysis, and objectives, marketing strategy, action programmes, projected income statement and controls.

Marketing planning being an integral part of overall planning of the firm, defines the role and responsibilities of the marketing executive as to what and how much and when to contribute to

the attainment of the marketing goals in particular and overall goals in general. The diagram on the next page explains this very clearly.

Nature of Market Planning

(i) Divisional Plan:

The divisional plan is similar to the corporate plan and describes the division's plan for growth and profitability. It describes marketing, financial, manufacturing, and personnel strategies and may use a short, intermediate, or long-run planning horizon. In some cases, the divisional plan is the sum of all the separate plans prepared within the division.

(ii) Corporate Plan:

The corporate plan describes the overall business plan for the corporation. It might be an annual, intermediate, or long-range plan. The corporate plan deals with company missions, growth strategies, portfolio decisions, investment decisions, and current objectives and goals. It does not contain details on the activities of individual business units.

(iii) Product-Line Plan:

A product-line plan describes objectives, goals, strategies, and tactics for a specific product line. Each product-line manager prepares this plan.

(iv) Product Plan:

A product plan describes objectives, goals, strategies and tactics for a particular product or product category. Each product manager prepares this plan.

(v) Product/Market Plan:

A product/market plan is a plan for marketing a particular product or product line or the company in a particular industrial or geographical market. An example would be a plan by a bank to market its lending services to the real estate industry.

(vi) Brand Plan:

A brand plan describes objectives, goals, strategies, and tactics for a specific brand within the product category. Each brand manager prepares a brand plan.

(vii) Market Plan:

A market plan is a plan for developing and serving a particular market. If the organization has market manager as well as product managers, the market managers would prepare these plans.

(viii) Functional Plan:

A functional plan is a plan for one of the major functions, such as marketing, manufacturing, manpower, finance, or research and development. It also describes plans for sub functions within a major function; such is, in the case of marketing, an advertising plan, a sales promotion plan, a sales-force plan, and a marketing research plan.

Most of these plans have a marketing component. In fact, the marketing component not only is essential but usually takes priority in the plan's development. Planning often starts with the question – How great a sales volume can be hoped to obtain at a profit?

This step is answered by marketing analysis and the development of a marketing plan. After this plan is approved, the non marketing executives start working on their manufacturing, financial, and personnel plans to support the marketing plan. Thus the marketing plan is foundation for the planning of the other activities of the company.

Essential Components to a Marketing Plan

Here are the essential components of a marketing plan that keeps the sales pipeline full.

1. Market research. Research is the backbone of the marketing plan. Your local library is a great place to start, offering reports like Standard & Poor or IBIS World. Some library cards even allow access to online services from home. Identify consumer buying habits in the industry, market size, market growth or decline, and any current trends.

2. Target market. A well-designed target market description identifies your most likely buyers. In addition, you should discuss at least two or three levels of segmentation. A language tutoring business might target both students and foreign-born employees who want to improve their English.

3. Positioning. What is the perception of your brand in the marketplace? For example, if your restaurant sells burgers, do customers see you as the place to go for gluten-free or healthy options or the place to go if you've got an appetite for a double cheeseburger? The difference in how the target market sees you is your positioning. Develop compelling branding and marketing messages that clearly communicate how you want to be perceived.

4. Competitive analysis. You need to know who your competitors are and how your products and services are different. What is the price point at which your competitors are selling, and what segment of the market are they aiming to reach? Knowing the ins and outs of your competitors will help you better position your business and stand out from the competition.

5. Market strategy. Your marketing strategy is your path to sales goals. Ask yourself "How will I find and attract my most likely buyers?" This is the core of what the strategy should explain. It should look at the entire marketplace and then break down specific tactics including such as events, direct mail, email, social media, content strategy, street teams, couponing, webinars, seminars, partnerships, and other activities that will help you gain access to customers.

6. Budget. Develop a month-by-month schedule of what you plan to spend on marketing. Also include a "red light" decision point. For each activity, establish a metric that tells you to stop if it's not generating sufficient return on investment (ROI).

7. Metrics. Track your marketing success with Google Analytics for website conversions and a simple Excel sheet to compare your budget against the actual ROI. Test programs over the course of a 30- to 60-day period, and evaluate the results. Repeat any programs that are delivering sales or sign-ups to your email list, and get rid of anything that's not.

Types of Marketing Planning

(i) Long-Term Marketing Planning:

It refers to that marketing planning which is done for more than one year. It involves development of basic objectives and strategy to guide future company efforts. These long-run plans provide the framework within which other short-term plans are prepared and implemented. These plans are generally done by the top management. It involves the selecting of marketing research programme, selection of channel of distribution, selection of price policy, selection of media advertising and sales promotion etc.

(ii) Short-Term Marketing Planning:

Planning made for less than one year for marketing activities refers to short-term marketing planning. Generally, these are annual or bi-annual plans of the company. In fact, these short-run plans are not possible in absence of the long run plan. These plans are made to solve problems of recurring nature. Short-term marketing planning is the responsibility of medium level of management.

Difficulties in Marketing Planning

Marketing planning is concerned with the identification of resources available and allocating these resources to achieve organizational objectives. This task of identification and allocation of resources is not the easy task. Some thinkers state that it is waste of time, energy and money. They argue that as planning is concerned with uncertainty, then how planning can be cent per cent correct. The idea behind this thinking is perhaps the difficulties which arouse during marketing planning.

Some of main difficulties of marketing planning are:

1. Diversity of Alternatives:

One of the greatest difficulty in marketing planning is the availability of number of alternatives to solve a problem. Every alternative has its own merits and demerits. Moreover, every

alternative gives different results. It is very hard to select that alternative which is best for the organization. In this way, diversity of alternatives presents difficulties in marketing planning.

2. Rapid Change in Cost:

The cost of producing a product is not fixed; it changes as the time changes. It makes frequent change in price of product, which has direct effect on the demand for the product. It in turn has influence on the objective of marketing planning. Therefore, frequent and rapid changes in cost are also a hurdle in the way of marketing planning.

3. Time Consuming:

Another handle in the way of marketing planning is that, it is time consuming process. Time managers always complain about lack of time, while preparing scientific plan for the organization which requires time cum efforts to analyze and evaluate available time.

4. Difficulties of Marketing Research:

Every marketing planning is based on marketing research about consumer behavior which is very uncertain especially in India. In fact, in certain cases it is impossible to forecast. In absence of accurate forecasting, marketing research become difficult and unreliable, this in turn makes marketing planning a useless effort.

5. Inadequate Management Ability:

Marketing planning involves the great ability and intelligence of marketing manager and staff. Unfortunately in India, there is lack of trained marketing professionals. Latest study says only 21% of MBA are useful. Thus, lack of inadequate managerial ability is another hurdle in way of marketing planning.

6. Expensive:

Another difficulty in marketing planning is that it involves huge expenditure because it involves extensive marketing research. It needs lot of time, energy and money and thus, increases the cost

of marketing planning. Most of the companies are not in a position to bear these huge expenses and hence, do not go for marketing planning.

7. Frequent Changes in Government Policy:

Frequent change in the government policies is another difficulty in a way of effective marketing planning. In India, especially frequent changes are made by government and its policies. Sometimes, it encourages export at other time restrictions are imposed on export. Rate of taxation changes frequently which affect the price level, which in turn influence the demand and supply position of an organization.