

## Failing to plan? Plan to fail.

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Our very own Gaye Steel discusses the importance of not only planning, but planning for the worst to ensure you're business is ready for anything.

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How to develop a marketing plan for the new financial year. By Gaye Steel, phdcreative



Gaye Steel

Without planning, your company's operational activities and its implementation tactics can go off in any direction like an unguided missile.

There are three levels of organisational planning. Once the strategic company plan is complete, plans are developed for each functional division, including marketing. A strategic marketing plan should be developed and should include a situation analysis, marketing objectives, target market selection, positioning and differential advantage and the strategic marketing mix. An annual marketing plan for each major product/company division should also be developed.

While most marketing plans follow similarly structured outlines, they vary significantly in the depth and breadth of analysis employed. A marketing plan assists you in integrating your total marketing effort and ensures a systematic approach to developing products and services to meet and satisfy your customers' needs.

When you're writing a marketing plan you need to be clear about your objectives and how you'll achieve them. A good marketing plan sets clear, realistic and measurable objectives, includes deadlines, provides a budget and allocates responsibilities.

The seven elements of the marketing plan are outlined below:

#### 1. Situation analysis

An examination of current business conditions in which your company operates. You need to analyse your capabilities, identify situations and trends in their environment before selecting target markets and developing strategies to appeal to them.

Conducting a thorough situation analysis will see you undertake the following: market analysis (market size, trends and growth segments); marketing mix analysis (current product 4Ps analysis – product background, pricing, recent promotions and distribution channels); an internal factor analysis (company background/image and customer profile); and, an external factor analysis (ie: factors you can't control such as demographics, economic trends and forecasts etc). You should also conduct a 4Ps analysis (product, price, placement and promotion) on your top competitors. Analyse their brand, position statements and advertising/media strategy.

#### 2. Objectives

Despite the paramount importance of setting clear objectives each year, objective setting is often one of the most poorly handled areas of the marketing planning process. You need to set specific, measurable and achievable objectives across key areas of your business. Objectives should be set in the areas of fiscal (i.e.: increase sales in dollars and units; profit targets etc); marketing (i.e.: market share; media share; and, sales and new distribution channels etc); and, communication (i.e.: build brand/company image; increase brand awareness among the target audience; gain trial or repeat purchase etc).

#### 3. Segmentation and target market strategy

Develop a segmentation and target market strategy. Market segmentation is a customer-oriented philosophy and consumer markets can be segmented by four broad bases: geographic, demographic, psychographic and behavioral (such as benefits desired and usage rate etc).

There are important interrelationships between the various segmentation factors, especially for demographic factors. Age and lifecycle stages are typically related to each other, for instance, income depends to a large degree on the factors of age, lifecycle stage, education and occupation. Identify segments that offer highest potential in terms of return on investment.

#### 4. Positioning

Review your existing positioning and if you don't have a positioning statement - write one. Be clear on your value proposition and key competitive advantage. Ask yourself the following questions: what is your unique selling position? How will your products/services succeed in the market where others may have failed? What gives your product/service a distinctive edge?

#### 5. Marketing strategy

In this section of your plan clearly outline how you are going to achieve your objectives and the specific steps, planned activities, costs, responsibilities and timings. Identify success indicators - what measurement result will need to be met before this activity is considered a success?

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The marketing strategies that are available to organisations, and their likely business performance, depend greatly on the organisation's competitive position in a particular market.

### 6. Budgeting

The annual budget presents a clear picture of the financial implications of the plan - projected sales in units and dollars, pricing and cost of goods.

### 7. Implementation, measurement, evaluation and control

The final stage of the marketing planning process is to implement the plan, with continuous review and monitoring of performance to objectives. Changes in the environment may require a fine tuning of the strategy. The discipline of regular formal review (realistically a quarterly review) ensures you are on track to achieve your goals and can adjust plans accordingly.

#### A final word

The marketing planning process is a comprehensive method for examining your business, your market and the environment in order to develop a strategy to exploit opportunities. It is a vital process, which should be used

by almost every company to ensure a profitable and sustainable future. ■

#### Example marketing strategy models:

Michael Porter's (Harvard Business School) industry structure and generic strategies model - [http://en.wikipedia.org/wiki/Porter\\_five\\_forces\\_analysis](http://en.wikipedia.org/wiki/Porter_five_forces_analysis) identifies the relative impact of five critical forces on particular industries.

The Boston Consulting Group matrix - [www.bcg.com](http://www.bcg.com) is objective and relatively straightforward to use, but perhaps oversimplifies the situation.

Gap analysis and product - market growth strategies developed by Ansoff (product - market growth matrix) [www.ansoffmatrix.com](http://www.ansoffmatrix.com) is a planning tool for classifying future growth opportunities and assessing their inherent level of risk.

This article was contributed by Gaye Steel from phdcreative, a multi award-winning brand and design agency specialising in retail. If you would like help in preparing your annual marketing plan please contact phdcreative on 02 9431 1400 or visit [www.phdcreative.com.au](http://www.phdcreative.com.au).



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