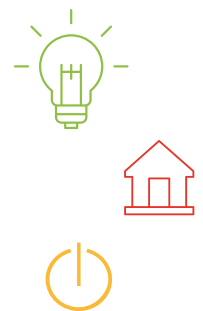


FACT SHEET

Marketing planning

Quick Summary

- A marketing plan is essential in improving the chances of executing your marketing strategy effectively
- There are a variety of different areas you need to consider in your marketing plan – it's not just simply how to sell your products/services and for how much
- Use techniques such as a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) or audience perspective exercises to gain a better understanding of your marketing plan/strategy



Introduction

With your product/service and target audience identified, it's important to be aware of all the factors that might impact on the success of your business, both positively and negatively. These are things that are outside of your control such as legal changes, technological changes and social changes. It's better to be over cautious and prepared, rather than not cautious enough and open to failure.

It's useful to consider your own strengths and weaknesses, things that you do have control over. Enthusiastic employees are likely to be a strength to your business. Limited financial resources may be a weakness. Can you make more of your strengths and reduce your weaknesses?

This sort of analysis, often referred to as a SWOT analysis, is critical to the ongoing success of your business.

The Marketing Plan

Your marketing plan is used as a basis for executing your marketing strategy and should describe how you will put your marketing strategy into practice, setting out clear objectives that list actions you will take to achieve them.

It will describe the customers you have chosen as your target audience, how you will reach them, how you will keep them happy once they have bought from you and how you will continue reviewing your operations to ensure you stay ahead of the competition.

The plan should include a schedule of key tasks. This sets out what will be done, and by when. Refer to the schedule as often as possible to avoid losing sight of your objectives under the daily workload.

What should be included in the plan?

- 1. Product** - What does your product offer that your customers value? How will you change your product to meet your customer needs?
- 2. Pricing** – Are you going to simply match the competition, or charge a premium price for a quality product/service? You might have to choose either to make relatively few high margin sales, or sell more but with lower unit profits. Remember that some customers may seek a low price to meet their budgets, while others may view a low price as an indication of questionable quality levels
- 3. Place** - How and where will you sell your product? This may include using different distribution channels. For example, you might sell over the internet or sell through retailers, or both
- 4. Promotion** - How are you going to reach your target audience? For example, you might use advertising, PR, direct mail and personal selling. If you choose to use multiple methods, think about how you will avoid 'harassing' the customer by coming at them via multiple different advertising angles
- 5. People** - For example, do you need to ensure that your employees have the right training?
- 6. Processes** - The right processes will ensure that you offer a consistent service that suits your customers
- 7. Physical evidence** - The appearance of your employees and premises can affect how customers see your business. Even the quality of paperwork, such as invoices, makes a difference

Developing a Pricing Strategy

One of the most important business decisions you will make is the price you will charge for your product. Setting a price that is too high or too low will - at best - limit your business growth. If the price is too low, you will just be throwing away profit. If your price is too high, you will lose customers, unless you can offer them added value.

Especially if you're starting a business, carefully consider your pricing strategy before you start. Here are some questions for you to consider:

- Do you know what your goods or services cost you to provide, and what they are worth to your customers?
- Have you worked out your fixed and variable costs, and what you will need to charge to break even if you take both in to account?
- Have you decided whether to use cost-plus or value-based pricing?
- Do you know what your competitors offer and what they charge? It's probably unwise to set your prices too much higher or lower than your competitors without a good reason

One approach that is helpful is to put yourself in your target audience's shoes. How do you see your product/service through a pricing lens? The frequently used term 'you get what you pay for' is useful to consider here. In many markets, a high price means customers will see your product as of premium value. It's robust and durable, it's produced with quality materials. On the flip side, a low price suggests 'cheap and cheerful' and easily breakable. However, although a high price might encourage some customers to buy from you, it might also stop price-conscious customers parting with their money.

Researching your market and gathering feedback from customers may help you understand how your products are perceived. Once your business is established, improve your profitability through regular pricing reviews.

Head over to the Useful Links page in the Business Lincolnshire toolbox to find a Pricing Strategies guide.

What else should be in the marketing plan?

Your marketing plan is the backbone to executing your marketing strategy. If it isn't flawless then you open yourself up to potential poor market performance that can have a serious impact on your business. Here is a list of questions to help you think about different aspects of your marketing plan.

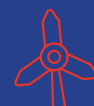
1. Do you need marketing materials for your products?
2. Will the marketing materials be printed or electronic?
3. How long will it take to produce and print these marketing materials?
4. How long does it take to sell your product to a customer?
5. Have you got a big enough sales team?
6. Are you reliant on transport or machinery?
7. What will it cost to fix the machinery?
8. What will happen if you cannot get to your customer?
9. Can you predict how many sales you will make?
10. Does your marketing budget link to your sales forecast? (It should)
11. How will you monitor your progress?
12. What will you do if you are falling behind schedule or if costs overrun?
13. What if the plan isn't working, do you have a backup plan?
14. Can you learn from mistakes and update the plan?

Continue reading factsheet 8 "Sales planning" as this might help you think about your marketing plan from a different angle.



Need more support?

Get in touch!



For more information visit www.businesslincolnshire.com where you can request support from one of our advisers by filling in the online contact form.

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