



Business
Link

Write a marketing plan

Marketing is a key part of business success - and you should use a marketing plan as a basis for executing your marketing strategy.

A marketing plan sets out clear objectives and lists the actions you will take to achieve them. Perhaps most importantly, it looks at how you can ensure that your plan becomes reality.

A marketing plan includes factors such as deciding which customers to target and how to reach them, how to win their business and keep them happy afterwards, as well as continually reviewing and improving everything you do to stay ahead of the competition.

Remember that marketing in itself will not guarantee sales, but a well-researched and coherent marketing plan will give you a much better chance of building long-term, profitable relationships.

This guide outlines the key areas to look at in an effective marketing plan and what you should include in it.

Marketing plan summary and introduction

Your marketing plan should start with an executive summary, which gives a quick overview of the main points of the plan.

However, although the executive summary appears at the beginning of the plan, you should write it last. Writing the summary is a good opportunity to check that your plan makes sense and that you haven't missed any important points.

Business strategy

It's a good idea to introduce the main body of the plan with a reminder of your overall business strategy, including:

- what your business is about (your business mission)
- your key business objectives
- your broad strategy for achieving those objectives

This helps to ensure that your marketing plan, your marketing strategy and your overall business strategy all work together. For example, suppose your business strategy is based on providing premium quality products and service. Your marketing strategy and plan will need to take this into account. It should target customers who appreciate quality, promoting your product in ways that help build the right image and so on.

External and internal analysis for your marketing plan

Understanding the environment your business operates in is a key part of planning, and will allow you to discern the **threats** and **opportunities** associated with your area of business. A **PEST** analysis helps you to identify the main opportunities and threats in your market:

- **Political** and legal changes such as new regulations
- **Economic** factors such as interest rates, exchange rates and consumer confidence
- **Social** factors such as changing attitudes and lifestyles, and the ageing population
- **Technological** factors such as new materials and growing use of the internet

You also need to understand your own internal **strengths** and **weaknesses**. For example, the main strengths of a new business might be an original product and enthusiastic employees. The main weaknesses might be the lack of an existing customer base and limited financial resources.

A **SWOT** analysis combines external and internal analysis to summarise your Strengths, Weaknesses, Opportunities and Threats. You need to look for opportunities that play to your strengths. You also need to decide what to do about threats to your business and how you can overcome important weaknesses.

For example, your SWOT analysis might help you identify the most promising customers to target. You might decide to look at ways of using the internet to reach customers. And you might start to investigate ways of raising additional investment to overcome your financial weakness.

You can find out more about strategic analysis in our guide on how to review your business performance.

Your marketing objectives

Your marketing objectives should be based on understanding your strengths and weaknesses, and the business environment you operate in. They should also be linked to your overall business strategy.

For example, suppose your business objectives include increasing sales by 10 per cent over the next year. Your marketing objectives might include targeting a promising new market segment to help achieve this growth.

For more information on how to identify the best opportunities, see the page in this guide on external and internal analysis for your marketing plan.

Objectives should always be **SMART**:

- **Specific** - for example, you might set an objective of getting ten new customers.
- **Measurable** - whatever your objective is, you need to be able to check whether you have reached it or not when you review your plan.
- **Achievable** - you must have the resources you need to achieve the objective. The key resources are usually people and money.
- **Realistic** - targets should stretch you, not demotivate you because they are unreasonable and seem to be out of reach.
- **Time-bound** - you should set a deadline for achieving the objective. For example, you might aim to get ten new customers within the next 12 months.

Your marketing plan is your marketing strategy in action

Your marketing plan is how you put your marketing strategy into practice. It should therefore be a practical reflection of your strategy.

If you understand the market well, you can probably break it down into different segments (ie groups of similar customers). For example, you can break the business market down into businesses operating in the same sector, and/or of a similar size. For more information, see our guide on how to segment your customers.

For each segment, you need to look at what customers want, what you can offer and what the competition is like. You want to identify segments where you have a competitive advantage. At the same time, you should assess whether you can expect high enough returns to make the segment worthwhile.

Often, the most promising segments are those where you have existing customers. See what you can do to expand sales to these customers. If you are targeting new customers, you need to be sure that you have the resources to reach them effectively.

Once you have decided what your target market is, you also need to decide how you will position yourself in it. For example, you might offer a high quality product at a premium price or a flexible local service. Some businesses try to build a strong brand and image to help them stand out. Whatever your strategy, you need to differentiate yourself from the competition to encourage customers to choose your business first.

See our guide on how to create your marketing strategy.

Plan your marketing tactics

Once you have decided what your marketing objectives are, and your strategy for meeting them, you need to plan how you will make the strategy a reality.

Many businesses find it helpful to think in terms of the **four Ps**:

- **Product** - what your product offers that your customers value, and whether/how you should change your product to meet customer needs.
- **Pricing** - for example, you might aim simply to match the competition, or charge a premium price for a quality product and 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 quality levels.
- **Place** - how and where you sell. This may include using different distribution channels. For example, you might sell over the internet or sell through retailers.
- **Promotion** - how you reach your customers and potential customers. For example, you might use advertising, PR, direct mail and personal selling.

For a more comprehensive approach, you can extend this to **seven Ps**:

- **People** - for example, you need to ensure that your employees have the right training.

- **Processes** - the right processes will ensure that you offer a consistent service that suits your customers.
 - **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.
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Implementing your marketing plan

Your marketing plan must do more than just say what you want to happen. It must describe each step required to make sure that it happens.

The plan should therefore 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.

Resources

It should also assess what resources you need. For example, you might need to think about what brochures you need, and whether they need to be available for digital distribution (by email or from your website). You might also need to look at how much time it takes to sell to customers and whether you have enough salespeople.

Cost

The cost of everything in the plan needs to be included in a budget. If your finances are limited, your plan will need to take that into account. Don't spread your marketing activities too thinly - it is better to concentrate your resources to make the most of your budget. You may also want to link your marketing budget to your sales forecast. See our guide on how to forecast and plan your sales.

Control

As well as setting out the schedule, the plan needs to say how it will be controlled. You need an individual who takes responsibility for pushing things along. A good schedule and budget should make it easy to monitor progress. When things fall behind schedule, or costs overrun, you need to be ready to do something about it and to adapt your plan accordingly.

From time to time, you need to stand back and ask whether the plan is working. What can you learn from your mistakes? How can you use what you know to make a better plan for the future?

Tips for writing a marketing plan

It is important for a marketing plan to:

- set clear, realistic and measurable targets - for example, increasing sales by 10 per cent
- include deadlines for meeting targets
- provide a budget for each marketing activity
- specify who is responsible for each activity

Make sure you think through each of your objectives logically. For example, you might set a target for the number of new enquiries. But if you don't provide the

resources and training to follow up these enquiries and turn them into sales, you will have increased costs without any benefits.

Link to your strategy

Assess the business environment to identify the opportunities and threats that you face. Look for where you can capitalise on your strengths or where you need to overcome a weakness.

All parts of your business must work together. For example, if you have limited cashflow you should avoid seeking large orders from customers who demand extended credit or that will involve you in heavy, up-front costs.

Remember to focus on your long-term strategy. Reducing customer service might boost short-term profits, but next year you might not have any customers left.

Make it happen

A plan will not happen by itself. You need to make someone responsible for monitoring progress and chasing up overdue activities. Reviewing progress will also help you learn from your mistakes so that you can improve your plans for the future.

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Here's how I developed and implemented a marketing plan

Andrew Smith

Escherman - Opens in a new window

Andrew's top tips:

- "Keep your prospective customer top of mind when planning any marketing activity."
 - "Incorporate the online environment into your marketing mix. These days, it's a necessity, not an optional extra."
 - "Make the most of free research resources."
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Escherman is a digital public relations (PR) and marketing consultancy based in Richmond, Surrey which launched in January 2008. Owner Andrew Smith identified a gap in the market for measurable, integrated digital PR and marketing programmes that combine new techniques such as web analytics and social media with traditional PR content development skills. Here Andrew describes how he devised the company's own marketing plan.

What I did

Research and analyse

"When I first had the idea of starting the company, I had over 20 years

experience in PR, primarily promoting technology companies. I had a shrewd idea that there was a gap in the market for the kind of PR service I intended to offer. The proposed business strategy was to bring together innovative online PR solutions under one roof and offer highly accountable results that would have a measurable impact on customer sales. The initial step in writing the marketing plan was research and SWOT/PEST analysis.

"First, I analysed the current position of existing PR agencies against the wider economic, technological and social background. This confirmed that traditional 'non-digital' agencies were in decline, with only one third making a profit.

"I also talked to search marketing agencies (at the time the most advanced area of digital solutions) to get a glimpse of how other new methods I intended to base the agency around might evolve. On top of all that, I talked to potential customers, including ex-clients and industry leaders, to ascertain their current PR and marketing needs.

"Last, but not least, I undertook competitor analysis, looking closely at the operation and cost bases of other PR agencies that styled themselves as digital communications experts."

Define overall strategy

"Because I'd researched thoroughly, the marketing strategy to some extent wrote itself. The perceived value of the business' offering was clear from talking to potential clients. However, I had to be realistic about the volume of business the company could cope with in its first year. I was confident of gaining clients, but didn't want to risk under-servicing because of limited resources. It was therefore clear that the marketing strategy should focus on higher margins and lower volumes.

"I identified a select handful of potential customers and included topline financial objectives based on an analysis of fee income throughout the industry. I also addressed the resourcing issue by planning to outsource certain marketing activities, such as document preparation."

Plan tactics and implement them

"I planned marketing tactics to support the strategy, including detailed pricing and how to publicise the business to the defined target market. Obviously a website and online presence was essential. Because we would be selling ourselves on our ability to reach the media and consumers in innovative ways, we had to practice what we preached. In particular I looked at ways to exploit my LinkedIn profile and the website's blog so as to maximise the possibility of being picked up in internet searches carried out by potential customers.

"Another key tactic was to identify a series of networking events that I would attend to spread the word about the company. We also planned for growth by instigating dialogue with other, non-competitive PR agencies with a view to partnering with them. Marketing our services as a seamless add-on to their own is already proving successful and provides a valuable additional route to market.

"We revisit the marketing plan regularly and monitor our progress against a set of Key Performance Indicators to keep us focussed. The proof of the pudding is that we met our annual target in the first six months of being in business."

What I'd do differently

Set a deadline

"While it's crucial to research thoroughly when preparing a marketing plan, I probably spent too long agonising over every possible outcome. Setting a firmer deadline for writing the plan might have speeded up the implementation."

Accept that not everything will work

"When it came to implementing the plan, parts of it didn't work as expected and had to be adapted as we went along. Accepting the element of risk and having confidence in your idea at the planning stage is ultimately more useful than striving to produce the 'perfect' plan."

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Marketing e-course on the learndirect business website

http://www1.learndirect-business.com/?target=xpc.asp?course_id=5553%26wbt_type=course

Marketing planning tool on the Chartered Institute of Marketing website

<http://www1.cim.co.uk/marketingplanningtool/>

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