

## How To Write A Marketing Plan

The Marketing Plan is a highly detailed, heavily researched and, hopefully, well written report that many inside and possibly outside the organization will evaluate. It is an essential document for both large corporate marketing departments and for startup companies. Essentially the Marketing Plan:

- forces the marketing personnel to look internally in order to fully understand the results of past marketing decisions.
- forces the marketing personnel to look externally in order to fully understand the market in which they operate.
- sets future goals and provides direction for future marketing efforts that everyone within the organization should understand and support.
- is a key component in obtaining funding to pursue new initiatives.

**The Marketing Plan is generally undertaken for one of the following reasons:**

1. Needed as part of the yearly planning process within the marketing functional area.
2. Needed for a specialized strategy to introduce something new, such as new product planning, entering new markets, or trying a new strategy to fix an existing problem.
3. Is a component within an overall business plan, such as a new business proposal to the financial community.

There are many ways to develop and format a marketing plan. The approach taken here is to present a 6-Part plan that includes:

1. Purpose and Mission
2. Situational Analysis
3. Marketing Strategy and Objectives
4. Tactical Programs
5. Budgets, Performance Analysis and Implementation
6. Additional Consideration

This plan is aimed at individual products and product lines, however, it can be adapted fairly easily for use in planning one or more strategic business units (SBU). The page length suggested for each section represents a single-spaced typed format for a plan focused on a single product. Obviously for multi-product plans lengths will be somewhat longer.

It is assumed that anyone developing a Marketing Plan possesses a working understanding of marketing principles. If you do not, it is suggested you spend considerable time learning about basic marketing through the previous section of this Principles of Marketing Tutorial.

Note, throughout the plan the word "product" is used. However, the information presented in the Marketing Plan tutorials applies to both products and services

## Part 1: Purpose and Mission

Part 1 of the plan is designed to provide the reader with the necessary information to fully understand the purpose of the marketing plan. This part also includes organizational background information, which may be particularly important if the audience for the plan is not familiar with the company, such as potential financial backers. Some of the information, in particular the mission statement, may require the input of upper-management. The information in this part will prove useful later in the plan as a point of reference for material that will be introduced (e.g., may help explain pricing decisions). In cases in which there are separately operated divisions or SBU, there may also be mission statements for each. (Length: one page or less)

### 1. Purpose of the Marketing Plan

- Offer brief explanation for why this plan was produced
- e.g., introduce new product, enter new markets, continue growth of existing product, yearly review and planning document, etc.
- Suggest what may be done with the information contained in the plan
- e.g., set targets to be achieved in the next year, represents a departmental report to be included in larger business or strategic plan, etc.

### 2. Mission Statement

For larger firms this may already exist in a public way (e.g., found in annual report, found on corporate website) but for many others this may need to be formulated.

The mission statement consists of a short, finely-honed paragraph that considers the following issues:

- Identifies a stable (i.e., not dramatically changing every year), long-run vision of the organization that can answer such questions as:
  - Why is the company in business?
  - What markets do we serve and why do we serve these markets?
  - In general terms, what are the main benefits we offer our customers?
  - e.g., a low price software provider may state they offer “practical and highly affordable business solutions”
- What does this company want to be known for?
- What is the company out to prove to the industry, customers, partners, employees, etc.?
- What is the general corporate philosophy for doing business?
- What products/services does the company offer?
- In developing the vision presented in the mission statement consider:
  - Company History
  - How company started and major events of the company, products, markets served, etc.
  - Resources and Competencies
  - Consider what the company currently possesses by answering the following:
    - What are we good at?
    - What is special about us compared to current and future competitors (in general terms do not need to mention names)?

- What do we do that gives us a competitive advantage?
- Consider the questions above in term of:
- people, products, financial position, technical and research capabilities, partnership/supply chain relations, others
- Environment
- Consider the conditions in which company operates including:
- physical (e.g., facilities), equipment, political regulatory, competitive, economic, technological, others

## **Part 2: Situational Analysis**

The situational analysis is designed to take a snapshot of where things stand at the time the plan is presented. It covers much of the same ground covered in our How to Do a Market Study tutorial, so you may want to check this out first.

This part of the Marketing Plan is extremely important and quite time consuming. For many, finding the numbers may be difficult, especially for those entering new markets. So you may want to check out another KnowThis.com tutorial, Finding Information for Market Research, which may offer ideas for locating the numbers Marketing Plan writers may need. The situational analysis covers six key areas: product, target market, distribution, competitors, financial and other issues.

### **1. Current Product Analysis**

(May be able to skip this section if plan is for a new product and no related products exist.)

Provide detailed analysis of the company's product(s). (Length: 1-2 pages).

- Describe the company's current product(s) offerings in terms of:
- Product Attributes
- Describe the main product features, major benefits received by those using the product, current branding strategies, etc.
- Pricing
- Describe pricing used at all distribution levels such as pricing to final users and to distributors, incentives offered, discounts, etc.
- Distribution
- Describe how the product is made accessible to final users including channels used, major benefits received by distributors, how product is shipped, process for handling orders, etc.
- Promotion
- Describe promotional programs and strategies in terms of advertising, sales promotion, personal selling and public relations, how product is currently positioned in the market, etc.
- Services Offered
- Describe support services provided to final users and distributors before, during and after the sale

## Part 2: Situational Analysis

### 2. Describe the Current Target Market(s)

Examine in detail the company's current target market(s). Obviously to do this section correctly takes a great deal of customer-focused research. (Length: 2-3 pages).

- Describe the target market approach:
- What general strategy is used to reach targeted customers? Generally approaches include:
  - mass market – aim to sell to a large broad market
  - segmentation approach – aim to selectively target one (niche) or more markets
- Describe demographic/psychographic profile of the market:
- Profile criteria may include:
  - gender, income, age, occupation, education, family life cycle, geographic region, lifestyle, attitudes, purchasing characteristics, etc.
- Describe the following characteristics of targeted customers:
  - Needs/benefits sought by market
  - Product usage
  - Consider answers to these questions related to customers using the product such as:
    - who is using the product?
    - why do they use the product?
    - when do they use the product?
    - how is the product used?
  - Product positioning
  - Evaluate how customers perceive the product in relation to competitor's products or to other solutions they use to solve their problems
- Attitudes
  - What is the target market's attitude regarding the company's product?
  - What is the target market's attitude regarding the general product category?
  - i.e., exam the general attitude regarding how products from all companies serve the target market's needs
- Describe the purchasing process:
  - How does the target market make their purchase?
  - What does the decision-making process involve?
  - What sources of information are sought?
  - What is a timeline for a purchase (e.g., impulse vs. extended decision-making)?
  - Who makes the purchase?
  - Does user purchase or is other party responsible (e.g., parent purchasing for children)?
  - Who or what may influence the purchase?
- Provide market size estimates:
  - Keep in mind these are estimates for the market not for a specific product
  - Provide size estimates for the potential market
    - What is the largest possible market if all buy?
  - Provide estimates of size for the current target market
    - What percent of the potential market actually purchased?
  - Provide estimates of future growth rates
- At least through the timeframe for the plan (e.g., 1 year) but most likely longer (e.g., 3-5 year projections)

## Part 2: Situational Analysis

### 3. Describe Current Distributor Network (if appropriate)

Evaluate how the company's product(s) is distributed. Clearly marketing plans for a service company may not have much detail here but this section will most likely have some relevance even for service firms (e.g., package delivery services, online legal service, etc.). (Length: 2 pages).

- Describe the channels/supply chain employed to sell and deliver the product: (Note: internal sales force discussion should appear under company promotion in Current Product Analysis above.)
- Options may include:
  - direct to customer
  - indirect via a distributor
  - combination of both
- What are the needs/benefits sought by distributors?
- Describe the product's role within the distributor network:
  - How is this product used within the distributor's business?
  - How important is product within the distributor's strategy?
  - How is product positioned?
  - e.g., how does distributor view product in relation to competition
- Attitudes and perceptions about company's product(s)
- Purchase process
  - How does distributor network make their purchase?
  - Who or what influence distributor's purchases?
- Demographics
  - Who makes up the distributor network?
  - types
  - size
  - geographic region
  - markets served

## Part 2: Situational Analysis

### 4. Competitive Analysis

Examine the main competitors serving the same target market. For much more detail on analyzing competitors see the How to Do a Market Study tutorial. This section may also benefit from the use of comparison tables. (Length: 3-4 pages).

- Describe direct competitors in terms of:
  - Target markets served
  - Product attributes
  - Pricing
  - Promotion
  - Distribution including the distributor network
  - Services offered
- Discuss competitor's strengths and weaknesses:

- May need to consider much more than just marketing issues such as:
- financial standing
- target market perception
- R & D capabilities
- Discuss competitive trends:
- May need to include discussion of future competitive threats

## **Part 2: Situational Analysis**

### **5. Financial Analysis for Product or Product Line**

Much of this information can be handled within a graphical format, such as tables and graphs, though a paragraph explanation of each is generally required. Make sure to include total dollar (or other currency) amounts as well as percentage market share. For more detailed marketing plans or for plans for seasonal products, providing monthly or even weekly sales figures may be required. Provide a spreadsheet-style layout showing detailed breakdown of marketing revenues and expenses. (Length: 2-4 pages).

- Current Sales Analysis
- Overall industry sales and market share (for at least the last year)
- total market sales
- total for company's product(s)
- total for competition
  
- By segments/product categories
- total for segments/product categories
- total for company's product(s)
- total for competition
  
- By Channels of Distribution
- total for each channel
- total for company's product(s) by channel
- total for competition by channel
  
- By Geographic Region
- total for each region
- total for company's product(s) by region
- total for competition by region
  
- Profitability Analysis
- Revenues
- For highly detailed plans break out into categories as shown above in the Current Sales Analysis section.
- Marketing Expenses
- Types:
- Direct – those expenses that can be tied to the product

- Indirect or Proportional – generally administrative or broad marketing expenses that may be assigned to a product based on some established criteria (e.g., a product's percentage of overall company sales) Note: not all companies follow this approach
- For highly detailed plans break out into categories as shown above in the Current Sales Analysis section.

## **Part 2: Situational Analysis**

### **6. Environmental Problems and Opportunities**

Describe trends, events, conditions that are external (usually uncontrolled by the company) that may impact the company's product(s) or the market. (Length: 1-2 pages)

- Areas of consideration:
  - social and cultural
  - demographic
  - economic
  - technological
  - political
  - legal, regulatory, ethical

### **7. Product/Market Analysis Tools**

In an effort to provide an easy to visualize summary of the product(s) consider using one or more of the following commonly used product/market analysis tools. (Length: 1 page)

- Product Life Cycle Analysis
- Boston Consulting Group Growth/Share Matrix
- General Electric Market Attractiveness Matrix

### **8. Summary of Current Situation**

Summarize all information in the Situational Analysis. (Length: 1 page)

- Provide a SWOT analysis for the company's product(s) that includes:
  - strengths
  - weaknesses
  - opportunities
  - threats

## **Part 3: Marketing Strategy and Objectives**

Those reading a marketing plan need a clear picture of the direction the product will take. Also, they want to see that some accountability has been built into the plan so that the plan is not just fluff but results in measurable actions. The best way to provide this information is through a section devoted to identifying the key strategies and objectives for the product(s).

This section consists of three major issues:

- Marketing Strategy
- Financial Objectives
- Marketing Objectives

### **1. Marketing Strategy**

In this section identify the general marketing strategy under which this plan is being developed. It is very possible that a product will follow more than one strategy (e.g., sell more of same product to current customers but also find new customers in new markets). Plan developers may get some guidance and also rationale for strategy by examining results from the Situational Analysis. In particular, planners may look to strategies that are suggested within the scope of Product/Market Analysis Tools. Additionally, planners should refer to the Mission Statement in Step 1 to insure strategies are in line with how the company views itself. (Page length: less than 1 page)

**Strategies generally fall under one of the following (or in some cases more than one) ideas:**

- Market growth
- Higher market penetration
- Sell more to same market (i.e., get current customers to buy more or buy more frequently)
- If overall market is growing this may not necessarily mean a growth in overall market share
- If overall market is not growing this means a growth in overall market share
- Find new markets
- Sell to markets or market segments not previously targeted
- Develop new products for existing customers
- Develop new products for new customers
- Market stability
- Techniques to keep the status quo
- Primarily used in times of economic decline or market decline
- Generally requires the taking of market share from others in the industry
- Cost control
- Techniques to contain costs or operate more effectively
- Can work in combination with market growth or market stability
- Market exit
  - Techniques to depart a market

## **Part 3: Marketing Strategy and Objectives**

### **2. Financial Objectives**

For many organizations the ultimate goal of the marketing plan is the effect it will have on the bottom line. Measures reflect income statement items and common ratios. (Page length: less than 1 page)

- Customer sales
- by volume and growth percentage

- by segments
- Channel sales
- by volume and growth percentage
- by channel
- Margins
- Profitability
- Ratios
- use common financial ratios and other metrics associated with marketing in the industry

### **Part 3: Marketing Strategy and Objectives**

#### **3. Marketing Objectives**

Marketing success can be measured on several non-financial market metrics. These measure are important since these often shed light on underlying conditions and circumstances facing the company that are not easily seen within financial measures. For instance, a company may report strong sales for a product but market share information may suggest the product is losing ground to competitors. The marketing objectives section will indicate targets to be achieved across several marketing decision areas. To add additional strength to this section include marketing metrics where possible. (Page length: less than 1 page)

- Target market objectives
- market share
- total
- by segments
- by channel
- customers
- total
- number/percentage new
- number/percentage retained
- purchases
- rate of purchases
- size/volume of purchases
- Promotional objectives
- level of brand/company awareness
- traffic building
- (e.g., store traffic, website traffic)
- product trials
- (e.g. sales promotions, product demonstrations)
- sales force
- (e.g. cycle time, cost per call, closing rate, customer visits, etc.)
- Channel objectives
- dealers
- total
- number/percentage new
- number/percentage retained
- order processing and delivery
- on-time rate
- shrinkage rate

- correct order rate
- Market research objectives
- studies initiated
- studies completed
- R&D objectives
- product development
- Other objectives
- partnerships developed

#### **Part 4: Tactical Marketing Programs**

This is the heart of the marketing plan. It contains descriptions of detailed tactics to be carried out to achieve the objectives and goals established in Step 3. It is typically the longest section of the plan, often representing 50% or more of total page count.

**In this section details and timetables are presented for six key decision areas:**

- Target Markets
- Product
- Promotion
- Pricing
- Distribution
- Other Areas

Preferably this section includes a brief summary of current marketing decisions (see Situational Analysis) so readers of the plan can easily compare what was planned to what is planned.

#### **Part 4: Tactical Marketing Programs**

##### **1. Target Market Issues**

If the target market remains the same as what was identified in the Situational Analysis then identifying the market will be relatively easy though justification for continuing with this market is required. For new markets a more detailed discussion is needed. This section also includes the sales forecast which is the driving force for all financial forecasts. Depending on the depth of detail sought in the marketing plan, it may be a good idea to include likelihood scenarios, such as best case, worst case, and probable case, when developing the sales forecast. (Length: 1-2 pages)

- Target market description:
- Brief summary of current target market
- Identify planned changes:
- Summarize changes:
- Describe using profile (e.g., demographic, psychographic, behavioral, etc. )
- Describe how it will be accomplished
- Justify planned changes:
- Due to results
- Due to research
- Due to competition

- Others
- Describe target market tactics:
- Objectives
- Methods used change target market
- Profile the target marketing
- Product positioning:
- Brief summary of product position
- How does target market view product in relation to competitor's products?
- Identify planned changes:
- Summarize changes in product positioning
- Justify planned changes:
- Due to results
- Due to research
- Due to competition
- Others
- Describe tactics to carryout changes
- Objectives
- e.g. what is desired position?
- Methods used to change position
- Sales forecast for each product:
- Brief summary of current sales
- Identify changes
- Summarize changes in forecast
- Justify forecast (i.e., figures determined based on what information?)
- Describe forecast
- Objectives
- Methods used to carry out
- Numerical estimates
- Categories:
- Total
- By segment(s)
- By distribution channel
- Others
- consider likelihood scenario analysis

## **Part 4: Tactical Marketing Programs**

### **2. Product Issues**

In this section discuss the decisions to be made for existing or new products and services. Make sure to consider all aspects of product decisions (branding, labeling, packaging) and not just the product itself. Also, keep in mind product decisions can also impact distributors (e.g., distributor's response to packaging used to ship the product). (Length: 1-3 pages)

- Brief summary of current product decisions for users and distributors in terms of:
- General description
- e.g., category of product, product line information

- Features/attributes offered
- list key features
- main benefits target market receives
- Branding
- Packaging
- Labeling
- Identify planned changes:
- Summarize changes
- For new products
- How was product developed?
- Stage in development process
- Timetable for availability
- Justify changes:
- Due to results
- Due to research
- Due to competition
- Others
- Describe planned changes:
- Identify changes directed to the targeted user market:
- Objectives:
- e.g., modify existing products, extend existing product line, develop new products, develop new uses/benefits for existing products, delete current product, etc.
- Features/attributes offered
- Branding
- Packaging
- Labeling
- Identify changes to the distributor network:
- Objectives:
- e.g., improve distribution, improve protection, lower cost of handling, gain distribution, etc.
- Features/attributes offered
- Branding
- Packaging
- Labeling

## **Part 4: Tactical Marketing Programs**

### **3. Promotion Issues**

Describe the decisions related to how the product will be promoted. In general, promotion consists of four major areas – advertising, sales promotion, public relations and personal selling – though not all may be used. Timetables for promotion are important since certain types of promotions (e.g., magazine ads, trade shows) require long lead times. Most information in this section can be shown in tables and graphs. Each of the four promotion areas is separated out, however, some planners find it easier to combine the areas. For instance, the promotional areas could be combined within special promotion programs, such as Holiday Promotion Program, Summer Promotion Program, etc. (Length: 1-4 pages)

- Brief summary of current promotional decisions for users and distributors in terms of:
- General description for four promotional areas:
  - advertising
  - sales promotion
  - personal selling
  - public relations
- Message/theme
- Methods used:
  - Summarize methods used
  - Summarize spending for each method
- Interrelation of four promotional areas
- e.g., explain how advertising supports sales promotion
- Identify planned changes:
  - Summarize changes
  - Justify changes:
    - Due to results
    - Due to research
    - Due to competition
    - Others
  - Describe planned changes:
- Identify changes directed to the targeted user market:
- General description for four promotional areas:
  - Objectives
    - Advertising - e.g., build general awareness/inquiries/traffic, encourage product trial, shift awareness (e.g., change attitude), response to competitor promotion, increase use or purchase rate, support other market decisions (e.g., support sales force), general corporate/product image building, etc.
    - Sales promotion - e.g., build inquiries, increase product trial, encourage repurchase, build traffic, support other promotions
    - Personal selling - e.g., new account development, account support/maintenance, increase product trial, encourage purchase/repurchase, build traffic, support other promotions
    - Public relations - e.g., build general awareness/inquiries/traffic, encourage product trial, shift awareness (e.g., change attitude), respond to negative news/perception, image building, prepare markets for future activity (e.g., new product)
  - Methods and message:
    - type and media used: e.g., ad type (e.g., television spots, Internet banner ads, roadside billboards, direct mail, etc.) , sales promotion type (e.g., coupons, demonstrations, etc.), selling type (e.g., sales force, call center), pr type (e.g., press release, pitch to magazines, etc.)
    - message conveyed
- Spending and timetables
  - total
  - sub-divided by:
    - type
    - e.g., ad spending, sales force compensation
  - media used
  - targeted users

- Identify planned changes directed to the distributor network:
- General description
- Objectives
- Advertising - e.g., build general awareness/inquiries, encourage product handling, shift awareness (e.g., change attitude), response to competitor promotion, increase purchase rate, support other market decisions (e.g., support sales force), general corporate/product image building, etc.
- Sales promotion - e.g., build inquires, encouraging inventory building, support other promotions, encourage handling of new products, obtain distributor assistance
- Personal Selling - e.g., new account development, account support/maintenance, encourage purchase/repurchase/inventory building
- Public Relations - e.g., build general awareness/inquiries/traffic, encourage distribution trial, shift awareness (e.g., change attitude), respond to negative news/perception, image building, prepare markets for future activity (e.g., new product)
- Methods and message
  - type and media
  - message conveyed
  - Spending and timetables
  - total
  - sub-divided by:
    - type
    - media used
    - targeted distributor network

#### **Part 4: Tactical Marketing Programs**

##### **4. Distribution Issues**

This marketing tactics section lays out the distribution plan for the product or service. Distribution is a broad concept that includes all activities and entities (e.g., value chain partners) responsible for getting the product or service to the customer. Distribution costs can represent a high portion of the overall cost of the product so an efficient distribution system may be critical for marketing success. (Length: 1-3 pages)

- Brief summary of current distribution network/value chain decisions:
- Types of channels used
  - direct - e.g., direct via sales force, Internet, etc.
  - indirect - e.g., retailers, wholesalers, agents
  - combination
- Level of market coverage
  - intensive - e.g., mass availability
  - selective - e.g., wide availability
  - exclusive - e.g., restricted availability
- Outlets handling product
  - types
  - number/level of penetration
  - geographic location
- Perceived product positioning

- in relation to competitors
- Distribution costs
- Identify planned changes:
- Summarize changes
- Justify changes:
- Due to results
- Due to research
- Due to competition
- Others
- Describe planned changes:
- Objectives
- e.g., account development, gain distributor support, account maintenance, account penetration
- Types of channels employed
- Level of market coverage
- Outlets handling product
- Product positioning
- Distribution costs

#### **Part 4: Tactical Marketing Programs**

##### **5. Pricing Issues**

Pricing decisions can be a complicated undertaking that requires knowledge of the market, competitors, economic conditions and, of course, customers. For this section it is not necessary to provide extensive financial evaluation of the pricing decision since most of this will take place in Part 5 Budgeting and Implementation, however, the use of tables and graphs may be helpful in showing pricing trends and pricing decisions within various categories. (Length: 1-2 pages)

- Brief summary of current pricing decisions:
- Describe pricing decisions by:
- model/product
- segment
- channel
- geography
- other
- Adjustments and Allowances
- Discounting
- Payment terms
- Identify planned changes
- Summarize changes
- Justify changes:
- Due to results
- Due to research
- Due to competition
- Other
- Describe planned changes:
- Objectives

- e.g., return on investment, market share, profit level, price leadership, match competition, etc.
- Factors affecting price setting
- Cost factors
- Fixed costs to be covered
- Variable costs
- Customer expectations
- Company expectations
- e.g., margins, ROI
- Demand Considerations
- market elasticity
- position on product life cycle
- Competition
- Economic conditions
- Legal/regulatory considerations
- Pricing Options
- list, preferred or suggest pricing
- adjustments and allowances
- sub-divided by:
- product/model
- customer
- channel
- other

#### **Part 4: Tactical Marketing Programs**

##### **6. Other Areas (optional)**

In this section include a discussion of other marketing decision areas. Two additional areas – customer support service and marketing research – are provided though it is possible others exist. (Length: 1 page or less)

- Customer Support Services
- Brief summary of current customer support services decisions:
- types offered:
- e.g. call center, online, service desk, walk-up, on-site
- customers being serviced:
- e.g., current customers, potential customers, distributor network
- service delivery method:
- e.g., internally managed, contracted, partnership arrangement
- Identify planned changes
- Summarize changes
- Justify changes:
- Due to results
- Due to research
- Due to competition
- Other
- Describe planned changes
- Objectives

- e.g., availability, response time, satisfaction level
- Types offered
- Customers being serviced
- Service delivery method
- Spending and timetables
- Market Research
- Brief summary of current market research efforts
- Projects
- e.g., completed, in process, under consideration
- Research responsibility
- e.g., internally managed, contracted, partnership arrangement
- Identify planned changes
- Summarize changes
- Justify changes:
  - Due to results
  - Due to research
  - Due to competition
  - Other
- Describe planned changes
- Objectives
- e.g., customer analysis, market analysis, competitor analysis, exploratory
- Projects
- Service responsibility
- Spending and timetables

### **Part 5: Budgeting, Performance Analysis and Implementation**

In many ways this part of the marketing plan is the area that will ultimately “sell” the plan to those who have the power to give final approval. This step consists of three key topics:

- Marketing Budget - presents a clear picture of the financial implications of the plan
- Performance Analysis - presents the expected results of the plan including its financial impact
- Implementation Schedule - shows timelines and identify those responsible for performing tasks

### **Part 5: Budgeting, Performance Analysis and Implementation**

#### **1. The Marketing Budget**

This section should lay out spending requirements necessary for meeting the plan’s objectives. It is expected that several tables and graphs will be presented along with narratives explaining important budget issues. (Length: 2-3 pages)

- Outline spending requirements for each tactical marketing decision
- Breakdown each tactical category
- e.g., types of advertising, types of services offered, marketing research expense, etc.
- Show detailed spending timetable by:
  - Month

- Year
- Show spending by:
- Product (if plan is for more than one)
- Segment/Geographic area
- Distribution Network/Channel

## 2. Performance Analysis

This section should contain financial implications of the plan in terms of contributions to the company's bottom line. HOWEVER, as was stated in the beginning of the Marketing Plan tutorial, the marketing plan is generally a component of a larger business plan. We do not cover a full financial discussion such as a full balance sheet, income statement, detailed ratio analysis, etc., though these could be included if necessary. Again, numerous tables and graphs should be presented. (Length: 2-3 pages)

- Marketing Contribution
- Show revenue versus expenses for marketing decisions
- Revenue should follow sales forecasts (see Part 4)
- Show expenses by category (e.g., advertising) and sub-category (e.g., types of advertising)
- Breakdown by:
- Product
- Segment/Geographic area
- Distribution Network/Channel
- Breakeven Analysis:
- Primarily for plans that involve the sale of tangible products, the breakeven analysis indicates the level of sales (generally described in terms of number of units sold) required before the company realizes positive marketing contribution.
- Requires understanding of:
- Fixed costs – cost that occur no matter level of sales
- Variable costs – cost that may change as level of sales varies
- Present as both graph and chart
- Show breakeven point over level of sales volume
- From zero through best scenario sales level
- Show breakeven over time
- Ratio Analysis
- Limit to important marketing ratios that are common to the industry
- e.g., sales cycle, advertising-to-sales, conversions from trial to purchase, website traffic-to-search engine marketing, etc.

## **Part 5: Budgeting, Performance Analysis and Implementation**

### **3. Implementation**

Provide a discussion of how and by whom the plan will be carried out. (Length: 1-2 pages)

- Detailed schedule of tasks and those responsible:
- Breakdown by important tactical marketing decisions
- Best presented in a Gantt chart format.
- Identify those responsible for each important task:
- If unsure leave generic

- e.g., advertising agency, web hosting company, distributors, etc.

### **Part 6: Additional Considerations**

The final major section in the Marketing Plan prepares the reader for potential situations that may affect the plan. In this way the reader is provided with a somewhat more balanced picture of what the company may face as it attempts to implement the plan. (Length: 2-3 pages)

#### 1. Internal Factors

- Discuss company factors that may affect the plan
- e.g., loss of funding sources, loss of key personnel, current plan is linked to success to other products that may not reach their goals, production problems, etc.

#### 2. External Factors

- Discuss outside factors that may affect the plan
- e.g., supply chain problems, competitor reaction, technological developments, legal environment, societal changes, economic issues, governmental concerns, etc.

#### 3. Research Limitations

- Discuss problems that may exist with the research information on which assumptions are being made
- e.g., difficult to find solid data on a certain subject