

Marketing plays a vital role in successful business ventures. How well the plan you develop to market your business, along with the management and financial management plans, will ultimately determine your degree of success or failure.

The key elements of a successful marketing plan are to:

- Know your customers – their likes, dislikes and expectations
- Know your product or service
- Know your competitors – their strengths and weaknesses.

By identifying these factors, you can develop a marketing strategy that will:

- Allow you to interest and fulfill customers' needs
- Better understand competitors
- Identify changes in the marketplace that can affect your bottom line

The Purpose

The purpose of the marketing plan is to define your market

- Identify your customers and competitors
- Outline a strategy for attracting and keeping customers
- Identify and anticipate change

Your business will not succeed simply because you want it to succeed. It takes careful planning and a thorough understanding of the marketplace to develop a strategy that will ensure success.

Understanding the Marketplace

The first and most important step in understanding the market is to study it through market research. Knowing your product or service is a key variable in any successful marketing plan. However, the process of writing your own marketing plan helps you to learn your product or service, thus, you will need to:

- Review the program he or she has provided
- Look over the plan to determine what product/service you will offer
- Write a description of this product or service.

Describing your product or service outline

- 1) Describe what you feel are its unique aspects
- 2) Explain how or why these aspects will appeal to customers
- 3) Emphasize the special features that you feel are its selling points (these features are what you will use to convince customers to purchase your product service)
- 4) Go over sales projections to determine if there is a demand for the product or service
- 5) In the case of a franchise, the franchiser will have developed the projections. Study this to see how the projections were formulated, (this will help you to better understand how the marketplace operates relative to your product/service, and it can help you develop the skills necessary to identify and anticipate changes in the marketplace)
- 6) Start your own file on marketplace trends
- 7) Review your data, looking for shifts in the market, if changes are occurring, you should modify the marketing plan to coincide with these changes (in franchise operations, it is

customary for the franchiser to update the marketing plan periodically to reflect changes in the marketplace and to keep the marketing program current)

A marketing plan should answer these questions:

- Is this product or service in constant demand?
- How many competitors provide the same product or service?
- Can you create a demand for your service or product?
- Can you effectively compete in price, quality and delivery?
- If a franchise, will the franchiser price the product or service to give you the projected profit?

Review your program to ensure that it answers these questions. If your plan doesn't answer the above questions, it will need to be modified, or you will need to devise a strategy that will provide a means for answering them.

When you are satisfied that you:

- Understand the program
- How the market operates
- How to identify market shifts and trends

Start writing the marketing section of your business plan!

Even if you adopt a marketing program that has been developed elsewhere, it is your responsibility to promote your product or service by cultivating the marketplace, i.e., attracting and keeping customers.

You can accomplish this by:

- Knowing your market
- Knowing your customers
- Knowing your competitors
- Knowing your product or service

Don't rely solely on the program provided by a franchiser or others, gather and assess your own data using the techniques outlined in your plan.

By gathering and analyzing the above information, you will be able to determine if your program is in line with your competitors. If it is in line with industry averages, think about what adjustments you can make to improve your overall competitiveness.

Market Research

Researching your market is perhaps the easiest way to assess it. Market research does not have to be costly, nor does it have to be a complex process. It can be as simple and as easy as surveying a cross-section of your consumers (focus group) to get their opinions about the product or service you will be offering, or conducting a telephone or mail survey. The disadvantage of using the telephone or mail survey method is that the individuals you contact may not be interested in responding to a survey.

Other market research techniques include:

- Analyzing demographic data, such as population growth/decline rate; age range, gender, income/educational level
- Brainstorming with family and friends
- Focus group interviews

Whatever method you use, your focus should be on gathering enough information to determine who

your potential customers are. To determine your potential customers you need to know:

- Their needs, wants and expectations
- If there is a demand for your product or service
- Who are your competitors
- How well are your competitors doing

Market research should answer questions such as:

- Who are your customers?
- What kind of people are they?
- Where do they live?
- Can and will they buy the product or service you're offering?
- Are you offering the kinds of goods or services they want, at the best place, the best time and the best amounts?
- Are your prices consistent with what the buyers view as the products' value?
- Are you applying the promotional programs in a way that will bring about success?
- What do customers think of your business?
- Who are your competitors?

Benefits to Market Research

A few of the benefits of market research are outlined below:

- Learning who your customers are and what they want
- Learning how to reach your customer and how frequently you should try to communicate with them
- Learning which appeals are most effective and which ones aren't
- Learning the relative successes of different marketing strategies in relation to their return on investment

While market research may appear to be a tedious, time-consuming process, it is necessary if you want to be successful. Think of market research as simply a method of finding out what catches customers' attention by observing their actions and drawing conclusions from what you see, and as an organized way of finding objective answers to questions every business owner and manager must answer in order to succeed.

Market research focuses and organizes marketing information, ensuring that it is timely and that it provides what you need to:

- Reduce business risks
- Spot problems and potential problems in your current market
- Identify and profit from sales opportunities
- Get basic facts about your markets to help you make better decisions • Set up plans of action

If viewed from this standpoint, market research is an invaluable tool that can save you time, effort and money.

Self Paced Activity

During this activity, you will answer the following questions:

- Do you have a marketing plan? Yes_____ No_____
- If yes, which elements described in pages 1-5 did you NOT include?
- Have you conducted any marketing research?
- If yes, how and what methods did you use? If no, why?