MARKETING PLANNING
(Market Analysis, Goals and Marketing Strategies)

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• ... why do entrepreneurs start business ?.
• ... there many possible answers ...
  • ... solve human problem
  • ... to make money/profit,
  • ... to grow, etc
... marketers / entrepreneurs must know, how to;

1. ... **prepare** marketing plans

2. ...how to **use** them...

... in achieving the firm’s marketing objectives.
• ...as a marketer/entrepreneur **you need to have** a good marketing plan.

**WHY?**... to provide,

1. **direction** and

2. **focus** for your brand/ product.
• To grow your business, you need a marketing plan.

• The right marketing plan identifies everything from

  1) who your target customers are to
  2) how you will reach them, to
  3) how you will retain your customers so they repeatedly buy from you.

• Done properly, your marketing plan will be the roadmap you follow to get unlimited customers and dramatically improve the success of your organization.
Marketing planning

Defined
...managerial task of determining the future course of marketing action preceded by an analysis of the past and projection of future marketing events.

- Q. What are the benefits of having a Marketing Plan? – mention two.
Benefits

Achievement of

... marketing objectives.

... Co-ordination of activities.

... Control objectives and review.

... return on investment.

Identification of Developments and Minimization of non-rational responses.

Q. Are there problems faced in trying to develop and implement marketing plans? Yes/No ?. If YES, mention two. If NO , Justify.
Common Problems Faced In Marketing Planning
Lack of knowledge and skills

Organizational barriers, Inadequate Resources

Poor Objectives formulation and selection.

Marketing section V/s Marketing concept.

Process V/s Output

Lack of clear relationship between corporate planning, strategic Marketing planning and operational marktg plg.
STRATEGIC MARKETING PLANNING PROCESS
Phase one - Goal setting

Phase two - Situation review

Phase three - Strategy formulation

Phase four - Resource allocation and monitoring

Measurement and review
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STEP- 1
• ...review overall objectives/ org’n
• ...must be:
  ✓ consistent,
  ✓ congruent,
  ✓ achievable,
  ✓ precise and clear
...this applies to all levels of plg
STEP- 3

MARKETING AUDIT

( MARKET ANALYSIS )
What is Marketing audit?

...concerned with

systematic, critical and unbiased review and appraisal of the marketing environment and marketing operations.

...try to answer these corporate plan questions:

- Where is the company now?.
- Where does the company want to go?.
- How should the company organize its resources to get there?.

Acts as the basis for setting objectives and strategies.
Who should **carry** marketing audit?
- Company's own Line Managers on their own areas of responsibility.

**How many times?**
- Once annually, **at the beginning of the planning cycle**, thorough situation analysis.

What are the causes of **Objections**?
- Lack of time
- Objectivity

**How can this problem be **resolved**?**
1. Institutionalizing procedures ...in as much detail as possible so that all managers have to conform to a disciplined approach and,
2. Embrace training
Marketing auditing Process

Phase 1.
- Identify area,
- collect data, measure data,
- analyze data/ of all relevant facts and opinions which impinge on a company's problems

Phase 2.
- Then apply judgment to uncertain areas which are remaining following this analysis
Finding info eg on competitors

- Internet – use Google/search engines
- Ask your suppliers and customers
- Company marketing materials
- Industry publications
- Media coverage
- Trade shows
- Labor ads
What are the different Forms of Marketing Audit?

- Internal Marketing Audit
- External Marketing Audit
- Marketing Audit
Internal Marketing Audit

• Examine/ assess...

Controllable Variables

Organization's Resources

...as they relate to the environment and vis-a-vis the resources of competitors.
External audit

- Examine/ assess...

  uncontrollable variables
  
  the health and growth of the markets served by the company
  
  as they relate to the environment and vis-a-vis the resources of competitors.
Which are the critical internal areas to collect data on?
STRENGTHS AND WEAKNESSES

Own company Issues

- Sales (total) by:
  - geographical location,
  - industrial type,
  - customer,
  - Product
  - Brand
  - Variant, etc

- Market shares
- Profit margins
- Marketing procedures
- Marketing organization
Marketing mix variables

Assess all dimensions of these variables…
Operations and resources Issues

... assess...

**Marketing objectives**
- clarity
- Consistent,
- Achievable,
- accuracy

**Marketing strategy**
- ...what is the strategy?.
- ...is it appropriate?.
- ...are resources available & sufficient?.
- ...are the available resources and optimally allocated across elements of the marketing mix?
Structure

...are the _________ well structured?.

- marketing responsibilities.
- Authorities

along

- functions,
- products,
- end-user, and
- territorial lines?
(d). **Information system**

...is the system producing

- accurate,
- sufficient and
- timely

**information about developments in the marketplace?**

...is information gathered being

- used effectively

**in making marketing decisions?**
Planning system: …well

- conceived and
- effective?

Control systems & Procedures

- …exist within the group to ensure planned objectives are achieved, e.g. meeting overall objectives, etc.?
Functional efficiency

- Are internal communications within the group effective?

Inter-functional efficiency

- Are there any problems between marketing and other corporate functions?
- Is the question of centralized versus decentralized marketing an issue in the company?
Profitability analysis

...is the profitability performance monitored by product, served markets, etc., to assess where the best profits and biggest costs of the operation are located?

Cost-effectiveness analysis

Do any current marketing activities seem to have excess costs? Are these valid or could they be reduced?
External audit

• Examine/ assess...

  uncontrollable variables

  the health and growth of the markets served by the company

• as they relate to the internal environment and vis-a-vis the resources of competitors.
Industry structure

- Make-up of companies in the industry (strategic group members),
- Major market standing /reputation;
- Extent of excess capacity;
- Production capability;
- Distribution capability;
- Marketing methods;
- Competitive arrangements;
- Extent of diversification into other areas by major companies in the industry;
- New entrants;
- Mergers; Acquisitions;
- International links;
- Key strengths and weaknesses.
Industry profitability

• Financial and non-financial barriers to entry;
• Industry profitability
• Relative performance of individual companies;
• Structure of operating costs;
• Investment;
• Volume;
• Cost of investment;
• Source of industry profits; etc.
The Market

Total market

- Size, growth, and trends (value, volume).

- Customers / consumers:
  - ✓ changing demographics,
  - ✓ psychographics and
  - ✓ purchasing behavior.
Market characteristics, dev’ts and trends

Products Analysis:

- Principal products bought;
- End-use of products;
- Product characteristics
  - weights,
  - measures,
  - sizes,
  - physical characteristics,
  - packaging,
  - accessories, associated products, etc.).
Prices Analysis

- Price levels
- Price range;
- Terms and Conditions of Sale;
- Normal Trade Practices;
- Official Regulations, Etc.
Physical distribution Analysis:
- Principal method of physical distribution
- Elements of logistics

Channels Management Analysis:
- Principal channels; purchasing patterns (e.g. types of product bought, prices paid, etc.);
- Purchasing ability;
- Geographical location;
- Stocks; turnover; profits; needs; attitudes; decision-makers, bases of purchasing decision; etc.
Mktg Communication Analysis:
- principal methods of communication, e.g. sales force, advertising, direct response, exhibitions, public relations, etc.

Industry practices:
- Trade Associations,
- Government Bodies,
- Attitudes,
- Inter-firm Comparisons; Etc.
Technological issues

- new technology,
- cost savings,
- materials,
- components,
- equipment,
- methods and systems,
- availability of substitutes, etc.

Intra-company issues

- Capital investment,
- closures,
- strikes, etc.

as they affect your business
Economic- Inflation Issues

- Unemployment,
- Energy,
- Price,
- Materials Availability, Etc
Describing your competitors

Describe each of your major competitors

Consider the following factors:

- Size
- Market share
- Target market(s)
- Comparative product quality
- Potential for growth
- Available capital and human resources
- Brand image
- Innovation
- Strengths and weaknesses
Political/ fiscal /Legal issues

- Union Legislation,
- Taxation,
- Duty Increases,
- Regulatory Constraints (e.g. labeling, product quality stds, packaging, trade practices, advertising issues, pricing issues, etc.)
Social/cultural Issues

Some issues:

- Education,
- Immigration,
- Religion,
- Population Distribution And Dynamics (e.g. age distribution, regional distribution, etc.),
- Changes In Consumer Life Style, Etc
STEP-4 SWOT Analysis
What does the grouping of internal and external data constitute? **SWOT Analysis**
Features:-

• ...conduct for each segment
• ...focus on key factors only.
• Highlight internal differential strengths and weaknesses vis-a-vis competitors and key external opportunities and threats.
• ...summarize reasons for good or bad performance.
• ...be interesting to read, contain concise statements.
• ...capture only relevant and important data
• ...give greater emphasis to creative analysis.
STEP- 5

Assumptions
...it is really a question of **standardizing the planning environment**, before the planning process can proceed.

✓ ...with respect to the **company's industrial climate**, 

✓ ...assumptions should be **few** in number, and if a plan is possible irrespective of the assumptions made, then the assumptions are unnecessary.
An **objective** is **what** you want to achieve.

A **strategy** is **how** you plan to achieve your **objectives**.
Highlights

• …set objectives and strategies at all levels in marketing
• …set objectives for products and markets
• …objectives to be Measure-able in terms of
  ✓ sales volume;
  ✓ market share;
  ✓ profit;
  ✓ percentage penetration of outlets
Marketing strategies

• are concerned with the four Ps, as follows:

**Product Strategies** ...the general policies for product, eg

- deletions,
- modifications,
- additions,
- design,
- branding,
- positioning,
- packaging, etc.

**Price Strategies** ...the general pricing policies to be followed for

- groups,
- bands and
- variants in market segments etc.
Place Strategies

...the general policies for

✓ channels and
✓ customer service levels.

Promotion Strategies:

...the general policies for communicating with customers under the relevant headings, such as,

✓ sales force,
✓ advertising
✓ sales promotion,
✓ public relations, exhibitions, direct mail, etc.
ESTEP-7

Estimate Expected Results

11-Mar-19
having completed this major planning task, it is normal at this stage to employ

✓ judgment,
✓ experience,
✓ field tests, and so on,

❖ ...to test out the feasibility of the objectives and strategies in terms of estimating

✓ market share,
✓ sales,
✓ costs,
✓ profits, and so on.
STEP-8
Identify Alternative Plans and Mixes
• …it is also normal at this stage that alternative plans and mixes are considered, if necessary.
Features:

- Cost the strategies
- Cover 3 or 5 years
- Develop detailed budget for the first year of the plan, which would be included in the one-year operational plan.
- Be realistic
- Relate to what the whole company wants to achieve, rather than just one functional department.
Features:

Develop

- one-year tactical /operational plan,
- specific sub-objectives,

...each supported by more detailed
- strategy and
- action statements.

A company organized according to functions

Might have an advertising plan, a sales promotion plan, a pricing plan, and so on.
A product-based company

• Might have a product plan, with objectives, strategies and tactics for price, place and promotion as necessary.

A market or geographically based company

• Might have a market plan with objectives, strategies and tactics for the four Ps as necessary.

• Likewise, a company with a few major customers might have customer plans.
Any combination of the above might be suitable, depending on circumstances.

✓ A written strategic marketing plan is the backdrop against which operational decisions are taken.

✓ Consequently, too much detail should be avoided.
Its major function is to determine

✓ where the company is,
✓ where it wants to go and
✓ how it can get there.

It should be distributed on a 'need to know' basis only.

It should be used as an aid to effective management.

There cannot be a substitute for it.
Sample STRATEGIC AND OPERATIONAL PLANNING CYCLE

1. Start Jan 1
2. Planning team’s ‘kick-off’ meetings
3. Marketing audits, gap analyses
4. SWOT analyses, objectives, strategies, budgets (proposed) three years
5. ‘Stage One’ meetings
6. Finalize three year strategic marketing plans
7. Prepare tactical (one-year) operational plans and budgets
8. ‘Stage two’ meetings and presentation
9. Consolidation
10. Release plan for implementation
11. December
12. November
13. October
14. September
15. August
16. July
17. June
18. May
19. April
20. March
21. February
22. January
23. Release plan for implementation
STRATEGIC RESPONSE MODELS
Introduction

…these are the strategic response models marketer use in making marketing decisions/ formulation of strategies

Some models Include:
• BCG Model
• PLC Model
• Adopters Categories Model/Bass Diffusion Model
• Ansoff’s Product/Market Model
• GE/ Mckinsey Matrix

• Profit Pools Model
• Industry Change Model -Four Trajectories of Industry Change Model
• Blue Ocean Strategy
The nature and Contents of a Marketing Plan
Introduction

- Each product level (product line, brand) must develop a marketing plan for achieving its goals.
- The marketing plan is the outputs of the marketing process.
- Marketing plans are becoming more customer- and competitor-oriented and better reasoned and more realistic than in the past.
- The plans draw more inputs from all the functions and are team-developed.
CONTENTS OF THE MARKETING PLAN

(1.) Table of contents & Executive summary:

• Title page
• A table of contents
• Acknowledgement
• Abstract: summary of the main goals and recommendations.
  -Permits senior management to grasp the plan's major thrust.
(2). Current marketing situation

This section presents relevant background data on

• sales,
• costs,
• profits,
• the market,
• competitors,
• channels, and
• the forces in the macro-environment.

• Use this information to carry out a SWOT (strengths, weaknesses, opportunities, threats) analysis.
(3) Opportunity and issue analysis

- **Task:** Reviews the main opportunities found in the SWOT analysis and identify the key issues likely to affect the organization's attainment of its objectives.
(4). **Marketing Objectives**

The product manager outlines the plan's major financial and marketing goals.

Expressed in

- sales volume,
- market share,
- profit, and
- other relevant terms
(5). Marketing strategy

The product manager defines the

• Target market and

• Positioning strategy
• All this is done with **inputs** from other departments, to ensure that the company can provide proper **support** for effective implementation.
(6). Action programs

- Specify the actual marketing programs, derived from the marketing strategy, to be used in achieving the business objectives.

- Each marketing strategy element must be elaborated to answer these questions:
  a) What will be done?
  b) When will it be done?
  c) Who will do it?
  d) How much will it cost?
  e) How will the progress be measured?
(7). Financial projections

- Action plans allow the product manager to build a supporting budget.

On the **revenue side**, this budget shows the forecasted
- sales volume in units and average price.

On the **expense side**, it shows the expected
- costs of production,
- Marketing expenses.

The difference between revenues and sales is projected profit.

- Once approved, the budget is the basis for developing plans and schedules for material procurement, production scheduling, employee recruitment, and marketing operations.
(8). Controls

• This section outlines the controls for monitoring and adjusting implementation of the plan.

• Typically, the goals and budget are spelled out for each month or quarter so management can review each period's results and take corrective action as needed.

• Some organizations include contingency plans outlining the steps management would take in response to specific environmental developments, such as price wars or strikes, etc.

END