

MARKETING PLANNING

(Market Analysis, Goals and
Marketing Strategies)

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INTRODUCTION

- ... **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

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■...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 marketg plg.

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STRATEGIC MARKETING PLANNING PROCESS

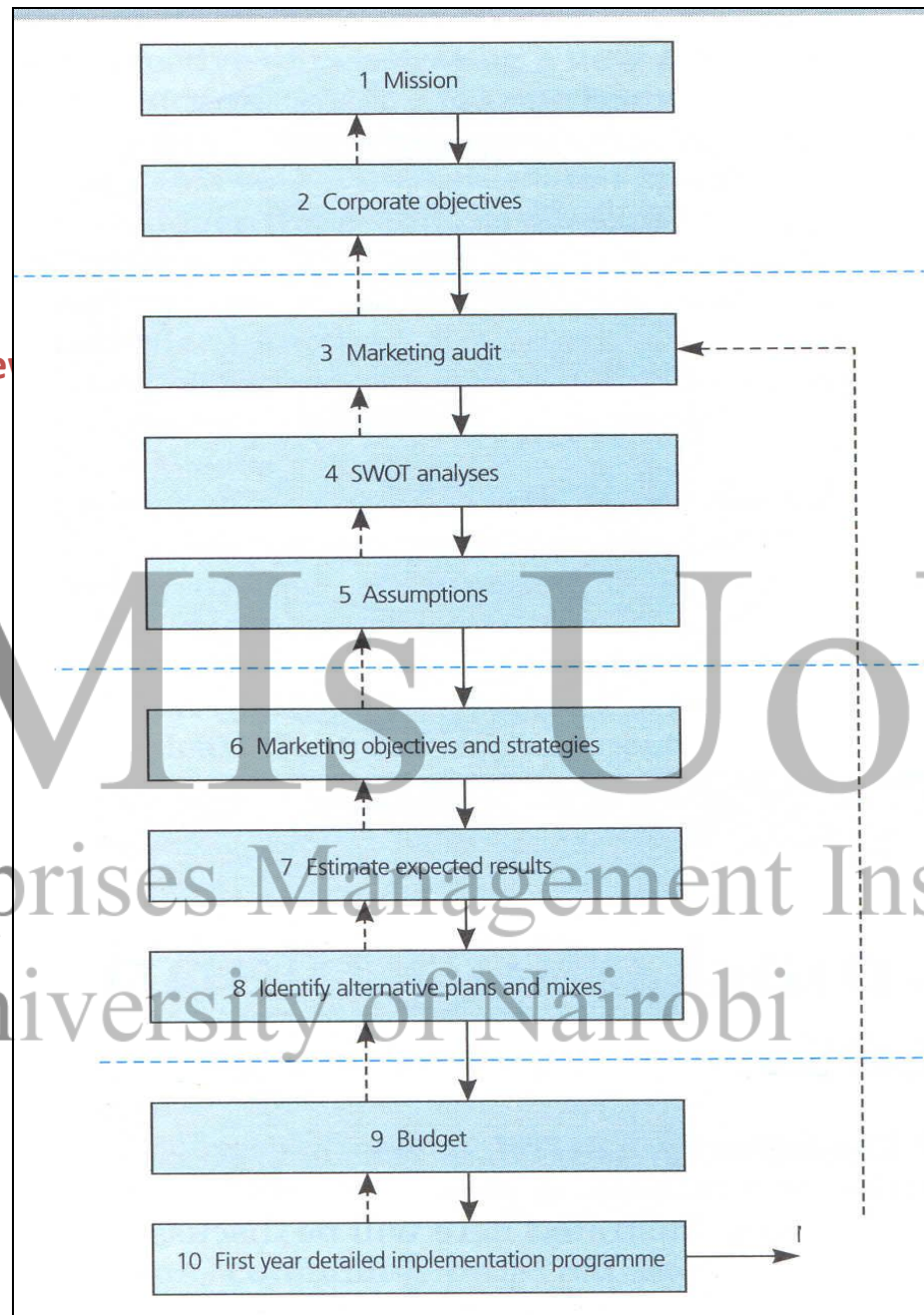
Phase one- Goal setting

Phase two- Situation review

**Phase three-
Strategy formulation**

**Phase four- Resource
allocation and monitoring**

11-Mar-19



Measurement and review

The marketing planning process	The output of the marketing planning process strategic marketing plan contents	Marketing theory (structures, frameworks, models)
Phase 1 Goal setting	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Mission statement</div> <div style="border: 1px solid black; padding: 2px;">Financial summary</div>	
Phase 2 Situation review	<div style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Market overview</div> <div style="margin-left: 40px;"> <ul style="list-style-type: none"> → Market structure → Market trends → Key market segments → Gap analysis </div>	Marketing audit Market research Market segmentation studies Gap analysis Product life cycle analysis Diffusion of innovation Ansoff matrix Forecasting Market research
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Opportunities/Threats</div> <div style="margin-left: 40px;">(By product) (By segment) (Overall)</div>	Issue management
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Strengths/Weaknesses</div> <div style="margin-left: 40px;">(By product) (By segment) (Overall)</div>	Key success factors matrix Market research Market segmentation studies
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Issues to be addressed</div> <div style="margin-left: 40px;">(By product) (By segment) (Overall)</div>	BCG matrix Directional policy matrix
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Portfolio summary</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Assumptions</div>	Downside risk assessment
Phase 3 Strategy formulation	<div style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Marketing objectives</div> <div style="margin-left: 40px;">(By product) (By segment) (Overall)</div> <div style="margin-left: 40px;"> <ul style="list-style-type: none"> → Strategic focus → Product mix → Product development → Product deletion → Market extension → Target customer groups </div>	Porter matrix Ansoff matrix BCG matrix Directional policy matrix Gap analysis
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Marketing strategies</div> <div style="margin-left: 40px;">(4 x 4 Ps) (Positioning/branding))</div> <div style="margin-left: 40px;"> <ul style="list-style-type: none"> → Product → Price → Promotion → Place </div>	Market segmentation studies Market studies Response elasticities McDonald productivity matrix Blake Moulton matrix
Phase 4 Resource allocation and monitoring	<div style="border: 1px solid black; padding: 2px;">Resource requirements</div>	Forecasting Budgeting <div style="border: 1px solid black; padding: 2px; text-align: center;">Measurement and review</div>

STEP- 1

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MISSION STATEMENT

STEP- 2

Corporate Objectives

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- ...review overall objectives/ org'n
- ...must be:

✓ *consistent,*

✓ *congruent,*

✓ *achievable,*

✓ *precise and clear*

...this applies to all levels of plg

STEP- 3

MARKETING

SEMIS AUDIT

(MARKET ANALYSIS)

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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

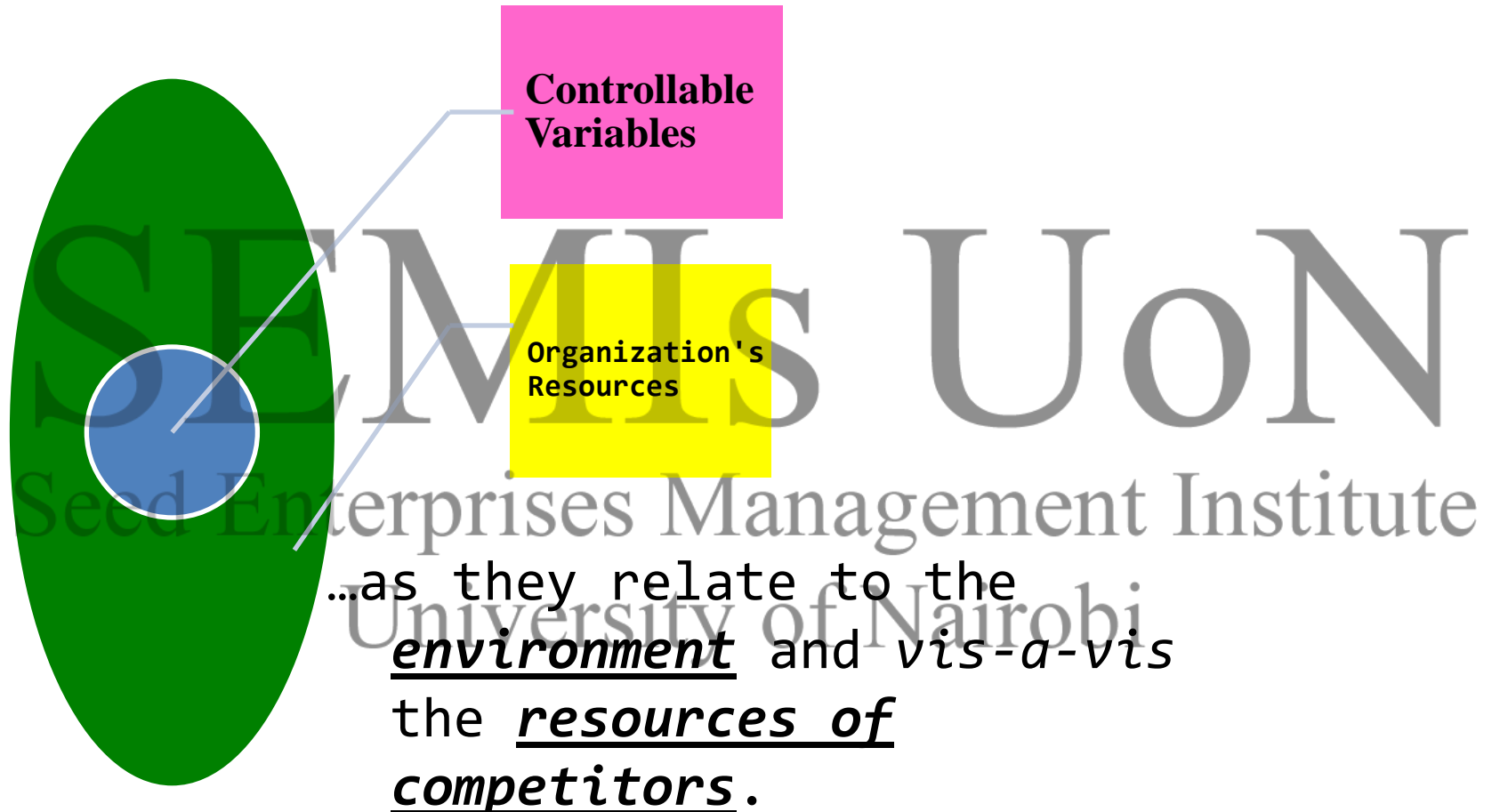
- Internet – use Google/search engines
- Ask your suppliers and customers
- Company marketing materials
- Industry publications
- Media coverage
- Trade shows
- Labor ads

What are the different Forms of Marketing Audit ?



Internal Marketing Audit

- Examine/ assess...



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?

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INTERNAL

STRENGTHS AND WEAKNESSES

Own company Issues

■ Sales (total) by:-

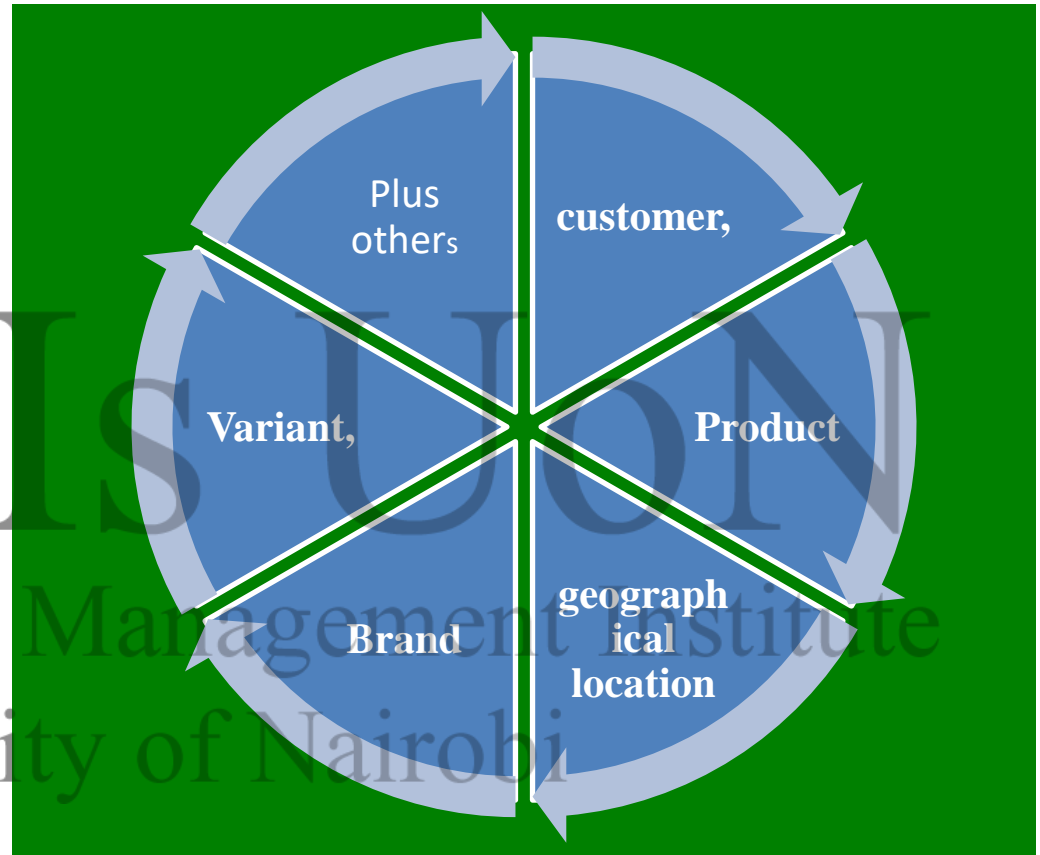
- geographical location,
- industrial type,
- customer,
- Product
- Brand
- Variant, etc

■ Market shares

■ Profit margins

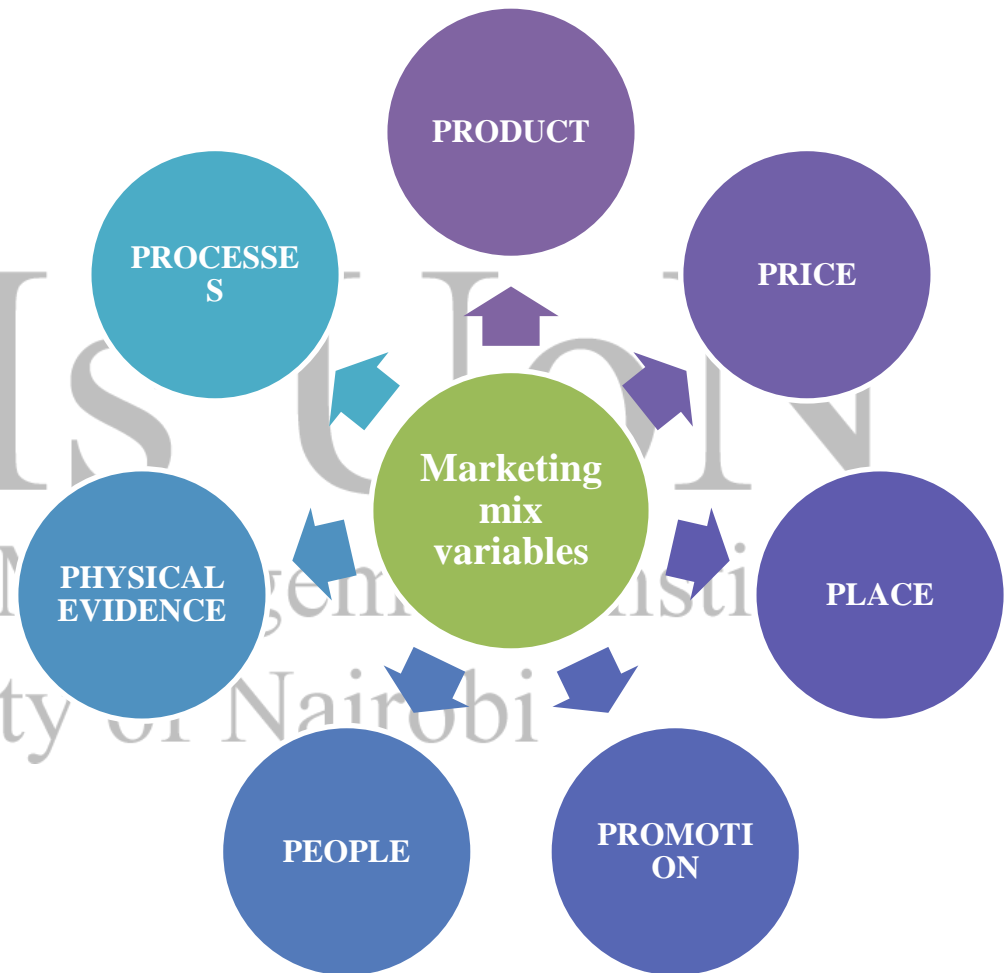
■ Marketing procedures

■ 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?

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(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.?

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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?

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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.

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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

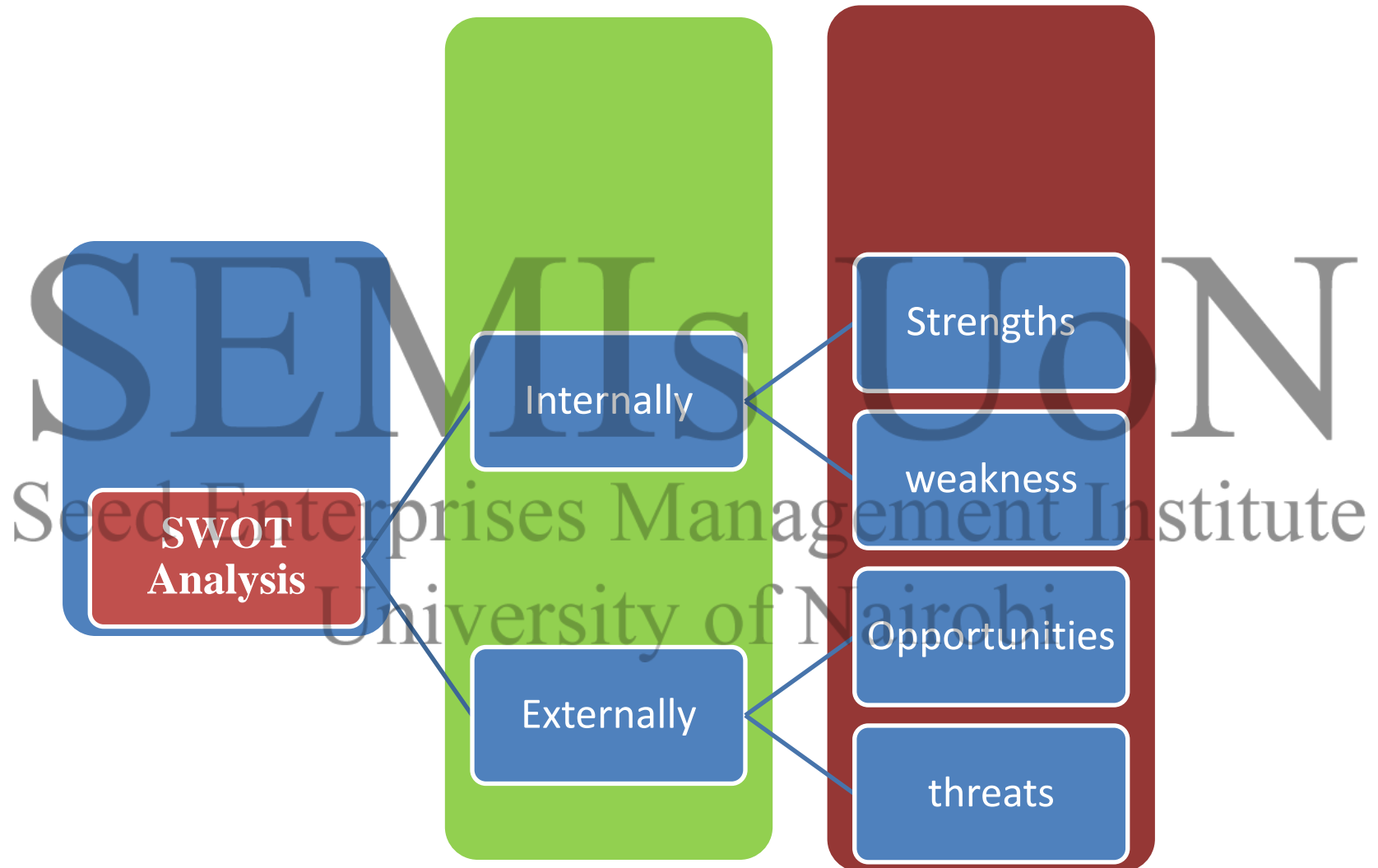
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STEP-4

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

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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.

STEP- 6

Marketing

Objectives (Goals)

&

Strategies

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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.*

STEP-7

Estimate Expected
Results

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...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

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- ...it is also normal at this stage that **alternative plans and mixes** are considered, if necessary.

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STEP-9

Budget

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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.

STEP-10

First Year detailed Implementation Programme

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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.

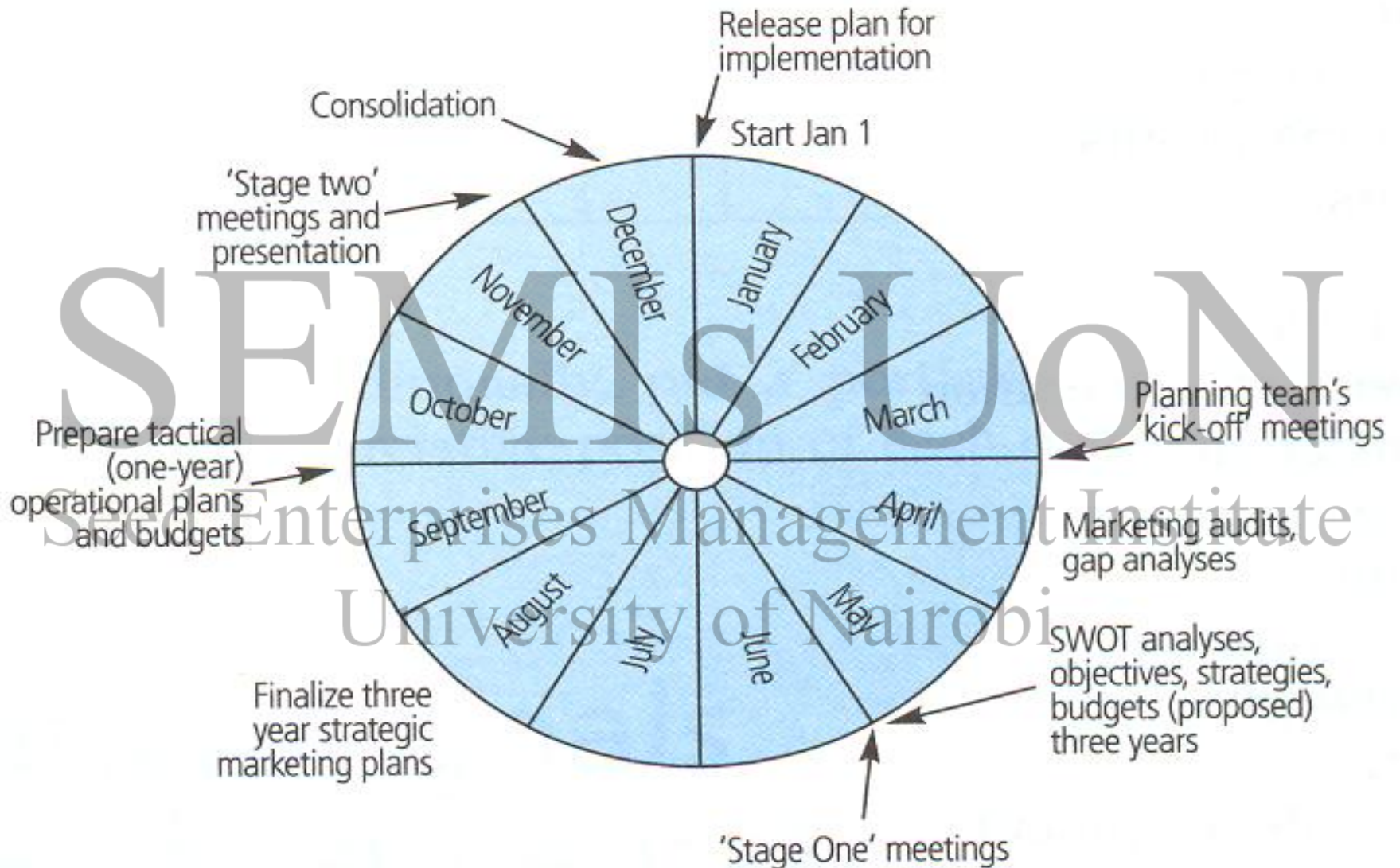
- ✓ A written strategic marketing plan is the **backdrop** against which **operational decisions are taken.**
- ✓ Consequently, **too much detail** should be **avoided.**

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



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

End



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The nature and Contents of a Marketing Plan

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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

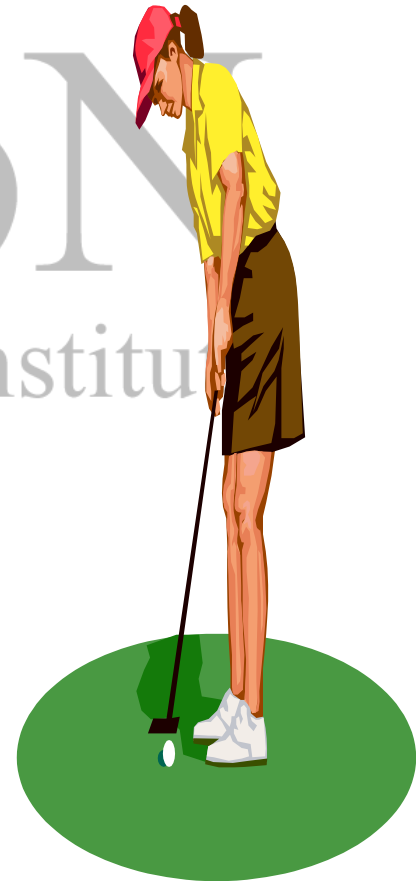
- sales volume,
- market share,
- profit, and
- other relevant terms

(5). Marketing strategy

The product manager

defines the

- **Target market** and
- **Positioning** strategy



(5). Marketing strategy-

Cont'd

- 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

