

# **Strategic Marketing Management**

## **Lecture 7 – Marketing Plan Preparation**

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## Lecture Learning Objectives:

At the end of the lecture, you will be able to:

1. Explain the important steps in the preparation of a marketing plan with consideration of some enabling strategies that would strengthen brand's performance.
2. Construct implementation strategies with analysis as to how internal marketing efforts could become the strong foundation of an effective marketing plan
3. Integrate the knowledge acquired in making a marketing plan with clear perception that this is the best tool to push products on their competitive stand.
4. Explain the 4 "Fs" of marketing plan
5. Prepare your own marketing plan based on the lecture presented
6. Discuss how internal marketing builds effective implementation strategies

Equipped with the clear understanding about your product brand's customer base such as knowing who you would like to be influenced by your product, what response would you specifically want from them, when and where do they find buying products comfortably and etc. Perhaps it is your eagerness to outburst with your marketing effort that will help you capture the market. But you have to take your eagerness level to the goal basket one careful step at a time because it would mean maximizing the limited resources of your organization to work at its fullest.

Putting the above statement into clear context, your marketing efforts should be grounded on facts that every successful organization offers products that deliver delight to target market; has efficient, goal-oriented team; and a clear-cut marketing plan. These three spell out a well-spent marketing budget and realizable business goals. There is truth in the proverb that says, "*The sun shines impartially to everyone*". Indeed, we all got the chance to enjoy the sunshine but one cannot also deny the truth that there are some who missed its beam. They may know the benefits of the sunbeam but perhaps they opt to postpone the appreciation of its beauty. Similarly, not all organizations take the time to write down their plans in a specific and logical manner. "*Curiosity kills the cat!*", as we know it; thus, it is the same as too much eagerness to get to the top of the market is sometimes forgetting the basics of becoming a strategic marketer or manager.

**Marketing plan** is a detailed, systematically arranged proposal consisting of market-related activities that depict firm's intention to gain better directions in their decisions and quick guide on how to outsmart competitors. **Marketing plan** brings together the elements of marketing product, price, promotion and placement strategies that an organization has for its brand. When the marketing plan's primary objective is to primarily push a product on its competitive stand, then this refers to **product-based marketing plan**. On the other hand, the marketing plan that works towards the accomplishment of the organization's goal say for instance, to gain increase in its market share, is referred to as **strategic-based marketing plan**. Yet, regardless of its classification marketing plan should be customer-focused and all else will sure follow as expected.

### The 4 "Fs" of Marketing Plan

**Product** should not only be good product, but it should be one kind of a product that is hard to resist in which customers will be compelled to get into their way of responding to your

marketing efforts. A marketing guru's firm conviction goes something like, "*Even if you have the best product in the world, if you will not promote it, then it is just among the ordinary, futile product!*" This is why **marketing plan** should not only be viewed as a simple product-of-the-mind proposal, but it should be viewed as the heart of the marketing mix elements that could enliven the brand's personality.

An enlivening Marketing Plan is characterized by what the author referred to as the 4 Fs:

1. **Factual.** The ideas, opinions or statements to be included in the proposal should be based on reliable facts that were logically gathered; in which upon gathering of the ideas, the organization allotted some time to allow ideas to incubate or to grow and to be verified through further fact-finding activities. Being factual allows marketers or managers to execute decisions that are sound and objective, in the later stage of the marketing activity. **Say for instance**, if your organization is aiming to increase the percentage of customer receptiveness to in-store promotions despite the fact that many are already becoming receptive to the changes of technology such as online shopping; then facts about "*what pulls customers to buy online and shun the old system of going to the malls or stores to buy their stuffs*" should be established.
2. **Focused.** Ideally, **marketing plan** is prepared annually and reviewed and assessed on a monthly basis. If this is so, then every written **marketing plan** should be directed to solve a specific problem. Definitely, problems in the organization may grow in numbers in the shortest time possible, yet every marketing plan is focused towards addressing a particular problem in response to the objectives of the organization. Based on the foregoing problem, the organization is seeking to address customer's receptiveness to in-store promotions, hence marketing activities should be around the idea of pulling them back to making more store visits than doing their shopping activities online.
3. **Financially-set.** Management support is among the keys in achieving organizational goals and objectives. No matter how grand the ideas of the middle managers and how willing are the lower-level managers to execute the marketing plan, and yet the top management is not disposed to it, then it will go nowhere. Management's active support is manifested by their generous provision of all the needed resources to effectively carry out the plans with less or freedom from doubts or hesitation.

Using the same problem setting, if the aim is to know customer's receptiveness to in-store promotion and at the same time assessing customers' buying experiences, the management may opt to make use of the popular technologies like the Accompanied Shopping Trips (ASTS) and the use of eye-tracking glasses. These technologies allow the store to identify what stuffs, signages and the like interest and influence customers the most. These may be a bit costly for the management, yet this is one sure way of getting facts about what their customers have in mind.

4. **Flexible.** The execution of the marketing plan allows interventions any time deemed appropriate; if upon evaluation and monitoring, it was found out that the plan caused little improvement or contributed less to the attainment of the pre-determined goal, then an effective marketing plan allows the organization to take some modified steps to

counteract the flaws. If in case Accompanied Shopping Trips (ASTS) had resulted to shopper's reluctance to disclose information because they find the activity distracting their shopping experience, then an in-depth customer interview in the exit part of the store may work perhaps.

### Preparing the Marketing Plan

A **marketing executive or team** is responsible for preparing the marketing plan. Marketing plan provides a strong support in the realization of the organization's strategic goals. As **strategic plan** may be formulated in a long-term basis, say a 3-year strategic or 5-year strategic plan while a **marketing plan** is formulated annually to facilitate the efficient implementation of marketing activities during the year. Regardless of the format used, the marketing planning process is developed in close coordination with the organization's other business units. The **marketing executive or product manager** formulates the plan with the inputs from advertising, marketing and sales, finance, production team and other specialists in the organization.

The scope of marketing plan is wide-ranging. It may be used to support the entry of a newly developed product; support to the tactical changes of the organization's product, pricing strategies, promotion and distribution as back up to the inconsistent performance of the sales team; declining brand performance in response to the aggressive moves of the competitors; and a lot more.

The important **steps undertaken in the preparation of the marketing plan** are as follow:

1. **Brief Summary.** A short discussion that talks about the preliminaries of the marketing plan. Insights written in this part aims to give the birds' eye view pertaining to the purpose why the plan is to be executed as well as the general objectives of the organization.
2. **Describe the Target Market.** Provide clear description of the market segment you would like to be influenced by the product brand. It is imperative to understand the segments profile or characteristics in order to determine the organization's positioning strategy. If the product brand intends to capture multiple market segments, **for example**, the product is not only for plain housewives but also for working professionals and students, it is important to identify their different needs dimensions or the specific benefits that each segment seeks from the product.
3. **Fact-finding.** Though this step may require relative costs and definitely time consuming, yet market perspectives must be based on facts. Your description about consumers, the product, business environment, competitors, government regulations and the like should be evident based. The collection of all relevant facts may be used to analyze the organization's competitive position vis-à-vis your marketing plan. The **data** may be categorized whether they can contribute to the strengths or weaknesses of the plan or whether they can become threats or opportunities in the implementation of it.

4. **Setting of verifiable marketing objectives.** Once all valuable facts are in place and validated, desired results must be established. "**SMART**" has already become the buzz word in the industry in crafting objectives. It is an acronym that means objectives must be **Specific, Measurable, Attainable, Realistic and Time-bounded**. In other words, **objectives** should be verifiable specifically represented in terms of quantity or percentage in order to give immediate conclusion if objectives were met or just half-way beyond along financial performance, sales, customer satisfaction, brand awareness or recall, etc.
5. **Plan of Actions. Objectives** must be translated into specific program of activities. It is important to note that activities should be designed in harmony to the objectives of the marketing plan. Some guiding principles which can be observed in the design of the plan of action include concentration, multiplier effect and comparison of alternatives.
  - a. **Concentration.** With the range of marketing activities hyped by the involved individuals who are so enthusiastic about getting results, it is important to note that the organizations, large or small, do have limited resources; therefore, marketers must learn how to use sound judgment on what to prioritize based on urgency and possible results.
  - b. **Multiplier effect.** Domino effect is possible and oftentimes the result of a preceding marketing activity; hence, marketer must learn to decipher what single marketing activity that, once performed, creates multiple impact or results. **Say for instance**, the plan to design multiple packaging sizes will not only encourage bulk buying but will possibly attracts more retailers because of its cost-efficient nature.
  - c. **Comparison of Alternatives.** If things did not work as expected, it is but smart to look for other possible marketing actions that will probably yield effective and efficient results; hence, **marketers** should have another set of a course of action in order not to suspend the carrying out of plans any time of the year.
6. **Numbering the plans.** Your plan must be supported by details of expenditures for every marketing activity. This results to a number of advantages such as a detailed cost is helpful in the part of the approving authority for them to easily weigh the possible benefits which the organization will gain in case the management will support the plan; available lists of expenditures give feedback to other departments such as the finance department as to the extent with which the management can provide support to the marketing activities; and proper summary of costs prevents the occurrence of cost overrun.

Basically, budget for the marketing plan is derived from the master budget prepared by the top management to address basic goals and long-range plans of the company. **Top management** collects budget plans from various departments and consolidates them into a master budget. The rule of thumb in the preparation to budget in order that it would be an exciting activity rather than a tedious one is as follow:

- a. **Flexibility.** This means that management must treat variance (difference between actual and budget) as normal process in budget preparation in order

that the involved personnel will have the feeling of liberty when the need to deviate from plans arises.

**b. Focus on controllable costs.** Doing this will make budget preparation more motivating and a healthy practice because no one would like to feel responsible to any event that is beyond their control.

**c. Ensure that the activity is a non-punitive one.** The freedom to alter the plan when necessary, should be understood by the personnel, and not making it a fault-finding activity with managers.

7. **Monitoring and Control.** A good and well-thought of marketing plan should be constantly monitored in order that timely assessment of actual results will be used to infer whether what activities should be pursued or modified the soonest before causing too much harm to the organization's limited resources. **For instance**, the result of a trade show can be assessed based on the number of created sales leads or even the rate of conversion from inquiries to actual buying activities; for an improvement in the hotel accommodation, one could note the increase in the rate of hotel occupancy; or if the marketing effort is online promotion, the yardstick to be used is the number of page views or the number of web requests. Hence, good monitoring mechanism leads to efficient control procedures. These mechanisms are both considered as vitally important to measuring success of your marketing efforts.

### **How Internal Marketing Builds Effective Implementation Strategies**

What good will it bring to "*an almost perfectly designed product*", if the role of a clever craftsman will be removed in the picture or even the assistance of a persistent sales person? The same as other junks, it will relish its lost glory for a time, unless that gifted craftsman or that persistent salesperson will again get into the picture.

This fictional illustration places an emphasis to a very important perspective - that **people** are the life blood in every organization, profit or non-profit alike. Hence, this perspective places a very great challenge to every marketer or manager on how to get the most from their pool of individuals inside their company. Chade Meng-Tan, Google's head of personal growth department, emphasized a mind-blowing insight about compassion at work. He said that having a compassionate business culture results in an inspired leadership and workforce that cultivates important ingredient imperative to an efficient workplace such as collaboration, initiative and creativity; and for Chade, this is what made Google an effective organization\*.

**Internal Marketing** is among various business approaches that can enrich employees' attitude at work. **Internal marketing** ensures that every strategy and undertaking of the organization receives the active support and commitment of their employees thus, resulting to the efficient implementation of the external strategies. **Internal marketing** is done by examining the internal marketplace by aligning managerial behaviors to the behavior of the employees and studying whether internal capabilities are enough to attain external market objectives. This allows the management to resolve any gap between the internal and the external environment. Approach to internal marketing is illustrated in the performance culture developed by Nucor Corporation.

**Table 4.1. Approach to Internal Marketing: A case of Nucor Corporation**

In a Rust Belt industry, Nucor has nurtured one of the most dynamic and engaged workforces around. Nucor's flattened hierarchy and emphasis on pushing power to the frontline lead its employees to adopt the mind-set of owner-operators. Company performance in sales growth and profitability is outstanding.

Nucor Corporation's mission statement is: "Nucor Corporation is made up of 11,900 teammates whose goal is to Take Care of Our Customers'. We are accomplishing this by being the safest, highest quality, lowest cost, most productive and most profitable steel and steel products company in the world. We are committed to doing this while being cultural and environmentally friendly. We are stewards in our communities where we live and work. succeeding by working together."

Nucor gained renown in the late 1980s for its radical pay practices, which base the majority of most workers' income on their performance. Nucor's management style is based on the belief that employees will make extraordinary efforts if you reward them richly, treat them with respect, and give them real power.

Nucor is an example of outstanding strategy execution. Managers have abandoned the command-and-control model that has dominated American business for the better part of a century. They trust their people and do a better job of sharing their corporate wealth. Nucor places a premium on teamwork and idea-sharing between frontline workers and management, to create a highly profitable partnership.

**Key elements of the Nucor approach:**

1. Pay for performance - even with the risks of lower income in bad times.
2. Listen to the front line - the best ideas come from the Factory floor.
3. Push authority down in the organization
4. Protect your culture- cultural compatibility is a big focus in acquisitions.
5. Try unproven technologies - it is important to take risks.

*Source: Byrnes, N. (2006)*

Another insight which we could use as guide if we wanted to get the full cooperation of every personnel in the implementation of the **marketing plan** is shown in the best practice of empowerment at the Ritz-Carlton Hotel5, a U.S.-based luxury hotel. It is their customary practice that they give their customers their highest regard. But what is amazingly interesting is their belief on placing the same highest regard with their employees by treating their employees with dignity and respect. Their president, Horst Schulze, empowers employees by authorizing the front-desk staff to spend up to \$2,000 to serve customers and to ensure the satisfaction of their guests. Sales managers' authority is even higher: \$5,000. **Employees** are encouraged to propose recommendations for quality improvement. The aim is to obtain twice as many suggestions from employees as the number of complaints from customers. This culture has helped them earn the prestigious Malcolm Baldrige National Quality Award".

Remember that management plays a vital role in the efficient implementation of the marketing plan aside from factors such as:

- a. organizational design (e.g. flat organization provides flexibility since it encourages better communication among departments)
- b. Incentives are deemed necessary as the old saying goes, "A healthy cow produces healthy milk"
- c. rapid and accurate movement of information vertically and horizontally, and,
- d. careful examination of the internal marketing strategies. Indeed, it is reasonable that prior to satisfying our external customers, it is but shrewd if we keep an alliance of satisfied insiders.

### **Summary**

This lecture must have placed you on top of your excitement to sell your product to your target market segment and get the profit margin that you earnestly desire. However, you need to do it one step at a time as you are dealing with limited resources and a number of competitors who also have the same excitement as yours. Hence, you need industry-tested methods of executing your marketing plan.

Indeed, each company is driven by profit. Yet the only way to attain this is to remain committed to making their target market not only satisfied but also delighted. Hence, marketing efforts should be relevant, engaging and translated into a clear-cut marketing plan. **Marketing plan** is a detailed, systematically arranged proposal consisting of market-related activities that depict firm's intention to gain better directions in their decisions and quick guide on how to outsmart competitors.

An effective marketing plan possesses 4 Fs characterized by being:

1. **factual**, which means that all information which will be used in the preparation of a marketing plan should be based on reliable facts that were logically gathered, facts that are allowed to incubate and to be verified prior to execution.
2. **focused**, which guarantees that the plan is designed to address a specific problem in response to the objectives of the company.
3. **financially-set**, which signifies management's strong support and generous provision in order to effectively carry out the marketing plan; and,
4. **flexible** which means that the marketing plan, upon evaluation and monitoring activities, allows intervention and enhancement whenever deemed appropriate.

There are important steps in the preparation of a marketing plan. These include:

- 1) **brief summary** on the preliminaries of the marketing plan with focus on the general objectives of the organization vis-à-vis the preparation of the marketing plan.
- 2) **description** of the target market in connection to market segmentation for a much clearer product targeting and positioning.
- 3) **fact-finding** that includes careful environmental scanning for possible threats and opportunities that may beset the preparation of the plan as well as the execution at a later stage.

- 4) **setting of verifiable** marketing objectives which will help the marketing team assess the direction they are taking as well as the interventions when deemed necessary.
- 5) **plan of actions** that pertain to the marketing plan's specific program of activities with consideration to the principle of concentration, multiplier effect and comparison of alternatives.
- 6) **numbering of plans** which is about the management's support to the plan in consonance to the overall objectives of the firm.
- 7) **monitoring and control** for a timely assessment of actual results in connection to the desired results of the management.

Upon your thorough consideration of these logical steps, also be cognizant about the idea that behind an effective marketing plan is the commitment and dedication of the people inside your organization. They are referred to as the organization's internal marketing. Internal marketing ensures that every strategy and undertaking of the organization receives the active support and commitment of their employees thus resulting to the efficient implementation of the external strategies.

**Textbooks:**

- Strategic Marketing Management, Naval, Girly H. Mind shapers Co, Inc. 2021
  - Strategic Marketing Management, Butler, Dane ED-TECH Press 2019