

Your marketing plan is one of the most critical components of your business

plan. It is the strategy that will help you focus and keep you on the path to success. Below is a brief outline of the key components of a marketing plan. Use this guide to develop a new or critique an existing plan to ensure you are on the right path to success.

Research

Research conjures up reminders of the homework that we always dreaded in school and you may be tempted to skip this component. Don't. Research is an essential part of your marketing plan. It provides a framework for understanding your industry. What are the barriers to entry? Is the market you are entering saturated? Is it fragmented? In the research phase, you will research your target customer as well. What is the size of the market and how much of it can you reasonable get? Given the evolution of the market, why is now a good time for your business offering? Doing your research is key to understanding the industry you are entering (or already in).

Product Features and Customer Benefits

Every marketing plan should include a description of your product or service offering, along with the product features. This is usually the easiest part of the plan for the management team to complete. Generally, you have given much thought to what you would like your offering to look like. Delineating what the customer benefits are is just as important as outlining what features you offer. The customer benefits address the problem that you are solving for the customer. What is the customer pain point and how does your product address it? Benefits should explain your product offering from the customer's vantage point.

Target Customers

Most new businesses, especially small businesses, identify the target customer too broadly. Often when a message is so broad that it speaks to everyone, essentially, it speaks to no one. It is better to define a segment of the market that is responsive to a particular message about your product. It may be prudent to develop more than one target segment. However, the number of customer segments should have a direct relationship with the size of your marketing budget: bigger budget, more segments. Limited budgets should remind you to limit your market segments.

The Competition

If you are starting out in business and believe no one is doing what you want to do, think again. Think about the customer you outlined above and the problem you are solving for them. What are their other alternative solutions for that problem? Identify your competition and use your understanding of the

Your Strategic MARKETING PLAN



competition to outline your own competitive advantages. These points of differentiation are critical input to the development of your brand and your marketing messages.

Promotion

The answer to the question of where to invest your marketing budget should not be based on the marketing trend-of-the year. Don't show up because it's the trendy place to be. Show up because it's the right, relevant place to be for your business. While traditional promotional vehicles such as television and radio can be expensive for small and mid-tier companies, print collateral may be just the promotional vehicle that sets you apart in a B2B marketplace. (Perhaps a printed letter is more effective than one more cold email.) Of course, you will also want to consider digital promotional vehicles such as social media, search engine marketing, blogging and more. Remember to go where your customer is and where you can find them "listening."

Pricing

Your products will need a price that covers your cost of doing business or your business will not be in business for long. You also need a price that the market will bear or you won't sell enough widgets. So, you need to consider both *cost-based* and *market-based* pricing. Not sure where to start? Consider your competitors' prices and their cost structure. If your cost structure is higher and your pricing follows, you must ensure that your point of differentiation and associated messaging conveys such.

Distribution

Distribution answers the question of how and where your product or services are sold. Is it direct-to-customer? A physical or ecommerce retail marketplace? Through a wholesale channel? Perhaps you are considering an internal or independent sales force. Your distribution should align with the other key components of your marketing plan.

Getting your marketing plan right will help you make sound marketing investment decisions. It will help you create relevant customer communications. It can help you get key customer touch points right. Know that your marketing plan is a fluid document. It may change as often as your business needs to pivot.

For more information on developing marketing plans, email katherine@khbmarketinggroup.com.

About KHB Marketing Group

KHB Marketing Group is a marketing consultancy that provides result-oriented marketing strategies to small and mid-sized organizations. We develop marketing strategies and design and execute marketing programs that fuel profitable growth.