



Smart Marketing

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Travel the Road to Success with a Marketing Plan

by

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Successful marketing requires planning. Marketing involves more than the product you are selling. Developing a sound marketing plan that works for you is the first step to improving profitability. A marketing plan serves as a road map. It establishes objectives, assigns responsibilities, and recommends actions for achieving goals. A marketing plan requires the individual to think through the process of how a product/service will be sold. It minimizes the emotion and guesswork when making a marketing decision.

The following outlines the steps in developing a marketing plan:

I. Situation Analysis – gather market information

Explore who the consumers are. It is important to take a moment and determine who the consumers are and their needs and wants. A good start is to identify the geographic area you wish to serve and analyze consumer demographics, their lifestyles, income, and expected changes in the future.

Research the industry and the environment. It is wise to collect as much information as possible about the industry you are in as well as relevant elements in the competitive environment, including government policies and regulations, technological changes, effect of globalization, social and cultural behavior, and industry trends.

Assess your strengths and weaknesses. A self-analysis will help you develop strategies which take advantage of the firm's strengths and opportunities—neutralizing weaknesses and avoiding threats.

Investigate the competition (current and potential). Important information about the competition includes who they are, their location, their products and services, their price range, their reputation, their promotional activities, and what they do better than you can. You can develop your competitive edge based on this information.

Develop product or service ideas. Your product or service ideas should be developed based on the information from the consumer and industry research. You should be able to answer the following questions: what are your products and services?, what are the benefits of your products?, and what makes them different from your competitors' products and services?

Determine the target market. A target market is not just who is buying, or will buy your products, but a market segment which you identified as the most desirable and profitable. A firm can compete more effectively in a limited number of market segments. Criteria useful to segmenting a market include demographic, geographic, psychographic, consumer behavior, and business markets.

Test the market potential. This refers to estimating the expected sales of a product/service for the market over a specific time period. A starting point for an existing firm can be based on recent history. One way to test a new product/service is to conduct simple-test

market research, i.e. offer a free-trial period to a small focus group and collect their honest opinion.

II. Determine your marketing objectives. Objectives are measurable, quantifiable, and realistic statements of what you expect to accomplish. For example, specific objectives for the next two years might be to increase sales by 15%, increase net profit by 15%, or increase your market share by 15%.

III. Select the marketing strategies. Marketing strategies are about how you expect to accomplish your objectives. Strategies can include product differentiation, market segmentation, new product introduction, diversification, business positioning, and any number of alternatives.

IV. Implementation. This is to determine *who* is responsible, *what* tasks they are responsible for, and *when* the tasks are to be completed. Tactical actions are designed to implement the strategies and meet the objectives. They can be grouped as product/service, price, promotion, distribution, and people.

Products are more than the physical item that a buyer purchases. All agricultural products can have services added to them. Services can include packing, grading, storing, inventory management. **Prices** are determined by market conditions and competition. While the price received for an agricultural product often depends on the distribution channel through which the product is sold, marketing texts admonish us not to “lack courage in pricing!”

Promotion includes a variety of advertising, public relations, and sales promotion activities. To maximize the effect of your promotion, select your media and activities based on your target

market. **Distribution** includes product delivery systems, hours of operation, and number of locations. A company wants a distribution channel that meets customers' needs as well as provides an edge on competition. **People** are perhaps the most important part of a marketing plan. A marketing plan eventually becomes a schedule of activities, and responsibilities are assigned to individuals who must get the job done.

V. Monitor, evaluate, and modify the plan. This is the control phase of a marketing plan. It requires setting up performance standards to monitor the progress made toward achieving the objectives. Four key control areas are monitoring sales, costs, net margin, and customer satisfaction. The plan might have to be modified according to the evaluation results. It is important to note that a good plan must be flexible.

Marketing plans can be developed to answer questions, such as whether a specialty crop should be added to the product mix of an operation, or used to consider more complex questions, such as entrance into a new market. Develop a marketing plan tailored to your needs, and you are ready to travel the road to success.