

THE MARKETING PLAN

Compliments of WOW Communications Corp.

Marketing Terms

Advertising | Paid form of a non-personal communication by industry, business firms, nonprofit organizations, or individuals delivered through the various media. Advertising is persuasive and informational and is designed to influence the purchasing behavior and thought patterns of the audience. Advertising may be used in combination with sales promotions, personal selling tactics, or publicity. (Also see Exposure)

B2B | Business To Business – Business conducted between companies rather than between a company and individual consumers. Ex: A firm that makes parts that are sold directly to an automobile manufacturer (see Transformation and Transaction).

B2C | Business To Consumer – Business conducted between companies and individual consumers rather than between two companies. A retailer such as Wal-Mart is an example of a B2C company (see Retailer).

Benefit | A desirable attribute of a good or service, which customers perceive that they will get from purchasing and consuming/using it. Whereas vendors sell features ("a high speed 1/2" drill bit with tungsten-carbide tip"), buyers seek the benefit (a 1/2" hole).

Brand | A unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates or positions it from competitors. Over time, this image becomes associated with a level of credibility, quality, and satisfaction in consumers' minds (also see differentiation *and* positioning).

Thus brands stand for certain benefits and value. Legal name for a brand is trademark and, when it identifies or represents a firm, it is called a brand name.

Consumer | A purchaser of a good or service at retail, or an end user not necessarily a purchaser, in the distribution chain of a good or service (gift recipient).

Corporate image | The mental image held by others at the mention of a firm's name. It's a composite psychological impression that's dynamic based on circumstances, media coverage, performance, pronouncements, etc. Similar to a firm's reputation or goodwill, it is the public perception of the firm rather than a reflection of its actual state or position. Large firms use various corporate advertising techniques to enhance their image to improve their desirability as a supplier, employer, customer, borrower, etc

CPM | Cost Per Thousand – Used by marketers and advertisers to measure the effectiveness of their media expenditures. Derived by dividing the cost of media purchase divided by the number of consumers reached (in thousands).

CRM | Customer Relationship Management – Broad term that covers concepts used by companies to manage their relationships with customers, including the capture, storage, and analysis of customer, vendor, partner, and internal process information.

Customer profile | Description of a customer group or type of customer based on various geographic, demographic, and psychographic characteristics; also called shopper profile (may include income, occupation, level of education, age, gender, hobbies, or area of residence, etc.). Profiles provide knowledge needed to select the best prospect lists and to enable advertisers to select the best media.

Demographics | Consumer statistics regarding socioeconomic factors, including gender, age, race, religion, nationality, education, income, occupation and family size. Each demographic category is broken down according to its characteristics by the various research companies.

Direct Marketing | Selling via direct contact with the prospective customer. Direct marketing differs from general marketing in that the result of a promotion is measurable in terms of response. Primary direct marketers include magazine publishers, catalog houses, political campaign organizations, and financial institutions.

E-marketing | Activity of promoting a product in electronic media format, such as internet ads, pop up links, e-commerce cell text, or email messages.

Electronic media | Includes television, radio, internet, DVD (anything not film- or paper-based).

Exposure | Presentation of a sales promotion piece or advertisement to an individual, such as a person viewing a television commercial or a reader opening a magazine to an advertisement page. The number of exposures achieved is an important measure of the effectiveness of an advertisement as measured in conjunction with the quality of the exposures achieved. (Also see Frequency). For example, if a golf club advertisement is exposed to 1000 golfers; it has greater value than if it is exposed to 1 million non-golfers.

Frequency | Number of times an advertising message is presented within a given time period. In general, number of times something occurs within a specified period of time. Frequency may refer to the issues of a periodical, the purchases made by a customer over time, or the number of times a commercial or an advertisement is aired or printed or reaches its audience. (Also see Exposure)

Integrated marketing | Strategy aimed at unifying different marketing mix elements/tactics, such as mass marketing, one-to-one marketing, and direct marketing. It complements and reinforces the market impact of each method in product development, pricing, distribution, promotional programs, and customer service.

Jingle | A short song used in a promotional announcement, usually mentioning a brand name or product benefit.

Marketing Mix | Combination of marketing elements used in the sale of a particular product, sometimes called the 4 Ps: product, price, place, and promotion.

Market Saturation | The point at which a market is no longer generating new demand for a firm's products, due to competition, decreased need, obsolescence, or other uncontrollable variables.

Market Segmentation | Targeted market or audience for a given product is divided into categories (segments) based on geographic, demographic, or psychographic variables, such as demographic segmentation, geographic segmentation, and psychographic (behavioral) segmentation.

Market share | Percentage of sales volume captured by a brand, product, or firm in a given market.

Mass marketing | Broad unfocused attempts to appeal to an entire geographic market with one basic marketing strategy utilizing mass distribution and mass media. Also called undifferentiated marketing

Packaging | Promoting the product on the shelf and protecting the product during shipment. Designing a package also includes consideration of size and weight to make transportation and storage more effective and efficient (as in sizing containers to fit neatly onto pallets).

Penetration | Process by which the marketer attempts to increase sales of an existing product in existing markets, thus minimizing risk. It's also a pricing strategy designed to price a product or service at the lowest potential price to break into a market. Often, it's slightly below that of the lowest-price competitor's product, or at a level that's perceived as low.

Positioning | How potential buyers see the product, relative to the position of competitors. It happens in the minds of the target market. It is the aggregate perception the market has of a particular company, product, or service in relation to their perceptions of the competitors. Repositioning involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market.

Price mix | Those objectives and strategies marketers apply to setting and managing profits for itself and each channel member. Pricing policies vary among organizations based on internal goals, ROI (return on investment), cost of goods, etc.

Product life cycle | A concept that explains how products move through distinct stages, from introduction, growth, maturity, decline, and abandonment.

Product Mix | All of the products or product lines offered by a firm. Some companies have a wide product mix geared toward a diverse consumer group. For example, Procter & Gamble has a product mix that includes detergents, toothpaste, Procter bar soap, deodorants, disposable diapers, coffee, household paper goods, and food products. Some companies have a narrow product mix geared toward a particular market segment, such as the Williams Sonoma catalog that sells gourmet cooking accessories. A product mix is also one of the 4 Ps or the marketing strategy. It includes the product idea (features, accessories, installation, warranty, and product lines), packaging, and labeling.

Promotional Mix | Combination of one or more promotional elements that a firm uses to communicate with customers: often a mix of personal selling, mass selling (advertising, public relations, and publicity), sales promotion, and direct marketing.

Psychographics | Criteria for segmenting consumers by lifestyle, attitudes, beliefs, values, personality, buying motives, and/or extent of product usage—in essence: activities, interests, and opinions.

Public Relations (PR) | Form of communication that is primarily directed toward gaining understanding and acceptance by vested groups of what the marketer is doing. It often tends to deal with issues rather than specifically with products or services. PR also cannot be controlled by the organization because it is not purchasing the time or space in the media, but it offers legitimacy that advertising cannot claim.

Push/Pull strategies | Customers "pull" products towards themselves (creating channels that until now did not exist), while a producer "pushes" a product toward customers by promoting (advertising, sales promotion and discounts/allowances) through an existing channel, one channel member at a time.

Rating | Broadcast size of an actual listening or viewing audience for a particular program or commercial as compared to the size of the potential audience (all households in a geographic area that have broadcast receivers—whether or not these broadcast receivers are turned on). One rating point represents 1% of the households making up the potential audience. (Also see Share)

Outdoor advertising estimates the number of persons exposed to an outdoor sign. Each outdoor structure is rated in terms of the number of persons who pass by on a daily basis as compared to the entire population in the area where the structure is located.

Reach | Size of the audience who listen to, read, view or otherwise are exposed to a particular ad message over a defined time period. Reach may be stated either as an absolute number, or as a fraction of a given population (for instance TV households, men, or those aged 25-34).

Relationship Marketing | Emphasizing customer retention and satisfaction rather than a point-of-sale transactions by recognizing the long term value of keeping customers.

Repositioning | Changing a brand's status in comparison to competing brands, usually through changing the marketing mix in response to changes in the marketplace, or due to a failure to reach the brand's marketing objectives. (Also see Positioning and Differentiation)

ROI (return on investment) | Often used in portfolio management of various products, a firm will set a specific profit return based on funds allocated to produce and market a given product or product line, often expressed as a percentage.

Share | Percentage of a media audience reached with an advertisement among those watching at the time. This is often a misleading term. For example, a 50 share (half of all viewers) means only that half of those watching at that time had the potential to see the ad. But if only half of 2 million TV households in a given market had their TV sets tuned to that program that would equate to 500,000 households (only half of 1 million TV households).

Target market | Group of persons for which a firm creates and maintains a product mix that specifically fits the needs and preferences of that group. For example, the furniture market can be divided into segments described as Early American, contemporary, or traditional.

USP | Unique Selling Proposition – Differentiates and positions it in the mind of the consumer. Unlike an SCA (sustainable competitive advantage), a USP can be adapted, modified, and even changed depending on fluctuations in the market

Viral Marketing | Any on-line advertising that relies primarily on word of mouth to gain brand name recognition. Viral Marketing can create the kind of product or service explosion many companies need to grow. It's also highly unpredictable.

Word-of-mouth (referral marketing) | WOM marketing is an alternative marketing strategy supported by research and technology that encourages consumers to dialogue about products and services through various online and offline tactics, often facilitated by brand ambassadors.

Marketing Plan

ALWAYS, ALWAYS, ALWAYS REMEMBER:

- **Who are you talking to?**
- **What are you saying to them?**
- **How will you talk to them? (Six most effective ways to get your message out, in priority of most effective to least effective – based on assertive marketing versus passive marketing):**

1. *Personal Sales*
2. *Targetted Advertising*
3. *Networking (Personal & Social)*
4. *Online (Website & Email)*
5. *Referrals & Word of Mouth*
6. *Public Relations*

What goes into a Marketing Plan?

Introduction:

Positioned at the top but compiled after you've done all the rest of the plan. This is simply an overview of your goals, time frame, budget, key message, etc. The 5 W's and H. It should only be about 2 or 3 paragraphs.

What's the situation:

This is the first step in taking stock of your current situation

- What's happening internally (your capabilities, resources, track record)
- What's happening externally (your product or service's image, market growth, changes in buyer needs and tastes?)
- Factors to look at under this section:
 - Research in market, product or service trends

- Consumer behavior (consumer knowledge of product/service)
- Previous advertising campaigns

SWOT Analysis:

SWOT analysis is your company's strengths, weaknesses, opportunities and threats.

Strengths and Weaknesses arise from internal factors, whereas opportunities and threats arise from external factors.

- If you are a multi faceted business, you may need to look at SWOT on each individual product. And then look at the company's overall situation to understand the SWOT that would influence the direction of a new marketing campaign.
- You must analyze each of these areas:
 - Strength
 - Weakness
 - Opportunities
 - Threats & Key Challenges
- Keep in mind....
 - Current or Desired audience
 - Marketplace
 - Economic situation (marketplace and audience)
 - You health/family health
 - Your personality (True Colors)
 - Your reason for getting into business
 - Perceptions
 - Realities

SWOT on your Competitors: (Top 3)

- What strengths do you have that matches their weaknesses?
- Keep in mind:
 - Years in business (established, arrogant)
 - Customer Service
 - Your audience's perception of them
 - Their Branding – (Key messages)

Campaign Strategy:

This focuses on the key strategic decisions that will guide your marketing plan. Areas covered under this section are:

- Objectives: These must be realistic and especially realistic based on your budget.
- Defined Target audience: This should be as narrow a target audience as you can. Saying "everyone" is your target audience will mean you are doomed to fail!
- Your situation analysis should help in defining who your target audience should be:

- Break down into primary target market and secondary target market
- Further broken down into:
 - Business or individuals
 - Develop an overall Profile of who they are based on demographics, psychographics, geographics etc.
- Define your Brand what is your positioning? What makes you so different or unique from your competition?
- What is your Creative theme or message - and stick with it for at least one year (more likely with a small budget three years)

What's will your Product/Service be?

- **Can you pick a lane? You MUST have a #1 product, you can't have 10, #1 products!**

Creating your key message:

Getting your message out:

- Personal Sales
- Targetted Advertising
- Online (web, email)
- Networking (Personal & Social)
- Referrals & "old" word of mouth
- Public relations

Marketing Budget:

Set an amount otherwise at the end of the year you may find you've spent a lot of money with no way to monitor if it was money well spent!

