



Canada Business

[Home](#) > [Marketing and Sales](#) > [Marketing basics](#) > *Developing a Marketing Plan*

Developing a Marketing Plan

What is marketing?

It is important to first establish that the term marketing is not synonymous to advertising. Advertising is just one piece of the big marketing pie, just as the marketing plan is only one piece of the overall business plan.

- [What is marketing?](#)

Marketing is determining the value of your product or service and communicating this information to people who might buy your product or service. Read this document to find out how.

Why develop a marketing plan?

Your marketing plan is an essential part of your overall business plan. When you start a business or introduce new products or concepts, the plan will help you:

- Assess the needs of your clients and develop a product or service to meet those needs.
- Communicate the attributes of the product or service to the client.
- Establish distribution channels to get the products/services to the client.
- Make a profit.

Developing your marketing plan will, first and foremost, help you think of all aspects of marketing; aspects which you could otherwise overlook. To produce a sound business plan you will need to outline things such as the nature of your clients, and how and why they will buy your product or hire your services. Secondly, your banker or lender will want to see the marketing section of your business plan before considering lending you money.

You can purchase software to help you write your marketing plan and your business plan as a whole. Such software may include sample plans, marketing scenarios, and the ability to perform calculations. Equally, you can choose to write your plan in any word processor; even a pencil and paper can suffice for your first draft.

Styles, markets, and goals change and so should your plan. Your marketing plan should be readily accessible to

consult, revise, and update. You should update your plan regularly, adjusting it according to business activities and predictions of new trends.

- [Writing your Business Plan](#)
Know what elements are considered essential in any business plan and the key points that should be included in each section of your business plan.

Before writing your marketing plan

Market research

Before you develop your marketing plan, you must first research the potential market for your product or service. Use the numbers, facts and findings of market research to back up statements in your marketing plan. The following articles can help you conduct research.

- [Designing a Questionnaire](#) Get advice on how to design a survey questionnaire in order to gather market research data.
- [Guide to Market Research and Analysis](#) Discover how market research can help your business succeed and learn how to conduct a variety of market research activities.
- [Market Research Approaches](#) Find information on commonly used research approaches that can support your market research efforts.
- [Online Survey Design Guide](#)
http://lap.umd.edu/survey_design/guidelines.html
Get tips and guidelines on the design and implementation of web-based surveys.
- [Types of Survey Questions](#) Examine different kinds of closed- and open-ended questions that can be used in surveys.

Parts of a marketing plan

Executive summary - What is my overall plan?

The executive summary is an overview of the key points contained in your marketing plan and although it is written last, it should be positioned at the front of the plan. This summary is usually the first section that a potential investor or lender will read and may well be the only section to be read. You need to give proper attention to this important part of your marketing plan. The executive summary should:

- Include highlights from each of the other sections to explain the basics of your marketing plan.
- Be interesting enough to motivate the reader to continue reading the rest of your marketing plan.
- Be short and concise.

Identify yourself - Who am I and what are my values?

If you haven't already done so in your overall business plan, you'll want to clearly describe who you are, what

your business is about and its goals, and what has inspired you to start, buy or grow a business. For example:

- Include the company name, address, phone number, and names of owners/partners.
- Indicate the company's motto, its voice and its style (this should align with your target market).
- Indicate the core values and goals of the business and its owner(s).

Describe the product or service - What need do I meet?

Detail how your product or service is unique or how it is better than models that already exist. If the product or service is not unique, maybe the location is ideal or a large market allows room for competition. Provide numbers, facts or the steps you took to come to these conclusions.

Identify your target market - Who are my customers?

Through research, identify the age group, gender, lifestyle and other demographic characteristics of the people who have shown interest in your product or service. Also from your research, provide statistics, analysis, numbers and supporting facts that show the reader that there is a demand for your product or service.

- [Who is your customer?](#) Before you begin selling something, you need to know who you are selling to.

Know your competitor - Who else can woo my clients?

Most businesses must compete with others. Even if you are now the only player, before long you will most likely have competition. The trick is to know with whom you are competing and their competencies. Figure out what you do better and make sure your clients know about it. You'll want to compare your own strengths, weaknesses, opportunities and threats (SWOT) with those of your competition. Industry Canada's SME Direct provides information, techniques and tools to help you perform your SWOT analysis.

- [SWOT Analysis - SME Direct](#)

http://www.ic.gc.ca/eic/site/dir-ect.nsf/eng/h_uw00926.html

Find out how to analyse the strengths and weaknesses of your business and how to evaluate the opportunities and threats that can affect it.

Detail your distribution and delivery channels - How will I deliver to my client?

Traditionally, clients shop at stores to find the products they want. Similarly, we often assume that we need to go out to a specific location for services such as a massage or a haircut. However, there is nothing that dictates this is how you should serve your client. What is important is that you detail who the middle players are and how much they will cost. For example, you could decide to:

- Sell through a retailer, wholesaler, professional sales agent
- Sell through kiosks in schools, offices, public places, events
- Go to the client's home or place of business

- Take orders from a catalogue or through the Web

Group your marketing activities - How will my message reach potential customers?

Create a table or chart and provide your estimate as to how much of your total marketing budget you plan to spend on each media type. In another table or chart, detail how much of your time you plan to spend on each. You could break down each group by specific media. Some suggestions are:

- Advertising (TV, radio, print publications, online publications, websites, billboards, business cards)
- Publicity (signs, stationary, branding, testimonials, referrals)
- Listings (business directories, telephone directories, online listings, association listings)
- Sponsoring (research, community events, local charities, sports)
- Networking (get feedback from existing and potential customers and other industry players; reach out to the public through online social networking; provide advice on blogs and by speaking at public events; meet industry players at business events)
- Promotions (mail outs, samples, freebies, discount coupons, sales, displays)
- Internal marketing (employee rebates, sales incentives, referral incentives)
- [Public relations and media relations for small business](#) Learn how to spread the word about your company.
- [Marketing FAQs](#)
<http://www.the-cma.org/?WCE=C=47|K=225539>
Find clear answers to your questions about marketing techniques and approaches, including direct mail, e-marketing, online retail, customer loyalty and data mining.
- [Low-cost ways to motivate your employees](#)
http://www.bdc.ca/en/my_project/Projects/articles/hr_motivate.htm?iNoC=1
Use a variety of inexpensive techniques to motivate your employees to stay loyal to your firm.
- [Building an Invincible Sales Team](#)
http://www.bdc.ca/en/my_project/Projects/articles/marketing_sales.htm
Salespeople are the frontline of your business. This article will help you recruit and develop top-notch staff to give your business a competitive edge.

Outline how to overcome potential marketing challenges - What can I do about them?

Like any aspect of running a business, preparation helps you face a challenge. No matter how meticulously you've planned your marketing strategy, something unexpected can come your way. What you can do is brainstorm some possible "surprises" that could happen and write down what you could do about them. When the time comes, you'll be happy you were prepared.

The following are some marketing challenges for which you could plan:

- Regulations for new packaging/labelling/claims
- Shift in trends and buyer preferences
- Environmental issues related to your business
- Negative business image or perceptions
- Changes to the economy and disposable income (yours and that of your target market)
- New competition
- **[Marketing regulations and standards](#)**
Attracting new customers to your business is essential. But you need to follow a few rules along the way.
- **[Marketing during a recession](#)** Should you continue to promote your business during a recession? Of course. Find out why and how.
- **[What your business can do: greening your mail](#)**
<http://canadapost.ca/cpo/mc/aboutus/green/business/target.jsf>
Adopting eco-friendly initiatives has become a respected – and expected – business practice. Find out how to green your mail and direct mail marketing activities.

Indicate your price or pricing strategy - How much should I charge?

Determining the right price is yet another aspect of marketing. If your price is too high, you may alienate clients, and if it's too low, you may give the impression that your product or service is cheap and below standard. Some businesses purposely charge a very high price so that their clients feel that they are getting a better product or service. Some sell at a slightly higher than average price in order to be able to offer exceptional customer service. Indicate in your plan, the price or pricing strategy you plan to use - the following articles will help decide your pricing strategy.

Project where you will be in one, three, and five years - What are my long-term goals?

If you start out small and want to remain small, be clear about this in your plan. If your long term goal is to expand over the years, gain an international market or sell franchising rights, be clear about this as well. Detail the steps you plan to take to grow your business and how you will adjust your marketing activities to reach these goals.

- **[Growth](#)**
Find ways to grow your business and learn about activities that can help you get there.

Provide a date at which to review your marketing plan - When will I review my plan?

This step is a reminder to establish the frequency at which to review your marketing plan. You may wish to

update it on a need basis and at least once per year.

Last Modified: 2009-10-11