

Marketing Plan Outline

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A marketing plan is designed to assess client needs, develop a product or service to meet those needs, communicate to the customer the attributes of the product/service, establish distribution channels to make products/services available to consumers, and to ensure that the company makes a profit.

Introduction

WHO	is the company, the community? Who are the principals, the employees?
WHAT	is the product/service, what is the company's goal in the short-term and long-term?
WHERE	is the plant, the offices from where the service will be offered?
HOW	does the company intend to meet its objectives, production levels, sales volumes?
WHY	was the product/service developed, what are its attributes or qualities, and how is it superior to existing products?

Target Markets

- What is the initial proposed market of the business?
 - local
 - provincial
 - Western provinces
 - national
 - international
- How does the company fit in the chain of basic markets?
 - consumer
 - industrial
 - government
 - international
 - supplier
 - manufacturer
 - wholesaler
- What are the target market boundaries?
 - by consumer group demographics
 - by geographic region
- Define the dollar value of total potential sales within the proposed target market.
- Describe the targeted user groups by age, gender, lifestyle, values (major customer groups).
- Define the company's sales level objectives and what percentage of total market share they represent.
- Describe how planned production capability compares to proposed market demand.

- Outline any outside influencing factors which may affect the marketability of the product, and how they can be overcome:
 - packaging/labelling regulations
 - GST/PST (impact on consumer price acceptance)
 - buyer preferences (health food vs. junk food)
 - technology changes to production (extrusion method)
 - environmental preservation considerations
- Describe when the product/service is usually purchased; on impulse or as a regular grocery shopping item. Does the proposed marketing strategy address these trends?
- Who usually does the purchasing of the product/service? Who makes the purchasing decision? Is the marketing strategy properly directed to this group?
- Describe the varieties of the product available:
 - by flavour
 - by size or colour
 - by options available
 - by price
- What are the markets for each of the above?
- Where is the product normally purchased?
 - supermarkets
 - retail chains
 - convenience stores
 - snack bars
 - gas bars
 - schools
 - factory outlets
 - catalogue
 - Internet
- Are the marketing efforts properly targeted to these locations?

Market Demands

- Who are the competitors (i.e., domestic or foreign)?
- What are their products/services?
- How does this product/service compare by quality, price, packaging and variety?
- What percentage of the total market does each competitor enjoy?
- What can this company realistically expect to obtain as market share (provide sales forecasts)?
- What does the public normally demand from this type of product/service? Does it meet these demands?
- Does the packaging (sales aids/point of purchase displays) emphasize the qualities of the product/service?
- What level of sales growth is anticipated over the next three years? Can the plan deliver the production levels necessary to support this growth?
- What are the company's long range plans?

Product Pricing

- What is the consumer acceptance price range for this type of product/service?
- How does the proposed product's/service's price compare?
- Is there sufficient margin between the manufacturer's cost and the consumer acceptance price level to provide for markups at the wholesale, distributor and retail level?
- Does the price allow for freight, projected profit, price fluctuations in the marketplace and consumer interpretation of value?
- Are coupons or discounts being considered to encourage consumers to try other flavours, etc.?

- What is the product cost breakdown?
 - Costs of goods sold
 - direct labour
 - direct materials
 - Operating expenses
 - selling expenses
 - communications expense
 - general and administration expenses (including freight)
- What markups are allowed at each level of distribution (markup chain and channel pricing)?

For example:

Manufacturer		Wholesaler		Retailer	
Cost	90%	Cost	80%	Cost	60%
	+		+		+
Markup	10%	Markup	20%	Markup	40%
	=		=		=
Selling Price	100%	Selling Price	100%	Selling Price	100%

- Are the most economical/cost effective methods of processing and packaging being used (including raw materials input) to keep product/service costs down?

Distribution Channels

- How does the company plan to get the product/service to the end-user?
- What channel of distribution is to be used?
 - contests
 - direct - manufacturer to consumer
 - traditional - manufacturer to wholesaler to retailer to consumer
 - multi-stage - manufacturer to broker to wholesaler to retailer to consumer
 - one-stage - manufacturer to retailer to consumer
- Who/what company will carry out the distribution?
- Are commissioned salespersons to be used?
- What are the costs associated with the proposed distribution channels?
- How do these channels affect delivery/production timeframes?
- What are the delivery terms?
- How are products to be packaged for shipping? Are end-user displays available? What physical handling is required?
- Are display aids (clip racks, bins, etc.) to be provided to retailers?
- Does packaging meet regulatory agency requirements (labelling, seals, etc.)?
- Is packaging eye appealing, complementary to product, portraying universal labelling, coded, priced?
- Is there a method for feedback on customer satisfaction, quality control?
- What minimum shipping orders are required? (cost efficient)
- What minimum inventory levels must be maintained to ensure no loss of sales due to late deliveries, back orders, split shipments?
- What system is to be used for processing orders, shipping, billing?
- What trade terms will be offered?

Promotion

- Describe the company's communications approach:
 - advertising
 - selling
 - sales promotion
 - publicity
- How much is budgeted in Year 1 for each category?

Advertising

- What percentage of each media is to be used in your overall advertising package?
 - television
 - radio
 - newspapers
 - magazines
 - billboards
 - business cards
 - co-operative advertising with wholesalers/retailers
 - Internet
 - other (i.e., transit advertising)

Selling

- What type of sales force is to be used - brokers, commissioned salespersons, etc.?
- What tools are to be provided to salespersons to assist getting orders (volume discounts, purchasing shelf space, etc.)?
- Will a sales training program be offered?
- How will sales effectiveness be measured?
- What incentives will be offered to salespersons for new accounts, achievements?

Sales Promotion

- What sales promotion activities are planned?
 - point-of-purchase displays/sales aids
 - samples
 - coupons
- What costs are associated with each?

Publicity

- How does the company plan to "kick off" the introduction of the product using publicity?
 - endorsements (place of origin)
 - testimonials
 - referrals
 - truck and bus signs
 - consistent visual theme

For further information regarding starting a business, contact the

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