

# **DLM** TURNING DREAMS INTO REALITY **M**ARKETING**G**



## Introduction

**Part 1 – Company overview / introduction:** you should define your company's current position and include the following information in your overview:

- Dates of when this marketing plan is to be implemented
- Company contact details
- Company size
- Current marketing activities
- Marketing budget and estimated ROI
- Old business and marketing objectives
- New business and marketing objectives
- Companies mission statement

**Part 2 – Summary:** this should be done last because this will be a summary of your marketing plan and will help you and other constituents (e.g., employees, advisors, etc.) outline your plan.

## Phase 1 – Research

Without market research all your marketing efforts are essentially just a gamble. This is probably the most important part of any marketing plan. The quality of your information will ultimately influence the quality of your marketing plan. It is common for people to have this section of a marketing plan professionally done.

### Types of data required

**Primary data** – this is data which is collected directly via surveys, observations, experiments etc.

**Part 1 – Target market opinions and behaviours.** This is data you should collect yourself you don't want to trust second hand outdated data collected by another company. There are numerous ways in which you can obtain this information some examples include: Focus groups, interviews, surveys etc.

You will need to compile a list of things you need to know about your target market this will help you in designing your research method. Some things you may want to know about your target market could include:

- Purchasing habits
- Product researching methods
- What marketing material provides positive reactions
- Opinions about your brand
- Attitudes towards your competitors
- Social habits

*Selecting your sample* – Try to make the selection process as random as possible this will prevent bias data.

**Part 2 – Identify your target market.** You must know who they are. Gather statistical information regarding your target market's demographics, market segment, needs and buying decisions. You need to create a personal profile of your ideal customer.

By being able to accurately identify your target customers, you will be able to maximise the return on your advertising budget with pinpoint accurate advertising messages.

**What you should know about your target market:**

- Are you customer's male or female?
- How old are they?
- Where do they live?
- Is geography a limiting factor for these customers purchasing your products or services?
- How much money do they make?
- Does the culture of your target market affect their purchasing decisions?
- Level of education
- Profession
- Recreational activities
- What social media do they use, frequency of use, time and location of use, what device do they use.
- Internet search behaviours – direct, search engines, referral links, preferred content type etc.

- Print media preference – posters, billboards, magazines, newspapers, flyers, direct mail out etc.
- Digital marketing preference – Email marketing, banner adds, sponsored links
- Brand communication amongst peers
- Do they attend trade shows / expos / seminars
- TV viewing behaviour
- Radio listening behaviour

**Secondary data** – this is already known or published data.

**Part 1 – Objectives:** Decide what information you need to know to help you achieve your business and marketing objectives. This information should be documented and published in your marketing plan.

**Part 2 – competitive analysis:** Compile a list of all your potential and current competitors you should do a competitive analysis on each competitor and publish this in your marketing plan doc as a table.

Table Example:

Key industry success factors	Weighting	Competitor #1 rating	Competitor #1 weighted	Competitor # 2 rating	Competitor # 2 weighted
1 – Digital presence	.3	9	2.7	2	1.8
2 – Customer focus	.3	5	1.5	5	1.5
3 – Product innovation	.2	6	1.2	3	.6
4 – Economies of scale	.1	2	0.2	7	.7
5 – Extensive distribution	.1	2	0.2	5	.5
<b>Totals</b>	<b>1.0</b>	<b>24</b>	<b>5.8</b>	<b>22</b>	<b>5.1</b>

**Part 3 – Marketing channel investigation:** You need to research your top ten competitors to learn what marketing channels they are using. This can be done by visiting their website, social media channels, browsing industry magazines / journals etc.

## Phase 2 – Analysis

This is essentially where you make sense of the data collected. This information will be the key component for making marketing strategies. You need to be confident that the research conducted was comprehensive. DLM Marketing can't stress enough the importance of quality information gathered in the research phase of this marketing plan.

**Part 1 – SWOT Analysis:** A SWOT analysis is a document that helps you identify Strengths, Weaknesses, Opportunities and Threats for both your own business and your competitors.

**Strengths** – Characteristics of the business or project that give it an advantage over others. When deciding on each strength you should include a short description on why you believe a certain aspect is a strength. Keep in mind that a strength could also be a potential weakness.

**Weaknesses** – Characteristics that place the business or project at a disadvantage relative to others. When deciding on each weakness you should include a short description on why you believe a certain aspect is a weakness. This is a good chance to discover potential areas of improvement and opportunities.

**Opportunities** – Elements that the project could exploit to its advantage. When deciding on each opportunity you should include a short description on why you believe a certain aspect is an opportunity for potential gain.

**Threats** – Elements in the environment that could cause trouble for the business or project. When deciding on each threat you should include a short description on why you believe a certain aspect is a threat.

**Part 2 – Examine primary and secondary data:** You will need to display the data collected into tables and or diagrams. This will be useful in visualising and making sense of the data collected in the research phase of this marketing plan.

## **Part 3 – Define your product**

### **Product**

Products are the goods and services that your business provides for sale to your target market. When defining a product you should consider quality, design, features, money dollars covering costs expenses packaging, customer service and any subsequent after-sales service.

## **Phase 3 – Strategies**

A marketing strategy is the way you make sure you're getting the maximum return for your marketing budget and time.

### **Part 1 – Define your media channels.**

How are you going to communicate / advertise your brand and products to your target market?

#### **Media channel examples:**

- Digital media
  - Social media
  - Website
  - Email marketing
  - Web store e.g. eBay
- Traditional media
  - Radio
  - T.V.
  - Street advertising
  - Trade shows
  - Magazines / newspapers

**Part 2 – Define your competitive advantage.** Competitive strategies are very important. Competitive strategies are concerned with doing things better or different than your competitors.

## **Examples of Competitive strategies**

**Pricing** – If you have the ability to produce similar products to your competitors cheaper you can sell them at a more competitive price. This is possible when a company is the market leader and benefits from economies of scale.

**Point of Difference** – All businesses should establish a point of difference over their competitors your point of difference may be Quality, Service, or Variety. Whatever your point of difference is you should be using it as marketing leverage against your competition.

**Part 3** – *Define your main focus marketing message.* It is essential to be consistent across all your marketing efforts this will help you build a strong brand. A focus message could be – “we are the cheapest” or “we don’t compromise for quality”. Think about all the well-known global brands they all have one defined message in which they incorporate into all their marketing communications.

Ideally you would want to communicate your competitive advantage to your target market in a precise and clear way.

### **Part 4** – *Your offers*

Offers are special deals you put together to secure more new customers and drive past customers back to you.

Offers may include free trials, money-back guarantees, packages (e.g., combining different products and/or services) and discount offers. While your business doesn’t necessarily require offers, using them will generally cause your customer base to grow more rapidly. Again, refer back to the details on price wars and only have offers on for a defined period of time.

### **Part 5** – **Positioning and pricing Strategy**

Your pricing and positioning strategy must be aligned. For example, if you want your company to be known as the premier brand in your industry, having too low a price might deter customers from purchasing.

In this section of your marketing plan, detail the positioning you desire and how pricing will support it.

### **Important to understand**

The worth that a product or service has in the mind of the consumer and the consumer's perceived value of a good or service, affects the price that he or she is willing to pay for it.

For the most part, consumers are unaware of the true cost of production for the products they buy. Instead, they simply have an internal feeling for how much certain products are worth to them. Thus, in order to obtain a higher price for their products, producers may pursue marketing strategies to create a higher perceived value for their products.

For example, perfumes tend to be associated with a glamorous celebrity in order to create a mystique and perception of luxury. Alternatively, they may be the subject of elaborate and expensive advertising campaigns to create a strong image for the perfume. Consumers commonly do not realise that the costs of production for perfumes are relatively low. Thus, while the cost of production for perfume may be only a few dollars, the perceived value of a perfume can be far greater.

### **Low pricing strategy**

A small business often uses low pricing too often to attract customers. This results in pricing their products or services too low to viably support the business. Many small businesses think that having the lowest price in the market will make them successful. It assumes you can take business from your competitors simply by publishing the lowest price.

Your pricing strategy can ultimately determine your business fate in a small business. By managing your pricing strategy, small business owners can extend business longevity and produce healthy profits.

However, for small business, having the lowest price is not necessarily the best marketing strategy. Often established or larger competitors have the ability, with lower operating costs, to out compete a small or new business on price alone. This could force you to take further price reductions that reduce your profits in trying to compete with your larger competitor's low ball pricing to force you out of the market. Evaluating whether a low price strategy is appropriate for you starts with looking at market demand and carefully considering these three factors in your analysis:



**Competitive situation:** Look at your competitor's whole product offering and don't just look at their pricing. Are they serving only price-conscious customers or the high-end customer segment? Do they offer any value-added services?

**Determine your ceiling price:** The ceiling price is the highest price the market will pay for your products/services. To determine your product/service pricing limits it is good to conduct a survey with industry experts and customers. You may also discover the highest price you find in the market may not be the true ceiling price.

**Understanding price elasticity:** Ultimately, this is what will determine the range of pricing for your products/services. If the demand for your product or service is less elastic, then you can enjoy a higher ceiling on your prices. Low elastic demand will depend on if there are a limited number of competitors, your buyer's perception of quality and if customers are not just looking for the lowest price in your product/service category.

Having analysed the price/demand dynamics for your products/services, you can compare these results with your costs and profit goals previously established in your business plan or financials. A low price strategy should not be automatically assumed as the best pricing strategy and usually best avoided by small business. However, there are market conditions that might force a small business into a low price battle with its competitors, this is called a price war.

**A price war should be avoided at all costs.** It can not only destroy you and those immediately located around you, but an entire industry. Below are some steps you can implement to avoid participating in a price war.

- **Develop a strong brand:** A strong brand is meaningful to your customer base and will always be able to command a higher price and avoid price wars.
- **Offer obvious differentiation and value-add:** Whether it is your company, product or service, be sure your customer base knows why you are different than your competitors and what your value-added proposition of doing business with your company is.
- **Foster exclusivity or create a niche:** Your ability to offer exclusive or niche products or services insulate you against declining prices in a price war.

- **Discontinue unprofitable products/services:** Always be re-assessing your product/service offerings and eliminate marginal or unprofitable ones. Replace them with new ones that customers want and will pay for their value.

Carefully consider your price decisions. Your business will likely depend on it. A small business with a well thought out pricing strategy can avoid the temptation to price low and avoid price wars.

## **Part 6 – Online Marketing Strategy**

Like it or not, most customers go online these days to find and/or review new products and/or services to purchase. As such, having the right online marketing strategy can help you secure new customers and gain competitive advantage.

The four key components to your online marketing strategy are as follows:

- **Keyword strategy:** identify what keywords you would like to optimise your website for.
- **Search Engine Optimisation (SEO) strategy:** document updates you will make to your website so it shows up more prominently for your top keywords.
- **Paid online advertising strategy:** write down the online advertising programs will you use to reach target customers.
- **Social media strategy:** document how you will use social media to attract customers.

## **Phase 4 – Implementation plan**

**Part 1** – In this section of your marketing plan you need to list all your marketing tasks in priority order. Some tasks may be a once off event while others could be reoccurring.

**Part 2** – Once you have your list of marketing tasks you will need to create a marketing schedule. In your schedule be sure to include regular dates where you will review your progress and make any essential changes to ensure you are on track to achieve your marketing and business objectives.