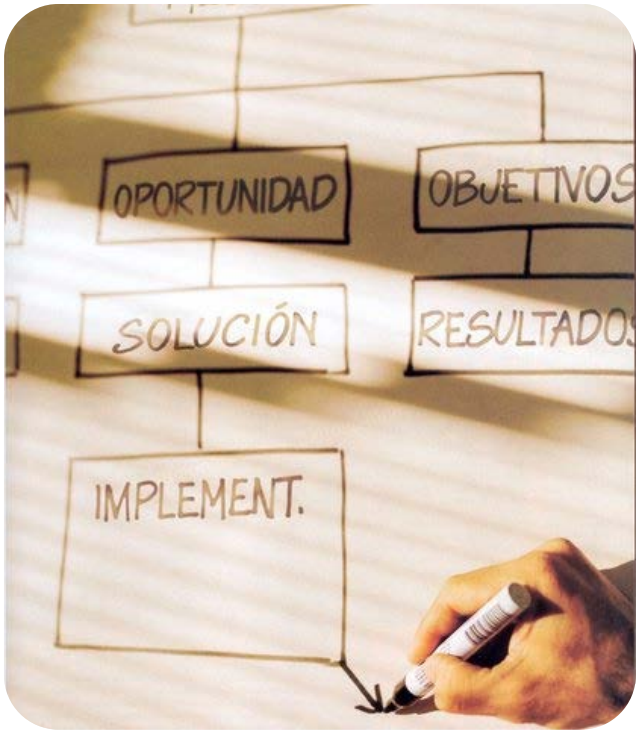
Fundamentals of Marketing

Instructor’s Handouts

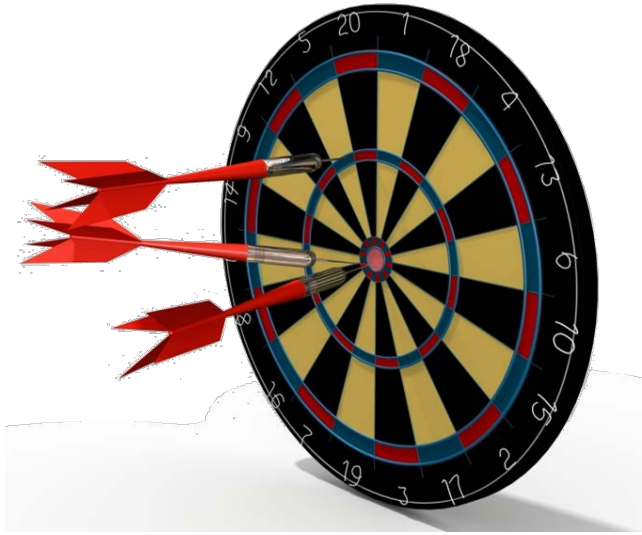
Chapter 11

The Marketing Plan



Chapter Objectives

- Understanding the importance of the market planning process.
- Appreciating the difference between marketing planning and the marketing plan.
- Studying the stages in the building of a marketing plan.



11.1 Marketing Planning and the Marketing Plan

- All of the activities relevant to marketing, such as pricing, communication, etc. must be coherently aligned to reach the company goals.

- This integration process and strategic decision marketing called marketing planning. In order to do this the marketing planning requires following these four steps:

  - Recognising the need for action
  - Research
  - Information and analysis of available data
  - Proposed action and decision.

11.1 Marketing Planning and the Marketing Plan

11.2 The Marketing Plan and Strategic Planning

- Strategy is any action designed to reach a proposed goal. Strategies attempt to develop sustainable competitive advantages in products, markets, resources or capacities, which are perceive as such by potential consumers and which allow for the reaching of the forecast objectives.

- Marketing planning is the part of the company's strategic planning whose aim is to develop action programs to reach the marketing objectives of the organisation.

- These programs are formalised in a plan, drawn up by the Marketing Department.

11.3 The Stages of the Marketing Plan

a) **Situation analysis:** It is the first stage in any planning process, and given its sequential nature, it is the basis of all of the other stages. Therefore, any error in the diagnosis of the situation means the extension of the error into the following stages.

b) **Forecasts:** Forecasts answer the question: What would happen if everything stayed the same?

c) **Setting objectives:** With all of the previous data, objective should be set that specify the company's market aims.

d) **Strategy selection:** Strategies are the ways in which one attempts to meet the objectives set; they may be defined as a set of means and actions, which in an efficient way, and after having eliminated multiple options, allow for the reaching of the said objectives.

e) **Tactics Programming:** The program is the specifying of the chosen strategies. The times, actions, responsibilities and budgets are here.

f) **Execution and control:** Finally, the execution and control stage aims to constantly review processes, depending on how close or far they are from the previously fixed objectives.

11.4 Situation Analysis

- Situation analysis is the first stage in the planning process. It is not easy to draw up, and the making of a diagnosis implies the setting of the foundations on which the company's marketing strategy will be based.

- Within the external situation analysis, special emphasis must be placed on the environment, market and competition study.

- In internal analysis, on the other hand, the effort must be placed on everything related to the company: limitations, capacities, products, commercial distribution, communication, etc.

11.5 Forecast

- The making of forecasts is one of the more complex strategies, from a technical point of view, but their role is essential in many of the marketing decisions that organizations make.

- Specifically, forecasts must be made of the four aspects that match the situation analysis:

  - Environment
  - Market
  - Competition
  - Enterprise

11.5 Forecast

- Forecast techniques may be broken down into four large groups:

  a) Subjective or qualitative methods.
  b) Methods based on marketing research.
  c) Objectives methods.
  d) Methods based on causal analysis.

11.6 Setting of Objectives

- Objectives must meet the following requirements:
  - Objectives must be quantifiable
  - Objectives must be measurable
  - Objectives must be realistic regarding their consecution, but at the same time they must be a challenge to the people involved.
  - Objectives must be aligned among them.
  - Objectives must be assigned to specific people responsible.

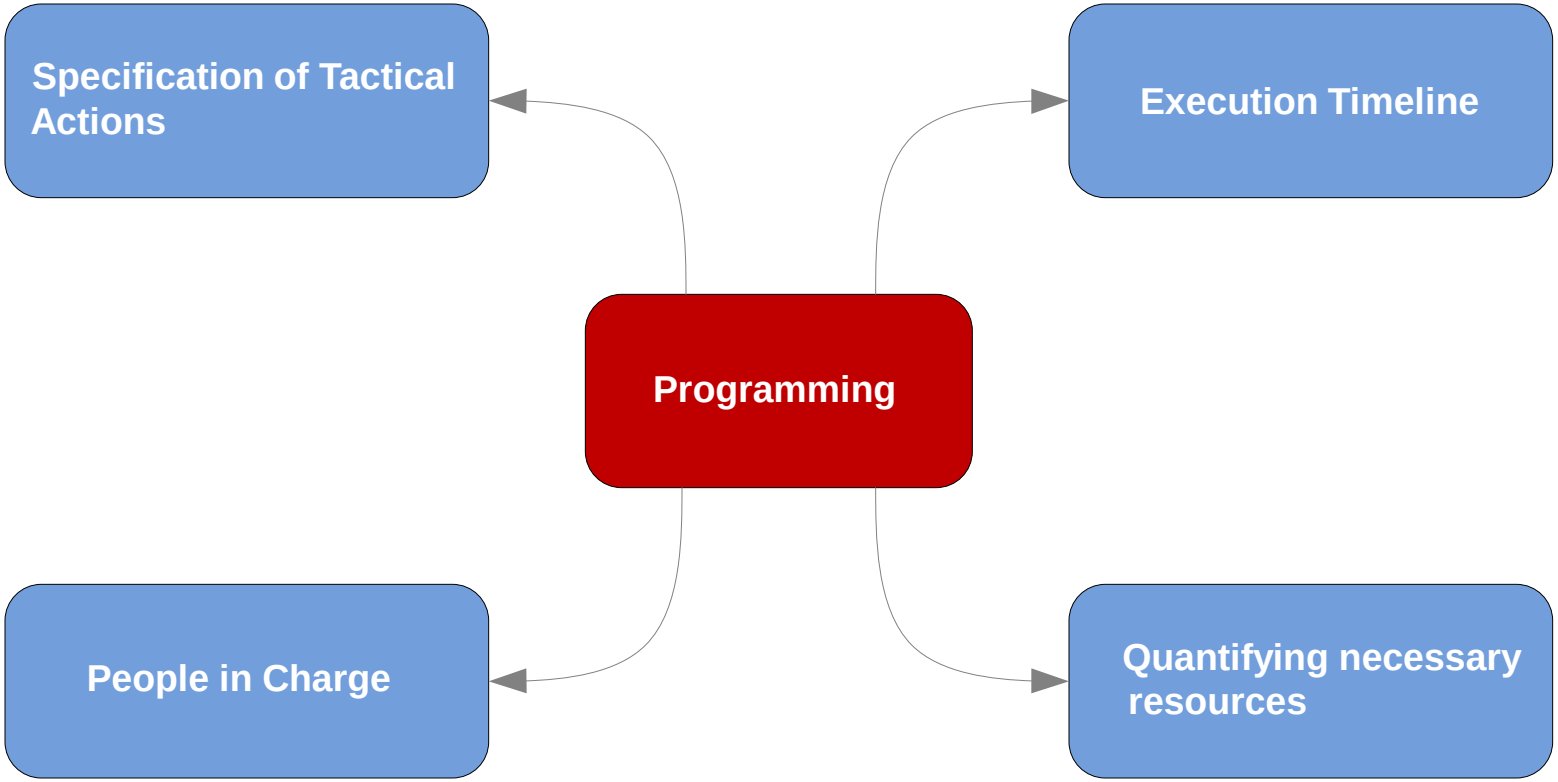
11.7 Marketing Strategy Selection

- Once the objectives have been set, the planning process calls for the specifying of the way in which one wants to reach them.

- Strategies are the central core of the marketing plan and require making decisions which meet three basic requisites:

  a) The need to obtain a competitive advantage sustainable in time and against the competition.
  b) Obtaining a balance between resources and capacities in the company an the environment.
  c) The necessary alignment with the company objectives and the agents that make it up.

11.8 Programming and Execution of the Marketing Plan



11.9 Marketing Strategy Control

- The control of the marketing strategy has as its aim to make sure the marketing plan is fulfilled and ensuring that its objectives are being met.

- The control process implies measuring the results of the actions that have been carried out, to determine the degree of attainment of the forecast objectives and if necessary, take corrective measures.

- Kotler distinguishes four types of controls:

  - The annual plan control.
  - Profitability control.
  - Efficiency.
  - Strategic control.