

A Template For Marketing Strategy

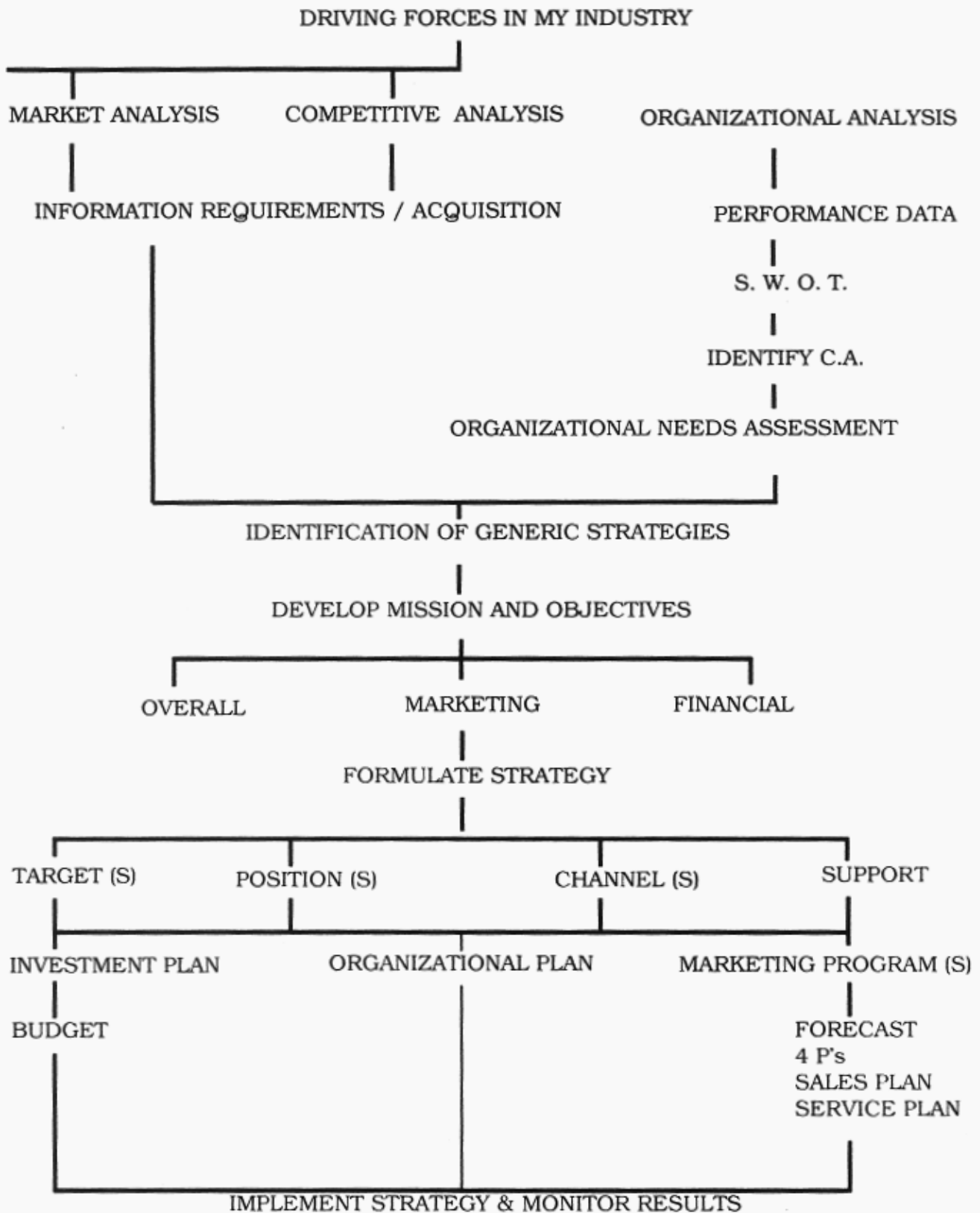
This part provides a template for developing a marketing strategy for the smaller organization. The format is a workbook style with many forms to help provide a solid guide for executing the strategy concepts discussed earlier. The forms are a shorthand way to get started but they should be supplemented with more detailed discussion. They provide the backbone to one process. A complete marketing strategy document will be in much more detail than provided by the forms and questions. You will want to refer to the text for a detailed discussion of the concepts before filling in the forms.

The outlines may be done by one individual or by a group. No matter who fills in the forms, they must represent the wisdom of one organization and there must be a consensus among the organization of what is written. Without agreement on some of the basic marketing facts and assumptions, it will be virtually impossible to develop consensus later as to what direction the company should take.

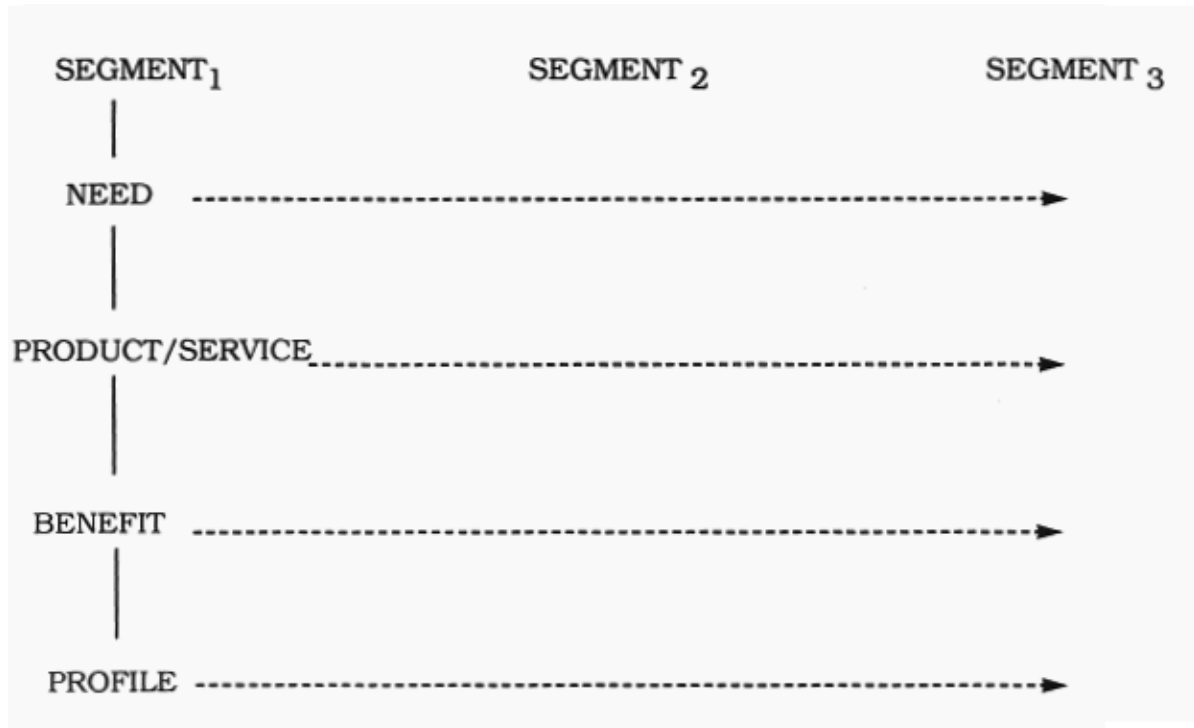
Any strategy development must be based on an understanding of the company's situation with reference to the internal environment and the external environment. The marketing strategy is about managing from the outside to the inside. A proper situation analysis provides the background and foundation for the strategic direction.

The starting point is to understand the driving forces in the environment or industry that the company operates in.

OVERVIEW OF MARKETING STRATEGY*



OVERVIEW OF MARKET ANALYSIS*



- CHARACTERISTICS
- SALES POTENTIAL
- SHARE ESTIMATE
- PROFIT FROM SERVING

* The author is grateful for Dr. Michael Mayo's contribution of the "Overview of Marketing Strategy" and the "Overview of Market Analysis" outlined in the *Template for Marketing Strategy*. (Dr. Mayo is the Associate Dean, School of Business Management, Ryerson Polytechnic University.)

Market Analysis

We have already completed the first level of analysis in identifying the driving forces that lead to changes in our industry.

The next step is to analyze individual consumers (individuals, and organizations) and to set out our primary and secondary segments or target markets.

Customer Need Analysis

Key Customer Groups (Segments)

Customer Needs

1.

1.

2.

2.

3.

3.

4.

4.

5.

5.

Product/Service Analysis

Product/Service	Benefit
1.	1.
2.	2.
3.	3.
4.	4.

Target Segments on Order of Priority

Now match the needs of the customer segments with the benefits of the product /service.

Prime Market:

Secondary Market:

Tertiary Market:

Peripheral Market:

Describe the characteristic of the target groups in a little more detail in order to understand the scope of the markets:

Target Group: Primary Market

Characteristics:

Sales Potential:

Share Estimate:

Target Group: Secondary Market

Characteristics:

Sales Potential:

Share Estimate:

Target Market: Tertiary Market

Characteristics:

Sales Potential:

Share Estimate:

**Target Market: Peripheral
Market**

Characteristics:

Sales Potential:

Share Estimate:

Research

Information is not always available from secondary sources but only from primary sources. A list of needs with cost estimates may identify gaps.

Information Needed	Source	Cost
1.		
2.		
3.		

Competitive Analysis

The first step is to identify the competition and analyze their strengths and weakness.

Competitor	Strength	Weakness
1.		
2.		
3.		
4.		
5.		

Competitive Price Analysis

Competitor	Price Product/Service	Price Product/Service	Price Product/Service
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Competitive Analysis

	Self	CO1	CO2	CO3
Key Success Factors				
Product/Service Offering				
Product/Service Service				
Product/Service Quality				
Cost				
Management				
Marketing Skills				
Marketing Effort				
Technology				
Sales Force				
Distribution				
Pricing				
Manufacturing				
Financial Strength				
Location				
Promotion/Advertising				
Total				

Scale

4 = Best 3 = Good 2 = Fair 1 = Poor

Organizational Analysis

This is the internal situation analysis. We need to know our internal strengths and weaknesses and where we stand in terms of being able to compete effectively in the marketplace. We also need to know our capacity to take advantage of opportunities.

To start with, a listing of the past five years' performance provides the sketch of the past successes.

Evaluators

	1995 current year	1994	1993	1992	1991
1. Market Share					
a. Company					
b. Product A					
c. Product B					
d. Product C					
2. Gross Sales					
3. Gross Profit					
4. Net Profit (before tax)					
5. Gross Margin					
a. Company					
b. Product A					
c. Product B					
d. Product C					
6. Return on investment					
7. Marketing Costs					
a. Administration					
b. Sales					
c. Communications					
8. Quality Ratings (if available)					
9. Customer Ratings (if available)					

S.W.O.T. Analysis

The quickest way to get to a qualitative assessment of the company is via the strength, weakness, opportunity and threat analysis (S.W.O.T.).

Strengths

Weaknesses

Opportunities

Threats

Identification of the Company's Competitive Advantage

Competitive Advantages (current)

Competitive Advantages (to be developed)

Issues that the Organization Needs to Address Based on the Situation Analysis

1.

2.

3.

4.

5.

Generic Options for Marketing Strategy

	Current	Desired	Competitors			
			1	2	3	4
Low Cost Producer						
Differentiator						
Niche Player						
	Market Served Options					
	Current	Desired	Competitors			
			1	2	3	4
Local						
Country Wide						
North America						
International						

Mission

A mission statement is a brief statement describing the purpose of the organization. One needs to be developed and there has to be a high level of subscription to it within the organization. The marketing strategy must be congruent with the mission of the organization.

Our mission is:

Objectives

There must be some goals and objectives to focus the strategy. There are three levels that need to be developed—overall company objectives, marketing objectives and financial objectives. Depending on specific circumstances, these objectives may be divided into short or long—term objectives.

Overall Company Objectives:

- | | |
|----|----|
| 1. | 2. |
| 3. | 4. |
| 5. | |

Marketing Objectives:

- | | |
|----|----|
| 1. | 2. |
| 3. | 4. |
| 5. | |

Financial Objectives:

- 1.
- 2.
- 3.
- 4.
- 5.

Strategy

The first thing to do is to analyze the options and decide where the strategy is heading. In a general way, there are four directions:

	Current Product/Service	New Product/Service
Present Market	I	II
New Market	III	IV

- 1. Risk/opportunities in Quadrant I

- 2. Risk/Opportunities in Quadrant II

- 3. Risk/Opportunities in Quadrant III

- 4. Risk/Opportunities in Quadrant IV

Direction in Order of Preference

- 1.
- 2.
- 3.
- 4.

The Choices

Marketing strategies are statements of the direction of the company's marketing effort. Four choices must be made¹:

1. The chosen market and target segments.
2. The market position and value provided to the selected market.
3. The distribution channels to be used to reach the market.
4. A list of the activities to be undertaken in order to support the direction taken.

1. adapted from George S. Day "*Market Driven Strategy*". The Free Press, 1990

Statement of Investments Needed to Implement the Strategy

1. Capital funds

2. Human capital

3. Expenses

Budget to Carry Out Strategy

Organizational Structure to Carry Out Strategy

Marketing Revenue and Expense Forecast Based on New Strategy

Action Needed to Create a Market Strategy Supported Culture

- 1.
- 2.
- 3.
- 4.
- 5.

Tactics

Tactics have traditionally been summarized by four variables: price, promotion, product and place (4 P's). The following is a good start in developing tactics.

Product/Service

- | | |
|------------------|--------------------|
| 1. Description | 2. Sales Forecast: |
| 3. Objectives: | 4. Position: |
| 5. Opportunities | 6. Threats |

Price

1. Objectives

2. Cost

3. Price Strategy

Promotion

1. Communication

a) objectives

b) budget

c) theme

d) media

2. Sales Force

a) objectives

b) budget

c) structure

d) territories

e) reward structure

Distribution

1. Objectives

2. Channel members