

Marketing Plan Development Guide



The marketing plan outlines the marketing efforts of a business in an upcoming period, which is usually a year. It outlines the marketing strategy, pricing and distribution, promotional, and advertising activities planned for the period. For a developing business, it outlines how they will grow their business beyond family and friends. It also establishes goals and benchmarks for the business. A comprehensive marketing plan makes it easier for a business to stay on budget when it comes to marketing activities as well as potentially receive external support, especially in terms of financing from potential investors, lenders, and grant sources. Finally, and possibly most importantly, going through the process of planning is very valuable because it forces the business owners and/or managers to think through every detail of the business.

Marketing Plan Elements

A comprehensive marketing plan generally includes the following sections:

- I. Description of Business
- II. SWOT Analysis
- III. Pricing and Distribution Strategy
- IV. Marketing Strategy
- V. Budget

I. Description of Business

This section describes the business, including products and services offered. This section also gives a brief history of the business and why the business is being started or expansion pursued. Key components of this section along with questions covered in this section include:

- **History/Background:** When did you start the business? What are the highlights of the history of the business? What is the background of the owners? What sparked your interest in developing this business or launching this expansion?
- **Vision/Mission:** What do you want this business to be in 3-5 years? What characteristics do you want it to embody? What is the purpose of the business—who we are, what we do and for who we do it? The mission statement for the business should state what the business hopes to accomplish in the bigger picture.
- **Goals:** What are your short-term marketing-specific goals for the business (less than 3 years)? What are the long-term marketing goals (more than 3 years)? The goals should outline specific measurable goals for the business. They should be numbered and listed in order of importance.
- **Key Message Points:** What are your key messages? A Key Message is a specific idea you want your audience to understand and remember. It also explains the value of your product/service.
- **Location:** Where is the business located? What is a basic description of the facility and operation?

II. SWOT Analysis

The SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis is used to evaluate your competitive position and to develop your strategic plan. It assesses the performance of the business. Key components of

this section along with questions covered in this section include:

- **Strengths:** What are you good at? What is working for your business? What do your customers like about your business and your products/services?
- **Weaknesses:** What would you like to fix in your business? What areas can be strengthened? What do you want to be more efficient at?
- **Opportunities:** What is the industry trending towards? What would be complimentary products/services to existing ones? What is your differentiator (makes you YOU)?
- **Threats:** What could hinder the growth? Who are your competitors who could take customers? What external factors could influence your current and potential customers?

III. Pricing and Distribution Strategy

The Pricing and Distribution strategy outlines the key products, prices, and distribution strategies of the business. Key components of this section along with questions covered in this section include:

- **Products/Services:** What are the main products or services offered by the business? What are the features of these products/services? What are the benefits of these products/services? How are new products/services introduced?
- **Key Competitors:** Who are the key competitors? What products do they offer? What are their capabilities? Where are they located? What are their strengths? What are their weaknesses? What is their reputation?
- **Pricing Strategies:** What pricing strategies are used in setting prices? Who is responsible for setting prices? What have prices been historically or similar products/services in the market? What prices are necessary to make the target market viable? What are some of the initial key product prices?
- **Distribution:** Will distribution involve largely local markets or will there be significant interstate trade? How will products be distributed? Will the business use its own transportation or will it contract with 3rd party providers?

IV. Marketing Strategy

The Marketing Strategy is your overall plan of action to promote and sell your products/services. Your marketing strategy determines how to reach prospective consumers and turn them into customers. Key components of this section along with questions covered in this section include:

- **Market Background:** What are the demographics for your market area? What are recent developments in your marketplace? Customer feedback or survey results (if this has been done).
- **Market Positioning:** What is your value proposition? What is your competitive advantage? What is the goal of the business in how it wants to be regarded in the marketplace?
- **Target Customers:** What groups will the business be targeting with its products and services? What are the key details about these groups (demographics, habits, values, culture)? What are their demands and needs?
- **Conversion Strategy:** How will you engage with customers? What does your “marketing funnel” look like? What are your touch points throughout the buyer experience?
- **Transaction Strategy:** How will you encourage customers to purchase more products/services? How will you upsell or cross-sell your products/services?
- **Growth Strategy:** How will you attract new customers?
 - Market Penetration: Increasing market share by selling more of the existing

products/services to the current customer base.

- **Market Development:** Seeking new markets for existing products/services and targeting new customer segments or geographical areas.
- **Product Development:** Create and introduce new products or services to existing customer base.
- **Diversification:** Expanding into new markets with new products/services.
- **Retention Strategy:** How will you keep your customers coming back? How will you increase customer loyalty?
- **Sales and Promotion Strategies:** What tactics will be used to promote the business? What forms of media will be in its advertising? What type of advertising will the business use to promote its products/services? How will the business target the most valued customer groups? How will the business measure the effectiveness of advertising and promotional efforts?
 - Include the following mediums:
 - Traditional Advertising
 - Digital Advertising
 - Promotional Strategies (sales, giveaways, or promos)
 - Events Strategy

V. **Budget**

The marketing budget includes any spending you anticipate with marketing, including social media ads, website costs, promotional materials, influencer costs, events, etc. For a startup business, it might also include a capitalization plan. This would list the startup costs and a plan for how the business expects to generate the startup capital. For an expanding business, it will include what the cost of reaching new markets is. Key components of this section along with questions covered in this section include:

- **Sales Forecasts:** What are the projected sales forecasts for the first 3-5 years broken down by productline or service category?
- **Marketing Budget:** What will you be spending on digital advertising? Traditional advertising? Marketing consulting or contractual work? How much does your website cost to host and own your domain address?
- **Estimated Start-up Costs:** For a start-up or expansion, what are the identified key start-up costs and what are the cost estimates for each?
- **Key Performance Measures:** What performance measures or benchmarks will be monitored to evaluate the performance of the business?

The Kentucky Center for Agriculture and Rural Development is an independent, non-profit organization that provides technical assistance and educational opportunities for Kentucky's agricultural producers and related businesses. KCARD's work is supported by the Kentucky Agricultural Development Board, the USDA Rural Cooperative Development Grant, and others. Please contact us if we can provide business planning assistance to your operation.

