

Marketing Plans

Unit: Career Exploration Skills

Problem Area: Entrepreneurship in Family and Consumer Sciences

Lesson: Marketing Plans

- **Student Learning Objectives.** Instruction in this lesson should result in students achieving the following objectives:

- 1 Analyze marketing processes.**
- 2 Describe sales and marketing strategies.**
- 3 Describe a typical marketing plan format.**

- **Resources.** The following resources may be useful in teaching this lesson:

“America’s Number One Marketing Wizard,” *Abraham.com*. Accessed April 28, 2010. <<http://www.abraham.com/aboutjay.html>>.

“Biography of Milan Kundera,” *Kundera.de*. Accessed April 28, 2010. <<http://www.kundera.de/English/Biography/biography.html>>.

“Business Planning,” *SBA*. Accessed April 28, 2010. <<http://www.sba.gov/training/businessplanning/index.html>>.

“Marketing Plan Outline,” *QuickMBA*. Accessed April 28, 2010. <<http://www.quickmba.com/marketing/plan/>>.

“PEST Analysis,” *Wikipedia*. Accessed April 28, 2010. <http://en.wikipedia.org/wiki/PEST_analysis>.

“Rebranding,” *Wikipedia*. Accessed April 28, 2010. <<http://en.wikipedia.org/wiki/Rebranding>>.



“Sample Marketing Plans,” *mplans.com*. Accessed April 28, 2010.

<http://www.mplans.com/sample_marketing_plans/>.

SCORE: *Counselors to America’s Small Business*. Accessed April 28, 2010.

<<http://www.score.org/>>.

Ward, Susan. “The Key to Marketing: The Marketing Plan,” *About.com: Small*

Business. Accessed April 28, 2010. <<http://sbinfocanada.about.com/cs/marketing/a/marketingplan.htm?p=1>>.

■ **Equipment, Tools, Supplies, and Facilities**

- ✓ Overhead or PowerPoint projector
- ✓ Visual(s) from accompanying master(s)
- ✓ Copies of sample test, lab sheet(s), and/or other items designed for duplication
- ✓ Materials listed on duplicated items
- ✓ Computers with printers and Internet access
- ✓ Classroom resource and reference materials

■ **Key Terms.** The following terms are presented in this lesson (shown in bold italics):

- ▶ automation
- ▶ bundling
- ▶ demographic
- ▶ distributors
- ▶ feasibility
- ▶ macro-environment
- ▶ net weight
- ▶ niche
- ▶ outsourcing
- ▶ rebranding
- ▶ survey
- ▶ warranty

■ **Interest Approach.** Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Tell students that marketing is important to all businesses. Author Milan Kundera says, “Business has only two functions—marketing and innovation.” Determining a marketing strategy and developing a marketing plan is important for a successful business. Ask students to write what they would need to do to develop a marketing plan and to create a marketing strategy. Collect their writings and read several anonymously.

CONTENT SUMMARY AND TEACHING STRATEGIES

Objective 1: Analyze marketing processes.

Anticipated Problem: How can people analyze a company's marketing process?

- I. Analysis methods
 - A. Market research
 1. Market research is used to identify the competition's products and to determine the customer demand for new innovations.
 2. To conduct market research:
 - a. People must study and evaluate the existing market.
 - b. People must study the **feasibility** (practicality of something being achieved) of a new product's success. To help determine feasibility, a **survey** (questions asked of a sample population) is often developed and the responses are statistically analyzed.
 - B. Rebranding: Coke® versus New Coke®
 1. **Rebranding** is the process used to give a product, service, or an organization a new image or a different identity to make it more attractive or successful to a target audience. Often rebranding is a radical repositioning of a product or a company due to restructuring, merger, or takeover. It may simply involve superficial changes (e.g., an update or revision of the product logo). Walmart® made a major logo change in 2008.
 - a. The logo change was to promote its evolution as a company. According to the press release, *"This logo update is simply a reflection of the refreshed image of our stores and our renewed sense of purpose of helping people save money so they can live better."* A new image (look) can help any company impart a new perspective in the mind of customers.
 - b. The logo change helped update the 16-year-old hyphenated logo (Wal-Mart) to one word (Walmart) with a starburst added following the logo. The attempt was to make the company seem more like the name of a person, to help humanize the mega retailer, and to make it appear friendlier.
 - c. The logo change helped update the company's image to customers. Walmart® has had several logo changes from the original one in 1962 to the ones in 1964, 1968, 1981, 1992, and 2008.
 2. Rebranding can be used with new, mature, or unfinished products or organizations. Brand image strategies include:
 - a. Logo
 - b. Formula (food and beverage items)

- c. Name
 - d. Image or appearance
 - e. Market strategy (including advertising)
3. A famous lesson in rebranding occurred on April 23, 1985, when the Coca-Cola Company issued New Coke®. New Coke® represented the first marketing formula change of the Coca-Cola trademark in 99 years. The reasons Coca-Cola cited for rebrand included:
 - a. Taste test surveys of 200,000 customers indicated people preferred the taste of New Coke to the taste of original Coke®.
 - b. It was an attempt to increase the company’s cola market share, which had been slipping for 15 years.
 4. Customer reactions
 - a. There was outrage at the replacement of the original Coke®. Responses included hoarding original Coke® and voicing disapproval via phone calls and protests. (The Coca-Cola Company had advertised that the secret formula for the New Coke® would replace the original Coke®.)
 - b. The company’s marketing strategy forgot the value of the bond the consumers felt toward the original Coke®. The original Coke name was changed to “Coca-Cola Classic®” two days after the launch of the marketing plan.
 5. The outcome
 - a. Today, “New Coke®” (later called “Coke II®”) is no longer available in the United States.
 - b. As a result of the rebranding fiasco, the Coca-Cola brand was even more successful because of added publicity and customer loyalty.
- C. PEST is an acronym for political, economics, social, and technology; it is also a method to evaluate the **macro-environment** (issues that impact the company but are out of its immediate control) of a company.
1. **P**—The political culture of the country affects businesses with tax policies, laws, and political stability.
 2. **E**—The economics of the country affects businesses via interest rates and the inflation rate. The monetary exchange rate affects export profits.
 3. **S**—The social factors include the culture’s emphasis on health and safety as well as the age and career demographics of those in the workforce.
 4. **T**—The technological effect is seen in the use of **automation** (the use of mechanical equipment instead of human labor) and **outsourcing** (labor contracted outside of the company’s plant).
- D. SWOT is an acronym that refers to analyzing issues related to marketing, business planning, and career planning.
1. **S** refers to the strengths of the company.
 2. **W** is used to analyze the weaknesses of the company.
 3. **O** reflects opportunities of the company.
 4. **T** examines the threats to the company.

Teaching Strategy: Use VMs A through D to launch a discussion of the various methods of analyzing a company's marketing process. Give examples of PEST and SWOT. Then ask students for additional examples.

Objective 2: Describe sales and marketing strategies.

Anticipated Problem: What are marketing and sales strategies?

II. Sales and marketing strategies

A. The four Ps used to determine marketing strategies

1. Product—Product decisions include the quality and brand name.
 - a. A product **warranty** (a guarantee for repair or replacement of defective workmanship) is considered.
 - b. A **niche** (specialized product market) is evaluated.
2. Price—Several price ranges are considered.
 - a. The list and discounted prices are determined.
 - b. The price per bundle is determined, when appropriate. **Bundling** is several items offered as a group for a special price. For example, software companies often bundle several individual pieces of software as a group or suite for a reduced price as compared to the individual purchase of each piece of software.
3. Place—An appropriate distribution model is determined.
 - a. It is necessary to consider if the product would be sold as a direct sale (direct from the company to the consumer) or as a retail sale (marketed through various retail establishments).
 - b. A choice of **distributors** (those who sell merchandise to retailers) is determined, when appropriate.
4. Promotion—Promotion determines how a company would make the public aware of the product's availability.
 - a. Advertising strategies and techniques are essential.
 - b. For a promotion to be successful, the cost of promoting a product may be regrouped with additional sale items.

B. Product labels and packaging

1. All product labels and packaging must meet government standards as well as catch the public or the demographics' eye. The visual appeal of the package has many facets, including:
 - a. The use of color
 - b. The addition of pictures and information designed to appeal to the marketing **demographic** (target group)
 - c. Package shape
 - d. Novelties (e.g., prize inside the package, chance to win a prize, inclusion of a game piece, or sound emitted when opening)

2. Food packages must include the following:
 - a. Common name of the product
 - b. Company name
 - c. Manufacturing address
 - d. **Net weight** (weight of the contents minus the package)
 - e. Ingredients listed in rank order by amount (most to least)
3. Nutrition facts analyze the amount and percentages of daily value for fat, cholesterol, sodium, carbohydrates, protein, vitamin A, vitamin C, calcium, and iron. Nutritional facts have a specific standard format that must list the:
 - a. Serving size
 - b. Number of servings in one package
 - c. Calories found in one serving

Teaching Strategy: Use VM–E and VM–F to discuss marketing and sales strategies. Have students work in groups to brainstorm the four Ps for a new item. Assign LS–A.

Objective 3: Describe a typical marketing plan format.

Anticipated Problem: What are the elements of a typical marketing plan?

III. Marketing plans

- A. Executive summary
 1. It is a concise overview of the plan and is no longer than two pages.
 2. It answers the questions who, what, and why for the reader. It should leave the reader wanting to know more about the company and its marketing plan.
 3. Although it is placed as the first item in the marketing plan, it should be written last.
- B. The challenge portion is a brief description of the company’s goals for marketing the products.
- C. Company analysis
 1. It includes the company goals.
 2. The company analysis should have summaries from the SWOT and PEST analyses.
 3. It should contain the effect of political, economic, societal, and technological issues related—or perceived to be related—to the company’s marketing.
- D. Customer analysis
 1. It should have target demographics for marketing the product to individuals, including:
 - a. Type of customer (e.g., age, gender, and interests)
 - b. Geographic location of the target demographic (affects the marketing strategies and techniques selected)

- c. Marketing strategies (may vary by age, gender, interests, or income levels)
- 2. Business customer marketing strategies (B2B) vary from the selected strategies to market to individuals.
 - a. The location and size of the business affects the selected marketing strategy.
 - b. The level of technology integration required by the business using the company's products may be discussed in the marketing plan.
- E. Competitors' market position and market share
 - 1. This section should discuss competitors who have one similar product or an entire line of similar products.
 - 2. It should compare the company product and the competition's product via a competitive analysis table (with features and benefits).
- F. Four Ps
 - 1. Product
 - 2. Price
 - 3. Place
 - 4. Promotional plan
- G. Optional elements (as needed)
 - 1. Cover page
 - 2. Table of contents
 - 3. Appendix

Teaching Strategy: Use VM–G to discuss a sample marketing plan format. Assign LS–B.

- **Review/Summary.** Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle.
- **Application.** Use the included visual master(s) and lab sheet(s) to apply the information presented in the lesson.
- **Evaluation.** Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activities. A sample written test is provided.

■ Answers to Sample Test:

Part One: Matching

- 1. c
- 2. g
- 3. d

4. b
5. h
6. j
7. i
8. a
9. f
10. e

Part Two: Short Answer

1. Answers will vary but should include one of the following:

Element	The Effect on the Marketing Plan
P —Political culture	Tax policy, laws, and political stability
E —Economics	Interest rates, inflation, and export profits
S —Social factors	Health, safety, age, and demographics of the workforce
T —Technological effect	Automation and outsourcing

2. The four Ps used to determine marketing strategy and a brief explanation of how each is used:

Four Ps	How They Are Used
Product	Decisions include the quality and the brand name. A product warranty is considered. A niche market is evaluated.
Price	Several price ranges (e.g., list price and discounted prices) are determined. The price per bundle is determined, when appropriate.
Place	An appropriate distribution model is determined. It is determined if it will be sold via direct sales or via retail sales. Distributors are selected.
Promotion	It is determined how the company would make the public aware of the product's availability. Advertising strategies and techniques (including regrouping) are part of this process.

Part Three: True/False

1. F
2. T
3. T
4. F
5. T
6. T
7. F
8. T
9. T
10. T

Marketing Plans

► **Part One: Matching**

Instructions: Match the term with the correct definition.

- | | |
|-----------------|----------------------|
| a. automation | f. macro-environment |
| b. bundling | g. net weight |
| c. demographic | h. niche |
| d. distributors | i. outsourcing |
| e. feasibility | j. warranty |

- ___ 1. A target group
- ___ 2. The weight of the contents minus the package
- ___ 3. Those who sell merchandise to retailers
- ___ 4. Items offered as a group for a special price
- ___ 5. A specialized product market
- ___ 6. A guarantee for repair or replacement for defective workmanship
- ___ 7. Labor contracted outside the company's plant
- ___ 8. The use of mechanical equipment instead of human labor
- ___ 9. Issues that impact the company but are out of its immediate control
- ___ 10. The practicality of something being achieved



► Part Two: Short Answer

Instructions: Answer the following.

1. List the four elements of the acronym PEST as it relates to marketing as well as one example of how each element affects a marketing plan.

2. List the four Ps used to determine marketing strategy. Then briefly explain how each “P” is used in a marketing strategy.

► Part Three: True/False

Instructions: Write *T* for true or *F* for false.

- ___ 1. A famous lesson in rebranding occurred on April 23, 1985, when the Coca-Cola Company issued Coke Zero®.
- ___ 2. For a marketing promotion to be successful, the cost of promoting a product is often regrouped with additional sales.
- ___ 3. A marketing plan may discuss whether a competitor has one or an entire line of similar products.
- ___ 4. A demographic analysis table may be used to compare one product with another.
- ___ 5. The geographic location of targeted customers impacts the marketing strategies.
- ___ 6. Company analysis may include summaries from SWOT and PEST analyses.
- ___ 7. The executive summary is a brief description of the company’s goals for marketing the product.
- ___ 8. When writing a marketing plan, write the executive summary last.
- ___ 9. Visual appeal of the package is enhanced with color, pictures, and additional information.
- ___ 10. Market research is used to identify the competition’s products and the customer demand for new innovations.

MARKET RESEARCH

Market research is used to identify the competition's products and customer demands for new innovations. The existing market is researched and evaluated.

Study the **feasibility** (practicality of something being achieved) of a new product's success. To help determine feasibility, a **survey** (questions asked of a sample population) is often developed and the responses are statistically analyzed.



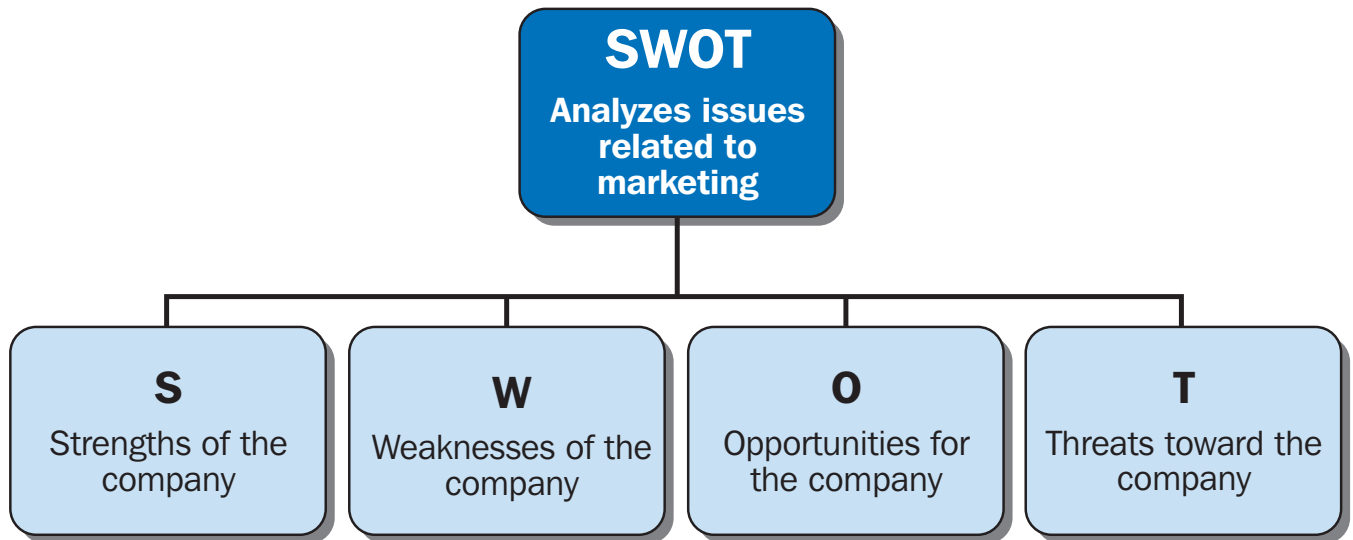
REBRANDING: THE NEW COKE® MARKETING PLAN

Rebranding is the process used to give a product, service, or an organization a new image or a different identity to make it more attractive or successful to a target audience. Often rebranding is a radical repositioning of a product or a company because of restructuring, a merger, or a takeover. It may simply involve superficial changes (e.g., an update or revision of the product logo). Rebranding can be used with new, mature, or unfinished products or organizations. Brand image strategies include:

- ◆ Logo
- ◆ Formula (food and beverage items)
- ◆ Name
- ◆ Image or appearance
- ◆ Market strategy (including advertising)



SWOT ANALYSIS



FOUR PS OF MARKETING

The Four Ps are used to help determine marketing strategies for a product.



<p>Product</p>	<ul style="list-style-type: none"> ◆ Decisions include the quality and the brand name. ◆ A product warranty (a guarantee for repair or replacement of defective workmanship) is considered. ◆ A niche (specialized product market) is evaluated.
<p>Price</p>	<ul style="list-style-type: none"> ◆ Several price ranges (e.g., list price and discounted prices) are considered. ◆ The price per bundle is determined, when appropriate. Bundling is several items offered as a group for a special price (e.g., software suites).
<p>Place</p>	<ul style="list-style-type: none"> ◆ An appropriate distribution model is determined. ◆ It is decided if the item will be sold via direct sales or via retail sales. ◆ A choice of distributors (those who sell merchandise to retailers) is determined.
<p>Promotion</p>	<ul style="list-style-type: none"> ◆ This determines how the company will make the public aware of the product's availability. ◆ Advertising strategies and techniques are discussed, determined, and used. ◆ For a promotion to be successful, the cost of promoting a product may be regrouped with additional sale items.

FOOD PRODUCT LABELS AND PACKAGES

All product labels and packaging must meet government standards as well as catch the public or the demographics' eyes.

Visual appeal	<ul style="list-style-type: none"> ◆ The use of color ◆ Pictures and information designed to appeal to the marketing demographic (target group) ◆ Package shape ◆ Novelties (e.g., prize, chance to win, game piece, and sound)
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Food labels	<ul style="list-style-type: none"> ◆ Common name of the product ◆ Company name ◆ Manufacturing address ◆ Net weight (weight of the contents minus the package) ◆ Ingredients listed in rank order by amount (most to least)
Nutrition facts	<ul style="list-style-type: none"> ◆ Analyze the amount and percentages of Daily Value for fat, cholesterol, sodium, carbohydrates, protein, vitamin A, vitamin C, calcium, and iron ◆ Specific standard format that must list the: <ul style="list-style-type: none"> ■ Serving size ■ Number of servings in one package ■ Calories found in one serving

Design and Market a New Food Product

Purpose

The purpose of this activity is to design and market a new food product.

Objectives

1. Brainstorm about a new food product.
2. Evaluate current products in the marketplace.
3. Develop and conduct a feasibility survey; analyze the results.
4. Develop a recipe and a sensory evaluation of the new product.

Materials

- ◆ lab sheet
- ◆ food ingredients to prepare new recipe
- ◆ writing utensil
- ◆ paper
- ◆ glue
- ◆ scissors
- ◆ nutrient analysis software
- ◆ empty packages to represent new product packaging
- ◆ materials to market the product
- ◆ materials to display the product

Procedure

1. The project segments may be completed individually, in pairs, or in teams of three.
2. Submit the assigned segments at the request of the instructor.
 - a. Brainstorm a new food product.



- b. Conduct a feasibility survey.
 - (1) Consider if there is a need to develop the new product.
 - (2) Develop questions for the feasibility survey.
 - (3) Use the feasibility survey to poll potential customers.
 - (4) Summarize the results of the feasibility survey.
- c. Complete market research.
 - (1) Identify product qualities similar to the product the team plans to develop.
 - (2) During marketing research, evaluate consumer appeal, packaging techniques, technology use, processing techniques, preservatives used, nutrient values, price variation, serving sizes, and brand names.
- d. Develop a new product recipe following a standard recipe format.
- e. Research product development for the new food product. It may include processing techniques, ingredients, nutrient functions, and/or preservatives.
- f. Develop the sensory evaluation questions (taste test questions).
- g. Prepare the new food product following the new product recipe.
 - (1) Weigh each ingredient before preparing the new product to determine the rank order of ingredients on the food label.
 - (2) Calculate the net weight of the prepared new product to use as the net weight on the food label.
 - (3) Determine the fraction of the total product for one serving size. Then calculate the nutrient percentages and the calories in one serving.
- h. Conduct a sensory evaluation survey.
 - (1) Have potential customers taste a sample of the new food product and complete a sensory evaluation questionnaire.
 - (2) Statistically summarize the results of the sensory evaluation.
- i. Modify the developed recipe when a need is based on the results of the sensory evaluation survey.
- j. Develop an appropriate (for the demographic) and accurate label and package to hold the food product.
 - (1) Use nutrient analysis software, and input the amount of ingredients used in the recipe. Calculate an accurate nutrition facts label. Indicate the calorie amount and a serving size.
 - (2) Follow industry rules for packaging, and develop a package with the common name of the product, company name, manufacturing address, and net weight.
 - (3) Add an ingredient list in a ranked order of amount.
 - (4) Optional information may be added to the simulated package, such as brand name and general product information.
- k. Develop a marketing scheme for the newly developed food product. Options may include a video advertisement, magazine advertisement, Web site ad, brochure, or a radio advertisement spot.
- l. Prepare a display of the company's work for use at a customer event.

Check Out These Marketing Plans

Purpose

The purpose of this activity is to evaluate a variety of sample marketing plans.

Objectives

1. Identify sections of sample marketing plans.
2. Evaluate the sample marketing plans.

Materials

- ◆ lab sheet
- ◆ paper
- ◆ a variety of colors of markers or highlighters
- ◆ stapler

Procedure

1. Work with one or two classmates.
2. Access the sample marketing plan Web site at http://www.mplans.com/sample_marketing_plans/.
3. First, select a business category to research.
4. Then select two marketing plans to research from the 70 samples shown.
5. Print a copy of each of the sample marketing plans selected.
6. Assign each marketing plan a random three-digit number to use for identification purposes. Write the number in the upper left corner of each plan.



7. Word process a color-code legend to identify each section of a marketing plan. See the sample below:

Business category _____

Team member names _____

Color Code	Section of Marketing Plan
Red	Company analysis

Include additional colors for each section of the marketing plan. Print the color code legend.

8. Place a line of color on the left side margin of the marketing plan to quickly identify the various sections of both marketing plans.
9. Select the best marketing plan of the two you researched. Do so by writing “Number 1 Choice” at the top of the page. Then write the reason your team made this plan the top choice at the top of the selected market plan.
10. As a team, answer the following questions:
- Which marketing plan sample contained the most information?
 - Which marketing plan sample was easier to read? What made it easier to read?
 - Which, if any, marketing plan included graphs or charts?
 - What information, if any, was missing from each marketing plan?
11. Staple the following documents, in order, to this lab sheet and submit them to the instructor:
- Printed color-code legend
 - Two marketing plans