

Marketing is a way of presenting your business to your customers. The main reason for marketing is to clearly communicate the value of your product or service. To do this successfully, you create a marketing plan. A marketing plan is a detailed guide with two primary parts: marketing goals and strategies for reaching your goals (the marketing mix).

Marketing Goals

Every marketing plan is unique because each business has its own marketing goals. When you first begin creating a marketing plan, it's important to know what you want to accomplish. Write these goals down so you can refer to them as you develop marketing strategies. Later, as you work out the details of your strategies, you can make adjustments. You may also discover that you need to do some additional research.

1. Specific. Your marketing goals should agree with your business plan's overall objectives. However, marketing goals are usually more specific and action-oriented. You should be able to measure them in practical ways. For example, "I want to increase the number of customers that come to my store" is too general. Adding the words "by 25%" to the end of this statement makes it more specific and measurable.
2. Time Frame. Marketing goals also require a time frame:
 - Short-Range Goals. What do you want to accomplish in the next year? You may find it helpful to break one-year goals into smaller periods, such as quarters (three months).
 - Mid-Range Goals. What do you want to achieve in the next two to five years?
 - Long-Range Goals. Where do you see your business ten or twenty years from now?

Some additional things to keep in mind when considering goals:

3. Motive. Think about why you want to reach each objective. What rewards do you hope to obtain? Also, consider the opportunity cost of setting one particular goal rather than another.
4. Consistency. Be careful that your goals do not conflict with one another. That will only create frustration. It will also decrease your chances of accomplishing them.
5. Cost. Eventually, you will need to work out a budget for your marketing plan, to check the feasibility of your goals. Cost includes not only money but also your personal energy and emotional investment. Try to be as realistic as you can when thinking about goals.

Another potential marketing goal can be defined in terms of market share.

6. Market Share. Market share is the percentage of a given market population that is buying a product or service from a particular business. Determining a reasonable market share should be based on the level of competition in your target market. In most cases, you will be entering a market with many competitors – so don't expect to grab much market share, at least in the beginning.

Marketing Strategies (Marketing Mix)

Every marketing plan has four main strategy areas, sometimes referred to as the "Four Ps." How a company chooses to combine these areas is called its marketing mix. Think of it as creating a recipe for reaching and keeping customers:

- Product. What item(s) can your business provide that will best meet the needs of your target market? This is a description of the product(s) or service(s) your company plans to offer.
- Place. This strategy refers to selling and delivery methods. How and where will customers be able to buy or receive your product or service?
- Price. What price will your target market feel is reasonable, or perhaps even a good deal, for your product or service? Your pricing strategy may need to vary over time depending on various factors, about which you'll learn later.
- Promotion. The process you use to make potential customers aware of your product or service and to influence them to buy it is referred to as promotion.

Today, you'll be looking at the first "P" ... Product.

Think Critically

1. Why is marketing important to a business?

2. Why is it important to put your marketing plan in writing?

True or False

- ____ 1. A marketing mix is the blending of product, distribution, price, and promotion to satisfy a target market.
- ____ 2. Establishing short-, medium-, and long-term marketing goals ensures that the marketing you do today fits the vision you have for your business tomorrow.
- ____ 3. Long-term goals are what you want your business to achieve in the next two or three years.
- ____ 4. Short-term goals should not be listed in terms of product price, distribution, and promotion.
- ____ 5. Medium-term goals are used to create strategies for each element of the marketing mix.
- ____ 6. If a short-term goal is to generate traffic in a retail store, the marketing strategy should focus on the market share of the competition.
- ____ 7. Long-term goals show where you would like your business to be five or ten years from now but do not help you think about how to market your business today.
- ____ 8. A written marketing plan can help you define your market and identify your customers.
- ____ 9. The marketing concept uses the needs of entrepreneurs as the primary focus during the planning, production, distribution, and promotion of a product or service.
- ____ 10. Researching industry norms and past performances will help you develop appropriate performance standards for your marketing plan.

Multiple Choice

- ____ 1. Price is one of the elements of (a) the competition, (b) the marketing mix, (c) the channel of distribution, (d) market research.
- ____ 2. To use the marketing concept, businesses must do all of the following except (a) identify what will satisfy customers' needs and wants, (b) operate profitably, (c) devote half of its profits toward marketing, (d) develop products that are better than other choices.
- ____ 3. Marketing goals (a) need to be established only for the long-term, (b) help shape your marketing plan, (c) should never change, (d) can be used to determine your product mix.
- ____ 4. Short-term goals can be stated in terms of (a) number of customers, (b) level of profits, (c) level of sales, (d) all of these.

- _____ 5. Your marketing strategy should address (a) product introduction or innovation, (b) pricing, (c) market share, (d) all of these.
 - _____ 6. Medium-term goals describe what you want your business to achieve (a) in ten years, (b) in terms of market share, (c) in two to five years, (d) by using various promotion methods.
 - _____ 7. A long-term goal might be to (a) expand by adding a second location, (b) increase market share to 50 percent, (c) establish a customer base, (d) network with local lawyers, accountants, and other business owners.
 - _____ 8. A marketing plan should do all of the following except (a) identify your overall market strategy, (b) include your specific strategies for price, product, distribution, and promotion, (c) identify the owner’s net worth, (d) identify and anticipate change.
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Problem Solving

1. Explain the difference between short-term, medium-term, and long-term goals for your business and short-term, medium-term, and long-term marketing goals.

2. How can elements of the marketing mix be used to develop short-term marketing strategies?

3. Why does a business need a marketing plan?

4. What kinds of information must be included in a marketing plan?