One of the worst approaches a company can take is to conduct marketing on an ad hoc basis. A company says something like, “That sounds like a good idea. Let’s try it.”

To market well, you need a marketing plan, to be specific.

The Characteristics of a Good Plan

A marketing plan is a dynamic, strategic document that analyzes factors related to the buying decision and outlines the tactics you’ll use to persuade someone to buy.

A plan is constantly changing along with the shifting forces that influence the buying decision. For example, when the latest recession struck, hotels had to scrap their marketing plans and reorient them toward the new frugality in the air. When gas went to $4 a gallon, the image of gas guzzling SUVs had to be updated. A marketing plan that has not changed with the times is almost certainly in need of a tune-up.

A marketing plan is strategic. It lays out a complex strategy by which a company can reach a target market with exactly the right message to be persuasive. A different target market would require a different message and a different strategy.

Many experts claim to be able to help you create a marketing plan. Their approaches are not all the same. They use different terminology and stress different aspects of the planning process, but underlying nearly all the good approaches are core areas that must be investigated and addressed. If a plan does not take them all into account, no matter what they are called, it is in real danger of failing.

The Elements of a Good Plan

Effective marketing plans have eight critical elements. Let’s take them one by one.

1. **Goals and Objectives**
   A company must have a clear idea of what it wants to accomplish with its marketing plan. Does it want to grow sales, increase market share, enhance brand image, introduce a new brand, or reposition an aging brand? Without knowing the company’s exact goals and objectives, no cohesive plan can be created, any more than an archer can hit a target he cannot see.

   The other important reason for setting out goals in some detail is that it gives the company a basis on which to evaluate the success of the marketing plan. Did we achieve our goals or not?

2. **Company Evaluation**
   This is often called an internal audit. A marketing plan must take into account the strengths and resources of the company and its weaknesses – profitability, product lines, acquisitions, management skills, technological capabilities, image with the public, and the list goes on. A company’s image may work against a desired marketing goal, such as when McDonald’s wanted to get into the casual dining market that restaurants like Applebee’s, T.G.I. Friday’s, and Chili’s occupy. While it had great experience in the food business, McDonald’s had no skills in the specialized areas it needed to run a different kind of restaurant, and its brand image of *OK fast food* would have been a huge stumbling block in creating a positive image. So McDonald’s did the next best thing: It bought Chipotle, preserving its brand identity and gaining an early entry into the new *fast casual* restaurant market.

3. **Environmental Evaluation**
   This is often called an external audit. It means analyzing all the outside factors that can influence the target market or the company. An external audit looks at such factors as the demographics of customers, the economy, new laws and regulations, social and cultural changes, labor influences, foreign competition, and game-changing products and technologies, among others. Are buyers getting older? Are they showing a greater awareness of green products? How do social technologies alter the playing field? Marketers
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often use formal analysis tools to get a bird’s-eye view of the company and its environment. These may include a SWOT analysis, which examines the strengths and weaknesses of a company and the opportunities and threats it faces. Another tool is a STEEP analysis, named for an examination of the social, technological, economic, environmental, and political forces in a market. There’s also a PEST analysis, which involves a political, economic, social, and technological analysis. A lot of these tools overlap. It’s important to pick ones that give a company the best, broadest picture of what’s going on.

4. Buyer Analysis
No marketing plan can hope to succeed without an effort to intimately understand a company’s target buyers and what they really want to buy. What are the psychological and physical satisfactions they seek when they buy a product? This area of the marketing plan studies both the demographic (i.e., age, education, gender, and income) and psychographic (i.e., values, fears, hopes, and prejudices) attributes of the target market. Often companies analyze individual segments of the target market. Marketers separate groups in a target market on the basis of common characteristics that make them more alike than other parts of the target market. For example, if I’m selling jeans, my message can be more persuasive and powerful if I emphasize certain things to one audience like teenage girls (“the coolest and most popular jeans!”) and another to a more mature audience (“comfortable and stretchy!”). An analysis of buyer motivation forms the foundation upon which the marketing plan can be built. After all, buying first takes place in the mind of the buyer.

5. Strategy
This is the overall approach that marketing messages will take. It sets the positioning strategy, shaping how buyers think about the brand in relation to its competitors. It also communicates greater value over a competing product and creates an overall image of the brand within each segment of the target market. For example, when you hear “safe car,” you probably immediately think Volvo. That’s because Volvo has spent millions of dollars to create that image in buyers’ minds. “Volvo = Safety” is its strategic approach. People have strong images of what Corvettes and Hondas stand for, too, including speed or reliability, but many other brands have no real image and lack a unique strategic approach that will help them own that image.

6. Tactics
Tactics describes how a company will implement its strategy. Which specific media will a company use to reach a company’s target market effectively? What specific messages (e.g., words, images, music) will a company use to create its brand image? When most people think about marketing, this is what they think of—the ads and Web sites and promotions. But these are just a few of the important tactics. All successful tactics rest on the analysis you’ve performed of buyers’ motivations. That knowledge guides marketers with respect to what promises to make, which features to offer, and how to persuade buyers that a product will give them the satisfaction they want. Starting first with tactics and creating ads that sound good is a recipe for disaster and wasted money. And yet that is precisely how thousands of businesses operate.

7. Timetable
A company needs to outline what happens and when. In a good marketing mix of media outlets, each message builds on others that came before. It is easier to get a potential buyer to open a direct-mail piece if she has first seen a billboard for the product and heard an ad on the radio several times. Otherwise, the letter will likely go unopened into the trash.

8. Evaluation
Finally, a good marketing plan must have a section about how the effort will be evaluated and when. Without research and evaluation—are the phones ringing, are orders coming in, do surveys show people like our company more?—a company cannot determine if it is on the road to achieving its goal and objectives. Companies must focus on hard numbers and other solid measurements of success. Too often, marketers are skating by with a poor plan because the metrics used for evaluation are so nebulous that no logical evaluation can be made.

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A marketing plan is like a road map. It shows a company the best route to get where it wants to go. Without a map to guide its marketing journey, a company may end up a long way from where it intended.