

Tips for Developing a Marketing Plan: Heavenly Pies Example

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A marketing plan is probably the most important but least thought about aspect of a business. It is the part of a company's business plan that outlines the marketing strategy for the company and its products.

There are several formats in which a marketing plan can be developed. While each format may appear different, they all contain the same general information. The marketing plan includes information such as a description of the product or service offered, pricing goals and guidelines, definition of the target markets, information about competitors, the marketing budget and promotional endeavors.

Just as marketing plans can have different formats, they can also differ in the amount of detail that they contain. When developing the first marketing plan, it is a good idea to keep it simple. This will help to keep the focus on the new ideas and thoughts that are being generated. As time passes, it is important to increase the level of detail contained within the marketing plan.

A marketing plan should be a guide on which to base decisions and should ensure that everyone in an organization is working together to achieve the same goals. A good marketing plan can prevent an organization from reacting to problems in a piecemeal manner and even help in anticipating problems.

Tips and Hints

As you read and work through each section, keep the following tips and hints in mind:

Keep the marketing plan simple.

Many small business owners get so involved in details that they lose sight of their goals. By keeping the plan simple, a clear road map is created which focuses on what needs to be accomplished.

Write the marketing plan down (as opposed to thinking about it and keeping it in your head).

It is important to have a document as a reminder of what needs to be accomplished.

Be direct and be clear.

If there are questions, ask a friend, relative, colleague or employee to read the plan. They should immediately be able to grasp the goals and objectives.

Don't build in too much flexibility.

It may be tempting to plan for various market contingencies. If the market changes that quickly, then incorporate that into the plan. Create a strategy that is obtainable – that's the purpose of having a plan in the first place.

Review the marketing plan often –quarterly or even monthly.

A regular review of the marketing plan doesn't mean that it must be revised every month. But take some time to evaluate it and make sure goals and deadlines are being met.

Finally....never stop marketing!

Once the plan is in place, take action. Commit to the marketing program. Don't become stagnate. Keep at it, and give the business the opportunity to flourish.

Below is a sample marketing plan for a fictional store named Heavenly Pies. The sample plan was written by the owner of the store. It is shown to provide an example of one type of format and level of detail that a marketing plan can have.

Heavenly Pies

Sample Marketing Plan

Introduction

This marketing plan is designed to provide a blueprint for marketing homemade apple products at the “*Heavenly Pies*” retail store.

Our ambitions include:

- Identifying the local market opportunities
- Identifying target markets
- Identifying promotional/and advertising opportunities
- Marketing budget

Market Research and Analysis

Situational Analysis

Heavenly Pies is located in an open-air shopping center in Hometown, Tennessee. According to recent census data, the Hometown area is growing faster than any other metropolitan area in the

state. This growth is fueled by the purchase of 2nd homes by home buyers and retirees nationwide. We consider all tourists and locals as potential customers, since we offer a wide array of homemade apple products that can be taken home or eaten inside our shop. Pie and desert consumption is increasing. Recent trends indicate an increase in the purchase of this type product made with apples. Our local competition is not fierce; there is only one additional bakery, Dorothy's Delights. They currently do very little marketing. However, we haven't ruled out the possibility of them doing so in the future as a response to our new marketing efforts.

Product/Service Analysis

Apple pie is the big money maker for Heavenly Pies, with apple turnovers coming in a close second. Other apple items sold include fritters, donuts, cakes, and fresh apples. In addition, customers can purchase vanilla ice cream and coffee. Inside the store there is an area where customers can enjoy their purchases or they can be packaged and taken home. Our products are made fresh daily and remain on the shelf for a maximum of 3 days. All ingredients, except apples, are purchased in bulk from the Doe Supply Company. Apples are purchased from a local orchard and are stored frozen for off-season use.

Our strengths are:

- Low prices
- Homemade products made with fresh apples
- Experienced Staff

Our weaknesses are:

- Limited distribution channels
- Lack of community establishment

Target Market Identification and Description

Our three main target markets are 1) retired persons 2) female weekend shoppers and 3) the curious passer-by.

Retired persons, age 55 and above, have an increased amount of free time. They could use our store as a place to meet with friends and associates throughout the day.

A majority of the people who visit the shopping center on the weekends are female. Female weekend shoppers, of any age, can come in and purchase a snack to eat while shopping or to take home for their family or friends.

Curious individuals who pass by and are attracted by our window or the wonderful smells coming from inside are also potential customers. These individuals have not visited our store before and are likely to make impulse purchases during their first visit.

Competitor Analysis

Currently, Dorothy's Delights is our toughest competitor. They carry 50% of the same products.

Strengths of Dorothy's Delights:

- Established in the community
- Experienced staff
- Diverse products

Weakness of Dorothy's Delights:

- Located on the highway, not in a shopping center
- Considered to be "pricey"
- Closes early on weekends

Marketing and Financial Objectives and Goals

Our marketing objectives and goals are as follows:

1. To make Heavenly Pies the number one bakery in Hometown, TN and to achieve a larger market share than Dorothy's Delights.
2. To be an active and vocal member of the community and to provide continual re-investment through participation in community activities and financial contributions.
3. To sponsor three community events during the year, including the Hometown Amateur Golf Classic, charity events, and little-league teams.
4. To achieve 30% market share by the end of next year.

Our financial objectives and goals are as follows:

1. To maintain a minimum cash balance of \$2,500.
2. To grow sales by a minimum of 15% per year.

Marketing Strategies

Market Penetration

In order to increase our market share, we will begin to systematically focus on our target markets. First, we will focus on attracting retired persons. This will be done by actively promoting our store in places and organizations frequented by individuals in this group. This may include the Country Club, the Rotary Club, and local volunteer organizations.

Next, we will focus on female weekend shoppers. To attract individuals in this group, free samples will be offered outside the store to entice these individuals to come in and browse or make a purchase. Coupons will also be distributed offering discounts on purchases.

Then, we will turn our focus to the curious passer-by. We will begin to use colorful bags, boxes, and containers. We will also use additional scents to make our store extremely fragrant. Our windows will be decorated to provide a welcoming atmosphere and entice passers-by to stop in.

Market Development

In order to tap new markets, we will focus on individuals in our target markets that frequent stores offering substitutes. This would be the local ice cream shop and diner. This will be done through billboard advertisements in the area and direct mailings.

Diversification

Our product mix is currently diverse. We offer products that are sweet as well as fresh. In addition, we offer drinks and toppings such as ice cream. In the future we hope to expand to include even more products.

Product Development

Thought will be given to continued new product development. Customer suggestions will be noted for future use in this area. This may include additional items or changes to current items.

Marketing Mix/Marketing Tactics

Product Marketing

Products will be made fresh daily and have a maximum shelf life of 3 days. Products will be displayed in glass cabinets. If a product is to be eaten at the store, it will be served on a glass plate. If it is to be taken home, the product will be placed into a bakery box, which bears the Heavenly Pies colorful logo.

Price

Our pricing strategy is based on competitive guidelines. We will try to remain in line with our competitor's prices. Prices will be made competitive with substitute products as well. Beverages will be priced below the industry average. This will allow us to make money from beverage sales and leave the customer with money to spend on our main items.

Promotion

Heavenly Pies will implement a strong advertising and promotion strategy. Many items will be used:

- Billboards in areas of competitors with substitute products
- Newspaper advertisements
- Sponsorship of community events
- Use of discount coupons
- Product sampling

Place

Sales will be made through our retail store. The store will be kept extremely clean and well stocked at all times. Glass counters will be used as well as clearly viewable kitchens to allow customers to view all steps in the preparation process. Soft music as well as "bakery scents" like cinnamon and apple will be used to conjure the "like mom used to make" idea.

Advertising, Promotion and Publicity

Advertising

To inform customers of our store, during the next six months the following will be used:

1. Rental of one billboard
2. Purchase of 6 one-eighth (1/8) page local newspaper ads,
3. Sponsorship of little league teams and charity events
4. Direct mailings campaign

Promotion

To entice customers into our store, we will offer free samples inside and outside of our store. In addition, employees will walk through the shopping center handing out coupons for our store. Customers will be given free measuring cups and/or measuring spoons with a purchase during the first 2 months of the year. A frequent buyers club program will be used in hopes of enticing customers to return.

Publicity

Local newspapers and radio hosts will be invited to our invitation-only media event in hopes they will run a feature story or spot about our store. In addition, community leaders will be invited. News leads will be sent to media when notable events occur.

Marketing Budget

The following budget will be used as a guideline for marketing expenditures over the next six months.

Marketing Budget as a Percent of Estimated Sales

Expected Gross Revenue	\$30,000
Percent of Gross Revenue for Marketing	5%
Total Dollars Allocated to Marketing	\$1,500

<u>Marketing Activities</u>	<u>Cost</u>	<u>Balance</u>
Billboards	\$700	\$800
Newspaper Advertisements	\$100	\$700
Direct Mailing (Printing and Postage)	\$250	\$450
Community Sponsorships	\$300	\$150
Purchase of measuring cups/spoons	\$150	\$0
Total Promotional Expenditures/Balance	\$1500	\$0

Monitoring and Evaluating Marketing Response

When coupons are used, they will be coded in order to track the date and place they were distributed. Market response will be evaluated based on the number returned. In addition, customers will be asked for their zip code and how they learned about the store. This will help to evaluate the effectiveness of other current types of advertising. This will be recorded on a clipboard with a tally sheet that will be placed beside the cash register. The sales related to the different responses can be evaluated to see if the amount of sales generated exceeded the cost of the advertisement.

Marketing Plan Check List

Month One

- Direct mailing to all within the Hometown city limits
- Media Day celebration
- Billboard rental
- Newspaper advertisement
- Measuring cups/spoons handed out
- Product sampling
- Begin Frequent Buyer Club Program

Month Two

- Newspaper advertisement
- Continue Frequent Buyer Club Program
- Billboard rental
- Direct mailing to specific organizations
- Sponsorship of charity event
- Product sampling
- Discount coupons

Month Three

- Newspaper advertisement
- Billboard rental
- Sponsorship of community little league team
- Continue Frequent Buyer Club Program
- Product sampling
- Discount coupons

Month Four

- Newspaper advertisements
- Billboard rental
- Continue Frequent Buyer Club Program
- Product sampling
- Discount coupons
- Host American Association Retired People (AARP) meeting

Month Five

- Newspaper advertisements
- Billboard rental
- Continue Frequent Buyer Club Program
- Product sampling
- Discount coupons
- Sponsorship of a local charity event

Month Six

- Newspaper advertisements
- Billboard rental
- Continue Frequent Buyer Club Program
- Product sampling
- Discount coupons
- Create Marketing Checklist for next six months