

# The Marketing Plan Outline



For the Advertising Professional

by JOHN KLEIN

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The  
Marketing Plan  
Outline

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# Charting Unknown Waters

Just as you wouldn't attempt to circumnavigate the world in your sailboat without a chart, you can't go to market without a plan. Charts and plans help you anticipate the challenges and barriers ahead so that you can minimize last-minute course corrections. Your marketing plan will reflect senior management ratification, provide a continuum of strategy for your current mates and future successors, and deliver navigational consistency and continuity for the marketing voyages ahead.

The climate is ever changing; keep your plan up-to-date on a yearly basis and be prepared to tack for the tides and trends of the future.

Whether you're dealing with consumer, b-2-b, trade, durable goods, or services, the outlines provided in this book cover just about every issue you might encounter in your marketing equation. Depending on the data available to you, and the relevance of the various categories within the outline, select

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“The climate is ever changing; keep your plan up-to-date on a yearly basis and be prepared to tack for the tides and trends of the future.”

only those parts of the outline that pertain to your business. During the excursion, you might discover some new beachheads of opportunity.

I have attempted to provide a brief overview with each section; however, it is impossible to do justice to each topic in a publication of this brevity. Also, the marketing horizon is changing so quickly, it is difficult to “freeze frame” it without information becoming obsolete as soon as the ink dries. However, if you develop your marketing plan by following the outlines provided in each chapter, you will have a comprehensive picture of your advertiser’s product and your agency’s capabilities. You will establish a firm foundation to a fruitful, long-lasting agency/advertiser relationship and a true partnership.

And marketers, be you brand, product or advertising manager, this one’s for you too.

**John Klein**

*Managing Partner*

*KleinMickaelianPartners*

# Business Plan Objectives

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THE MARKETING PLAN OUTLINE

**B**usiness plan objectives are primarily the purview of the advertiser. However, the numbers can be substantially influenced by marketing prowess, e.g., increasing margin and profit before taxes by enhancing product and/or service value, fostering positive customer attitudes and perceptions, and building brand loyalty and equity.

Acceptable financial performance is accomplished by supporting suggested list pricing with a minimum of trade promotion dilution (the nemesis of many marketers), growing

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“Business plan objectives are primarily the purview of the advertiser. However, the numbers can be substantially influenced by marketing prowess...”

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and protecting share in both hard and soft market periods, increasing the value of the advertiser’s intellectual property (i.e., the brand), and ultimately, supporting public corporation stock values in the financial markets.

Begin your marketing plan by completing the first topic, Financial Targets. Then complete your plan by going through

all the chapters in this book. When you have done that and have a thorough knowledge of the entire picture, come back to B and C to provide the summaries.

### **Objectives Outline**

#### *A. Financial Targets:*

- Unit volume
- Dollar volume
- Margin
- Share of market
- All expenses
- Profit before taxes
- Return on investment (ROI).

#### *B. Summary of Major Expected Accomplishments in New Year*

#### *C. Summary of Major Strategy Elements to Be Employed*

# Market Description

The past, present, and future overview section asks you to provide a candid, objective description of the market segment in which you compete. Describe fully and honestly your product or service within the category universe. Do a SWOT (strengths, weaknesses, opportunities, threats) analysis. For example:

- **Strength:** Unique customer benefits and loyalty supported by a strong patent
- **Weakness:** Inadequate financial clout to fund expansion
- **Opportunity:** Successful exploration of a new distribution channel
- **Threat:** Over dependency on a diminishing supply of crucial raw material.

Then move on to your product category definition. For example, if your advertiser is pet food—is it dry, dry-moist, moist, treats, mass or pet store distribution, or other? Then quantify your market including the category development index (CDI), which is the total dollar and/or unit (tonnage) value of your product universe on an annual basis. Analyze your customers. Where, when, and how frequently do they purchase, and in combination with what other affinity products (for promotional opportunities)?

The seasonality analysis in your product category outline can provide effective planning opportunities for media and promotion scheduling, e.g., weekend entertainment, December toys, summer ice cream and soft drinks, Easter hams, and tax season accounting services. Cross-elasticity of demand can help here as well, e.g., coffee/CoffeeMate, turkey/stuffing, and new car/global positioning service.

Continue the outline with your brand market position including brand development index (BDI), i.e., your market share. Evaluate each of your competitors. You can do this nationally, by top market, and/or segment.

The final section of this outline is your product status/cycle(s). Is it introductory (really new), sustaining, extension (new size or flavor), or a new category? Lastly, investigate any segmen-

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“Describe fully and honestly your product or service within the category universe. Do a SWOT (strengths, weaknesses, opportunities, threats) analysis.”

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tation opportunities. For example, Arm & Hammer baking soda is not just for cooking. It can be used for brushing teeth, freshening refrigerators and food disposals units, deodorizing bodies, eliminating odors in cat litter, and cleaning just about everything.

## Market Description Outline

### *A. Past, Present, and Future Overview:*

- Past successes/failures
- Present strengths/weaknesses
- Future opportunities/threats
- SWOT analysis.

### *B. Product Category:*

- Market size by region in units, dollars, users
- Category development index (CDI)
- Growth forecast as related to history
- User demographics by volume used
- Distribution channel volume breakdown
- Day, week, month, season, year, climate, holiday
- Purchase frequency
- Cross-elasticity of demand (affinity categories)
- Private/control label.

### *C. Brand Market Position:*

- Brand development index (BDI)
- Competitive comparison (describe the past, present, future overview for the competition)
- Special niche potentials, channels, ethnic
- Problems and opportunities.

### *D. Product Status/Cycle(s):*

- Introductory
- Expansion
- Maintenance
- Reintroduction
- Line extension
- New product
- New category
- Product segmentation.

# Marketing Climate

From the regulators to social values to health trends to changing technology to new distribution channels, there are many current and changing external and internal factors that affect marketers in all categories. Prepare an analysis of your advertiser's business and do the same of your advertiser's competitors.

For example, depending on your advertiser, take into account children's advertising, tobacco, liquor, pharmaceuticals, the Americans With Disabilities Act (ADA), and that new dry cleaning solution on the horizon. Everything constantly evolves. Just when we thought "diet" was it, now we must deal with carbolite.

From a trade distribution standpoint, did you know four grocery chains control upwards of 40 percent of the nation's All Commodity Volume (ACV)? Wal-Mart Superstores command 10 percent on their own, not to mention Kroger's, Albertson's, and Safeway. Furthermore, each has an aggressive private and control label program that will challenge regional and national brands for the foreseeable future. For example, Kroger's goal is 40 percent of total revenue to be a private label. This is retailer as brand. If you're marketing grocery, building, appliance, electronic, automobile aftermarket, or nutritional products, will you pack for them? Can you leverage the cooperation for favorable treatment of your brand?

Lastly, what is on the horizon at your advertiser? Acquisitions? New products? Advancing technology? New management? Others? And what news is expected of your advertiser's competitors?

## **Marketing Climate Outline**

### ***A. External:***

- Legal/political
- Social-economic
- Health/diet
- Technology
- Pricing (raw materials)
- Distribution channels
- Media (Internet)

### ***B. Internal:***

- Technology
- Financial
- Management philosophy
- Organizational
- Management information services/information technology

### ***C. Competitive:***

- Technology
- New products/line extensions
- Expansion/acquisition
- Strategy alterations

# Marketing Strategy

**W**hy are people buying your advertiser's product or service? How is your advertiser perceived in terms of a value proposition (e.g., price, quality)? What niche, personality, or performance factor does your advertiser "own" in the category? What's the price point? Who is the added-value player at a higher retail? What is the demographic (e.g., age group, gender, regional, ethnic culture)? Is it a particular channel brand (mass versus specialized)? Is your advertiser the ever-willing-to-private-label producer?

Or is your advertiser's product similar to Levi's lower-priced Signature Line (i.e., no red tag) for exclusive distribution in Wal-Mart? Is your advertiser going to produce a separate discounter line? (After all, Wal-Mart is the biggest corporation in the world.)

Define your advertiser's customer target and how it differs from its competitors. Most marketers sell a large percentage of their revenue to a small percentage of their customer base in a given universe (the 80-20 rule). This means that 20 percent of their customers purchase 80 percent of their goods or services; we call these customers heavy users.

Conversely, it also means that the remaining 20 percent of revenue is from the remaining 80 percent of their customers; we call them light users. This illustrates how important loyal,

heavy users are to each brand. How can you protect that franchise? How can you expand it? Can you convert light users to heavyweights? Remember: “It takes \$20 to get a new customer and \$1 to keep the ones you have.” More than 60 percent of new Lexus automobiles are purchased by existing owners. Customer relationship management (CRM) has come into its own; one advertiser has called it “the back end selling the front end.”

If your advertiser is the big or corporate brand (e.g., General Mills, Inc.; Kraft Foods, Inc.; Keebler; The Pillsbury Company) chances are your advertiser is the category manager, designated by major trade retailers to advise and control what stock-keeping units (SKUs) to authorize and/or discontinue for maximum grocer profitability. Keep in mind, a SKU is an individual item discretely described in terms of a particular size, color, flavor, etc., all of which is found on the now-common package barcode. Therefore, if your advertiser is the number two or three brand, you must retain your facings with aggressive new product and line extension development, differentiating from the “generals.”

Consider another strategic decision. Can you only afford to “push” distribution with a significant percentage margin loss in the form of trade promotion allowances, slotting fees (a kind of price of entry to get into the game and to be listed in the dealer’s database, warehoused, distributed, and positioned with shelf facings in the stores)? Or are you a big player with a substantial “pull” advertising branding and promotion arsenal that in reality obliges the trade to carry your products?

Here’s a tangible-intangible marketing strategy for your consideration: if you’re a durable good (e.g., home products, package goods, automobiles, consumer, or b-2-b electronics) with performance parity (i.e., no particular superiority) among

the universe competitors, out-market the competition with intangible customer benefits such as best warranty, superior customer service, Web-based product and application knowledge, brand club membership, or VIP perks. Create a killer-brand affinity, a true emotional connection with customers, fostering loyalty and even forgiveness with mistakes. Examples include Nike, Harley-Davidson, Disneyland, and Major League Sports franchises.

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“Create a killer-brand affinity, a true emotional connection with customers, fostering loyalty and even forgiveness with mistakes.”

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On the other hand, if you're marketing intangibles, which are usually services selling a promise of performance (e.g.: insurance—“we'll take care of your family when you're gone”; financial—“we'll make you rich on the stock market”; Internet—“we'll speed up your downloads”; real estate—“we'll sell your house quickly and for a lot of money”; education and self improvement—“we'll help you get a degree and be more successful”), explore differentiation with tangibles (e.g., service positioned as product). A good example is insurance, positioning the overall capabilities into a series of separate service lines such as different types of policies based on age, income, financial examples, etc. Additional examples are proprietary software (“You can only get this service from us”), satellite branches (“Our branches will provide you better service where and when you want it”), personal consultants (“We have the knowledge and the expertise”), and discounts (“Save money”). Banks do this kind of product segmentation marketing as well.

Lastly, make sure the sales strategy is in sync with the marketing strategy and vice versa. Make sure that everyone is on the same page.

## **Marketing Strategy Outline**

- A. Reason for being, uniqueness, customer satisfaction*
- B. Positioning, competitive classification*
- C. Priority of uses, consumer-usage targets*
- D. New uses*
- E. New channels*
- F. Customers and prospects (geos, demos, values, lifestyle)*
- G. Heavy versus light users*
- H. Brand character-personality*
- I. Spending principles: advertising/sales percent, share of advertising=share of market, affordable (ROI), history and inflation, zero-base\*, traffic/bear, reach/frequency, pay out*
- J. Test market(s)*
- K. International markets, licensing, joint ventures*
- L. Acquisitions*
- M. Category management*
- N. Tangible versus intangible*
- O. Push versus pull.*

*\* What you intuitively think it will take.*

# Product Differentiation

**W**rite a product positioning statement for your advertiser's brand, then write one for each of its major competitors. Compare the statements. For example:

- Volvo for safety versus Cadillac (which is now youth-oriented with high performance to keep up with the import luxury sports cars)
- And how about customer segmentation under the same corporate structure: Old Navy, Gap, and Banana Republic. This is “good, “ better,” and “best” merchandising to perfection!
- Neiman Marcus for luxury products at high prices versus Macy's for mainstream customers.

If you determine your product's positioning is not effectively differentiated, you must explore new potentials beginning with performance all the way to the poetry of your advertising. Great advertising can differentiate products and services in a parity market. Also, redouble your commitment to R&D and consider becoming an innovator. On the other hand, there's perfect business logic to being a price-point player in a high-volume category; in this regard, being the low-cost producer is essential.

If you're a major brand in your category with a loyal following, generally expect about 25 percent of the category

users to purchase your product at full list absent any incentives and another 25 percent to remain loyal but wait to buy until you're on special. The remaining 50 percent (known as switchers) will buy any brand if it's a deal. Lower-priced private labels (which are gaining every day in quality) satisfy switchers just fine.

Study and define substitution dynamics and develop a strategy for substitution in your favor. Alberto VO5 shampoo tells you they're as good as Pantene, but for less money.

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“If you determine your product's positioning is not effectively differentiated, you must explore new potentials beginning with performance all the way to the poetry of your advertising.”

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Here's a way to evaluate your product's performance and your supporting claims/messaging. Evaluate whether what you're saying is “important,” “believable,” and/or “unique.” You'll find important claims to be at parity in most universes because attributes and benefits tend to be similar among competitors. Unique claims are compelling and usually support exclusive performance benefits; however, if the message is too unique, it might be considered over the top and not believable. You can identify opportunities by factoring these three measurements. This counts on the skill and poetry of the accomplished marketer.

## Product Differentiation Outline

### *A. Product Positioning Statement:*

- Truly new
- Real product advantage
- Poetry
- Category innovation
- New category segment
- Major new benefit.

### *B. Technical Performance:*

- Characteristics for various uses
- Competitive comparison within category
- Innovation, superiority.

### *C. Consumer Judgment of Performance:*

- Performance testing
- Competitor brand loyalists
- Switchers (occasional users)
- Shoppers, little or no loyalty.

### *D. Action Against Unfulfilled Consumer Needs\**

### *E. Appropriate Product Development*

*\* What attributes or benefits have category customers asked for that are not available from any brand? Can you supply what they want?*

**Y**our author is a package goods devotee because he finds it one of the most challenging categories. One major reason is that the buyers are generally unskilled and success is based on knowledge of the marketing disciplines, keen psychological insight, and salesmanship. Any category will be well-served by selectively applying package goods strategies.

Within this context, packaging can be either the original opportunity or the original sin. Regardless of category, every industry marketer should consider packaging or, in a broader sense, brand graphics (i.e., landmarks and corporate identity). Packaging is the fundamental medium and should be treated with great care and continuity. Be aware of packaging in signage, vehicle identification, career apparel, cartons, warranty cards, instructions, collateral, point of sale, trade show exhibitry. Disciplined continuity and repetition fosters credibility—promises made are promises kept.

Consumers do not like surprises; standardization and meeting customer expectations is key. Burger King®, Bangor, Maine, is the same as Burger King®, Anaheim, California. The same look, menu, cleanliness, service, and customer satisfaction. This is true of all successful multi-branch operators, nationally and internationally.

Overdone packaging, like overdone ads, is rampant. Cut the clutter. Be clear, crisp, and readable (be aware that demographers project a huge senior market with diminished eyesight). Follow a strict priority of read: brand, flavor/SKU name and customer benefit violator. For example:

- **Brand**—Gummi Bears
- **SKU**—multi-vitamin and mineral
- **Benefit violator**—delicious health and nutrition every day.

Use the sides and/or back for all else. Pre-empt the competition on the shelf. Packaging has only a nanosecond to register with the customer. It succeeds or fails at the very moment of purchase decision.

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“Overdone packaging, like overdone ads,  
is rampant. Cut the clutter. Be clear, crisp,  
and readable.”

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Packaging and packaging technology have the power to reduce costs and also to create new categories. For example: snack packs, reusable/resealable containers, containers with pour spout measuring cups, atomizers with bulk refills, display shippers, and promotional bonus packs. (The classic example is “L’eggs®”—pantyhose sold for the first time in supermarkets packaged in egg-shaped containers.) In terms of color, red and yellow have been scientifically measured and provide the most visible color contrast among all hues, and that’s why you see so much of it.

## Packaging Goods Outline

- A. Sizing versus competition, need fulfillment by size*
- B. Convenience, functionality, aesthetics*
- C. Priority of read, messaging*
- D. Unfulfilled consumer and/or trade requirements*
- E. Review of latest packaging technology potentials.*

**P**ricing can be the marketer’s nightmare. Is the product or service you are working on so unique it can command the highest price? Or, like most brands, is it at near parity to its competition, forced to depart constantly from the suggested retail list price? Does it eat up margin with specials, loyalty club features, and rebates? With all the deals, sales, and discounts, many brands are never known for their true price; a majority of goods are shipped with incentivized pricing—60 percent, 70 percent, and more.

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“Pricing can be the marketer’s nightmare. Is the product or service you are working on so unique it can command the highest price?”

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Beware the Robinson Patman Act, which places restrictions on advertising allowances provided by a seller of goods to its customers, requiring that such allowances be made available to competing customers on proportionately equal terms. (Clarification of how these restrictions operate can be found in the Federal Trade Commission’s [FTC] “Guides for Advertising Allowance and Other Merchandising Payments and Services.”) And, if you’re one of the huge brands, be care-

ful of the Sherman Anti-Trust Act, which regulates a variety of business activities deemed to be anti-competitive. (With respect to advertising, the Act prohibits certain types of seller-imposed restrictions on how cooperative advertising funds can be used.)

### **Pricing Outline**

*A. Trade pricing by SKU, region, channel*

*B. Projected retail pricing, trade margins*

*C. Competitive price comparisons.*

# Advertising (Creative)

Another potential original opportunity or original sin is the creative brief. Without exception, the planning function *must* develop and conclude the brief with one big idea/insight, backed up with relevant, accurate customer information based on usage, attitudes, perceptions, and promises to solve unfulfilled wants and needs, both rational and emotional. Again, keep an eye on “important,” “unique,” and “believable.” And the creative brief should be just that—brief. On one page.

Creative advertising is the single most important contribution advertising agencies provide to their advertisers. Interruptive, impactful, memorable creative that connects with the target can and will parlay the advertiser’s budget by multiple factors. Great creative can change the entire category landscape in favor of the breakthrough advertiser.

Study the campaigns that have made a difference, and incorporate the poetry into your advertising. Pretest concepts, but don’t overdo the research. Too much research can result in flattening the genius of your creative team and produce compromised, ordinary, dull executions that simply pack the clutter rather than leap out of it. We tend to use the term “clutter” with respect to TV where upwards of 15 minutes of every hour are filled with commercials and promotional announcements. However, remember that people who live in

major markets are bombarded by 2,000 to 3,000 multimedia messages a day including radio, newspaper, outdoor, magazine, direct mail, e-vertising [the author's term for all forms of advertising on the Net] and more. That's clutter!

## **Advertising (Creative) Outline**

### ***A. Creative Objectives:***

- Awareness
- Attribute-benefit recall
- Messaging effectiveness
- Attitudes, perceptions
- Competitive review.

### ***B. Creative Strategy:***

- Account planning
- Creative positioning statement
- Consumer rational-emotional purchase dynamics
- Research implications: unique, believable, important promises
- Segment variations (demos, psychographics, ethnic)
- Claims, attributes, benefits
- Tonality, character
- Visual-headline elements
- A big idea.

### ***C. Pre-Test Research:***

- Message delivery measurement
- Competitive comparison
- Adjustments required.

# Advertising (Media)

Don't keep your media planners out of the creative process because the marriage can be magical. For example, Nike billboards—one across the street from the other, with an NFL quarterback throwing a pass to the tight end on the opposite side. And the classic “1984” commercial from Apple that aired once on the Super Bowl many years ago and is still cited as one of the great placements (as well as one of the great creative executions) of all time.

Advertisers never have enough budget—ever. Therefore, you must be judicious in your strategies and judgments. BDI and CDI are essential in selecting spot markets and determining the weight of the dollars to be spent, if any. Be aware of seasonality, day, and hour. Choose between deep flights of heavy rating points two or three weeks each, with two to four

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“The conventional wisdom is that for sustaining brand health, your reach levels should consist of at least 50 percent of your customer media target universe, with a frequency of at least three times during the purchase cycle.”

week hiatuses throughout the year, unless extreme purchase patterns dictate a different approach. I recommend this versus recency (i.e., lower levels of advertising over more weeks and months). The theory is there's always a certain percentage of your customers in the market for your product every day of the week, month in, month out. Recency is gaining in popularity among the big package goods advertisers.

And, how much is enough? This is an issue of debate among the experts. No one really knows the answer because every category and every campaign is different, including seasonality, distribution geography, national versus regional and/or spot, market and media mix, etc. The conventional wisdom is that for sustaining brand health, your reach levels should consist of at least 50 percent of your customer media target universe, with a frequency of at least three times during the purchase cycle. For example, if you're a high-volume cereal purchased twice a month, try reaching 50 percent of your target at least three times every two weeks if your budget allows. Introducing a new product requires an investment commitment well above sustaining levels.

Generally speaking, share of voice (SOV) is consistent with share of market and share of distribution. If your share of market is 15 percent, you'll be spending approximately 15 percent of the media dollars expended in the universe. If your SOV is less than your BDI, then you're really doing things right!

## Advertising (Media) Outline

### A. *Strategy:*

- Creative optimization, consistency
- Priority of targeting, primary-secondary
- Seasonality
- Market selection; milk\*, attack, maintain [BDI/CDI]
- Reach and frequency criteria (purchase cycle)
- Programming, editorial
- Promotional support.

### B. *Planning:*

- Selection of media, media mix
- Dollar allocation by quarter
- Reach and frequency delivery, flighting, recency
- Comparison of recommendation to major alternatives
- Competitive, share of voice
- Cost per point, plan versus delivery, remedy.

*\*Where your BDI far exceeds the CDI and you're getting more than your fair share, don't advertise in the market—every additional share point will cost more than it's worth.*

# Sales Promotion

Promotion strengths include accelerating product movement, regional targeting, incentivising sales, and quickly adjusting to competitive pressures. However, promotion is often done at the expense of branding. A judicious mixture of brand “air cover” with promotional “troops on the ground” is ideal.

Like any marketing discipline, the marketer should determine objectives in advance, then develop the strategies. One of the most significant benefits of promotion is accountability; results can be measured almost in real time and claims, appeals, messaging, and offers adjusted immediately to optimize customer participation and redemption.

Furthermore, promotions can be aimed at the trade (e.g., new product authorizations, sustained product placement, special displays, and co-op advertising) and to the consumer for first trial and then repeat purchase. Point-of-sale, packaging, telemarketing, opt-in e-mail, entertainment vehicle placements, sweepstakes, co-branding, coupons (all forms: on, in, instant redeemable, free standing inserts, dealer ads and mailers, etc.), in-store demonstrations, sampling, and more are in the promotional arsenal.

Depending on the category, 5 percent +/- of revenues is an accepted average for promotion budgeting (and 3 percent +/- of revenues for measured media depending on margins).

## Sales Promotion Outline

### A. *Role:*

- Volume influence, consumer-trade
- Major types of promotion, competitive
- Point-of-sale
- Introductory
- Packaging
- Plus distribution.

### B. *Objectives:*

- Trial
- Repeat
- Secure distribution
- Control pricing
- Out of stock.\*

### C. *Plan:*

- Geography
- Class of distribution
- Dollar allocation by quarter
- Trade: distribution (slotting), out-of-stock, trade promotion allowances (TPA)
- Consumer: shelf display, dispenser, price versus free, near-pack, on-pack\*\*, in-pack for next purchase, product bonus, accrual, tie-in (affinity), continuity
- Competitive review.

*\*Many marketers lose valuable sales, as much as 10 percent, because they're out-of-stock on the shelves. Proper store merchandising and sufficient customer ordering are the responsibility of the sales department.*

*\*\*Instantly redeemable so that the consumer takes it off the package and gives it to the checker for immediate credit.*

# Additional Programs

## **Publicity and Public Relations**

Position your publicity and public relations firm as a strategic partner to your advertising agency. The PR program should mirror your marketing plan, with strategies tailored appropriately in terms of press kits, editorial liaison, features, talk shows, events, press tours, trade show activities, speakers bureau, promotions, and guerilla marketing.

Also, no corporation should be without a crisis communication plan (remember the Tylenol package tampering, the Firestone Tires recall, and the Exxon-Valdez disaster).

Financial public relations targeted to stock market analysts, brokers, and shareholders completes the public relations activities of most large companies.

## **Multicultural Targets**

Often treated as a stepchild, there's the issue of multicultural versus intercultural. Do advertisers need separate ethnic market agencies? Should the large "general" agencies' staffs reflect all major cultures and should they provide all work for all segments? Our American mixing pot is changing the landscape with many segments (Hispanic, Asian, African-American, Pacific Islanders, Native-Americans etc.) bringing more and more consumer clout to the marketplace.

Targeting multicultural audiences is a subject unto itself outside the parameters of this book. However, despite acculturation, special language and value appeals should be considered.

### **Channels-of-Influence Programs (Gates Versus Endusers)**

There are many examples of “specifiers” versus “users” (a.k.a. “gates”). The most obvious example is the children’s market, where the “nag” factor compels parents to purchase products for their children. Architecturally specified products, financial services and CPAs, and physicians and pharmaceuticals illustrate the need for gate strategies.

### **Sales Support, Merchandising**

Do not forget the Sales Department in your marketing plan. These are the troops (e.g., sales managers, the advertiser’s own regional and local sales persons, manufacturer’s representatives, and commission brokers) who bring the message to the distributors and dealers. Without distribution, there is no marketing. Keep these publics informed of all marketing, media, new product, and promotion activities, and arm them with sales aids and collateral to merchandise your plan to the trade.

### **Customer Service**

Responsive, crisp customer service has become a major marketing hot button, especially in concert with direct, Web, and e-commerce transactions, including warranty services. Don’t over-automate; keep the electronic communication simple and have customer-service personnel accessible to relieve potential caller frustration. This includes filing insurance claims, tracking orders, handling performance complaints, providing advice, and the like.

Do you remember the days when domestic automobile dealership customer service was completely blasé, and the excellent import companies such as Mercedes-Benz, Toyota, Honda, and Nissan were putting their U.S. counterparts to shame? All of that has changed. Go to a General Motors dealership today. Loaner cars on warranty work ... free bath ... a nice lounge ... morning paper ... bagel ... shuttle service ... and a customer service manager in addition to the service manager; people literally smiling all over the place to make you happy.

At one advertiser the top five managers, including the president, were required to answer the toll-free customer service line for four hours a week when they were in town. Can you imagine the real marketplace insights they received! The current buzz is “customer-centric.”

### **Databasing, Relationship Marketing, 80–20 Rule**

A minority of customers (loyal, heavy users) usually account for a majority of purchases for most companies; this concentration can be dangerous. Therefore, customer relationship management (CRM) has come into its own. The strategic objective is to retain heavy users, keeping them involved and satisfied, while expanding their numbers. The Web is currently the single most important tool for this effort.

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“Employees as a “first market” is an area too often forgotten. Employee attitudes, both staff and management, are incredibly important to the health and success of any enterprise.”

### **Direct Marketing/E-Commerce**

Infomercial marketers, catalog houses, home delivery supermarkets (the next grocery marketing revolution), and massive b-2-b transactions in every industrial and institutional product/service category, illustrate the power of e-commerce on a national and international basis, confusing territory boundaries and confounding distribution policies. Many direct marketing brands evolve to retail. A caveat: don't e-compete with your traditional distribution. They'll resent it and potentially drop your products. In summary, direct marketing and e-commerce are the marketing disciplines of the future, and in reality, deserve their own, separate plan.

### **Defining Employees as First Market**

Employees as a "first market" is an area too often forgotten. Employee attitudes, both staff and management, are incredibly important to the health and success of any enterprise. This is not an HR issue, rather, a marketing issue. Employees are proud of great advertising from their company. The marketing department should consistently preview and screen new media creative and circulate/distribute examples and schedules to all aboard. There is no better way to raise esprit de corps. (Except for bonuses, of course!)

Annual market research plans and budgets, including secondary source subscriptions and primary studies (qualitative, quantitative, and tracking), are essential to the continuing marketing services function. A strategic relationship with a market research firm is a primary asset of the marketing department.

## **Online**

Before providing an overview of some of the basic research methodologies, let's fully recognize the advent of online market studies. While it's difficult to sample a new cookie on the net, e-search [the author's term] technology is coming to the forefront as one of the most efficient, effective, and reliable vehicles for testing. Panels of all specifications including demographic, psychographic, geographic, category users, and more are now available to marketers. Even visual images can be evaluated in PDF format.

## **New Product Concept Testing**

A qualitative study, the focus-group format is usually employed to evaluate new products and messaging/promise development. Styling clinics, in-home placement, prototypes, and message decks are just some of the stimuli utilized (once again, think about important, unique and believable). Also, beware regional distinctions.

**Packaging**

Packaging studies utilize refined comps of proposed concepts in comparison to competitive samples, and can be either qualitative (groups or one-on-ones) or quantitative (mall intercepts in spot markets, for example). Or, both.

**Usage-Attitude**

U/A studies are similar in format to qualitative groups, and can be expanded after viable hypotheses are determined. Quantitative testing uses 800-line telephone centers, and/or intercepts. Here you measure how your products are used, your target segment's awareness, attitudes, perceptions, beliefs, and wants and needs. Messaging and promise development can also be included.

**Benchmarking**

Benchmarking simply asks you to consider periodic follow-ups on prior findings to monitor your progress along with your competitors' progress. Benchmarking is the annuity of research once you've made the original investment.

**Application of Results, Company Skill Sets**

Beware of research that is poorly planned in terms of the company's skill sets and ability to deliver on study results. Too many research outings turn out to be overly academic and unactionable, and marketers cannot take the implications to "the street."

**Account Planning, Creative Platform**

Account planners are generally responsible for writing the creative brief, and they rely heavily on primary and secondary data, mixed with their special intimate insights and methodologies. For example, an account planner might "rent" a family for a weekend and move in with them. The planner might go through the family's closets and pantry, attend

soccer games, go to the movies, accompany the family to the grocery store, and conduct intensive one-on-ones with each family member. Ultimately, there will be the brief, and a profile describing preferences, values, and purchase patterns.

### **Secondary Data: Competitive, Demos, Media**

Suppliers of secondary data and omnibus panel studies abound. Tracking data (e.g., shipments), media patterns, market shares and category data, Web monitoring (i.e., hits, net hits), access software, and more are readily available. Determining what is best for your company is a major project in itself.

Other sources are the government, trade associations, media companies, and the Market Research Library in New York. AAAA members have access to the AAAA's Research Services (Formerly Member Information Service, MIS).

### **Sales Force Input**

Lastly, the insights of your sales force, and the results of their continuing interaction with your trade, including buyers, merchandisers, and district managers, can be valuable although always considered with a grain of salt. This kind of information is short-sampled and highly opinionated. But, nevertheless, worth a look.

# Conclusion



THE MARKETING PLAN OUTLINE

**A**fter all is said and done, be sure to calendar your events and distribute the information throughout your company and outstream it to your distribution and trade partners.

Regardless of whether you are new to marketing or a seasoned professional, you have chosen what is perhaps the most fascinating profession of all. Marketing is a fusion of understanding human nature, the social scene, government, politics, and trends. You can apply business principles, incorporate art and poetry, and employ evolving technology. And one huge benefit is that you work with some of the most congenial people on the planet.

# About the Author

THE MARKETING PLAN OUTLINE

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