

The Marketing Plan and the Four Pâ€™s

The Marketing Plan section of the business plan demonstrates how a company will penetrate the market with its products and services. The Marketing Plan should include "the four Pâ€™s" - Product, Promotions, Price, and Place.

Products and/or Services

The first "P" stands for Product, but includes all products and services that the company offers. This section of the business plan should detail all the features of the products and services, how they work, their unique/proprietary attributes, etc. For products that are patented and/or technical in nature, drawings and backup materials should be presented in the Appendix.

Most growing companies offer certain products and services today but expect to offer more in the future. It is important to mention both current and future products/services here, but to focus primarily on the short-to-intermediate term horizon.

Promotions

Promotions include each of the activities that induce a customer to buy the company's products and services. Promotional activities could include advertising, public relations (PR), free samples, discounts, direct mail, telemarketing, partnerships, etc.

This section of the business plan discusses which promotions will be used and how they will be used. For instance, if partnerships will be used to secure new customers, the plan must explain which companies are partners, how they will be able to provide new customers, how the partnership will work (from operational/ financial standpoints), etc.

This section must be as specific as possible, particularly as it relates to discussing future promotions. To say that a company is going to generate PR in trade magazines is simply too vague. Rather, the plan must explain the type of article/feature that may be written about the firm and why, which specific trade journals that will be targeted and/or the projected publication dates.

In discussing how the company will promote itself, it is important to discuss how the company will position itself. This positioning statement details the attributes that customers will assign to the company, its products and services. The choice of promotional activities must support this positioning. For example, discounts might not be consistent with a desire to be considered an upscale brand.

Price

This section of the plan should detail the price point(s) at which the company's products and services will be sold. If the products/ services are sold as bundles, these should be detailed in this section. Rationale for the pricing should be given when applicable (e.g., why the company has chosen an initiation fee plus monthly membership fees versus a one-time lifetime membership fee).

Place

The final "P" refers to "Place" or "Distribution" and explains how a company's products and/or services will be delivered to customers. This section is crucial because if customers cannot access products and services, they cannot purchase them.

This section is especially critical for high-growth, capital-constrained companies. Attaining profit-effective distribution channels is often the most vexing challenge for these businesses. Examples of distribution methods include retail locations, website, distributors, wholesalers, direct mail catalogs, etc.

Many companies have multiple distribution methods to deliver their products and services to customers and each should be detailed here.

Detailing the "the four Pâ€™s" in the marketing plan is critical in proving to investors that your company will be able to efficiently and effectively penetrate its market.

About the Author

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