

# Competitors essay sample

[Business](#), [Marketing](#)



## **Response to Business Plan Questions**

### Question 1: Marketing Plan Different Pricing Considerations

A marketing plan composes an essential part of the business plan since it defines the success of an entity in the market. The marketing plan in this organization composes of different considerations, which have been composed towards working for the main objective of the organization. The pricing considerations adopted in the marketing plan plays an essential role in the conduct of business and success of the business in the market. The price defines the amount of money that an organization charges for its services or products. It can also be termed as the value a customer is placing on a good or service so as to attain the benefits of using the product or service.

There are various factors that are put under consideration when determining the price of products to be charged on products or service by a business organization. These considerations are as outlined below.

When formulating the price of selling the products or services she has to consider the prices of competitors to ensure competitiveness of the product in the market. She has to set the price higher or lower than her competitors depending on other factors affecting prices such as competitiveness of her business in the market. When using the competitor's price consideration she has to ensure that the pricing strategy adopted facilitates competitiveness of her business.

## **Demand in the Market**

Demand of the products offered by the business plays an essential role in determining the prices adopted. When the products offered by her business are on high demand she can be able to set high prices for the products and services. When the demand of the products or services is low she has to set low prices to attract new customers and increase competitiveness based on prices. The organization also determines the price elasticity of demand of the product to determine the sensitivity of demand of the product to price. When the price is highly elastic a slight increase in price will lead to significant reduction in demand, but when the price is inelastic she can be able

## **Cost of production**

The cost involved in the production of a product, is also an essential determinant of the price of a product. This is due to the fact the prices should cover all the cost involved in the production process. When setting the prices, she has to set prices that ensure that her business breaks even.

## **Organizational Objectives**

She has to consider her objectives in starting the business such as marketing objectives, profitability objectives among other objectives she has for the business.

## **Economic Condition**

The economic environment in which her business operates plays an essential in the determination of the prices of products and services offered. For example, when the economic conditions are favorable, she will be able to set

high prices. However, if the economy is on recession it might be difficult for her to set high prices due to reduced demand for products.

## **Question 2: Marketing Plan and Promotional Plan Mix**

Promotional plan mix defines the mix of communications designed to communicate and convey information about an organization's products and services to prospective customers. The organization has to ensure that the promotion used is persuasive enough to attract and persuade prospective customers. A promotional plan entails all types of information conveyance between the seller and the buyers, whether prospective or existing. The basic components of promotional plan are four, which includes advertising, personal selling, sales promotion and public relations.

Advertising is basically the non-personal communication, where an organization uses different mediums to convey messages or information to customers. The different kinds of media used in communication of the message include magazines, newspapers, television advertising and online advertisements among others. The choice of media used for advertisement is essential in determining the effective of the advert. The choice of media used must reach the target customers to the organization. Public relations on the hand, involves a broader perspective, since it encompasses all the efforts of an organization to develop an image of the organization's brand to the customers and audiences. They are relatively cheaper compared to advertisements, but they are time consuming and require more effort.

Sales promotions are the short term incentives created by the organization with an objective of motivating prospective customers to purchase the company's products instantly, through the addition of product's value or

reduction of product's price. The various tools used in sales promotion include, coupons, premiums, sampling and free merchandise, as well as loyalty programs. Personal selling involves approaching prospective buyers, where the organization probes the needs of the customers and proposes solutions to the problem. Personal selling generally involves the ability of an individual to handle objections, close the sale and follow up the customers.

### **Question 3: Components of a Business Plan**

#### 1. Executive Summary

The executive summary part of the business plan provides the basic values, objectives, mission and vision statement of the organization. They illustrate what the organization is based on and why it was established guiding the operations of such a company.

#### 2. Business description

Business description component of the business plan provides the basic contacts, address and location of the organization headquarters and branches if the organization has branches. The information is essential for various stakeholders of the business such as customers, financiers among others.

#### 3. Products and Services

**This component of the business plan demonstrates the products and services manufactured and sold by the organization.**

#### 4. Marketing Plan

The marketing plan of the business plan provides the marketing strategies adopted by the business in marketing of their products. It also provides the

promotional mix adopted by the organization in their marketing.

#### 5. Research Design and Development

In this section, various researches engaged by the firm in promoting their design and product development are illustrated. Design improvement and product development involve intensive research especially with the growth of communication and technology.

#### 6. Management and organization structure

The management and organization structure of an organization is essential in providing the chain of command in an organization. It is also essential in defining the role, duties and responsibilities of different personnel in the organization.

#### 7. Critical Risk

Risk management is among the most critical parts in business management. Therefore, the critical risk part of the business plan provides an overview of the potential risks facing the firm such as competition, economic fluctuations among others.

#### 8. Financial Forecasting

Financial forecasting and financial management in an organization is essential since it basically provides the basis for the operations of the organization. The financial forecasting part of the business plan provides three financial statements of the business such as the balance sheet, income statement and cash flow statement both forecasted and the current.

#### 9. Milestone and Schedule

The business plan involves identification of critical measures that will facilitate the success of the business. The milestone schedule provides the

required assistance based on the stated measures, the schedule of implementation providing the date and timeline and the cost involved in implementation of such measures.

#### 10. Appendix

The appendix contains the supporting documents such as receipts, bank statements, contacts and inventories records. It should include only essential information and used only as a basis of as-needed.

### **Question 4: Description on Preparation and Presentation of Business and its Importance**

There has not been a generally accepted formula for development of a business plan. However, there are various common elements that must be included in a business plan. For example, the business plan should start with a cover sheet. The entrepreneur should follow by establishing and writing the purpose of the business, as well as a table of contents of the business plan. It should contain a section which provides the business idea. From the introduction, the entrepreneur should provide a description of the business and how the entrepreneur wishes to market his business. It should provide a review of the competition facing the business, as well as the operating procedures.

The entrepreneur should also provide the financial data on all financial statements such as the balance sheet, income statement and cash flow statements for a three year summary. The supporting documents should include the tax returns and any other pertinent information such as valuable contracts.

There are many benefits of preparing a business plan since the business plan

simply defines your business and identifies your goals. It enables an entrepreneur allocation of resources, which enable such an entrepreneur to handle unforeseen that may arise, as well facilitating making good business decisions. It plays an essential role when an individual is seeking a loan or funds from investors as it provides an illustration of the plan to repay such loan or provide a return to investors. The business plan provides a good source of information for sales personnel, suppliers and other stakeholders on the organization operations and goals.

## **Reference**

Hodgetts, R. M., & Kuratko, D. F. (2008). *Small Business Management*. Canada: John Wiley & Sons .