

Benefits of a marketing plan for small business assignment

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Research Topic 5: “ I’ve got a small business with only 3 full-time staff.

Marketing Planning’s no real practical use to me! Besides, I can’t afford the time and/or the money to do it” The writing of a marketing plan is extremely important step in the functioning of an effective and successful business. A marketing plan will give a snapshot of where the business currently stands, where the business hopes and wants to be and what needs to be done to achieve this. This is crucial if the business wants to grow or maintain its current level of profit.

It could even be helpful if a business needed to down-size. Marketing plans can be as detailed as required, and as such are useful tools for large corporations and small businesses alike. The creation of marketing plans can be quite daunting without previous experience, and this is one reason why many small businesses don’t create a plan. Ross Cameron, of Cameron Research Group states “...there appeared to be a large number of small business owners who were not interested in growing. It is possible this is because many small business owners don’t know how to grow” (Hartnett and Keisler 2008, p.) Many of the smaller businesses don’t understand the benefit of creating a marketing plan, and therefore avoid creating one. One benefit of creating a marketing plan is in analyzing the current situation. Particularly in small businesses, the ability to step back and take an external view of the business is often difficult for an owner, as that time can be put to use elsewhere, and the results of a situational analysis can often be confronting (Hartnett and Keisler 2008). Most successful entrepreneurs of the world are able to view and analyze the business from the outside.

Another benefit of producing a marketing plan is the potential for “ greater co-ordination of effort” (Overton 2007). In having a clearly defined plan for the direction of the business, as well as an idea of how to get there, all of the employees can be focused towards that same goal. A business that has no marketing plan can potentially have employees pulling the business in many different directions, as the goal is not clear. Producing a marketing plan can also help measure the success of any efforts put in to improve the business.

In creating a marketing plan, it is best to quantify the desired achievement. For example, if a business wanted to improve its sales by 25% over the course of a twelve month period and this goal is identified within the marketing plan, then it can be reviewed after twelve months (or at intervals during this period). The results of the review measures the effectiveness of the marketing plan. If sales figures have grown by 25% or more, then it is seen as successful. If sales grew by under 25%, or worse, declined, then the marketing plan has not been as effective as it should be.

The measurement of success of a marketing plan can also be used as a benchmark to set future marketing plans. Using the perceived effectiveness or not of the previous marketing plan, can be a useful tool for looking forward. It can inspire a business to set higher growth in sales figures, or to set the benchmark lower, to enable a sales figure that is a little bit more achievable, based on the previous marketing plan (Overton 2007). A marketing plan can also help a business by looking at its strengths, weaknesses, opportunities and threats (also known as a SWOT analysis).

In providing this analysis, a business has a better viewpoint from which to build upon. Analysis of strengths provides important information about what the business does well in its operations. For example, it could be how the business differs from its competitors, or what makes the business more successful than others in certain aspects. For instance, this could mean that the employees of the business are better trained or motivated than at rival businesses, the business has higher valued intellectual property, or various other reasons.

Similarly, the analysis of weaknesses provides information and comparisons with other businesses to enable better decision making and potential improvements. The analysis of opportunities and threats document how the business could be impacted in the future, for better or for worse.

Opportunities enable a business to look at future growth potential, future trends in the marketplace, opportunities to take advantage of competitor's weaknesses, or any other factor that may or may not have been identified in the strengths or weaknesses.

Threats are basically negative opportunities and can be current or future factors that may possibly have a negative impact on the business. In drawing up the strengths, weaknesses, opportunities and threats (SWOT) for the business, and similarly for its competitors, the business can have a greater understanding of its current situation, and moving forward, a greater understanding of any potential hurdles or windfalls that may impact the business (positively or negatively). This in turn provides a better platform

from which to determine the way forward, and to provide a plan to achieve the goal of the business successfully.

One of the main benefits gained by creating a marketing plan is the actual documenting of the businesses goals and direction. By having a plan in hard copy, and having all employees working towards the same goals and in the same direction, the business is more likely to succeed in reaching those goals. A marketing plan is also beneficial in setting a budget for effective marketing. A marketing plan will allow the business to look at its target objectives and determine the amount of money to be spent on that goal.

Stephanie Paul (2010) insists that a marketing plan is “...Often considered the most effective budgeting method...” and that many experts believe that it is definitely the most logical way of setting a marketing budget. Similarly, a budget can also help create realistic strategies when looking at objectives from a budgeting aspect. “ Understanding the return on investment on a marketing activity enables you to determine whether to keep them running or stop them and try something else...” (Murphy 2009) Many small businesses feel that they don’t have time to develop marketing plans and strategies, but a marketing plan can be as thorough as the business needs it to be. In the case of most small businesses, the owner of the business inevitably works “ in” the business, and has very little time to work “ on” the business. However, a marketing plan doesn’t have to take up a lot of time. Whilst a large business may need hundreds of pages for a marketing plan, many small businesses can create effective marketing plans using as little as “ half a dozen pages” (How to Create a Marketing Plan)

McDaniel (2003) states “ Developing a marketing plan is free and can be as simple as a time line of when to order business cards, networking opportunities, organizational meetings, speaking engagements and deadlines for publications”. The article also goes on to quote Ronelle Genser of Genser International Consulting “...there are three secrets to marketing. Commitment, Investment (not just money but of time, energy, and talent, as well), and consistency. ” A marketing plan would be difficult without these aspects (McDaniel 2003) Around 98% of small business owners state that marketing is the hardest part of their job...” (McDaniel 2003). As seen above, a marketing plan can be effective at any scale, and should be a necessary tool for succeeding in business. For addressing the issue of time management in preparing a marketing plan for a small business, How to Create a Marketing Plan suggests taking “ a couple of months to write the plan, even if it’s only a few pages long...” In conclusion, there are many benefits for writing a marketing plan, even for the time-poor owner of a small business.

It enables the business owner to analyze the past and the present, as well as plot and plan the future direction of the business, the money spent on that plan and measuring the effectiveness of past, current and future plans.

These are all practical uses of marketing plans, and for the basis of successful businesses, whether they are large multi-national corporations, or a small home business with few or no employees. Bibliography Hartnett R. , Keisler, K. , 2008, Small Business, Big Opportunity: Winning the right customers through smart marketing and advertising, Second edition, Sensis, Melbourne

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