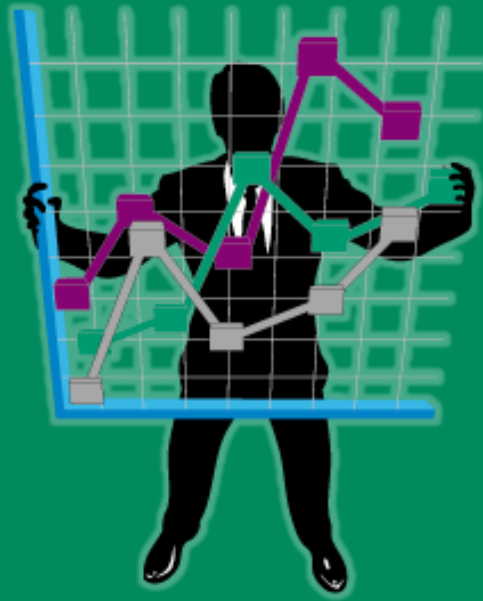


It's All In The Mix!



6 Steps to A Winning Marketing Plan



6 Steps to a Winning Marketing Plan

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6 Steps For Winning Marketing Communications

Hi,

WHY I PRODUCED THIS GUIDE

Recently, I was chatting to an individual who runs an outsource services business. He told me that he had engaged 4 different providers of individual marketing services including search engine optimisation, pay per click advertising, telemarketing and e mail marketing. During the discussion it became apparent that despite investing several thousands of pounds trying to create awareness of his capability and generate sales leads, there wasn't much to show for his investment.

None of these suppliers or so it seemed, endeavoured to understand his business, his prospects, his customers or his market in order to provide a sound strategic or tactical basis upon which to deliver their services for his benefit.

This really, really irked me!

In my marketing career thus far, I have spent 10 years in marketing agency roles and 20 in P&L responsible business development roles. For every client, internal or external, the starting point before initiating any marketing activity, is the development of a good understanding of their business and market place to inform everything I do.

WHAT'S IN IT FOR YOU?

Clients deserve to have the right plan, deploy the right strategy and the right mixture of tactics most appropriate for their business!

So here's a guide whose aim is to help you construct a marketing communications plan or a marketing plan as it is known to many people.

A plan which will give you a "bigger bang for your buck" because it captures all the elements that will give you the best chance of creating a winning customer engagement formula for your business.

simple?
complex?
the choice is yours

Whether your business is B2C, B2B, small, medium or large - the 6 STEPs are relevant and applicable!

And you can do what I do and make it as simple or complex as required to suit your business – be it 4 sides of A4 paper to an in depth planning document complete with detailed analytics.

I hope you find this guide useful.

Good luck and best wishes in your hunt for more profitable business!

Mike Cowburn

DipM MCIM, PRINCE2TM Registered Project Management Practitioner
Managing Director



Marketing Planning – An Introduction

There are many different types of plans in the marketing world including amongst others **business strategy**, **products**, **pricing**, **distribution** and the **promotional aspects** of taking a business to market.

Marketing plans provide a foundation for establishing all the strategies and tactics that you deploy in your business. Of these, the most well known and one which is most **often referred to as “the marketing plan”** is the **integrated marketing communications plan**.



A. Integrated Marketing Communications



The primary goal of marketing communications is:

- to use media like blogs, brochures, press releases, web sites,& social media etc ..
- for building awareness of a company and its products and/or services in order ..
- to instil a distinctive and preferential perception among its customers which ..
- reinforces a company's message with target audiences & motivates customers to buy

The use of the word **“integrated” is key!** Invariably a blend of different approaches to different customers or decision maker types will be required to achieve a company's objectives. Integrating marketing communications ensures that all forms of communications and messages are carefully linked together so that they work in harmony in a seamless program to maximise the impact on prospects and customers at an optimal cost.

B. Why Planning Is Important!

Having a marketing communications plan to guide your marketing efforts is important to help you **stick to a schedule**, **gauge the results** of your marketing, and **stay within budget**.

Your plan needn't be long winded or include masses of statistics or charts - just keep it simple.

This will make it easy for others who have to help you implement the plan understand it so they can act on it with ease.

It should include:

- the background of your company's trading circumstances
- what communications your business needs
- who you are going to communicate with
- how you are going to communicate
- when you are going to communicate
- how much your communications will cost
- measures of relative success

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“I've got to get my marketing working better is an oft repeated cry”

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C. 6 Steps to a Winning Marketing Plan



Step 1 Analyse Your Current Situation

A. Internal Analysis - Where Is the Business Now?

Before making the first step on your journey, it's important to map out where you want your marketing communications strategy to take you, you need to find out **where you are now**.

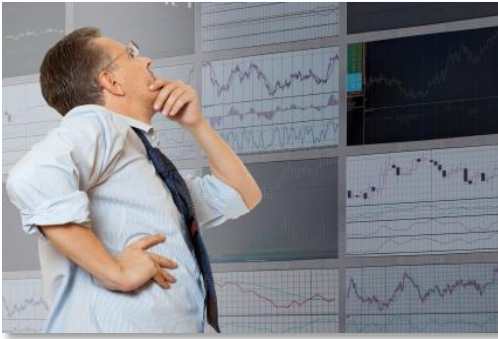
- How is your business performing? eg sales and market share by product, customer, geographic region
- What are your distinctive competitive (marketing) advantages?
- How effective have your previous strategies and tactics been?
- What has been accomplished so far from a communications point of view?
- How effective have previous communications been?
- How have you differentiated and positioned your company's products and services from their competitors?
- Are you focusing on the most appropriate market sectors and the right types of customer?



B. External Analysis - What Happening in Your Market Place?

Your Trading Environment

What changing external factors eg the economy or changing customer needs **might affect your business?**



Some of these factors will be more pressing for your business than others?

You should review the environmental factors that impact your marketing communications campaign. This can include many factors such as:

- Macro environment
- Economic: inflation, interest rates, unemployment
- Social/cultural: age distribution, lifestyle changes, value, attitudes
- Technological: new product and process technologies, materials
- Political/legal: monopoly control, new laws, regulations
- Ecological: conservation, pollution, energy

Your market place & customers

The trading environment is also affected by changing customer needs and preferences brought about by technological advance and the activities of competitors. So you need to assess how things currently are and how they are likely to change going forward. Consider things like:

- Market size, growth rates, trends and developments
- Current and potential future customers - who are they, their choice criteria, how, when, where do they buy, how do they rate you vis-à-vis your competition relative to your products, pricing, distribution and promotion
- What are the characteristics of this market?
- The size of customer base, customer characteristics & motivations, anticipated changes in behaviour?
- How does your market segment ie are their logical customer groupings and what benefits do each group seek?
- Distribution: power changes, channel attractiveness, growth potentials, physical distribution methods, decision-makers and influencers



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“sometimes it’s
difficult to see
outside the swamp
when you’re up to
your armpits in
alligators

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Your Competitors

Get a thorough understanding of your competition so that you can make determine how to construct your competitive positioning, the messages and content to convey this and the means of getting your points across to your prospects & customers. Questions to explore include:

- Who are the major competitors: actual and potential?
- What are their objectives and strategies?
- What makes them different?
- What are their strengths (why & how they win their business) and weaknesses (where they are vulnerable)?
- How are they positioned against you (what is their competitive advantage)?
- Market shares and size of competitors?
- What media and messaging they use in their own marketing campaigns?



C. SWOT Analysis

SWOT Analysis is perhaps the best known tool for analysing a business' overall strategic position within its trading environment. Its main purpose is to:

- identify strategies and tactics will enable a business to ..
- .. best align its resources and capabilities to the requirements of the trading environment in which it operates to grow profitably

SWOT analysis views all positive and negative factors inside and outside the firm that are likely to affect the success.

Carrying out this analysis will be illuminating. Done correctly, a SWOT Analysis will help you focus on your strengths, minimize or rectify weaknesses and enable you to take the best possible advantage of opportunities, and protect against threats.

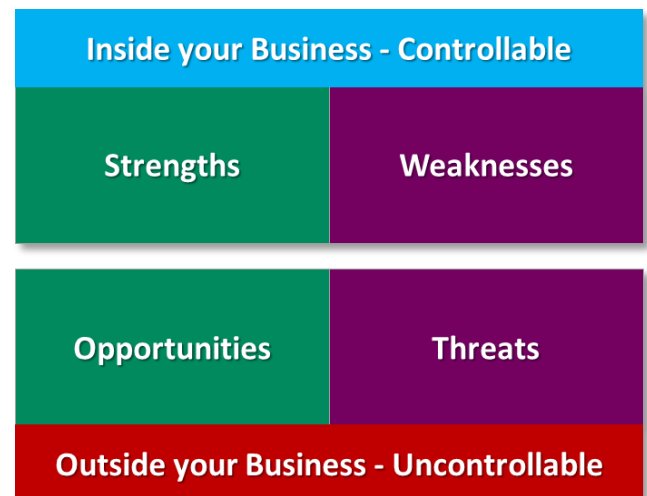
To carry out a SWOT Analysis, you'll need to address the following questions:

Strengths

A strength is a resource or capability that can be used effectively to achieve a company objective.

Obviously you would want to build on your perceived strengths in your marketing communications programme. Ask yourself and other people in your business these questions:

- What are your product advantages?
- What are your service advantages?
- What do you do well?
- What do others perceive as your strengths?



Weaknesses

A weakness is a limitation, fault or defect in a particular product or service. Your promotional messages may have to be developed to minimise the weakness, or at least have a response in place if questioned by prospects or customers who perceive these weaknesses or have them planted in their minds by your competitors.

- What could you improve?
- What do you do badly?
- What do others perceive as your weaknesses? What should you avoid?"



Again, consider the answers to these questions from both an internal and external perspective. Be really honest and try not to hide or gloss over any unpleasant truths.

Opportunities

An opportunity is a favourable situation in your company's trading environment, often a trend or a change of some kind or an overlooked need that increases the relevance or effectiveness of the product or service in question. You can seek to exploit the perceived opportunity through your communications.

- Are there changes in technology or market dynamics, on both a broad and narrow scale, that you can exploit?
- What are the social or economic trends that could affect your market?
- Are there coming changes in social patterns, population profiles, or lifestyles that will bear on what you're selling?



Look for opportunities in both the short and long term. Most importantly, find out if you have the data required to locate profitable market opportunities; if not, determine what information you need and from where you can obtain it.

Threats

A threat is a danger or menace in your company's trading environment.

Threats can often be ignored to the point where they become major problems.

What obstacles do you face?

- What does your competition plan to do?
- Are changing technologies or market trends threatening your position?



Market threats can take many forms. The goal is to identify potential threats so you can steer your organisation around them before your competition exploits them to their advantage.

As with a weakness, if a threat does require a marketing communication response, you should assess the likelihood and extent of the risk or threat so that if it does emerge, you are able to act quickly.

D. Do Something With It!

So you have worked out your strengths, weaknesses, opportunities and threats, but what do you do now?

SWOT analysis is not much value unless you actually use the key factors identified to contribute to your marketing communication plan.

But you probably won't be able to follow up every SWOT item, so you need to attend to the most important. So to keep all this manageable, the factors should be prioritised.

For instance by urgency, importance, strategic advantage, cost, lead-time for completion, time required to achieve a particular action etc.

Then identify how strengths can be used to take advantage of opportunities and to tackle threats. Similarly, weaknesses can be analysed to ensure they don't make the threats worse or stop your organisation from exploiting attractive opportunities.

The next action required is to align this to properly support your company's specific business objectives.

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**“It's better to
concentrate on the
external THREATS
& OPPORTUNITIES
first!”**

● ● ●

Determine what problems or opportunities marketing communications can impact on

E. Where do you want to go next?

Marketing Objectives

These objectives are what your company hopes to achieve from implementing your overall marketing plan. The best objectives are quantifiable and typically refer to sales, market share, distribution penetration, new product launches and profitability etc. Examples include:

- Increase sales of product A by 10% in the next 12 months
- Increase market share by 5% per annum over the next 3 years
- Raise profit contribution levels from 45 to 48%
- Establish 5 new distributors in the next 18 months

Marketing Strategies

These include:

- Market penetration or selling more of existing products and services to existing customers, growing market share
- Market development creating a new to the world market or selling existing products to new markets. This can be achieved by entering new markets eg overseas or selling products to new types of user in the existing market eg selling breakfast cereals as a bed time snack
- Product development or selling new products to existing customers eg iPads to iPhone users
- Diversification or selling new products to new customers eg iPhones to Nokia users



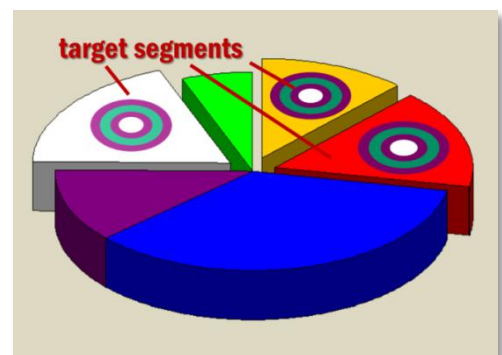
Market Segmentation, Targeting & Positioning

Segmentation - dividing up your market to zero in on desirable business!

This process can help you create a structure which highlights distinctive customer groupings or segments each of whom have different requirements.

These characteristics include:

- Company demographics
- Decision-maker demographics
- Decision-maker needs & the benefits they seek
- Decision-maker psychographics
- Decision-maker behaviouristic
- Sales & profit potential



Targeting - deciding which segments of the market you wish to focus on to better grow your business!

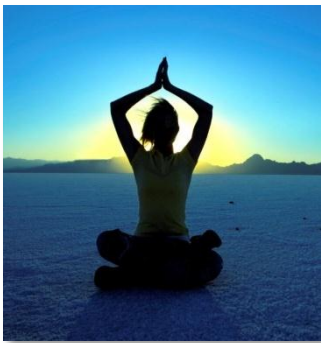
By narrowing down the characteristics of customers into different groups you can determine which customer types are most attractive to you based on for instance:

- your relative competitiveness & attractiveness in each segment
- levels of competitor activity
- the attractiveness of each segment in terms of your ability to grow profitable sales

Positioning - creating a compelling competitive position to win business at your competitors expense!

Positioning is used to describe attributes of your product or service, its benefits, and how it compares to the competition.

The basic idea of positioning is to establish an image of how your product or service is perceived in the mind of the people in your target market.



A product or service's position refers to how potential buyers see your product relative to the position of competing products eg:

- Positioned by the product's benefits eg "fastest on the market"
- Positioned by price eg "the number one budget auto tyre"
- Positioned as a prestigious product eg "it's the best in its class"

Positioning describes your competitive advantage, which means something unique about your product or service, or your company's brand, that sets you apart from and in the mind's eye of the customer and preferable to the competition.

Identify what your positioning strategy is based on and include it in your marketing plan.

STEP 2 DETERMINE YOUR MARKETING COMMUNICATIONS GOALS



Once your business has its product/service offer, pricing, distribution and positioning strategy sorted, it's time to determine the objectives that your communications activities need to deliver against to ensure that they effectively assist the achievement of your overall marketing objectives.

A. Understanding Buyer Behaviour & The Buying Process

Consumers and business buyers move through a step-by-step process as they receive marketing information and move toward a decision via what is referred to as a hierarchy of effects process.

- create awareness
- create understanding
- create changes in attitude/perception
- create change in behaviour
- reinforce previous decisions/attitudes

Buyer Behaviour

Hierarchy of Effects



Marketing & Sales Process



A good understanding of buyer behaviour and the sales process relative to your company's products and services will help you establish good communications objectives which will address these key issues :

- the relative importance of each stage of the marketing communications process for a particular product or service
- how much weight you need to give to each stage of the buying process in your communications



B. Types of Objective

As a consequence, your objectives are likely to include a mixture of the following:

- **Build awareness** - tell your target audiences exactly who you are
- **Raise profile** - build a new, dynamic and professional brand image
- **Educate & inform** - tell your target audiences what you have to offer, give them useful information
- **Improve access** - make it very easy for our target audiences to contact you
- **Motivate trial** - actively encourage prospects to find out more – try you out
- **Generate leads** - generate mailing list subscribers, fans, followers, sales leads, order off the web page

You should also ensure that your set objectives which are measurable! Individual elements of the marketing communications can be assigned SMART objectives:

- specific with numbers,
- measurable to monitor progress & confirm achievement,
- actionable: can you do it?
- reasonable ie realistically attainable &
- timely by incorporating deadlines

Here are a few examples:

- Increase awareness of your widgets from 35 to 60% 9 months post campaign among 40-65 year old ABC1 women
- Reposition the firm as the most responsive supplier of widgets to the thingamabob sector within a 1 year period
- Maintain brand X as the preferred brand of widgets among 50% of companies with 1000 employees or more
- Achieve 25% increase in leads generated from our website in 6 months

STEP 3 DEVELOP YOUR MARKETING COMMUNICATIONS STRATEGY

OBJECTIVE (need)	STRATEGY (what)	TACTICS	ACTIONS	MANAGEMENT
				
Protection from the elements	Build a house			

- Who are you going to communicate with?
- What are you going to say to them?
- What you stand for?
- What creative approach will you take?

A. Target Audience

Your prospects, customers and other decision influencers are the target audience that you want to reach with your marketing communications. The development of a concise, accurate target audience profile is critical to a successful marketing communications plan. A simple starting point is to ask and answer a number of simple questions eg:

Who is the message to be aimed at?

- Who is your market? (demographic: industry sector, age, sex, income, education, level and family situation)
- Where are they located, where do they live? (geographic info)

Who will best help you achieve your goals?

- Job functions involved in purchasing decision making process
- Decision makers & levels of decision making influence

What are they like?

- Psychographics - personality, lifestyle, attitudes and values
- Language & images used
- Current behaviour
- What are their current levels of awareness?
- What are their levels of knowledge?
- Motivations/barriers to hearing and believing/accepting the information
- What benefits will customers seek from you -



“the more thoroughly you understand your target audience(s), the higher the probability of communications success.

How to reach them?

- What do you know about the best ways to reach them?
- What are their media habits ie preferred methods for receiving information? Are they magazine readers, web hounds, are they social media savvy ?

What is it that you want to change?

- What do you want the target audience to know?
- What do you want them to feel - what perception do you want to create?
- What do you want them to do - what action do you want as a result?

Ambiguous descriptions such as the "general public" are less likely to lead to a successful communications than a tightly defined target. So, the more refined the target audience description, the more precise and effective your communication will be.

If you sell to several groups of customers or markets, state how they are different and state each of their distinct needs.

You should also include how your products or services uniquely meet their needs.

You can also have both primary and secondary target audiences to contend with too.

Primary Target Audience – key people or groups you communicate to directly.

Secondary Target Audience – people of less importance who you wish to receive the communications campaign messages, people who will also benefit from hearing the messages or people who influence your target audience now or in the future.

2 examples :

Toys at Christmas	Primary: Children – demanders! What to buy? Secondary: Parents – purchasers! Where to get it?
Floor polishing equipment to a food manufacturing company	Primary: the maintenance manager or superintendent Secondary: Procurement manager

B. Branding

Another core element of how your company presents its face to the market is its brand. But what is a brand?

A **brand** is the totality of what the product or service is about. For instance, Nike is associated with its logo and performance and quality.

McDonald's is a fast food outlet where you can go to get good value food at a reasonable price and is fun for the kids.

How does a company portray their brand to consumers? It is important to understand that a brand is not a logo design, company colours or a strapline!

Your brand is the sum of :

- your product/service and how they are delivered
- your company's personality - people
- your company's values
- literally everything the company wants to be seen as

There are 3 essential components which make up your brand.

Corporate Identity

Corporate identity is the visual aspects of a company in its market including things like logos, design, and house style.

Brand Identity

Brand identity is the total promise you make to your prospects and customers eg features and attributes, benefits, performance, quality, service support, and the values that the brand possesses.

Brand Image

Brand image however, is the totality of your prospects and customers perceptions about your company – this may not match with what you are trying to project. Your brand image is not in your control but can be influenced.

That's why businesses have to work hard on providing their customers with an experience that will make them see and think is what they want them to.

Being on Brand

Being on brand mean that everything you present to the marketplace is in "synch" – which means being consistent with your logo and other visual elements of your identity, your key messages and the way words and images etc are used in all forms of communications.

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**"a brand is not a
logo design,
company colours or
a strapline!"**

● ● ●



Branding is focused on creating as much overlap between identity (message sent) and image (message received). A strong Integrated Marketing Communications Strategy will contain the tools to successfully manage and build the brand identity so that every marketing effort and pound spent is leveraged toward building a consistently strong brand.

C. Messages & Content

Once your target audience has been profiled, you will need to develop messages/content which motivate them to buy!

They say it's not how loud you shout, but what you shout that gets you noticed. And the key to gaining and retaining the attention of prospects and customers is to send clear, consistent messages in every way you communicate to them.



From what you have established about current and potential target markets, your company's strengths, weaknesses, and opportunities plus threats from competitors, your positioning strategy needs to be articulated by marketing communications messages that will differentiate your company's products/services from other brands and encourage sales ie **why they should use you or buy from you?**

You should strive to develop messages embedded in helpful content that will be consistent and compel your target audience to act in your favour. Issues to consider, capture and develop include:

- What are the main constituents of your product or service?
- Are there different messages for different decision makers?
- To what extent should appeals be rational eg functional, save money, health?
- To what extent should appeals be emotional e.g. vanity, fear, pride?
- Key points which differentiate you from your competitors - especially unique exclusive capabilities
- Call to action – what do you want the audience to do next?

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**“What you say
& how you say
it is very, very
important!”**

● ● ●

PRIMARY PRODUCT / SERVICE ATTRIBUTES

Functional	Features	Benefits
Range	Availability	Convenience
Sizes	Style	Cost saving
Models	Shapes	Style
Specifications	Colours	Comfort
Standards compliance	Materials	Enjoyment
Ingredients	Quality	Status

AUGMENTED PRODUCT / SERVICE ATTRIBUTES

Loyalty schemes, credit schemes, technical support, software updates, guarantees, free installation, training

D. Creative Approach

The creative approach you adopt to convey your messages, plays a vital role in any marketing communications campaign. It provides direction for the development of:

- textual elements: straplines, headline and body copy
- visual elements: colour, graphic design, typography, images
- the suitability of different media to convey the messaging

Your creative approach should very clearly convey how your product or service should be presented to prospects and customers and your positioning versus competitors.

Here's what it should contain:

- The communications issue to be addressed
- What outcome do you wish to happen from the communication activity undertaken?
- From knowledge of your target audience, what information to convey, how to say it, and how to deliver it.
- One idea that explains why your target audience should act as you desire.
- Summarize the benefit the target audience can expect to receive.
- Messages criteria which ensure your claims gain buy in from your target audience
- Explain how your product or service is different from competitors
- And how you want the target audience to think about your offering compared with your competitors
- The "tone of voice" ie cultural aspects of how your message is conveyed and it's design style
- What you would like the target audience to do after they have been exposed to the communication.
- What type of appeal (emotional, rational, moral) will feature in your campaign materials & web content?
- Brand identity guidelines including do's and don'ts relative to company house style etc



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**“Demonstrate not only
how you differ from
your competitors in
terms of performance,
style, convenience
differences, business
benefits etc ...**

**.. but why you do what
you do!**

● ● ●

STEP 4 DECIDE WHICH COMMUNICATIONS TOOLS ARE BEST

OBJECTIVE (need)	STRATEGY (what)	TACTICS (how)	ACTIONS	MANAGEMENT
				
Protection from the elements	Build a house	Use bricks & a bricklayer		

A. What Communication Tools Are Available?

Getting your message and content out there seen and acted upon and most appropriate for your target market is the next step.

Again a set of common sense questions will directly influence your approach

- What is the audience profile you have to reach?
 - numbers involved & location
 - types of decision maker
- How to reach the primary and secondary audiences?
 - what are their media habits
 - what is their buying process
 - are they easy to identify & target
- Which media conveys your message and content with clarity & persuasiveness?
- What are the best means of reaching them?
- Is a mixture of different media required?
- How can they be integrated to give you the best exposure?
- Cost of reaching them - available budget?



B. Media - Transmit or Get Found?

The digital era has brought massive positive changes in the ways you can get your message in front of prospects!

Unfortunately, it has also spawned over a hundred new terms in the marketing arena. Do you use: pull or push marketing, inbound or outbound marketing, interruption or permission based marketing? Don't worry they are just different names for the same thing and the concept has been around for centuries!

As the proportion of the world's population increasingly utilising the internet has grown, greater use of search engines and a more informed, discerning and social media savvy public have impacted how companies engage with their audiences.

Here are some interesting facts about inbound vs. outbound marketing that were released in a [Hubspot](#) Blog in mid 2011.

- More than half of all US residents and more than 3/4 of all US adults are online
- 1/3 of US consumers spend 3 hours or more online every day
- Some marketers are shifting their budgets away from "interruption" advertising
- 61% of marketers will invest more in earned media in 2011
- B2B marketers are shifting their budgets towards inbound marketing
- More than half of marketers increased their inbound marketing budgets in 2011
- The average budget spent on company blogs & social media has nearly doubled in two years
- Inbound marketing is a lot more cost-effective than traditional outbound marketing
- Inbound marketing costs 62% less per lead than traditional, outbound marketing
- Outbound: avg cost/lead: \$373 Inbound: Avg cost/lead: \$143
- 3 out of 4 inbound marketing channels cost less than any outbound channel



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“However, the internet is not a communication panacea.

Many decision makers are still informed by what is becoming known as traditional media!

● ● ●

C. However Do You Go Online or Offline ?



The internet is not a communications panacea.

Many decision makers are still informed by interruption and rely on being interrupted!

It is most important to consider your audience and their media habits then determine the most appropriate mix of traditional offline or digital online media.

Shrewd marketing folk realise that labels like online or offline media, old media or new media are irrelevant because – it's all just media!

Worldwide advertising spending will total \$496.9 billion in 2011, up from \$475.7 in 2010. The growth rate did slow somewhat, with a 4.5% growth rate in 2011 vs a 5.8% growth rate in 2010. This ad spend encompasses a range of advertising

mediums, including directory listings, online ads, magazine ads, newspaper ads, outdoor ads like billboards, radio ads and TV commercials. Decision makers still watch TV, read magazines & listen to the radio as well!

Nevertheless, the worldwide web is now the hub of all commercial communications. It's more helpful to consider media in its totality with the internet and your website as your interactive hub linking offline and online communications with search engine optimisation, content marketing etc used to optimise levels of the most appropriate traffic.



Advertising

OBJECTIVES eg

Awareness
Messaging
Reach
Media selection &
Media buying

OFFLINE

Newspapers
Outdoor: posters, kiosk, waiting
Printed magazines
Television
Radio

ONLINE

Pay per click
Google, Facebook, You Tube
Affiliate
Banners
Portal sites

Sponsorship & Events

OBJECTIVES eg

Awareness
Brand synergy & positioning
Client relationship building

OFFLINE

Signage
Media exposure
Referral potential
Naming rights

ONLINE

Website integration
Social media integration
SMS
Links to sales promotions

Public & Press Relations

OBJECTIVES eg

Awareness
Cost effective exposure
3rd party source credibility

OFFLINE

Press release distribution
Feature articles
Press conferences
Media events
Corporate events

ONLINE

Digital press packs
Online content distribution
Online journos & bloggers
Virals

Direct Marketing

OBJECTIVES eg

Awareness
Nurturing
Decision makers easy to ID
Data sources
Execution preference

OFFLINE

Source Data
Direct printed mailing pieces
Door to door distribution
Telemarketing

ONLINE

Data
Solus E mail campaigns
Omnibus campaigns
SMS mobile text campaigns
Mobile Apps

Social Media & Networking

OBJECTIVES eg

Awareness creation
Relationship building
Drive traffic

OFFLINE

Networking groups

ONLINE

Facebook
Linked In
Twitter
Blogs

Direct Selling

OBJECTIVES eg

Territories
Targets
Management

OFFLINE

In house sales teams or
External sales agent/s
Prospecting
Proprietary sales leads
In house CRM

ONLINE

Social media integration
Web Analytics
Cloud CRM

Sales Promotion

OBJECTIVES eg

Encourage trial
Grow end customer share
Buy distributor shelf space
De-stock

OFFLINE

Competitions
Coupons
Samples
Discounts inc loss leaders, BOGOFs

ONLINE

Website & Social media integration
Mobile SMS
Competitions
Coupons
Groupon
Discount codes eg VoucherCodes.com

Packaging

OBJECTIVES

On brand
Offers

OFFLINE

Functional vs display
Environmental considerations

ONLINE

Mobile phone scanning
Pack codes for re-buy
Barcodes
QR codes

D. How Much Should I Spend?

Knowing how much to budget for marketing communications expenditure is not an exact science.

Marketing activities can be quite costly. If too little is invested in marketing communications, levels of business will not reach their full potential and profits will be lost and if you overspend, unnecessary expense will reduce profits.

Company Media Budget by Quarter figures in currency K						
Any Year						
Medium	Q1	Q2	Q3	Q4	Total	Mix
Press Advertising	6.3	6.8	7.2	7.8	28.0	18.7%
Pay-Per-Click Advertising	7.2	7.7	8.2	8.9	32.0	21.3%
Direct Marketing: e-Mail	2.2	2.4	2.6	2.8	10.0	6.7%
Website	3.4	3.6	3.8	4.2	15.0	10.0%
SEO	5.6	6.0	6.4	7.0	25.0	16.7%
Content	5.6	6.0	6.4	7.0	25.0	16.7%
Telemarketing	3.4	3.6	3.8	4.2	15.0	10.0%
Total	33.6	36.2	38.5	41.8	150.0	100.0%
Mix	22.4%	24.1%	25.7%	27.9%	100.0%	

How you can approach budgeting

The practical budgeting methods most often employed by both B2C and B2B include:

Objective/Task led

The most sensible budgeting method where you build your marketing communications budget from scratch, using your marketing plan and achievement of its marketing communications objectives to create the budget.

All the activities which have been specified to deliver against a particular objective in a finite timescale are costed out and the budget set accordingly.

Plan based on expected payout

This approach is based on identifying expected sales, losses and costs associated with your new product or campaign.

A payout plan is created to determine the investment value of the marketing efforts. For instance, additional spend will be allocated for the launch of a new endeavour. Subsequent years' marketing spend being based on expected returns.

Framing past budgets

If your goal is to double your current market share say, this approach makes your future marketing budget twice the size of your historical spend. By taking last year's budget and subjectively adding to it or cutting it to give a figure for this year's budget.

Competitor parity

"Matching the competitors method" sets the budget by matching or surpassing what your competitors are doing.

Percentage of sales

Using this approach, your company would set its marketing communications budget establishing it as a fixed percentage of either your last year's sales or your forecast sales for the forthcoming year. Little logic used here!

Affordability

The affordable method is based on what you think (or your company thinks) it can afford to spend on marketing communications. It has a simple but arbitrary approach - if you can afford to spend £50k, spend £50k. If you can't, you don't.

Budgeting in the real world

All companies do things differently and invariably a mix of approaches is used.

At budgeting time in larger businesses, individual departmental budgets are often created by using the objective/task led approach which are then submitted in what become de facto bids for senior management consideration.

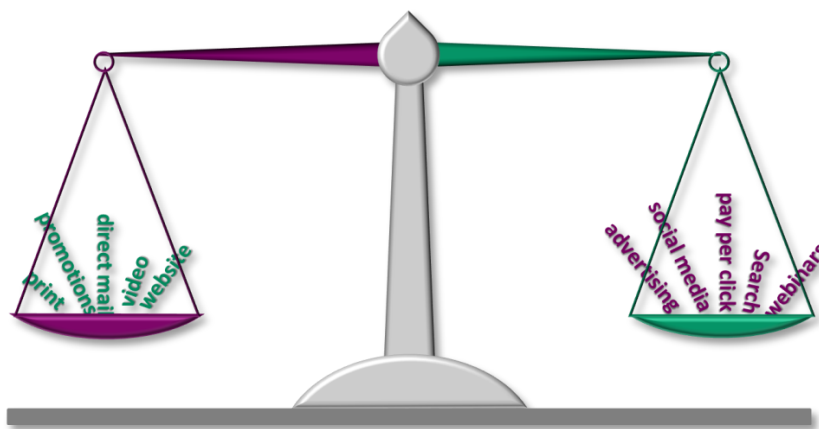
Sometimes marketing communications budgets survive intact, sometimes they are reduced. It depends to large extent what is considered "essential vs desirable" within the overall marketing plan and marketing budget. Quite often "trade-offs" are made within cost centre budgets.

Senior management may apply "what the business can afford" cuts or determine funding allocations based on which mixture of activities across all aspects of a company's business will yield the best return on investment in a given time period – short or long term.

The learning point here is to incorporate as much realistic marketing communications return on investment information during budget reviews as possible when bidding for funding.

E. Winning Media Selection – It's All In the Mix

The purpose of the media allocation process is to attempt to identify a balance of media types which will provide the best marketplace impact and thus the greatest returns to your company.



Specify what marketing tools and strategies you'll use to get your message to your market.

Determine whether you'll use print, media, Internet, appearances, or all of the aforementioned. Motivate your decisions based on all of the information you've examined.

F. Selecting The Correct Media

The next step is to determine which medium type (TV, Radio, Display Ads) will reach your desired targets and generate the greatest ROI.

Whatever your company is taking to market, you will invariably need to consider and utilise a mixture of different media.

So what you need to do is start building up a view about the suitability of different types of media for the different stages of the purchasing cycle relative to the types of product and services your are promoting and your target audience demographic.



Then you should apply a budget allocation weighting among the different stages of the purchasing decision your particular campaign is aimed at.

Following this establish (even if it is subjective to begin with) how each media option is likely to perform for you in each part of the purchasing pipeline.

	Create Awareness	Secure Sales Leads	Encourage Trial	Customer Retention
Campaign Activity Weighting Based on objectives	30%	35%	15%	20%
Press Advertising	Good	Fair	Poor	Fair
Online Advertising	Good	Fair	Poor	Fair
Pay-Per-Click Advertising	Poor	Good	Poor	Poor
Website, SEO, Content	Good	Good	Good	Good
Social Media	Fair	Fair	Good	Good
Direct Marketing: e-Mail	Good	Good	Good	Good
Direct Marketing: Print	Good	Fair	Good	Good
Sponsorship	Good	Poor	Poor	Good
PR	Good	Poor	Poor	
Promotions	Fair	Good	Good	Good
Direct Selling	Poor	Poor	Poor	Good
Telemarketing	Fair	Fair	Good	Fair

Then, build up a matrix to help you make your final media selection and budget allocation.

REMEMBER – no one media “fits all” because depending on your product/service & demographic, different media can work in different ways and perform relatively better or worse than one another in each phase of the purchasing pipeline!

STEP 5 CREATE A DETAILED ACTION PLAN & IMPLEMENT IT

OBJECTIVE (need)	STRATEGY (what)	TACTICS (how)	ACTIONS	MANAGEMENT
				
Protection from the elements	Build a house	Use bricks & a bricklayer	Plan detailed implementation	

A. Activity Planning & Implementation

The best laid plans of mice and men can come a cropper quite quickly unless the practical activities necessary to complete individual tasks are itemised and executed in a logical timely manner. So it is important to create a tactical implementation calendar that outlines when each activity is required at what time and who is responsible for executing it.

Pragmatic forethought is required ensuring the right people are in place to do the work, using considered efficient processes, resources and tools carry out the planned activities. Without this your beautifully crafted plan is worthless.

Start by plotting out a 12 month macro activity schedule of your marketing activity produced in MS project, MS Excel or use proprietary marketing planning software

Construct your schedule with different activity sectors eg website, SEO, direct marketing etc and include headline detail every individual activity plus the start, duration and finish time for each. If you wish, could also tally the cost per month, and cumulative totals by activity and overall for the 12 month period. This will provide a simple a quick visual of how your marketing communications activity is built for the year and what you are spending in each type of activity.

Your Firm Marketing Communications Activity Plan

	Month	January				February				March				April				May				June				July				August				September				October				November				December			
	Week	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
Website	activity 1																																																
	activity 2																																																
	activity 3																																																
SEO	activity 1																																																
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Webinar Programme	activity 1																																																
	activity 2																																																
	activity 3																																																

Then the day to day detailed operational delivery for every single activity needs to be planned and managed by an in house marketing team or an external marketing agency. Take just one brochure for instance, the following tasks need to be planned and actioned:

Content / Copy

- Write copy platform brief including messaging, and priority concepts for copy or illustrative emphasis
- Research content and source content from in house or external sources eg statistics, data, charts,
- Prepare content and top level page layout outline
- Brief copywriter or write copy in-house

Images & Illustrations

- Organise existing library images and electronic graphics files eg logos, illustrations etc
- Purchase royalty free images and/ or commission new photography
- Prepare new photography shoot list for location or studio work
- Ensure reconnaissance at site location ensure any site preparatory work is identified and done pre-shoot
- Organise props, product samples and personnel etc for studio shoot
- Manage photo shoot then select / approve images for use

Graphic Design

- Brief and liaise with graphic designer
- Check copy graphics & text corrections advise graphic designer
- Check & sign off proofs

Form Specification

- Formulate print specification: overall document size, number of pages, paper specifications, ink specifications, any special finishing required, quantities together with any alternative spec variations you may wish to explore

Print Logistics

- Determine candidate printer list for quotation purposes
- Seek print quotes
- Review print supplier quotes for best value and delivery promise
- Place order with printer of choice then check and sign off proofs
- Ensure quality checks are taken on delivery

Stakeholder Briefing

Purpose - practical usage – feedback

STEP 6 SET KPIs & TRACK THE PROGRESS BEING MADE AGAINST SET GOALS.

OBJECTIVE (need)	STRATEGY (what)	TACTICS (how)	ACTIONS	MANAGEMENT
				
Protection from the elements	Build a house	Use bricks & a bricklayer	Plan detailed implementation	Establish KPIs & Track

Measurement plays an obvious role in accountability. And effective measurement of marketing communications will enable your business to use marketing measures or metrics to understand your relative performance to guide future planning and decision making.

An integral part of this process is establishing key performance indicators (KPIs).

K	Key	Make or break
P	Performance	Quantify, measure & control
I	Indicator	Pointers & clues

KPIs serve as a special type of metric. They indicate a change in performance and provide insight on how to influence future success.

You should define and select a marketing communications KPI that will help you understand the causes that will influence or affect change in the communications outcomes you are trying to drive.



It may take a bit of trial and error to find the right marketing KPIs; these four steps will help you:

- **How are you going to measure success?**
That information is the foundation for establishing your company's business outcomes and a critical underpinning for selecting a KPI.
- **What metrics are you going to use to measure success?**
For marketing communications they are typically related to changes in levels of awareness, lead generation, conversion rates and so on.
- **Make a list of possible KPIs.**
That you can use to determine whether the money you spend on engaging with your customers will have a positive impact on your business. You will want to select indicators that both correspond to a change in a communications outcome and have the most influence on that outcome.
- **Track the results for each KPI relative to the goals you have set.**
Then consider which ones will have a direct impact. You need to establish norms and benchmarks and track changes in your KPIs and corresponding performance. When tracked over time, that information serves as a gauge of relative performance i.e. good or not so good!

● ● ●

“If you cannot measure it, you cannot improve it.”
Lord Kelvin,
legendary 19th
century engineer
and physicist

● ● ●

A. How many marketing KPIs do you need?

There are masses of metrics that you can use to assess your relative marketing communications performance eg:

- Brand awareness
- Cost per lead generated
- Conversion rate & lead to revenue gestation period
- Web traffic; unique & return visitors , impressions
- Twitter followers; retweets;
- RSS feed subscribers; email list subscribers
- Company revenue & profitability



The number of KPIs depends on the number and variety of the activities you need to measure and track. The key question here is: "What performance indicators will serve as a signal of future performance?"

One of the key benefits of KPIs is that you can use the data to help predict your future and model possible future scenarios which will be helpful for your business planning and spending decisions.

For example, if you see a change related to customer behaviour—it may be signalling a shift in the market, thereby enabling you to adapt your approach to the market in anticipation of the change and accordingly adjust product, distribution, channel, pricing, and positioning etc.

Some of the foregoing was adapted from KPIs Provide Insight to Influence Success and Strategy by Laura Patterson 17/2/11 Read more: <http://www.marketingprofs.com/articles/2011/4467/kpis-provide-insight-to-influence-success-and-strategy#ixzz1UQYcHUFM>



B. Marketing Communications - Return on Investment (ROI)

The final piece of this puzzle is to understand planning, implementation and control is both a cyclical and iterative process.

That means you will always need to adapt to changes in your trading environment and learn which types of marketing activities give you the best return for your investment.

You can measure the ROI of a lot of marketing endeavour for instance

- Increased traffic to your website
- Customer retention
- Brand recognition
- Customer lifetime value
- Customer satisfaction

It is important to understand the relative return you get from investments in different media to enable adjustments to be made when planning future activities. For instance, consider the following 2 hypothetical examples:

A company uses both pay-per-click (PPC) advertising (Adwords etc) & email marketing to drive web traffic and generate leads.

The PPC cost is an average of £2 per click. It takes 50 clicks on average to generate an order for £250 with a profit margin of £150. So the ROI is $(£150 - £100) / £100 = 50\%$.

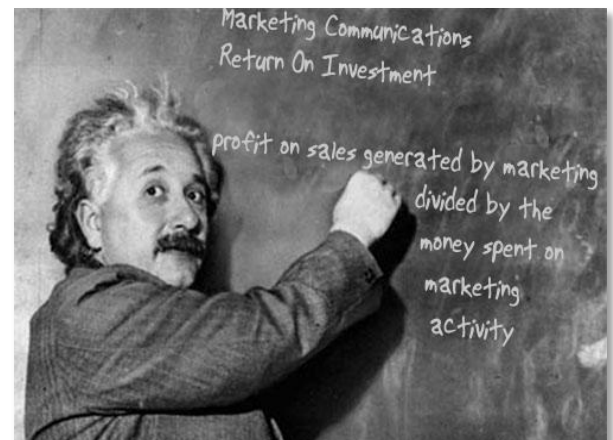
The email marketing generates one order of £250 with profit of £150 per 2500 subscribers in an average campaign. The cost of reaching each subscriber is £0.02 (2 pence). So the ROI is $(£150 - £50) / £50 = 200\%$.



C. Ultimately It's The Bottom Line That Counts The Most

Lord Leverhulme, the founder of Unilever, once famously said, "I know that half of my advertising budget is wasted, but I'm not sure which half."

Although this was coined many decades ago, the principle stills hold true today in the internet digital marketing era. However, modern businesses cannot justify 50% waste. So use this ultimate measure to ensure that you keep what translates directly into profit and works and ditch the activities that don't. You can use the same simple formula used above for the ultimate measure of marketing ROI:



profit on incremental sales generated by all marketing activity
the money spent on all marketing activity X 100%



STREETWISE MARKETING & BUSINESS DEVELOPMENT

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