

## **Dick Maggiore: Know where to aim in devising marketing plan**

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No matter how great the tactics, you can't win without the right strategy.

By Dick MaggioreSpecial to The Canton Repository

Time and time again, we find that great execution can't overcome bad strategy. Putting lipstick on a pig will only waste your time and your money and annoy the pig.

Ancient Chinese military strategist and philosopher Sun Tzu put it best, "Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." If you have the right strategy and perhaps not-so-good tactics, you'll still have a good chance to prevail — eventually. But no matter how great the tactics, without the right strategy, you will lose.

Tzu knew that to win the war, he needed a good plan. In the world of business, marketing is warfare. Like the generals who win wars, successful marketers know they need a good plan before they get around to shooting their ammo.

Winning marketers also understand that before they can develop the game plan, they must know and understand their difference, their niche, their unique selling proposition, their position. They identify the idea that distinguishes their product or service from their competition.

Here are a few well-known positions: selling computers direct to business (Dell), a fanatical focus on safety (Volvo) or on home delivery pizza (Domino's), toothpastes for fresh breath (Close-Up) and for sensitive teeth (Sensodyne), and kills germs in the mouth (Listerine). The focus can be on the category itself, chocolate (Hershey's), pickles (Vlassic) and elevators (Otis), or with other ways to differentiate; dependable appliances (Maytag), overnight delivery (FedEx), the original cola (Coca-Cola), the younger generation cola (Pepsi), low price (Wal-Mart and Southwest) and power tools (DeWALT).

Here in Canton, Timken is a great example of a meaningful differentiation. Late in the 19th century, Timken developed an axle so highly engineered that it reduced friction to the point where one horse could do the power of two. More than 100 years later, we still know Timken as the people who reduce friction. It's not an accident that they have continued to work on innovating friction reduction every day since. That's focus!

OK, so say you know the answer to the paramount question: "Why should my customer choose my product or service versus the competition?"

You have found your position, your differentiated idea. Now you are ready to work on a plan of action, the marketing plan. If you have been in business for years, an annual reassessment of your marketing plan is a good idea.

When preparing your plan, it should be viewed through the lens of your differentiated position helping to guide your decision-making throughout.

The plan starts with a summary (though it often is the last section written). The summary should highlight the key points in the plan and pave the way for understanding and execution.

### **Keys to successful plans**

There are numerous models for successful marketing plans. We have found the following key areas to be the most useful:

- Company and Situation Analysis — Know thyself. Your internal analysis should be an honest, candid and clear view of your strengths and weaknesses as well as the opportunities and threats, with customers and competitors, respectively.

- Customer Analysis — All successful companies understand their customer. You must work to understand your target customer, including key demographics like age, gender, geography, education level, income bracket and psychographics, such as interests, attitudes, hobbies and aspirations. If your customer is another business, you will want to know most of the above plus target market(s), industry trends and the like.
- Competitor Analysis — What positions do your competitors own in the minds of your prospects and customers? You can't have the position if it is already owned by a competitor.

In addition to reviewing secondary (existing) research, it might be necessary to conduct primary (original) research. There might be information you feel you need to know and it just doesn't exist. Primary research often starts with qualitative research, such as with focus groups that might lead you to confirm its findings using quantitative (phone, mail or online surveys) research. We call this "rolling around in the mud" of the marketplace.

### **The four Ps of marketing**

Also, factor in the four Ps of marketing in your action plan: product, price, place and promotion.

The name you give your product or service might be the single-most important marketing decision you'll ever make. The right name can build equity in your brand every time it's seen or heard. Which name do you think works harder describing the brand's differentiating idea: DieHard battery or MSCI investment company? A good name starts the positioning process.

Consider your scope of product line, its warranty, its design, its everything. Does your product or service align with its differentiating idea?

How you price your product also should line up with its position. Is it an economy, premium or super-premium product? Based, on your target prospects, should you consider financing options, leasing, bundling or discounts?

The third "P" stands for place. Considering both your customer and your competition along with your differentiated position, what distribution channels would be most advantageous? Today, you have more to choose from than ever —

online (direct or through third-parties or both), brick-and-mortar physical locations, direct or through a third-party distributor or retailer. Any advantages with warehousing, transportation, technology and fulfillment logistics?

With promotion, we really get into tactics, the fun stuff. How will you find and turn your prospects into customers? What's your advertising message? How much and what media? What about public relations? What's your expectation for the number of leads? Here too, your choices are more than ever; email marketing, content marketing, videos, mobile marketing, offline (traditional) marketing (direct mail, outdoor, newspaper, radio, TV), website and SEO, events, trade shows, and this list goes on.

You will need to determine your promotion budget. You must decide if your budget is what you are able to invest to compete and win in the marketplace or if it is based on how much money you have to spend. If you don't have enough money to do the job, then your plan should be to figure out how to get the money first. Otherwise, you'll likely waste the money you do have.

Decide on your revenue objective. Analyze to determine how much you'll need to sell to pay for the cost of goods (or services), marketing, payroll, overhead and give you enough profit to grow the enterprise.

Great plans start and end with distinguishing your product from the competition. That is your competitive advantage. The marketing plan pretty much writes itself if you get that part right.

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