

Lesson 4 Assessment Tool: Marketing Plan Framework

This Assessment Tool contains real world examples, guiding principles, practical worksheets, and information that can help you complete a 4E-based marketing plan for your business. This Tool can serve as companion activities for Lesson 4.

4.1. Executive summary: This is a summary of the marketing plan, so it is usually prepared after the plan has been completed. It should summarize:

- ✓ Situation analysis results
- ✓ Marketing goals and objectives
- ✓ Proposed marketing actions (strategies and tactics) to meet goals and objectives
- ✓ Proposed marketing budget and key resources that are necessary to implement the marketing actions
- ✓ Expected outcomes of the proposed marketing actions

4.2. Mission Statement: This statement summarizes the guiding principles for your business. Some example mission statements are shown below with the type of information to be included. The three examples are presented in the way that you can see one from a well-established government organization and two from small businesses like yours. Try one on your own after examining the examples.

A. *Federal Food and Drug Administration*
(<http://www.fda.gov/opacom/morechoices/mission.html>):

“The FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, our nation’s food supply, cosmetics, and products that emit radiation. The FDA is also responsible for advancing the public health by helping to speed innovations that make medicines and foods more effective, safer, and more affordable; and helping the public get the accurate, science-based information they need to use medicines and foods to improve their health.”

B. The View Restaurant at Indian Kettles
(http://www.indian-kettles.com/lake_george_restaurant.html):

“Our mission is to provide only the freshest and finest foods possible at a reasonable price to our guests. In addition, we will provide the highest degree of service possible. We will treat each and every one of our guests like family visiting our home for a festive occasion. We will strive to keep all areas of our Lake George restaurant spotless. We will protect Lake George and our environment regardless of cost to ourselves. We realize that without our customers, our business would not exist and we welcome the opportunity to serve them.”

B. *Beaver Lake Cottage* (<http://www.beaverlakecottages.com/missionstatement.htm>):

“Our goal is to provide the ambiance and amenities for our guests to Relax, Reflect and Renew.”

“Our primary measure of achievement shall be our Repeat and Referral business.”

“We shall provide a work environment that will encourage our employees to make our goals possible.”

“If we are ever in doubt about any personal or business decision, we shall ultimately rely on the Golden Rule as our Final Answer.”

4.3. Situation Analysis

Situation analysis will help you understand the current and near-future business activities you and your competitors are using. By conducting this analysis you will understand how customers respond to your offerings and those of your competitors. The results of this analysis therefore provide a basis for your marketing strategy development later on.

- A. Internal Audit – Provided below is a checklist that business owners can use when conducting an internal audit of their offerings. You can use this checklist as a guide and can modify it to suit the elements of your business.

The internal audit allows you to systematically identify components of the 4Ps (Properties, Product Presentation, Promotional Applications and People) within your business that enhance experiential value for your customer. Sometimes you are too close to your business to accurately assess these experiential elements. Therefore, we encourage you to gather assessments from staff, customers, or vendors. The chart below lists many of the elements constituting the 4Ps of a business that can enhance customer experience. You can place the description of each element in the column under the appropriate 4E.

4E Offerings

- **Educational Experience**—Identify components of the 4Ps (referring to the leftmost column in the table below) that contribute to customers’ enhanced knowledge, skill, personal development.
- **Esthetics Experience**— Identify components of the 4Ps that contribute to a well-designed, unique physical setting in which a customer feels immersed.
- **Entertainment Experience**— Identify components of the 4Ps that contribute to engaging performances for the customer.
- **Escapist Experience** — Identify components of the 4Ps that contribute to active participation in creating a sense of a different place or time for a getaway.

Internal Audit Checklist for 4E Experience Economy Offerings

4E Experiential Economy Offerings				
4Ps	Educational Experience	Esthetic Experience	Entertainment Experience	Escapist Experience
<p><u>1. Properties:</u> (permanent elements of the physical business)</p> <p>Sensory pleasure, interest, and meaning (messages or stories) from arrangement, materials, finishes, texture, size, shapes, colors, graphics, historic period of:</p> <p><i>Architecture</i> Windows Pillars Awnings Doors Stairs Floors Fireplaces Exterior walls Porches, balconies Roofing Other</p> <p><i>Interior Design</i> Window treatments Wall treatments Floor coverings Ceiling treatments Cabinetry Bars Furniture (e.g., chairs, tables,</p>				

<p>headboards) Seating arrangements Appliances Light fixtures Art work (e.g., sculpture, wall murals) Other</p> <p><i>Landscape</i> Walkways Fences Gates Decks Arbors Patios</p> <p><i>Outdoor seating</i> Outdoor furnishings Outdoor sculpture Window boxes Plantings (flowers, bushes, ground cover) Trees Outdoor lighting Other</p> <p><i>Exterior signage and name</i> Building Signage and Logo</p> <p><i>Delivery vehicles</i> Make and model Signage</p>				
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<p>2. Product Presentation (easily changeable elements such as tangible goods, services, and their settings)</p> <p>Sensory pleasure, interest, and meaning (messages or stories) from arrangement, materials, finishes, aroma, flavor, texture, size, shapes, colors, typeface, graphics, logos, historic period of:</p> <p>Products Merchandise lines or brands Merchandise assortment or variety Private label products Exclusive products or distribution Menu items Food lines or brands Lodging amenities</p> <p>Services—that support product mix, theme, memory, and relationship building Services Add on or augmented services Bundled product/service packages Go to the customer</p> <p>In-store Signage Point of Sale signage Windows Displays Shopping Cart or Basket Info Maps, directional signage Product or Brand Signage Bulletin Boards</p>				
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<p>Posters</p> <p>Packaging Containers Boxes Hang tags Labels Wrapping paper Enclosure cards Bag fillers Shopping bag Other</p> <p>Displays (for retail and tourism) Display units (e.g., cases, tables) Product assortment arrangement Fixtures Test products/samples Demonstrations; tasting events Point-of-purchase displays Props Mannequins Lighting of displays Other</p> <p>Presentation materials (for accommodations and restaurants) Tableware Table linens Candles Flowers/indoor plants</p> <p>Menus / Bedding / Towels Throw blankets Pillows</p>				
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Ambient cues Scents Foreground music Background music Background sounds Other				
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<p><u>3. Promotional Applications</u></p> <p>Sensory pleasure, interest, and meaning (messages or stories) from written/verbal content and arrangement, texture, size, shapes, colors, typeface, graphics, logos of product images, background images, and/or paper for:</p> <p>Direct Mailings TV/radio ads Newspaper ads Magazine ads Catalogs Brochures, bag stuffers Business cards & Stationary Giveaways (e.g., pens, favors), Loyalty programs Newsletters Banners Guest Books Other</p> <p><u>4. People</u></p> <p>Sensory pleasure, interest, emotional connection, and meaning (messages or stories) from:</p> <p><i>Customer interaction opportunities</i> Sponsored community events Casual gatherings Games and contests</p>				
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<p>Charitable community partnerships, events with schools, groups “In character” gatherings (e.g., costume parties, murder mystery role playing) Collectors Clubs Volunteer Opportunities Other</p> <p><i>Customer/ staff interactions</i> Product knowledge Instructional ability Interpersonal communication skills Warmth Humor/ story telling Motivational qualities Other</p> <p><i>Staff physical appearance</i> Themed appearance Neatness, grooming Clothing style Hairstyle Facial hair Jewelry and piercing Tattoos Other</p>				
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B. Market trend analysis

To understand what is going on in the marketplace, you may want to analyze market trends as follows:

- *Customer trends* – identify key trends in customer preference for each of 4Es by asking questions such as:
 - What is the demographic of your customers (age, gender, income, occupation, etc)?
 - Why would these customers be interested in some/all of the 4Es you offer?
 - How often do customers buy from you?
 - What is your customers' willingness to pay for the 4Es you offer?

- *Competitor trends* – try to understand what your competitors are offering:
 - Who are in a head-to-head competition with you?
 - What is the focus of the competition's offerings?
 - Where are they located?
 - What are your competitors' primary strengths, as compared to your business?
 - What are your competitors doing in terms of offering the 4Es?
 - Are there newly opened businesses that may directly compete with you in the future?

- *Industry trends* – Be aware of how the industry you are in changes as a whole and think about how you can stay ahead of such changes. Ask, for example:
 - Which companies are the major players in the type of business you are in?
 - What are the major changes in the way similar companies market their offerings?
 - How widely are 4E offerings adopted in the industry you are in?
 - In general, what do you foresee in terms of the ways you and your competitors do business in the near future?

C. Market potential analysis – estimate the total demand for your offerings and estimate how demand can be increased by adding some selected 4E offerings. It is important not only to look at current demand for your offerings, but to realistically assess potential demand under the new 4E offerings added. (see Lesson 4.2.9. for example).

D. Competitive analysis – conduct an internal audit of your key competitors. This requires determining how they actually conduct business activities and decisions, so your access to this information may be limited. It may be necessary to discuss with your staff their ideas regarding key competitive strengths and weaknesses of your competitors. Your suppliers or customers can often provide insights into what your competitors are doing if they are also familiar with your competitors.

E. SWOT analysis—A SWOT (strengths, weaknesses, opportunities, and threats) matrix can next be constructed next to visually summarize key competitive elements for your business and your competitors with a focus on the 4Es.

SWOT Matrix

	Your company	Competitor A	Competitor B	Competitor C
Strengths				
Weaknesses				
Opportunities				
Threats				

Note: You may want to add columns to include additional competitors as necessary.

4.4. Position Your Business

By now, you should have a good idea of what is your SWOT and need to think about how to address your SWOT at a reasonable cost. One good way to address them is to build a strong, unique business image or theme based on your strengths (S) and opportunities (O) and communicate it to your customers. You may actively deal with weaknesses (W) and threats (T) as well, but, by focusing on what you can do best, you still can differentiate your business from your competitors. Such a differentiation is a starting point for business success.

To effectively position your business in the minds of your customers, you need to develop a strong coherent theme for your business so that the customer can form a clear impression of your business image. The following example shows the position or theme statement of a restaurant.

Jungle Jim's Restaurant & Bar, for example, has a positioning theme as follows (http://www.jungle-jims.com/rest/page_2.html):

1. Convenience

Customers do not have to "dress up" to go out to dinner. These are informal restaurants designed to serve customers in relaxed, comfortable environment. However, they also work well for those who are "dressed up" because of their richly decorated, up-scale design.

2. Family Oriented

Perfect for all occasions, birthdays to proms, everyone has a reason to celebrate at casual theme restaurants. These restaurants accommodate children without Mom and Dad having to worry about appropriate restaurant behavior.

3. Entertainment Value

Casual theme restaurants provide entertainment to their customers via design, decoration, music, food preparation and presentation; employee outfits and an ever-present attitude of fun for all. Special holiday promotions contribute to the on going excitement and entertainment. By giving children something to do with their energies, parents can also enjoy a comfortable, relaxed meal.

4.5. Marketing Goals and Objectives

State your marketing objectives in realistic, clear, and measurable terms. Think about how you can relate the 4E offerings you have identified as realistic for your customers to the marketing objectives stated here. Examples are provided in Lesson 4.3.1.

4.6. Marketing Action Plans

Marketing actions are means of achieving your marketing goals stated above. These actions must be realistic and help you position your business as planned above, while addressing your SWOT and market and industry trends.

A. 4E offering strategies

4E offering strategies mainly concern enhancing your offerings overall. Use the results of the Internal Audit from above to gather ideas for improving business offerings overall. Examples are shown in the chart below for a variety of rural small businesses.

The 4Ps (Property, Product Presentation, Promotional Elements, and People) can contribute to enhancement of the 4Es. The following tables provide examples of how aspects of the 4Ps may contribute to business offerings from the 4Es in accommodation/B&B, restaurant, retail, and rural tourism marketing.

Examples of the 4Ps contributing to educational experience

Educational Experience	<i>Properties</i>	<i>Product Presentation</i>	<i>Promotional Applications</i>	<i>People</i>
Accommodation /B&B	B&B has heritage rose garden with species identified	Wild west theme B&B bed quilts have pictorial images of local legends	Hotel brochure tells story behind interesting fireplace hearth tiles	Hotel owner and champion chess player have daily chess matches with guests
Restaurant	Photo montage encircling dining area tells the story of family owner's migration from eastern Europe	Menu explains local food customs and their sources	Restaurant holds a special apple harvest event to showcase local apple varieties, differences in their taste and uses	Knowledgeable staff explain best wine or beer to accompany menu selections
Retail	Windows of candy shop allow people to watch truffle making and	Labels provide phonetic spelling and nationality of pastries from around the world	Advertisement uses models of different body types to show best body/new	Antique gun shop owner teaches quick draw techniques

	decorating		fashion trend combinations	
Rural Tourism	Landscaped area of a local winery allows visitors to taste different grape varieties used	Signage points out ecological features hikers see on a trail	Tourism brochure supplies historical information about sites followed by a quiz for children	T-shirt uniform worn by guide is printed with a map of the attractions on the tour

Examples of the 4Ps contributing to esthetic experience

Esthetic Experience	<i>Properties</i>	<i>Product Presentation</i>	<i>Promotional Applications</i>	<i>People</i>
Accommodation /B&B	B&B gardens give guests a place to sit and enjoy	Fluffy down comforter adds to the appeal of a room	Color brochures capture the beauty of a B&B	Massage technique of masseuse helps guests unwind
Restaurant	Soft lighting sets a relaxing mood	Rich descriptions on a menu add to the appeal of a dish	Advertisements focus on the tempting dishes	Chef creates unique dish to personal tastes of a customer
Retail	Entire store floor painted to look like a stain glass window adds to elegance	Free coffee helps the customer linger as they shop	Style show allows customers to see opulent products on elegant models	Good color sense of sales staff results in colorful ensemble options for the customer
Rural Tourism	Stone sculptures add to the beauty of an arboretum	Aroma of camp fire enhances pleasure of outdoors	Cards for business hosting fall tours use rich colors of fall leaves	Uniforms coordinated to bright colors of natural setting add appeal

Examples of the 4Ps contributing to entertainment experience

Entertainment Experience	<i>Properties</i>	<i>Product Presentation</i>	<i>Promotional Applications</i>	<i>People</i>
Accommodation /B&B	Balconies allow guests to watch pool activity	Napkins on table are folded to look like animals	B&B newsletters contain guests' stories of travel adventures	Guests of a B&B lend lively conversation
Restaurant	Large fish in wall-sized tanks provide activity to watch	Menu uses tongue-twisting names for entrees	Restaurant hosts charity "cook off" event	Guests watch chef dramatically cook dessert tableside
Retail	Spinning store sign mesmerizes customers	Wrapping paper for a bookstore contains	Catalog provides funny testimonials	Friendly do-it-yourself project demonstrator

		humorous quotes of famous writers	from product users	engages audience
Rural Tourism	Watching participants in a corn maze from a tower add to entertainment	Display unit for trail maps looks like giant hiking boot	Advertisements for Mississippi river tours spoof river scenes from famous movies, such as “African Queen” and “Cape Fear”	Fishing guide tells humorous stories of past fishing adventures

Examples of the 4Ps contributing to escapist experience

Escapist Experience	<i>Properties</i>	<i>Product Presentation</i>	<i>Promotional Applications</i>	<i>People</i>
Accommodation /B&B	Castle-like architecture for a gothic themed B&B	Victorian B&B uses antique lace table linens	Hotel advertisement emphasizes the sense of escaping to old world Europe	Staff of hacienda themed B&B greets guest in Spanish and wear Mexican garb
Restaurant	Family restaurant interior design to resemble farm kitchen	Pewter-like goblets used in renaissance-theme restaurant	Coffeehouse newsletter paper includes ground beans and their aroma	Staff of Italian restaurant emphasize proper Italian pronunciation of menu items
Retail	Bridal shop windows resembling church stained-glass	Antique guns are displayed with movie western film clips including the gun model	Apple-scented business cards used by pick-your-own apple farm	Antique gun shop owner exhibits quick draw techniques when showing guns
Rural Tourism	Showboat-like ship used for a ‘Huck Finn Travels’ river cruise	Cajun music is played at bayou festival	State forest brochures emphasize solitude of wilderness campgrounds	Staff of historic homestead wear 19 th century costumes and vocabulary

B. Pricing Strategies

Pricing your offerings right is critical to both attracting new customers and keeping existing ones. Three basic factors you must consider when pricing your offering are:

- The total costs for your business operations
 - The total costs include the current total business expense plus the cost required for improving your 4Es
 - Covering the total costs will give you a break even.

- Your customers' willingness to pay for the enhanced 4E aspects of your business
- Your profit goals or profit margin (e.g., percent of your total revenue) that will help you meet your customers' willingness to pay and help you remain competitive

If you add your total costs to your profit goals (these profit goals must be consistent with your marketing goals set earlier), you arrive at the total revenue you need to generate for a certain business period. From this figure, you can break the number down to daily, weekly, monthly, or quarterly sales revenues you need to generate to meet the marketing and profit goals. That is, you can divide the total sales revenue to be generated by an appropriate number pertaining to a business period by which you would like to track your business performance.

C. Advertising/promotion Strategies

A key part of any marketing plan is an effective communication with customers through advertising or promotion. Advertising/promotion frequently boosts sales and helps you build your business image in the minds of your customers. A variety of advertising/promotion options are available, many of which are often surprisingly reasonable. The steps below may guide you in developing an advertising promotion program:

- Set advertising objectives
 - What are your communication objectives?
 - How can you communicate that your 4E-based improvements are now better than your competitors' offerings?
 - What are your sales objectives?
 - What is an estimated increase in sales that you will expect due to your selected modes of advertising?
- Decide the budget to be spent on your advertising (to be included in the general marketing budget section below)
- Develop the core message to deliver through the advertising (the message must be consistent with your positioning theme determined earlier)
- Decide which media (ex. newspaper, radio, signage, other) you will use given the objectives, budget, and the nature of the message
 - Consider the media's reach, frequency, and impact
 - Consider the compatibility between your message, the advertising method, and media chosen
 - Consider major media types
 - Choose specific media vehicles
 - Determine specific media timing

4.7. Budget and Resources

Developing a comprehensive marketing budget requires you to specify all resources needed to implement the proposed marketing actions above. Your budgeting may closely follow the cost items inherent in your marketing action plans above. First, specify all necessary cost elements or items and obtain a real estimate for each cost element. The cost elements can be systematically broken down as exemplified in the table below. In addition, all resources required to implement your marketing actions must be included in the budget.

Sample Cost Table for Marketing Actions

Cost dimension	Cost Elements	Estimated Cost (\$)
Properties	Repaint room color	
	Install a new menu board	
	Change the store sign	
	(Keep adding items as needed)	
Product Presentation	Merchandise lines or brands	
	Print new menu	
	Change window displays	
	(Keep adding items as needed)	
Promotional Applications*	Redesign brochures	
	Purchas new business cards	
	Develop catalogs	
	(Keep adding items as needed)	
People	Retrain employees	
	Implement new performance evaluations	
	Raise salaries	
	(Keep adding items as needed)	
Total		

* This dimension should include all cost elements required for advertising and promotion plans developed under the Marketing Action Plan section.

4.8. Marketing Plan Time Table

Marketing plans are easier to follow and implement when they are put in a comprehensive time table. The following is an example of part of a marketing plan time table —the table can be expanded to include many more marketing action plans.

Dimension	Actions	Jan				Feb		→	→
		Wk1	Wk2	Wk3	Wk4	Wk1	Wk2	→	→
Property	Room color ...								
	New menu ...								
	Store sign ...								
	(keep adding others)								
Product Presentation	Lines and brands								
	New menu print								
	Window displays								
	(keep adding others)								
Promotional Applications	Brochures								
	Business cards								
	Catalogs								
	(keep adding others)								
People	Retraining								
	Performance monitoring								
	Salary								
	(keep adding								

	others)								
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Once a marketing plan time table is completed, the business owner needs to determine how the outcomes of each action will be evaluated and when or how often they will be checked over the marketing plan period. Such a review and revised plan is important to prevent waste in marketing resources.