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Marketing Planning Best Practice

Marketing planning is widely used by businesses from all areas of industry to implement the components of marketing management. This systematic process involves marketing analyses, strategy development and the design and implementation of marketing programmes. Marketing planning enables businesses to systematically review the available marketing opportunities enabling appropriate and co-ordinated marketing activities to be undertaken. This paper explains the role that marketing planning plays and shows how it is used by organisations. Each stage of the marketing planning process is described in detail and the role and format of the Marketing Plan document are explored. The marketing planning process is then illustrated using a detailed case example from the construction equipment industry. Finally, guidance on marketing planning best practice is offered.

Keywords marketing planning, marketing plan, marketing planning cycle, marketing implementation, marketing management, marketing

Introduction

Marketing planning is widely adopted by businesses from all sectors. The process of marketing planning encapsulates all elements of marketing management: marketing analyses, development of strategy and the implementation of the marketing mix. *Marketing planning* can, therefore, be regarded as a systematic process for assessing marketing opportunities, helping organisations to stay in touch with marketplace trends and to keep abreast of customer needs. In this respect, the process helps businesses to effectively develop, co-ordinate and control marketing activities (McDonald 1999). The broad objectives of the marketing planning process are as follows (Dibb et al. 2001; Luck et al. 1989):

- Identifying the required resources for carrying out marketing activities so that a budget can be set
- Specifying expected results so that the business can anticipate what its situation will be at the end of the current period of planning

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- Emphasising business strengths over rivals and clarifying any basis for competing/differential advantage
- Understanding key weaknesses to rectify and threats to pre-empt
- Bringing about the implementation of the organisation's marketing strategy
- Describing in sufficient detail the marketing tasks that must take place so that implementation responsibilities can be assigned and schedules specified
- Enabling activities and results to be monitored so that an appropriate level of control can be exerted
- Ensuring consistency between marketing activities, customer needs and market developments.

Marketing planning is able to achieve these objectives by driving the business through three kinds of activities: analyses, development of marketing strategy, and design and implementation of marketing programmes. These activities, which are considered in more detail later in this paper, involve the following (Dibb et al. 2001):

- Analysis of markets and the trading environment
- Determination of core target markets
- Identification of a basis for competing (differential advantage)
- Statement of specific marketing objectives and desired brand or product positioning
- Development of marketing programmes to implement plans
- Determination of required budgets and allocation of marketing tasks
- Monitoring of performance and changing market conditions.

The *Marketing Plan* is the written document that businesses develop to record the output of the marketing planning process. This document provides details of the analysis and strategic thinking that have been undertaken and outlines the marketing objectives, marketing mix and plan for implementation and control. As such, the plan plays a key role in informing organisational members about the plan and any roles and responsibilities they may have within it. The plan also provides details of required resources and should highlight potential obstacles to the planning process, so that steps can be taken to overcome them. In some respects the *Marketing Plan* is a kind of road map, providing direction to help the business implement its strategies and achieve its objectives: the plan guides senior management and all functional areas within the organisation.

This paper explores the rationale for marketing planning and explains the marketing planning process and the format of the marketing plan. A detailed case example taken from the construction equipment industry is used to illustrate marketing planning in action, so that the essentials for effective marketing planning can be more fully explored. This case study provides the

basis for guidance on marketing planning best practice.

The Rationale for Marketing Planning

The widespread adoption of marketing planning is readily apparent with recent evidence suggesting that this application of the marketing philosophy is becoming more accepted and commonplace (Cravens 1998; Simkin 2000). As a study of the *UK Times 1000* companies recently demonstrated, most UK businesses are now actively involved in some form of marketing planning (Dibb and Simkin 1997; 2000). The approach is also widely discussed in marketing texts, journal articles and business publications targeted at academics, students and practitioners (Griffin 1989; Hatton 2000; Kotler 2000; Lehmann and Winer 2001; McDonald 1999; McDonald and Keegan 2001; McNamee 2000; Pearson and Proctor 1994; Piercy 2001; Taylor 1997).

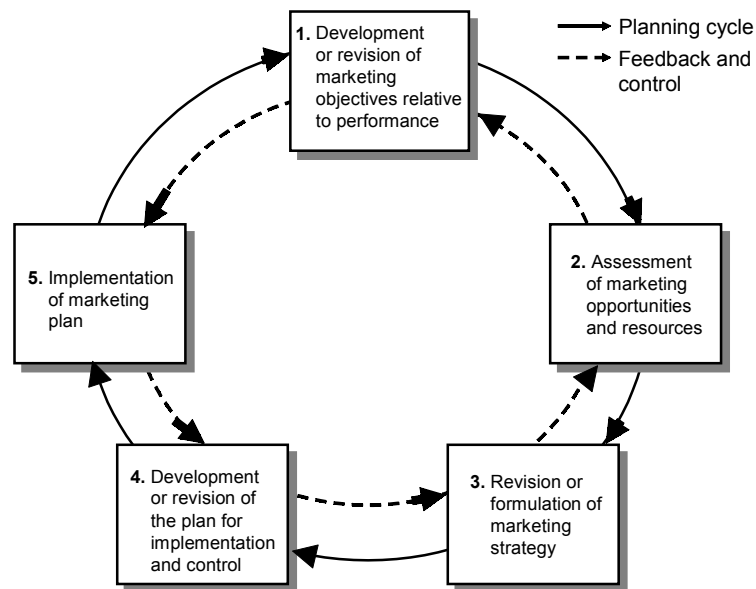
Advocates of marketing planning argue that a wide range of benefits is associated with the process (Jain 1999; McDonald 1999; Simkin 2000). The underlying rationale is that planning helps a business to be responsive to marketing opportunities, maintain flexibility, make appropriate decisions and ensure progress towards pre-defined objectives is monitored and maintained (Ewing 1968). Marketing planning also assists businesses with the appropriate allocation of resources and thus provides a clear sense of direction for the business (Piercy 2001). Ultimately, it is argued that the process results in sound economic results, with businesses maximising returns by competing effectively to target the most attractive customer groups (Simkin 2000). There are other benefits, too: better internal working relationships, more effective application of marketing intelligence, better internal and external communication and greater co-ordination between business functions (Dibb and Simkin 2000). To some degree, these benefits arise because of the systematic process of analysis, strategic thinking and programme development through which marketing planning drives managers.

The Marketing Planning Process

Marketing planning can be thought of as an on-going process of analysis, planning and control. As Figure 1 shows, this process is sometimes depicted as a cycle. Best practice suggests that marketing plans should be updated on an on-going basis to reflect changes in the market place and company situation. However, in practice, most companies update their plans either on an annual or longer timeframe.

As Figure 2 illustrates, the marketing planning process begins with a series of core analyses, which then form the basis for developing marketing strategy. Once the marketing strategy has been determined, detailed marketing programmes can be designed and implemented. The marketing planning literature encompasses a variety of academic and practitioner texts providing detailed guidance on all aspects of the process (eg: Dibb and

Simkin 1998; Jain 1999; McDonald 1999; McDonald and Morris 1987; Quain and Jarboe 1993).



Source: *Marketing Concepts and Strategies*, Dibb et al., Boston: Houghton Mifflin 2001

Figure 1: The Marketing Planning Cycle

The marketing planning literature explains that companies adopting a marketing planning approach must first engage in a systematic review of the markets in which they are operating. This should include market size, structure and key trends; the needs and buying behaviour of customers; the wider marketing environment - encapsulating the main economic, political, social, technological, environmental, legal and regulatory trends - as well as the competitive environment where trading is taking place.

The robustness level of detail provided in the marketing analyses impact and directly upon the appropriateness of the subsequently developed marketing strategy and programmes. When combined with a systematic review of company strengths and weaknesses, these analyses provide the foundation upon which the remainder of the planning process is built. By understanding these areas and adopting a sensible view of the company's strengths in the eyes of customers and vis-à-vis competitors, a realistic basis for competing can be determined. This can then be expressed in the brand positioning strategy and marketing programmes designed by the business.

Core Analyses

- Review of the existing situation
- ABC Sales-Contribution Analysis
- General market trends and the marketing environment
- Strengths, Weaknesses, Opportunities, Threats
- Customer needs, expectations and buying patterns
- Competitive positions/strategies
- Balance of the product portfolio
- Existing brand or product positioning

Strategy Development

- Determination of new or revised target segments
- Selection of new or revised target segments
- Determination of differential advantage – basis for competing
- Identification of brand or product positioning strategies
- Setting detailed marketing objectives
- Gap analysis

Programmes for Implementation

- Marketing Mix Programmes
 - Product range
 - Pricing and payment terms
 - Promotional strategy and tactics
 - Distribution channels and control
 - Service levels and personnel requirements
 - Sales force planning
 - Internal communication and organisation
- Resources and Scheduling
 - Budgets
 - People and responsibilities
 - Activities
 - Timing
- On-Going Requirements
 - Product/brand development
 - Marketing research and data collection
 - Training and recruitment
 - Communications
 - Monitoring performance

Source: Simkin 2000

Figure 2: The Analyses, Strategy and Programmes Stages in Marketing Planning

Weaknesses in any of the analyses can result in the development of inappropriate marketing programmes. For example, marketing activities in the airline industry are particularly susceptible to the wider marketing environment. As recent events have demonstrated, political pressures and periods of war and unrest substantially impact upon profitability. The marketing planning process must, therefore, address the likely impact of such trends. Similarly, a detailed understanding of customer needs and buying behaviour is at the heart of the marketing process. For example, fashion retailers must offer a range of clothing that fits current trends and projects the image desired by their consumers. In addition, their merchandise must meet certain quality standards and be practical to maintain. Failure to achieve these requirements will compromise retail sales and result in consumer dissatisfaction. Finally, a poor understanding of the competitive environment in which the business is operating can result in the pursuit of an inappropriate positioning or basis for competing strategy. Following the recent deregulation of the UK electricity industry, some of the regional electricity companies which had previously enjoyed monopoly status within their local areas, failed to adequately address the likely impact of future competition. Some of the companies were slow to accept that their existing customers might switch to alternative suppliers. Others adopted an overly narrow view about the future shape of competition in the industry and were ill-prepared for new entrants such as Virgin and the supermarket chains.

Once the core marketing analyses are complete, the strategy development process follows. The key during this phase of marketing planning is to base any decisions on a detailed and objective view from the analyses. In this part of the plan, the most appropriate target markets will be identified, basis for competing and positioning strategies determined and detailed marketing objectives presented. As these choices will affect how the business proceeds in relation to its customers and competitors, there must be consistency with the company's overall corporate strategy. The marketing strategy must also be realistic and sufficiently detailed to form the basis for the marketing programmes which follow. Some of the most effective marketing strategies combine a realism that is grounded in a systematic review of the company's existing position with foresight about possible longer term competitive advantages.

The final stage of the marketing planning process involves the determination of marketing mix programmes and their implementation. A detailed explanation is needed of exactly what marketing tasks must be undertaken, how, by whom and when. There needs to be a clear rationale connecting these marketing mix recommendations with the analyses and strategy preceding them. A common marketing planning weakness occurs when businesses press ahead with detailed marketing programmes that are not well connected with the earlier stages in the planning process, or which simply replicate existing marketing mix tactics without making adjustments to reflect the topical issues identified in the analyses. The result can be miss-directed marketing activities which are not closely aimed at the key target

segments or which fail to take into account the competitive or wider trading environment.

Assuming that appropriate attention has been devoted to the marketing analyses and marketing strategy that guide the marketing programmes, managers must next ensure that sufficient detail is provided to make the marketing mix genuinely implementable. This means that each component of the marketing programme: product, price, promotion, distribution and people, must be discussed separately and the tasks required to action them fully explored.

Those involved in planning will usually prepare some form of written *Marketing Plan* document in which to explain the outputs of the process. Figure 3 illustrates the typical sections for this kind of document. This provides a useful reference point for the analytical and strategic thinking undertaken, the detailed marketing objectives and marketing programmes, their implementation and control. Managers are able to refer back to the document for guidance and should regularly update it to ensure that a full record of the marketing planning activities is available. This document helps focus the views of senior management and explain the required marketing activities and target market strategy to other functional areas within the business, such as operations and finance.

1. Executive summary
2. Marketing objectives
3. Product/market background
4. Marketing analyses: customers/competitors/wider marketing environment, leading into a SWOT analysis
5. Marketing strategies: segmentation strategy, key targets, overview positioning plan
6. Statement of expected sales and results
7. Marketing programmes for implementation (product, price, distribution, promotion, people)
8. Controls and evaluation: monitoring performance
9. Financial implications/required budgets
10. Operational considerations
11. Supporting appendices

Figure 3. Sections in a Typical Marketing Plan Document

The following case example describes the experiences of a UK-based business in the global construction equipment industry as it progressed through the first two years of a marketing planning process (Dibb 1997). This example is then used to illustrate the key areas for effective marketing planning.

Case Example: BuildCo's Marketing Planning Programme

Background

BuildCo is a privately-owned UK business specialising in the manufacture of construction equipment. With an annual turnover in excess of £1 billion, the business is a dominant player in the UK market (over half of its business), a strong contender in Europe and a more minor competitor elsewhere in the world. A reorganisation of the sales and marketing department was the trigger for the company to evaluate its use of marketing planning. As a result of the re-organisation, greater emphasis was being placed on the strategic role of the marketing function, which had previously played purely a tactical role. The newly structured department comprised a number of product teams, each with marketing strategy responsibilities. This reflected the company's approach to sub-dividing its market on the basis of product type and customers' industry sector.

Planning Cycle I: The Objectives

During the first annual marketing planning cycle, the objective was to review the business' strengths and weaknesses and explore the wider marketing environment so that key trends and opportunities could be developed. A long-term exercise to develop better customer and competitor intelligence was also set in motion. A particular priority was to achieve a better understanding of the sales contribution from different customer segments. Previously the business had not given enough attention to prioritising its most attractive target markets, leading to huge variations in returns from different products and industry sectors. The key now was to more critically appraise the potential of different markets so that resources could be more appropriately allocated. This set of analyses was to form the basis of a detailed marketing programme for the UK and a more general outline of requirements in the rest of Europe.

Five product teams became involved in the marketing planning programme. At the outset, the teams attended a management training course to become familiarised with some of the techniques they would need to apply. As many of the personnel had previously been involved in sales roles, this was a necessary first step if the programme was to succeed. In practice, the training programme also provided the opportunity to set the analysis stage of marketing planning in motion.

Planning Cycle I: The Process

A key characteristic of the first year of the planning process was the need to substantially improve the quality of customer, competitor and marketing environmental information available. With little history of conducting marketing research, few bespoke resources for the task and a poorly developed marketing information system, the scale of the challenge was readily apparent. A pragmatic approach to overcoming these difficulties was essential. First, a prioritised list of required information was prepared and

discussed. This process revealed the particular need for data on several of BuildCo's key UK customer groups. The initial data gathering, involving a sample of existing and potential customers, was sub-contracted to marketing research consultants. This was then used as a springboard for the marketing managers involved in the planning process to develop a series of research instruments to be used on an on-going basis by the company's sales staff when visiting clients and attending trade shows. The intention was to extend the data collection process to cover other customer groups and markets in subsequent planning cycles.

Communicating the marketing planning process and its outcomes was a key priority from the very start. The changes which had taken place in how the business was organised emphasised the need to ensure a smooth flow of information both within and outside the marketing function. The training programme around which the planning process was based, played an enabling role in achieving this objective, ensuring that data and experiences were shared from the outset. This helped establish a culture of communication which was later vital in extending the information flow to other parts of the business.

Planning Cycle I: The Outputs

At the end of the first year of planning, some progress had been made towards improving the quality of information available. In addition to the customer data, managers had also established teams for collecting relevant data on both the wider marketing environment and competitors. These teams then circulated information to those in the marketing, sales and production functions. As well as improving the data available to those charged with determining strategy, this helped foster a sense of involvement in and commitment towards the planning process. Now some of the required information was in place, the company's strategic thinking could be better directed and fledgling marketing programmes more closely reflected this new sense of direction.

The outputs of the first year of planning were as follows:

- Improved understanding of marketing tools and techniques and the role of marketing planning among those in the marketing function. In addition to helping managers be more effective in their new roles, an associated benefit was in cementing the commitment to the marketing planning programme.
- Stronger internal communication resulting in the strengthening of relationships within the marketing function and the development of some new partnerships across functions. Where communication between departments remained problematic, there was a renewed determination to develop relationships in the future. Some mechanisms were being put in place to ensure that feedback from the planning process was passed around the organisation as a whole.

- Better quality data on customers and the trading environment were beginning to filter through. In particular, BuildCo now had access to detailed information on customer needs and wants in various segments. This was allowing the business to develop a clear sense of the key segments to target. The implication was that scarce resources could now be more tightly focused on more attractive target segments.
- UK marketing programmes had been modified to reflect the improved understanding of customers and decisions about key target segments.

Planning Cycle II: The Objectives

The second phase of planning followed similar objectives to the first, broadening into more of BuildCo's European and other overseas markets. This required a further building of market, customer and competitor data, so that the priority target markets in these areas could be more effectively assessed. A particular objective was to substantially improve the company's understanding of competitors and their strategies.

Planning Cycle II: The Process

As the planning process progressed, the demands for information to support the marketing analyses multiplied. Now BuildCo's marketing managers were pursuing information about a more diverse range of markets and competitors than previously. Their positive experiences of dealing with a marketing research agency during the first phase encouraged them to 'buy in' further support in this area. Markets in France, Portugal and Spain were earmarked for particular attention, with a questionnaire developed for customers in these areas. Although the data were ultimately collected by an outside marketing research agency, BuildCo's personnel in subsidiaries in these countries played an important role in helping develop and test the research instrument. Previously, the subsidiaries had not been in the habit of contributing in this manner. Two other national markets and one in Scandinavia were also identified for the collection of customer data, but in these cases local distributors and members of BuildCo's sales force were involved.

The drive for competitor intelligence proved to be a particular challenge for BuildCo's personnel. Although some industry reports were available, these freely available studies were largely out of date and overly based on hearsay. A decision was taken to supplement this information by setting up a small internal committee. Each member took responsibility for a particular competitor, masterminding the search for information on this particular business. Information was then sought from different company functions, members of the salesforce, distributors and subsidiaries and even from customers. The message was simple, any piece of apparently relevant competitor information was to be directed towards the relevant committee member, who would collate and consider the implications. The circulation of memos and the use of notice boards within the business helped ensure that a compilation of relevant competitive facts was disseminated back around the organisation.

Planning Cycle II: The Outputs

The outputs of the second year of planning were as follows:

- Continuing effort to build internal partnerships was helping to break down traditional barriers between functions and through the company's distribution channels. As the flow of data and information between individuals improved, a greater level of trust was developing between functions which had previously not communicated effectively with each other. In some cases, this exchange was becoming a routine part of day-to-day working practice. The benefits were therefore extending beyond the marketing planning process itself. Towards the end of this planning cycle, personnel from BuildCo subsidiaries elsewhere in Europe were beginning to take a proactive role in this process. The marketing teams at headquarters had responded by arranging special feedback sessions to provide interested parties with regular updates on the planning exercise.
- Further improvements in data availability were extending the company's understanding of customers to more markets than could be covered in the first year. In particular, a clearer indication of target market priorities in some BuildCo's key European territories was emerging. These customer data were also being supplemented with a wide range of competitive information collected from a variety of customer, distributor and secondary sources. By disseminating a collated version of these data back to those who had provided them, the process of information exchange grew and developed.
- More careful tailoring of the marketing budget to key European target markets was possible.

The Rewards of the Marketing Planning Process

Methods for measuring the effectiveness of a planning process are many and varied. These include a mix of quantitative and qualitative performance measures which are to some extent connected to the objectives of the process as well as a range of more general benefits. This latter category might, for example, include possible improvements in working practices brought about by the structure of the planning programme. Managers at BuildCo believed that the performance of the company was enhanced in a wide range of ways. In terms of harder financial indicators, market share measures indicated that by the end of three years of planning, the product groups engaging in the process enjoyed an average market share increase of 4.5%. The company's profitability had also improved. In addition, the planning programme had been responsible for the successful launch of five new products. These launch activities were strongly supported by stronger links between the marketing, production and finance functions, enabling greater control over the design and pricing of the new products.

At a more general level, the co-ordination between functions, subsidiaries and distributors was better than ever before. A subtle shift in the culture of

communicating within the business made it much easier to implement the newly designed marketing programmes and ensured a greater level of control over the regions than had previously been possible. This process also increased confidence levels within the business.

A further benefit was in the degree of marketing skills and knowledge within the business. The training programme at the heart of the planning process continued to provide input on a regular basis. Managers were able to leverage their new skills and become more adept in their development of different aspects of the marketing programmes. For example, the enhanced understanding of marketing strategy and target market priorities encouraged managers to provide BuildCo's advertising agency with a much more tightly defined promotional brief than previously.

Making Marketing Planning Effective

Even though the benefits of adopting marketing planning are well established, the effectiveness of the process is not guaranteed (Dibb and Simkin 1998; Stonich 1982). A range of barriers to effective marketing planning have been highlighted in the literature and some of these were encountered by BuildCo as it progressed through the process. Careful attention is, therefore, needed to ensure that marketing planning is effectively implemented. The starting point should be an appreciation of the likely barriers, so that preventative and remedial action can be taken. The following list is an amalgamation of the key issues raised by researchers in the marketing planning literature (Dibb and Simkin 1998; Giles 1989; 1991; Greenley 1982; Hulbert et al. 1980; Jain 1999; McDonald 1992a; 1992b; Piercy 2001; Piercy and Morgan 1994; Simkin 2000):

- Poor grasp of the marketing concept in general
- Insufficient marketing knowledge or skills
- Confusion over the process and jargon
- Poor understanding of the distinction between the marketing planning process and its outputs
- Failure to link marketing and corporate planning
- Isolation of marketing planning from other areas of the business
- Lack of clear marketing planning objectives
- Too much emphasis on a one year planning time frame, leading to plenty of short-term detail but little long term vision
- Inadequate provision of financial, people and other resources
- No proper plan in place to drive the process forward
- Lack of understanding and support from senior managers
- Lack of support or hostility at all levels of the organisation
- Low levels of internal communication both within and between functions
- Inadequate marketing intelligence and/or lack of a marketing intelligence system (MIS)

- Poor sharing of marketing intelligence
- Insufficient marketing analyses of customers, competitors and the wider trading environment, leading to a poor understanding of these areas
- Strategy and marketing programmes determined in isolation rather than on the basis of marketing analyses
- Insufficient detail in the marketing programmes or the implementation plan
- Lack of vision or the inability to think laterally
- Lack of conviction in the outcomes of planning
- Inability to break away from the organisation's existing way of doing things
- Managers have difficulties balancing planning activities with the rest of their work load, so that the process is not fully implemented.

As the BuildCo case illustrates, the need for a clearly defined process is fundamental to successful marketing planning. This process should incorporate the required analyses, strategic thinking and marketing programme development. However, if such a process is to be effectively put into practice and the aforementioned barriers are to be avoided, businesses must also address certain infrastructure and implementation requirements.

Infrastructure Requirements

The infrastructure requirements for marketing planning can be conceptualised as a series of pre-requisites which organisations should address at the outset of the process.

Operational factors: Instigating marketing planning, particularly in cases where there has not been a previous culture of such activities can cause major upheaval. In the first instance, disruption will be caused by the planning process itself. It is essential to recognise the additional pressures placed on personnel by undertaking these kinds of activities in conjunction with their day to day roles. These difficulties need to be reflected by the appropriate allocation of resources and this allocation should reflect the fact that the pressures are likely to continue even once the planning process has been completed. Inevitably, the exercise will make recommendations which require some kind of change in how the business currently operates. The business may be working towards different kinds of objectives. New marketing programmes will have been put in place which may require a shift in budgets, alterations to product specifications, a change in outside suppliers or a restructuring of the sales function. For BuildCo, for example, the reprioritisation of particular target markets led to a reorganisation of the sales function and the development of a new system of incentives for dealers. In some cases, more major changes to company structure or culture may be a requirement. All disruption of this kind needs to be carefully managed. Key pre-requisites to marketing planning are that a level of change and shifting of the status quo are inevitable. Preparing the ground in

advance and informing personnel that this is a likely outcome, can lead to fewer difficulties at the implementation stage.

Timeframe and approach: Marketing planning is often a major activity, requiring realistic expectations about the length of time and commitment involved in its implementation. Recognition of these issues at the time that the marketing planning programme is being formulated allows these difficulties to be minimised. In some cases, it may be appropriate for certain aspects of planning to be externally supported. BuildCo adopted this approach by involving outside management consultants to steer the process and by buying in marketing research support as required.

Leadership and involvement: Previous research (Dibb and Simkin 2000; McDonald 1992a) indicates that successful marketing planning must be driven from the top of the organisation and requires strong Board-level support. The early identification of precisely who will be involved and in what capacity is key. Ideally, the marketing planning process should be championed, as in BuildCo's case, by a Board level executive. This sends clear messages to all organisational levels and functions about the priority being attached to the process and should help reduce resistance to the marketing and organisational changes that result.

Communications: The need to manage internal communication extends far beyond the marketing function. A well-orchestrated programme to manage interfunctional co-ordination is paramount (Doyle 1995). It is vital to ensure that communication of the planning exercise and its outcomes extends throughout organisational hierarchies and right down the distribution channels. The mechanism and resources for achieving this communication are best determined in advance, although a degree of flexibility is also needed to ensure that the organisation can respond to 'ad hoc' requirements arising as the programme progresses. For BuildCo, a series of regular review meetings was built into the planning process so that the marketing function could trade ideas with each other and different functions within the business. Although these meetings were initially confined to UK-based managers, as the programme progressed, the practice was extended to European subsidiaries and distributors.

Required resources: Marketing planning is a resource-hungry process. Even though the returns on these resources may be high, due consideration of the likely requirements before commencing the process is vital. The required resources include personnel: which individuals to involve, both within and outside the organisation; marketing intelligence: consideration of the kinds of data required, whether or not these are available and a listing of priority information requirements plus costs; IT: whether a marketing intelligence system will need to be established or if changes are needed to existing systems; communication: what will be the costs associated with communicating the planning process and its outcomes within and outside the organisation; financial: what will be the costs of providing these additional resources and the scale of additional marketing budget required to implement new marketing programmes. Sometimes difficult decisions will need to be

made about how resources are to be shared. It may, for example, be unrealistic to acquire all the required marketing intelligence during the first planning cycle. As BuildCo discovered, the costs of external marketing research expertise can be considerable. By prioritising the key requirements, the company was able to keep this part of the resource requirement within manageable parameters.

Managing expectations and change: The potential impact of marketing planning can be substantial. In addition to the obvious outcomes - a clearly articulated marketing strategy implemented via a revised marketing programme - the process may fundamentally alter how marketing objectives are set, the priorities for marketing intelligence, bring about changes in working practices, modify how information is communicated around the business and even precipitate cultural and structural change. The expectations of personnel involved in or affected by the process must be carefully managed. It is especially important to clarify that marketing planning is not simply a means for maintaining the existing status quo and that change is likely to be a positive outcome of the exercise. Mechanisms will also need to be established to handle anxieties and problems that arise. This category of requirements is inextricably linked to the need for appropriate communication and resource allocation. Thus, BuildCo took care to ensure that personnel affected by the planning process were allocated additional time to help them undertake their new roles. The provision of regular feedback and review sessions enabled managers to discuss the likely impact of the programme and air their concerns about the process.

Implementation Requirements

The marketing planning process almost always leads to change. Recognising the scale and character of such change is important if implementation barriers are to be avoided. Indeed, the strategy literature has often focused on weak implementation as a cause of strategy failure (Bonoma 1984; Day 1984; Zinkham and Pereira 1994). For businesses engaged in marketing planning, each of the infrastructure requirements discussed above, if not appropriately managed, can cause breakdown of the implementation stage.

The output from planning is normally summarised in the form of a detailed marketing plan document. The robustness of this document is a key factor in determining the success of the planning process. To be effective, the marketing plan document must explain the background analyses undertaken during the planning process before specifying all aspects of the proposed marketing strategy and of the marketing and sales programmes. The required marketing strategy elements should include details of target segments, explanation of the basis for competing and identification of product and brand positioning strategies. The marketing and sales programmes should encompass issues to do with the product range, pricing terms, promotional tactics, methods and channels of distribution and sales force planning. These recommendations must be seen to match the stated

marketing objectives and arise out of the analyses of the market, customers, competitors and the wider trading environment which have been undertaken. That is, there must be a close connection between the desires, characteristics and buying behaviour of the company's target markets and the proposed marketing mix recommendations.

Three areas which are particularly vital to implementation, but which are sometimes overlooked in the marketing plan, warrant specific mention:

- **Communicating planning outputs:** The importance of effective communication does not end once the marketing planning recommendations have been made. Instead, the emphasis shifts to ensuring clarity within and across functional areas, so that the newly designed marketing programmes can be consistently and thoroughly implemented. A detailed plan of communication activity is required that specifies how this can be achieved and who needs to be involved. This plan should extend beyond the organisation itself to include all parts of the distribution structure.
- **Specifying the required implementation resources:** An appropriate level of detail is needed to ensure sufficient financial, personnel and time are allocated to each of the marketing activities required. A weakness of many businesses' marketing plans is that they fail to provide these necessary implementation details, with the result that not all planned activities are put into practice. A key message is that marketing planning does not end when the marketing plan document has been prepared. At this stage, it is crucial that all aspects of the implementation details are attended to. Even once this part of the process is complete, the marketing plan document should continue to be updated on an ongoing basis.
- **Handling changes in organisational structure, culture or distribution channels:** Recognising that planning may lead to organisational upheaval and change is an important infrastructure pre-requisite. However, in order to ensure that such change happens in practice, part of the marketing plan must specifically consider required changes in organisational or distribution channel structure. The level of detail provided is especially critical (Simkin 1996; 2000). For modifications in company structure this should include physical changes to the organisational chart, alterations in reporting structures, managerial responsibilities and communication channels. Alterations to the channel structure must be accompanied by a detailed explanation of the required system for physical distribution together with any repercussions for the activities of the sales force or those involved in distributing the company's product base.

Conclusion

The success of a marketing planning programme depends on three areas:

the process that is followed; the infrastructure that is established prior to and throughout the process; and, the implementation controls that are put in place. It is self-evident that effective marketing planning must be based on a clearly structured and well-articulated process. Those involved in planning must understand the expectations which are being placed upon them and be provided with clear guidance as to what they must do. However, putting this process in place is not enough in its own right to ensure success.

If the benefits of a clearly defined and carefully executed marketing planning programme are to be achieved, a number of infrastructure pre-requisites require attention. These include a variety of operational factors, resource requirements, communication concerns and timing issues. It is preferable to consider these issues prior to commencing the planning programme, but a level of ongoing attention will also be required. After these infrastructure pre-requisites have been put in place the marketing planning programme can get under way. As the process draws towards completion, the question of implementation needs to be carefully considered. No matter how sound the analysis undertaken during the process or the strategy and marketing programmes determined, insufficient attention at this final stage can lead to implementation breakdown. To avoid these difficulties requires a detailed articulation of the necessary marketing actions and identification of those responsible for carrying them out. Care must also be taken to ensure adequate implementation resources are made available and also to fully communicate the outcomes of the plan to all interested parties. Finally, the likely stresses and pressures of the planning process must be clearly recognised, so that any required changes in organisational structure, culture or distribution channels can be dealt with efficiently and adeptly. The planning process and the resulting implementation of the plan's recommendations must be closely monitored so that remedial action may be quickly carried out to rectify any problems and to remove obstacles to the successful actioning of the plan.

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