

# Unit 5

## The Marketing Plan

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### OVERVIEW

Unit five prepares students with the basic fundamentals required to develop an effective marketing plan. The situation or SWOT analysis is an important tool for any organization in determining key characteristics of their business and is integral to the planning process. Students will also learn the importance of creating a solid mission statement and the role finance plays in the development of the marketing plan. Unit five also examines additional components critical to the creation of a successful marketing plan.

### OBJECTIVES

1. Understand what the marketing plan is and why it is an important tool for sports and entertainment marketers
2. Identify the key components of the marketing plan
3. Successfully compose a mission statement
4. Explain the purpose of a situation or SWOT analysis
5. Identify the four elements of a situation analysis
6. Recognize the importance of understanding the financials within the marketing plan
7. Determine which information is important to address within the marketing plan

### KEY TERMS

*Balance Sheet*

*Budget*

*Competition*

*Forecast*

*Income Statement*

*Marketing Plan*

*Market Share*

*Mission Statement*

*Monopoly*

*Situation (SWOT) Analysis*

### LESSONS

- [LESSON 5.1](#) [What is a Marketing Plan?](#)
- [LESSON 5.2](#) [Components of an Effective Marketing Plan](#)
- [LESSON 5.3](#) [The Situation Analysis \(SWOT\)](#)
- [LESSON 5.4](#) [Financing](#)
- [LESSON 5.5](#) [Key Information in the Plan](#)

# What is a Marketing Plan?

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## THE MARKETING PLAN

### What Is A Marketing Plan?

A **marketing plan** is a written document that provides direction for the marketing activities for a specific period of time. The plan is a critical planning tool for any business, regardless of industry, as it provides direction for the organization by defining goals and strategies.

### Why Is It Important?

- It communicates the goals, objectives, and strategies of a company to its employees
- Essential component to a complete business plan
- Helps organizations obtain financing from outside investors or bank for a new venture

### Developing A Marketing Plan

**Marketing plans** can vary in complexity and time frame. The complexity of the marketing plan is determined by the size and type of the organization and is influenced by the organization's overall goals and objectives. The time period covered by the plan also varies with organization size and type.

For example, a new minor league baseball franchise may only plan for two years given the risk for minor league organizations to be short-lived. By contrast, a major league baseball team may create a five-to-ten-year plan to implement complex and long-term marketing strategies.

### Understanding The Market

Before completing the marketing plan, organizations must understand their **market**. An organization must research and evaluate many factors within a market. These factors could include:

- The product
- The consumer
- The economy
- Target markets
- Existing market distribution channels
- Buying trends
- Competitor performance

### Understanding Competition

**Competition** refers to a rivalry between two or more businesses selling products or services to the same customers or markets. When two or more businesses sell the same goods or services, they are competing for the same consumers. Competition impacts price points, product features and marketing strategies because businesses are fighting for an edge that will persuade consumers to choose their products or services over those of competitors.

## Examples of Competition:

- PS4 (Playstation), Xbox One (Microsoft) and Wii U (Nintendo) compete for consumer dollars in the video game market
- The Dallas Stars, Dallas Cowboys, Dallas Mavericks, Texas Rangers and FC Dallas compete for consumer dollars in the Dallas-Fort Worth area
- Netflix, Amazon, Hulu and YouTube compete for consumer dollars in the streaming video business
  - In 2019, there were nearly 500 scripted television shows available in the United States, with Netflix spending at least \$12 billion on new content (a number that analysts expect will swell to \$17 billion in 2021, according to [Business Insider](#))
  - Apple announced plans to enter the competition to capture the attention of streaming consumers with original “Apple TV Plus” programming in 2019
    - Recognizing the challenges they would face entering a crowded marketplace, Apple investing heavily to attract consumer attention
    - The company invested \$15 million per episode in the production of ‘See’, a sci-fi series the company had banked on to help them make a splash when the service launched
    - To put that in perspective, the [Verge](#) reported that Game of Thrones — likely the most expensive TV show made — took eight seasons to work its way up to a \$15 million-per-episode budget
    - Similarly, Disney is reportedly investing \$10-15 million per episode producing ‘The Mandalorian’ in the build-up for the launch of its new streaming service

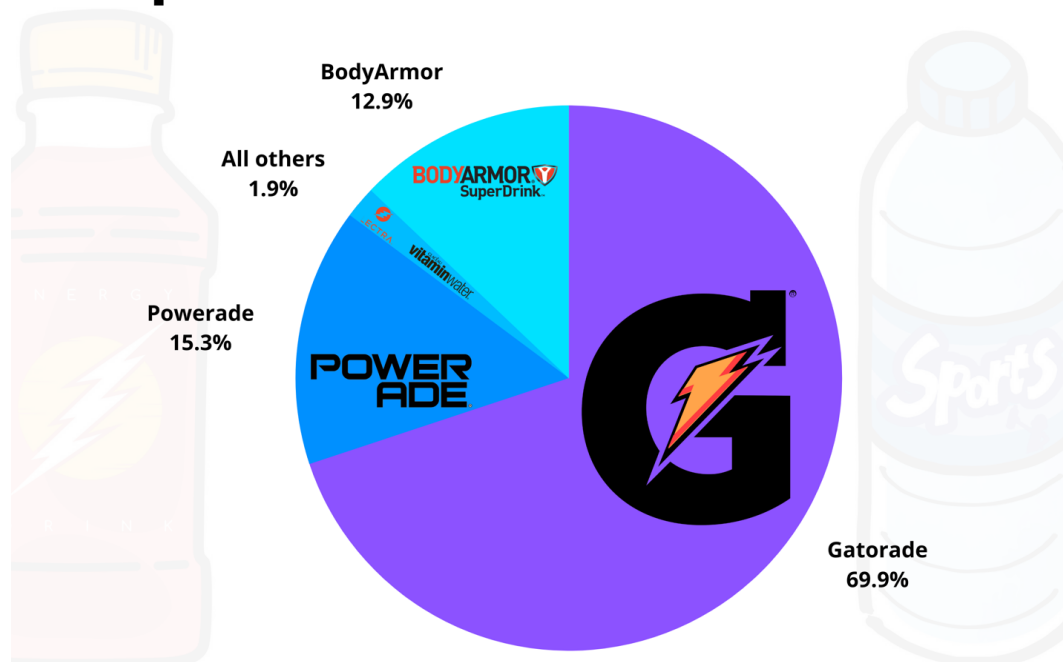
## How Is Competition Measured?

**Market share** is a key indicator of how well one company is performing against competitors within the marketplace.

For example, Gatorade [dominates](#) market share among brands competing for consumer attention in the sports drink market (a market that is expected to reach [\\$32.6 billion](#) by 2026).

1. Gatorade (69.9%)
2. Powerade (15.3%)
3. BodyArmor (12.9%)

## Sports Drink Brand Market Share



source: <https://www.thedrum.com/news/2021/04/29/with-coke-acquisition-the-balance-bodyarmor-attacks-with-25m-summer-campaign>

- In 2014, BodyArmor held just .2% of the market, a number that increased significantly with effective marketing and promotions to 12.9% this year.
- The brand launched a \$25 million marketing campaign in 2021 using the tagline “more than a sports drink.” According to [thedrum.com](https://www.thedrum.com) the initiative included TV, radio, out-of-home, digital, social and point-of-sale leveraging the brand’s relationships with athletes who have invested in the company like James Harden, Naomi Osaka, Mookie Betts, Sabrina Ionescu, Baker Mayfield, Trae Young, Christian McCaffrey and Carlos Vela.
  - Click [here](#) to see the “more than a sports drink” advertisement on the brand’s YouTube channel.
  - Click [here](#) to learn more about the brand’s marketing and growth strategies from thedrum.com.

## TYPES OF COMPETITION

### Direct Competition

**Direct competition** occurs between sellers of similar products and services.

#### Direct Competition Example:

##### Li-Ning

- Li Ning, an upstart Chinese footwear and apparel brand is a direct competitor of Nike, Adidas, Puma and Under Armour, had displaced Adidas as the number two brand in China based on sales of footwear, apparel and accessories by 2012. Today, the company is still trying to position itself to surpass Nike as the top footwear and apparel brand in China. Li Ning’s goal was to be number one by 2013.<sup>1</sup>
  - Unfortunately for the brand, it has struggled to reach its goal. As of last year, Nike was still the largest sportswear company in China with a 17.5 percent market share, Adidas a close second with 16 percent share, while Anta Sports Products Ltd. (another Chinese brand) controlled nearly 10.5 percent and Li Ning just 5.5 percent.
- However, Li-Ning showed signs of life in 2019, with sales up 39% over the previous year.
  - Click [here](#) to read a story from Bloomberg on the growth potential of both Li Ning and Anta in the Chinese market.

##### Puma

- Puma is trying to reconnect with its basketball roots.
  - In 2019, the brand entered a marketing agreement with the NBA, months after signing endorsement deals with a number of high-profile rookies after the draft with high hopes of re-claiming market share in a crowded basketball sneaker market.
    - Click [here](#) to read “The forgotten history of Puma basketball” from the Undeclared.

##### New Balance

- New Balance is also investing in marketing efforts to compete for consumers in the basketball market.
  - Last year, the brand landed one of the biggest names in basketball by signing Kawhi Leonard as a brand ambassador and also [signed](#) a multi-year deal as an official marketing partner of the NBA.

### Indirect Competition

**Indirect competition** occurs between sellers that compete for the same share of consumers’ discretionary income (competition for the entertainment dollar). It is possible for some products and services to compete directly at times and indirectly at others.

<sup>1</sup> [http://adage.com/globalnews/article?article\\_id=141601](http://adage.com/globalnews/article?article_id=141601)

- Georgia Tech athletics, the Atlanta Falcons and NASCAR are all competing for the attention (and dollars) of sports fans in the Atlanta market.

## Substitute Products

**Substitute products** are products (or services) that consumers may choose to use rather than a particular company's product

- Watching games in HD on television rather than attending the game in person.

## Monopolies

A **monopoly** occurs when there is no competition in the marketplace. It is illegal for companies to attempt to create monopolies and those actions are monitored and regulated by the Federal Trade Commission.

### Examples:

- The Federal Trade Commission blocked the merger between daily fantasy contest companies FanDuel and DraftKings with concerns about the effect the merger would have on consumers. The merger would have given DraftKings and FanDuel over 90% of the market.<sup>2</sup>
- In 1984, the U.S. Supreme Court ushered in the modern era of escalating media rights fees when it declared the NCAA's control of football television rights to be an illegal monopoly. Today, schools that 30 years ago received less than \$1 million a year from television can generate \$20 million or more a year in revenue from the sale of television rights.<sup>3</sup>
- A lawsuit alleged that EA Sports had "engaged in unlawful and anti-competitive agreements that nearly doubled the price of its popular game, Madden NFL, drove competition out of the market and prevented new competitors from entering." The company settled for \$27 million but only with respect to their NCAA and Arena football licensing agreements, not its Madden franchise.<sup>4</sup>
- In 2018, the Department of Justice approved Disney's purchase of Fox on the condition that it did not include its regional sports networks.
  - Disney owns ESPN so there were monopolistic concerns if they were to gain Fox's sports network assets as well.
  - For the agreement to be finalized, the DOJ required Disney to sell off Fox's 22 regional networks to a "reasonable" buyer (i.e. - a buyer that wouldn't give them control of the networks).

<sup>2</sup> <https://www.forbes.com/sites/darrenheitner/2017/06/19/ftc-files-complaints-to-block-fanduel-draftkings-merger/#3f9b396b2adc>

<sup>3</sup> [http://espn.go.com/sports/soccer/story/\\_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine](http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine)

<sup>4</sup> <http://www.theverge.com/gaming/2012/7/23/3177295/ea-sports-monopoly-lawsuit-settlement>

# Components of an Effective Marketing Plan

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## COMPONENTS OF AN EFFECTIVE MARKETING PLAN

An effective marketing plan will include the following components:

- Mission statement
- Executive summary
- SWOT analysis
- Marketing goals and objectives
- Market research / marketing strategies
- Implementation plan
- Evaluation and control

### Mission Statement

A **mission statement** is a written statement that captures an organization's values and general business philosophy. It offers a brief description of the organization's purpose, answering the question of why the business exists.

Many organizational marketing strategies are founded on the basis of the mission statement content.

An organization's mission statement should address, at a minimum, the following questions:

1. What business are we currently in?
2. Who are our customers?
3. What products and/or services do we offer?
4. How do we currently meet the needs of our customers?

## chicago bulls mission

The Chicago Bulls organization is a sports entertainment company dedicated to winning NBA Championships, growing new basketball fans, and providing superior entertainment, value and service.

We aim to achieve our mission by working hard to emphasize the following core values:

- Mutual respect for each other, and a commitment to excellence, innovation, integrity and quality in everything we do.
- By providing our guests with superior entertainment value in a clean, secure, and comfortable environment—win or lose—regardless of their interest level in basketball.
- By helping our sponsors build their brands and grow their business.
- By treating our respective constituencies with respect, appreciation, and as we ourselves would want to be treated and serviced. In other words, by putting our fans and sponsors first every single day—and meaning it.
- By making our community a better place to live through our support of worthy social causes.
- By involving our guests in the game as active participants—not merely spectators.
- By knowing who and where our fans are, and reaching out to them.
- By working hard to make NBA basketball the most popular sport in our community and by selling and humanizing our players to everyone we meet.
- By being proactive and accountable in carrying out our mission.



### Executive Summary

The executive summary provides an overview of the complete plan. This section of the marketing plan highlights key information within the document.

### Situation or SWOT Analysis

The **situation analysis** (also referred to as **SWOT**) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.

This analysis reviews four key factors pertaining to the company's current market situation:

- Strengths
- Weaknesses
- Opportunities
- Threats

### Marketing Goals And Objectives

This section of the plan identifies what the company hopes to achieve with the marketing plan and a timeline for which the plan is to be carried out.

To be effective, objectives should follow the S.M.A.R.T. criteria:

- **S**pecific
- **M**easurable
- **A**ction-oriented
- **R**ealistic
- **T**ime bound

## Market Research / Marketing Strategies

Defining a specific marketing approach intending to create segmentation and positioning objectives with the goal of influencing consumer purchase decisions is an important step for any organization. This section of the marketing plan will communicate that information.

This section of the plan should also include any relevant market research to help support strategy and implementation decisions.

## Implementation

**Implementation** refers to the process of putting the marketing plan into action.

## Evaluation And Control

The phase in which determinations are made whether the plan achieved the desired results. The control process is on-going and allows for adjustments and changes to the plan as needed to attain desired results

**Additional components that may also be present within marketing plan:**

*Table of contents*

- Most marketing plans will feature a table of contents to help readers quickly and easily access key segments of the plan.

*Problem identification statement*

- Provides direction for the analysis as a whole if an organization hopes to overcome a specific challenge.

*Communication and/or publicity plan*



# The Situation Analysis (SWOT)

## WHAT IS A SITUATION ANALYSIS?

The **situation analysis** (also referred to as **SWOT**) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.

This analysis reviews four key factors pertaining to the company's current market situation:

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats

This analysis is conducted prior to launching a new initiative or project and is a critical component to the marketing plan.

## COMPONENTS OF THE SITUATION ANALYSIS

### Strengths

An organization's strengths refer to those resources and capabilities that can be used as a basis for developing a competitive advantage, such as:

- Patents
- Strong sales history
- Established brand
- Effective distribution strategy
- Significant following on social media

### Weaknesses

The qualities that give a business a competitive disadvantage would be categorized as weaknesses in a situation analysis. The absence of certain strengths may be viewed as a weakness.

Weaknesses could include:

- Lack of patent protection
- Weak, unrecognized, or ineffective brand name
- Poor reputation among customers
- Lack of resources
- Inadequate distribution channels

### Opportunities

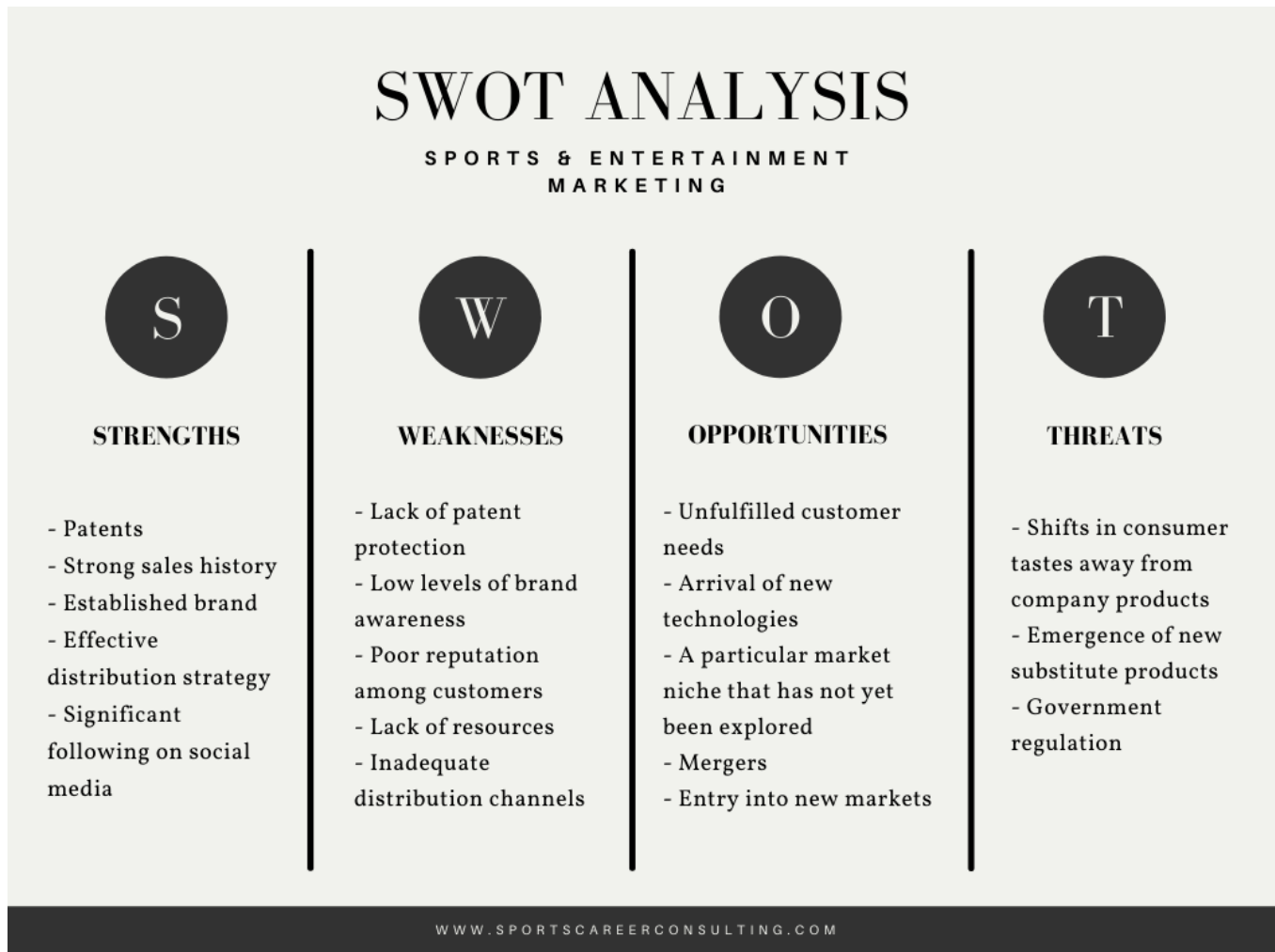
The events that could facilitate company profit and growth are categorized as opportunities. Opportunities could include:

- Unfulfilled customer needs
- Arrival of new technologies
- A particular market niche that has not yet been explored
- Mergers
- Entry into new markets

## Threats

Events that could have a negative impact on the company are considered threats. They could be internal, such as falling productivity, or external, such as lower priced products offered by competitors. Examples of threats could include:

- Shifts in consumer tastes away from company products
- Emergence of new substitute products
- Government regulation



## SWOT Analysis Example

Hypothetically, let's say you were conducting a SWOT analysis for an apparel and footwear company competing with companies like Nike, Adidas and Under Armour for market share.

### Strengths

Strengths might include:

1. Steady and consistent growth in profits.
2. Innovative new technology (lightweight, stretchable fabric) that increases consumer performance.
3. Products tied to effective endorsement campaigns (Serena Williams wears your new technology during matches).

## Weaknesses

Weaknesses might include:

1. Too much reliance on sales of products online and not enough in retail environments (your products are not available at Dick's or Foot Locker).
2. Low brand awareness (not enough consumers are familiar with your brand).
3. Dependency on sales of apparel products with a track record of limited growth in footwear (75% of total sales come from the apparel category).

## Opportunities

Opportunities might include:

1. Well defined objectives with company-wide support (everyone in the company understands and supports the goal of increasing footwear sales in the next fiscal year).
2. Positive industry outlook (forecasts call for substantial growth in the footwear and apparel markets for the next three to five years).
3. Positive association with endorsers (Serena Williams' popularity is extremely high and she uses your product and will be featured in an upcoming campaign promoting the brand).

## Threats

Threats might include:

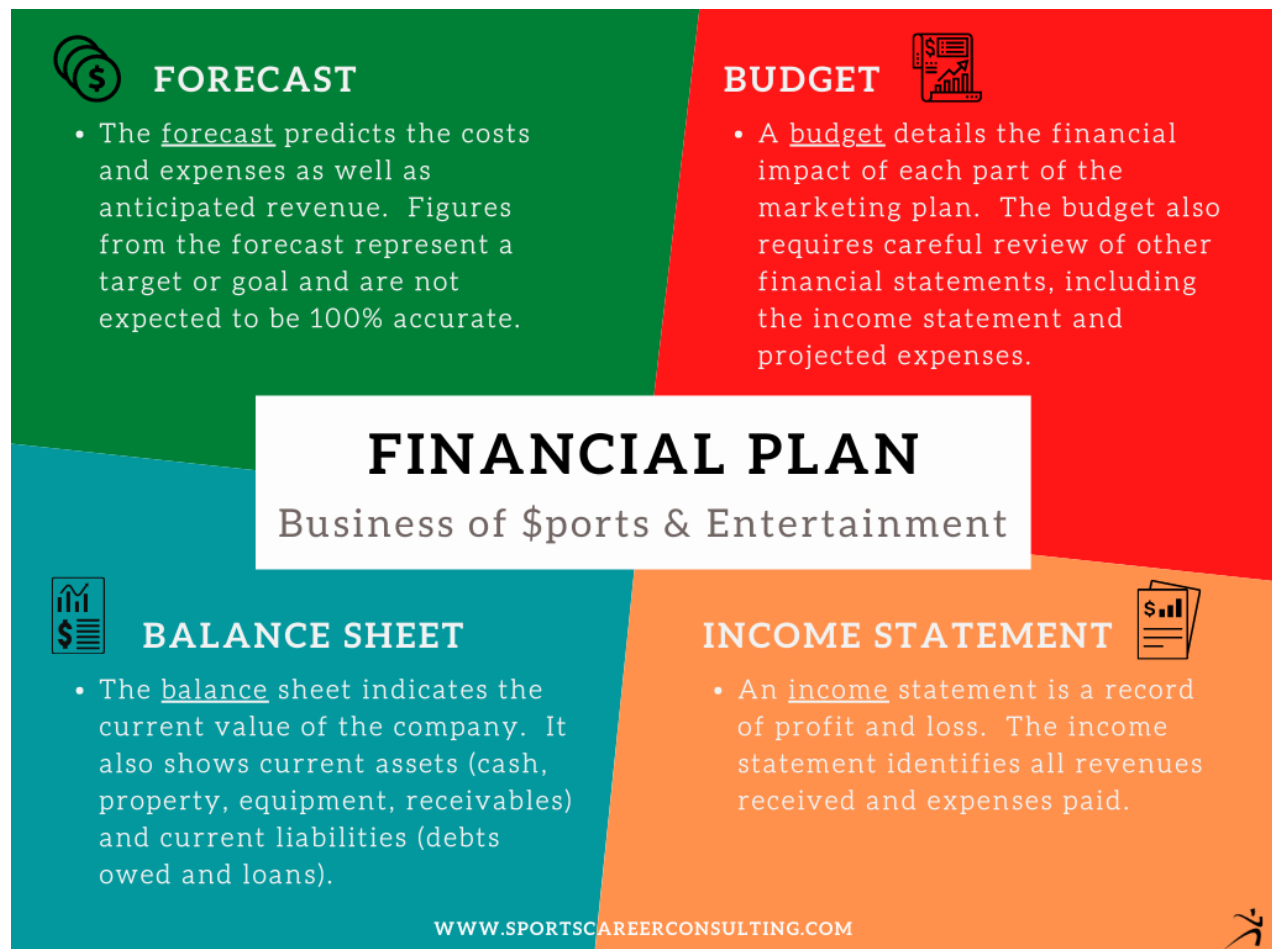
1. Competitors launching new, similar products (Puma is launching a similar lightweight, stretchable fabric apparel line in the upcoming year).
2. Rising raw material prices (the cost of producing products will rise).
3. Poor economic conditions (consumers are spending less).

# Financing

## BUSINESS OF SPORTS AND ENTERTAINMENT FINANCIAL PLAN

Another critical element to an effective marketing plan is the development of a **financial analysis**. The analysis should include (at a minimum):

- Forecast
- Budget
- Balance sheet
- Income statement



## FORECAST

The forecast predicts the costs and expenses as well as anticipated revenue. Figures from the forecast represent a target or goal and are not expected to be 100% accurate.

For example, the University of New Mexico's football program fell short on its ticket revenue projections for the 2018-19 season.<sup>5</sup>

- In anticipation of a continued decline in attendance, the program lowered its projections for its revenue generating sports for the 2019-20 season.<sup>6</sup>
- Unfortunately, attendance dropped even more than expected, resulting in another significant revenue shortfall (25% less than projected).

Sometimes, organizations can exceed projected revenues.

- In the Seattle Sounders' original business plan, the goal was to sell 12,000 tickets per game in its inaugural MLS season. However, the team averaged nearly 30,000 in its first year and has maintained that pace every year throughout their existence.<sup>7</sup>

When establishing a forecast, sports and entertainment marketers will evaluate many factors that will influence revenue and cost projections. For example, several factors influenced the University of Michigan athletics department decision to raise its revenue forecast for the 2020 fiscal year.<sup>8</sup>

- The program raised ticket prices and the football schedule featured several popular opponents, leading the department to project a \$3.1 million increase in sales.
- The program also projected a conference revenue distribution increase to \$2.8 million.

However, with the challenges brought about by the pandemic, including cancellations, limited attendance and other factors, projections were extremely difficult to accurately forecast.

## BUDGET

A **budget** details the financial impact of each part of the marketing plan. The budget also requires careful review of other financial statements, including the income statement and projected expenses.

### Budgeting Example:

The University of South Carolina athletics budget increased to nearly \$125 million for 2019-20 (up from \$122 million from the previous fiscal year).<sup>9</sup>

### The Gamecocks' budget included projected revenues:<sup>10</sup>

- SEC revenue share: \$44.1 million
- Ticket revenue: \$20.9
- Gamecock Club: \$13.2 million
- Sponsorships and royalties: \$17.5 million
- Gifts and donations: \$9.5 million

<sup>5</sup> <https://www.abqjournal.com/1266516/2018-unm-football-ticket-revenue-falls-short.html>

<sup>6</sup> <https://www.abqjournal.com/1266516/2018-unm-football-ticket-revenue-falls-short.html>

<sup>7</sup> [http://espn.go.com/sports/soccer/story/\\_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine](http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine)

<sup>8</sup> <https://www.freep.com/story/sports/college/university-michigan/wolverines/2019/06/20/michigan-athletics-revenue-2020/1516949001/>

<sup>9</sup> <https://www.thestate.com/sports/college/university-of-south-carolina/usc-football/josh-kendall-blog/article231314743.html>

<sup>10</sup> [https://www.idahostatejournal.com/members/idaao-state-football-to-net-nearly-million-from-money-games/article\\_335925ba-055d-5b48-a84f-8feead0f6686.html](https://www.idahostatejournal.com/members/idaao-state-football-to-net-nearly-million-from-money-games/article_335925ba-055d-5b48-a84f-8feead0f6686.html)



The Gamecocks' budgeted for projected expenses of \$113 million, including:<sup>11</sup>

- Personnel: \$52.3 million
- Scholarships: \$13.6 million
- Facilities: \$8.8 million
- Uniforms, equipment, supplies: \$8.3 million
- Event/game services: \$7.5 million
- Team travel: \$7.3 million

When an organization is either losing money or hoping to generate larger profits, they re-evaluate budgets in an effort to save money. The University of South Carolina took an optimistic approach to a 2020-21 budget, but the ongoing COVID-19 pandemic created challenges in forecasting requiring several caveats. Tentative projections for the upcoming year were announced in June, with expectations that figures would need to be adjusted:

#### Revenue projections:

- SEC/NCAA distribution - \$47.415 million
- Tickets - \$19.528 million
- Sponsorships and royalties - \$17.555 million
- Gamecock Club - \$12.970 million

#### Expense projections:

- Personnel - \$54.545 million (will likely decrease thanks to voluntary pay cuts during the pandemic)
- Facilities - \$8.811 million
- Event/game services - \$7.696 million

According to [gamecocksonline.com](http://gamecocksonline.com), for fiscal year 2020-21, University of South Carolina's Athletics Department wound up recording a shortfall of \$27 million. They predicted another shortfall of \$19 million for the 2021-22 fiscal year, despite projecting nearly \$45 more in revenue than the previous year.

## BALANCE SHEET

The **balance sheet** indicates the current value of the company. It also shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans).

## INCOME STATEMENT

An income statement is a record of profit and loss. The income statement identifies all revenues received and expenses paid.

#### Financing Example

Let's say your favorite college football team is evaluating their operating budget for the upcoming season. One of the key challenges they will face from a financial perspective is the significant cost of travel for "away" games.

The program's primary budgeted football revenues could include:

- Corporate sponsorship
- NCAA revenue distribution
- Ticket sales
- "Guarantee games"

<sup>11</sup> <https://www.thestate.com/sports/college/university-of-south-carolina/usc-football/josh-kendall-blog/article231314743.html>

In college sports, a guarantee game is a game where a larger program's team (typically football or men's basketball) will pay a smaller school opponent to come to its campus for a game. Because the larger school believes it should be favored to win, it becomes worthwhile to guarantee money to the smaller school for participating in the game and traveling.

### Guarantee Game Examples

- According to the [Fresno Bee](#), Fresno State's football program will pay \$550,000 to Southern University and \$390,000 to Cal Poly to come play the Bulldogs on their home field in 2024, paying out nearly \$1 million in total guarantees.<sup>12</sup>
- According to a USA Today [report](#), more than \$150 million was paid out in "guarantees" to college football and basketball programs in 2017
- Unfortunately, after the Big 10 football season was postponed last season because of the pandemic, many non-conference opponents lost out on millions of dollars in revenue from guarantee games. Schools in the Mid-American Conference (MAC) alone were reportedly set to lose more than \$10.5 million.

## EVALUATION

Ideally, the program will minimize costs in relation to budgeted revenues to avoid losing money or even resulting in a budget surplus. To cut costs, the athletics program might look for ways to minimize travel expenses.

Programs may have some control over the schedule, so each road trip is evaluated on whether it fits the budget, ease of reaching the destination, game times and availability of commercial flights. The program might also look to partners such as Nike and different hotel chains as a means for minimizing expenses through discounts to try to remain within the budget.

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<sup>12</sup> [https://www.idahostatejournal.com/members/idaao-state-football-to-net-nearly-million-from-money-games/article\\_335925ba-055d-5b48-a84f-8feead0f6686.html](https://www.idahostatejournal.com/members/idaao-state-football-to-net-nearly-million-from-money-games/article_335925ba-055d-5b48-a84f-8feead0f6686.html)

# Key Information in the Marketing Plan

In addition to a SWOT analysis, companies must thoroughly detail and expand upon each of the primary components of the plan.<sup>13</sup>

## Primary Components of the Marketing Plan

1. **Product planning**
  - What event, product, or service will be marketed?
2. **Marketing-information management**
  - Who are the company's competitors?
  - Who are potential customers?
  - What characteristics define the target market?
  - What motivates consumers to buy?
  - How do we insure repeat purchases?
3. **Distribution strategy**
  - How will the company's product get to the consumer?
4. **Pricing**
  - How much does the product cost the company to produce?
  - What is the optimal price for the product?
  - What is the estimated demand?
5. **Promotional strategies**
  - How will the company integrate an effective promotional mix into the plan?
  - What forms of advertising will they use?
  - Will those decisions be cost-effective?
6. **Financing**
  - What is the projected overall revenue?
  - What costs are involved?
  - What economic conditions will influence marketing efforts?
  - What other factors should be integrated within the budget?
  - What is the time frame that should be considered?
7. **Risk management**
  - What legal liability could the company face?
  - What laws could affect marketing strategies?
8. **Sales**
  - What sales strategy will be employed?

<sup>13</sup> Sports & Entertainment Marketing, South-Western Educational Publishing, p. 258, 259



## 9. Execution strategy

- How will the plan be carried out in a manner that will allow for the organization to accomplish its goals and objectives?
- An excerpt from the Vancouver Organizing Committee for the 2010 Olympic Games implementation strategy:<sup>14</sup>
  - Create awareness and excitement, across Canada, of the Olympic and Paralympic movements and the 2010 Games
  - Make the Games relevant to the entire country fostering the spirit of Canada's Games
  - Generate interest and excitement in the corporate community
  - Target companies and industries that are profitable and can afford the required investment levels
  - Create opportunities for sponsors to activate their sponsorships and maximize their return on investment throughout the entire term of the sponsorship agreements
  - Create a positive image and build a solid reputation of fiscal responsibility

## 10. The future

- Where is the business going?
- What is the future for company competitors?

## Marketing Plan Key Information Example:

### 1. Product planning

- Before Gatorade makes the decision to introduce any new products to the market, they must first develop a marketing strategy to help maximize beverage sales
- They must also consider how to market existing products

### 2. Marketing-information management

- Gatorade must evaluate each of their competitors (Powerade, BodyArmor etc.)
- Identify the target consumers
- Understand how those make purchase decisions

### 3. Distribution strategy

- Will Gatorade utilize a mail order strategy through Eastbay? Will they create an online shopping portal to sell online? Provide products at retail stores?
- Which combination of distribution channels best fits their overall sales strategies?

### 4. Pricing

- What will beverage production costs be? What range of potential price points makes sense for the product(s)? Will any discounting strategies be implemented? What type of demand can be expected for the new sports drink products at each of the price variations?

### 5. Promotional strategies

- What will Gatorade's promotional campaign include?
- What type of media will be utilized to communicate information about the shoe to consumers? Social media? Advertising? Endorsements?
- What will the budget be? Which promotional mediums will provide the best bang for the buck?

<sup>14</sup> <http://www.vancouver2010.com/dl/00/40/16/-/40160/prop=data/10ct75/40160.pdf>

## 6. Financing

- How much beverage (volume) will Gatorade expect to sell?
- What is the forecast for gross income?
- What costs will Gatorade incur? Manufacturing? Packaging? Distribution? Inventory? Marketing?
- What is the projected net profit?

## 7. Risk management

- Are there potential legal ramifications for Gatorade's planned marketing strategy?
- Does the product pose any physical risk to consumers? Is there a risk of consumers getting sick from drinking the beverages?

## 8. Sales

- What sales strategy will help Gatorade to maximize the sales volume of the sports drinks? Personal selling? Online sales?

## 9. Execution strategy

- How will the plan be carried out in a manner that will allow for Gatorade to accomplish its goals and objectives?

## 10. The future

- What are the short term and long-term goals for Gatorade?
- What does the future hold for companies like BodyArmor and Powerade? Are other beverage companies a potential threat in Gatorade's product category? Why or why not?

## UNIT 5 KEY TERMS DEFINED:

**Balance Sheet:** Indicates the current value of the company.

**Budget:** Details the financial impact of each part of the marketing plan.

**Competition:** A rivalry between two or more businesses selling products or services to the same customers or markets.

**Forecast:** Predicts the costs and expenses as well as anticipated revenue.

**Income Statement:** A record of profit and loss.

**Marketing Plan:** A written document that provides direction for the marketing activities for a specific period of time

**Mission Statement:** A written statement that captures an organization's purpose, customer orientation and business philosophy.

**Situation (SWOT) Analysis:** Provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.