

# Pathways to Management and Leadership

Level 5: Management and  
Leadership

Unit 5008V1

Conducting a Marketing Plan

# Pathways to Management and Leadership

## Unit 5008V1: Conducting a Marketing Plan

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Author: Corinne Leech  
Series consultant: Merritt Associates  
Consultants: Graham Hitchcock  
Bob Croson  
Project manager: Sid Verber  
Editor: Lyn Ward  
Page layout by: Decent Typesetting

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Revision author: Ray Rowlings  
Series consultant: Merritt Associates  
Editor: Suzanne Pattinson  
Proof reader: Rebecca Norman  
Page layout by: Decent Typesetting

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# Conducting a Marketing Plan

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# About this workbook

## The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 5 in Management and Leadership qualifications, so it specifically focuses on the content of the syllabus for Unit 5008V1 *Conducting a Marketing Plan*.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare you for future assessment. If you are studying for the Level 5 in Management and Leadership qualifications, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1. Understand the role of marketing in achievement of organisational objectives.
2. Understand the organisations current markets and/or sectors within which it operates.
3. Be able to develop a marketing plan that contributes towards achieving organisational objectives.

## The aims of this workbook

This workbook aims to help you learn how to:

- understand your role in relation to your organisation, clients, customers and stakeholders, and the wider environment in which your organisation operates
- identify, predict and monitor the needs of customers/stakeholders
- plan to meet stakeholder requirements.

## Syllabus coverage

The table below shows which sections of the workbook address each of the assessment criteria of the qualification syllabus.

Unit 5008V1 syllabus coverage	Addressed within section:
<b>Marketing Planning</b>	
1.1 Explain marketing as a tool in the management process	1
1.2 Describe how the role of marketing can identify and predict the needs of current and potential stakeholders	1,2
2.1 Evaluate the current position of the organisation within its chosen sector or market	1
2.2 Determine a future market or sector position for the organisation in line with organisational objectives	2
2.3 Identify other parts of the organisation which are impacted and involved in a future market or sector plan	2
3.1 Construct a marketing plan to support organisational objectives	3
3.2 Devise strategies to support the implementation of the marketing plan	3
3.3 Implement the marketing plan	3
3.4 Assess the progress of the marketing plan	3
3.5 Evaluate how well the implementation of the marketing plan meets with the organisational objectives	3

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## Getting started

These days most organisations recognise that they won't exist without satisfied customers. They have to shape their products and services to their customers' needs. Customers are increasingly demanding and sophisticated. Your organisation is unlikely to be the only one offering the product or service your customers need. Suppliers compete heavily to attract customers: winning business is hard work and it takes so little to lose it. Unless you keep in touch with your customers, you may lose their business and never know why it happened.

Your aim and the aim of your organisation should be to give your customers what they want in the first place and, if that fails, to get them to tell you (not their friends) about it so that you can put it right. This is true of every interaction in business. Organisations not only have to say that they are working to meet customer needs, they have to demonstrate it. Being customer-driven requires an attitude and an approach to working that has to permeate the whole organisation. Attempting to take a 'customer focus' with the same old way of working is not enough. The whole process may need to change.

Organisations also recognise the cost-benefits of being able to retain existing customers through providing good customer service, rather than focusing solely on activities that will bring in new customers. As described by Christopher, Payne and Ballantyne (1996):

*By placing too much focus on marketing activities directed at new customers, companies often experience the 'leaking bucket' effect, where customers are being lost because insufficient marketing activity generally and customer service specifically, is being directed to them.*

This workbook explores how organisations put customers at the heart of their thinking and their organisational planning and procedures. As a manager, you need to understand the requirements of customers, the often conflicting demands of relevant stakeholders, and the environments in which the organisation is operating. Understanding the 'bigger picture' will enable you to make better decisions when planning the day-to-day operations of your part of the business.

## How to use the workbooks

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job role.

### Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Chartered Management Institute Level 5 in Management and

Leadership. Each section starts with a clear set of objectives that identify the background knowledge to be covered, and the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to these questions with your line manager or a colleague.

### Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this – just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to cover up the feedback with a postcard or piece of paper while you are working through an activity.

### Timings

Timings are suggested for each section and activity, although it is important that you decide how much time to spend on an activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine – the purpose of the activities is to help you reflect on what you are doing, and to help you identify ways of enhancing your effectiveness. It's always worth writing something though even if it's brief – the act of writing will reinforce your learning much more effectively than just referring to the feedback.

### Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

## Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best – are you a ‘morning person’ who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

## Preparing for assessment

Further information on assessment is available in the Student Guide produced as part of the *Pathways to Management and Leadership* series. If you have any further questions about assessment procedures, it is important that you resolve these with your tutor or centre co-ordinator as soon as possible.

## Further reading

Suggestions for further reading and links to management information are available via ManagementDirect through the Study Support section of the Institute's website at <http://mde.managers.org.uk/members>. Alternatively, email [ask@managers.org.uk](mailto:ask@managers.org.uk) or telephone 01536 207400. You will also find titles for further reading in the Bibliography at the end of this workbook.

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# Section 1 The meaning and role of marketing

Time required: about 2 hours

## Learning outcomes

By the end of this section you should be able to:

- 1.1 Explain marketing as a tool in the management process
- 1.2 Describe how the role of marketing can identify and predict the needs of current and potential stakeholders
- 2.1 Evaluate the current position of the organisation within its chosen sector or market.

## A marketing culture

Marketing is defined by the Chartered Institute of Marketing (2008) as:

*... the management process responsible for identifying, anticipating and satisfying customer requirements profitably.*

There's still a lot of confusion about the term 'marketing'. Many people equate marketing with 'selling' or 'promoting'. Put simply, marketing focuses on customers. An organisation that adopts a marketing culture puts the customer at the centre of all business decision-making and planning (not just marketing department decision-making and planning). An organisation with this culture is said to be 'marketing-orientated' or 'customer-centred'.

Therefore, the philosophy of marketing is applicable to all sectors, irrespective of whether the customer has the purchasing power.

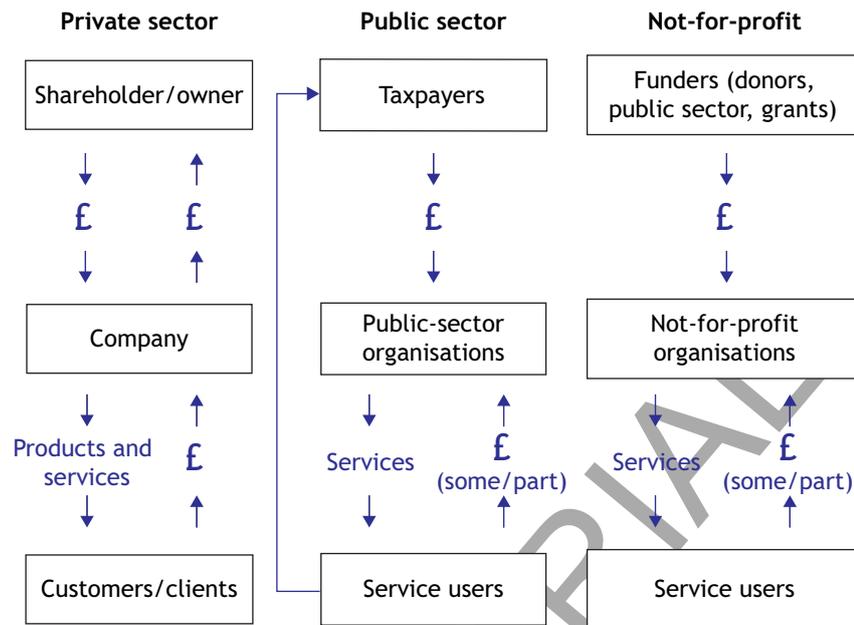


Fig. 1.1: Customers in the three main sectors (adapted from Hudson, 1995, p. 35 and reproduced with permission from Elsevier, Pergamon Flexible Learning, *Creating a Customer Focus*, 2004)

In order to understand the meaning and implications of being marketing-orientated, we need to look at the distinctions between companies that are:

- marketing-orientated
- sales-orientated
- production-orientated
- product-orientated.

**Activity**

**Activity 1.1** (about 5 minutes)

Read the descriptions of the four companies below, and for each one identify which of the four possible orientations listed above best fits the organisation.

**Company A**

‘We believe that our products are the most innovative on the market. Our quality is second to none and we’ve gone all out to develop the best design team in the business.’

Orientation of company:

**Company B**

‘Our salespeople understand how to get the customer to sign on the dotted line. Most customers really want to purchase our product when they see it; they just need a little push to make up their mind.’

Orientation of company:

**Company C**

‘Customers can be very fickle sometimes. We’ve just had to change a specification because the customer wanted something else at the last minute. This also affected our production schedules and our delivery department, and everything had to be recosted. Still at least everyone pulled together on this one.’

Orientation of company:

**Company D**

‘The customer can have any colour, so long as it’s black.’

Orientation of company:

**Feedback**

*Company A is product-orientated; the attitude is that a good product will sell itself. The attitude in Company B is that aggressive hard selling is all that is required – it is sales-orientated. Company C is marketing-orientated; the attitude is that even though it is sometimes difficult, everyone in the company must try to satisfy the customer. Company D is production-orientated. (You’ll see next how this attitude is characterised by an almost exclusive focus on production efficiency and effectiveness.)*

You may have recognised Henry Ford, the founder of the Ford Motor Company, as the speaker featured in Company D. Ford was said to have uttered this much-quoted phrase about the world’s first mass-produced motorcar. In the 1920s, Ford’s major concern was with the problems of producing cars in sufficient volume and at a price the huge, latent, mass market could afford. The colour of his cars therefore mattered little to Ford, other than the fact that producing only one colour enabled output to be greater and prices to be lower. At that time, Ford’s focus on production rather than on the colour preferences of his customers was right. Customers were less interested in colour than in availability and affordability. So in this case, Ford’s approach was right.

This is an important lesson to learn. The need to be customer-centred (Company C in the example) is a function of the competitive conditions now faced by companies. The necessity for companies to have a marketing orientation is the result of a gradual process of evolution, as societies, manufacturing economies and customers have evolved.

**Difficulties in creating a marketing culture**

Many organisations are striving to introduce a marketing culture, but it can be difficult. Lancaster and Withey (2003) highlight the difficulties in managing the introduction of a customer-orientated culture:

- Managers fail to realise or understand the true concept.

- The structure of the organisation may require changing and this can lead to other managers’ resistance and additional costs.
- People are frightened and reluctant to change.
- The power struggle between the different departments in an organisation can hinder the process.
- In some organisations the responsibilities for marketing strategy and implementation are separated, and this may cause many problems.

### Who are the customers?

The customers of the companies given as examples in Activity 1.1 were external customers. They were the ‘end users’ or ‘consumers’. However, companies also need to consider their internal customers. The concept of the internal customer has long been established as one of the principles that underpins quality management. An internal customer is anyone in an organisation who receives the products or services from another department or area in the organisation.

Both internal and external customers are of equal importance. The same principle of ensuring customer satisfaction by putting customers at the centre of all business decision-making and planning applies to both groups. Wherever you are in the organisation, your primary focus should be on the next group in the value chain – those who directly receive the products and services from you.

**Activity**

**Activity 1.2** (about 10 minutes)

Who are your customers? List them below and note whether each is either external or internal.

Customers	Internal	External

**Feedback**

*Embracing a marketing culture involves embedding both the internal and external customer expectations within all planning processes. However, this has to be done within the framework set by stakeholder expectations.*

The Chartered Management Institute has produced a useful checklist on understanding customers better:

- Checklist (156): Building closer customer relationships.

**Who are the stakeholders?**

Stakeholders can be defined as ‘people who have a vested interest in an organisation and who place demands on it’. They include: customers, employees, shareholders, taxpayers (in the public sector), regulators and external auditors. The kinds of shareholder that an organisation has depends on the nature and, in some instances, the location of the organisation. For example, local communities may be stakeholders if they place demands on an organisation in relation to environmental considerations (e.g. noise, pollution).

**Activity**

**Activity 1.3** (about 10 minutes)

Consider the stakeholders who are relevant to your organisation. Is there a conflict of interest, or any tensions, between the demands placed on the organisation by the stakeholder groups and what the organisation delivers to its customers?

**Feedback**

*Any organisation has to meet the expectations of its external customers, or face decline. However, the planning process implemented to meet these expectations also has to recognise and, where appropriate, deal with other stakeholder issues. Here are some examples:*

- *A school has to deliver services that meet parents’ expectations and also has to meet the regulatory demands of government placed on it.*
- *A private company has to meet the expectations of the customers who buy its products and services, and also meet the requirements of shareholders for a return on their investment (it has to meet customer expectations and also make a profit).*

*The demands of stakeholders often set the parameters of the marketing planning process (i.e. the plans which result in customer expectations being met).*

## Meeting customer expectations

Customer expectations are shaped by a number of factors. In their book *Services Marketing*, Zeithaml and Bitner (2000) describe customer expectations as being a result of:

- explicit service promises – this refers to what the promotional materials describe
- implicit service promises – these are inferences customers make from factors they observe, such as that the higher the price the better quality the service
- word of mouth – information from friends and family
- past experience – good experiences in the past will heighten expectations
- personal needs – any physical, social, psychological or functional needs.

If the service that the customer receives falls short of the expected service then a 'customer gap' is created, with the customer becoming dissatisfied (Fig. 1.2).

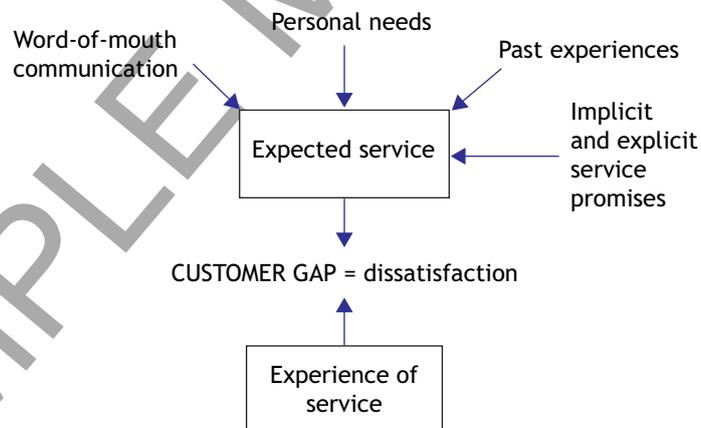


Fig. 1.2: The customer dissatisfaction gap (reproduced with permission from Elsevier, Pergamon Flexible Learning, *Creating a Customer Focus*, 2004)

Based on Zeithaml and Bitner's work (2000), we can identify four main reasons for customer gaps occurring:

### 1. The organisation doesn't know what the customer expects

If an organisation makes assumptions about what it believes the customer expects or wants, then it's unlikely that what it provides will actually meet customer expectations. The key people involved are those who have the authority and responsibility for shaping and prioritising what the organisation offers to its customers. Often, this is the