

## Stage 4: Piloting

### Theme 6: Marketing

# DEVELOPING YOUR MARKETING STRATEGY AND MARKETING PLAN

We have introduced the core components of marketing in the previous section of this theme: defining your target audience, understanding your target audience and defining your value proposition. This section will look at the final two core components of marketing; your **marketing strategy** and **marketing plan**.

### What is a marketing strategy?

The marketing strategy of your organisation should define how you plan to communicate your value proposition to the target audience. It should therefore consider:

- Your **brand identity** – how you communicate your value proposition / offering to the market
- Your **position in the market landscape**- how does your value proposition compare to your competitors?
- Your **'routes to market'**- how will you reach the target audience with your value proposition?

Your marketing strategy should be seen as an integral component of the overall business strategy and will be play fundamental role in delivering your organisation's mission and overall strategic aims. Once you have defined your marketing strategy, you will then be able to develop a marketing plan – i.e. the objectives, budgets and tools that will be used to deliver the marketing strategy.

### Marketing strategy – brand identity

In some cases you may need to communicate your value proposition in different ways depending on the target audience or route to market. For example, an organisation providing information and advice services to the homeless is likely to communicate very differently with beneficiaries versus Local Authority commissioners.



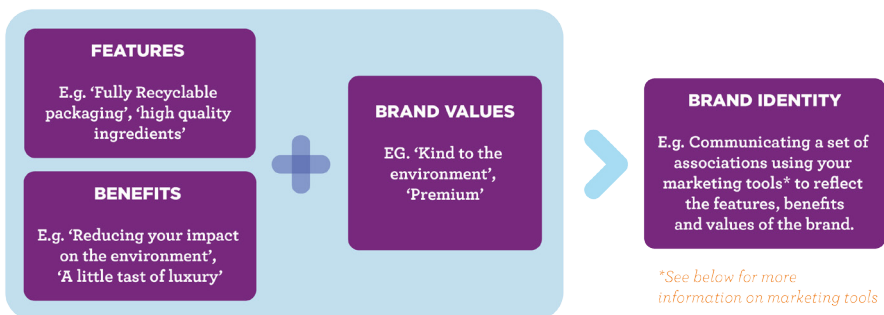
Features are factual statements about your product or service, whereas the benefits should answer the target audiences question 'how does this benefit me?' The example below demonstrates the use of features and benefits within a value proposition for an organisation supplying its products in fully recyclable packaging:

## Fully recyclable packaging - reducing your impact on the environment

FEATURE

BENEFIT

The core features and benefits of your value proposition should be used as the basis for your **brand identity**. **Brand identity is a visual representation of your features and benefits, built upon a set of values that represent your organisation.** Brand identity is much more than just a logo; it is a way of bringing together a specific set of values to help differentiate your offering in the market place and achieve competitive advantage. Developing your brand identity will require you to define a set of brand values. These values should be closely aligned with values defined in your business model, and will form the foundation of your 'message' to the target audience. The diagram below illustrates the relationship between features, benefits and values in creating your organisation's brand identity.



Your brand identity needs to work effectively with all segments your target audience, and through all routes to market. However, the specific features and benefits you decide to emphasise may vary depending on the audience segment/ route to market in which you are communicating your value proposition (see marketing plan- next section).

This section of the toolkit has only briefly summarised the key components of brand identity. The **Design Council UK** has produced a number of excellent guides on this topic, including some comprehensive case studies around developing brand identity and the process of brand design (see [www.designcouncil.org.uk/resources-and-events/Business-and-public-sector/Guides](http://www.designcouncil.org.uk/resources-and-events/Business-and-public-sector/Guides))

### **Marketing strategy - your positioning in the target market**

Once you have defined your value proposition, the next important step is to evaluate how you want to position yourself within the market. Your target market is generally defined as the area or sector in which you are planning to operate. For example, if your organisation's value proposition is 'high-end ethical fashion clothing for women', your target markets might include the 'ethical fashion market' and the 'high end fashion market'.

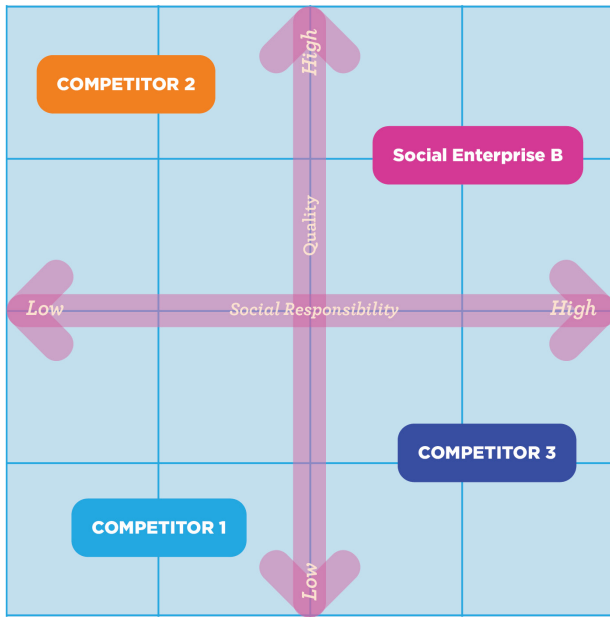
Understanding your market position will require you to compare your organisation's value proposition to those of the competitors in your target market landscape(s). Understanding your market position will then enable you to define and communicate your 'competitive advantage' or 'unique selling point'. This in turn will help you define the key features of your

product or service that you should be communicating to the target audience.

This process usually involves assessing your core competitors across a number of common variables. For a social enterprise, typical variables might include:

- Scale of social or environmental outcomes
- Quality of social or environmental outcomes
- Price
- Innovation
- Potential for replication / scaling up
- Social / environmental responsibility and ethical values

The diagram below illustrates how you might assess yours and others' market position around two key variables, in this case **quality** and **social responsibility** (in reality, you are likely to need to think about this across a larger number of dimensions):



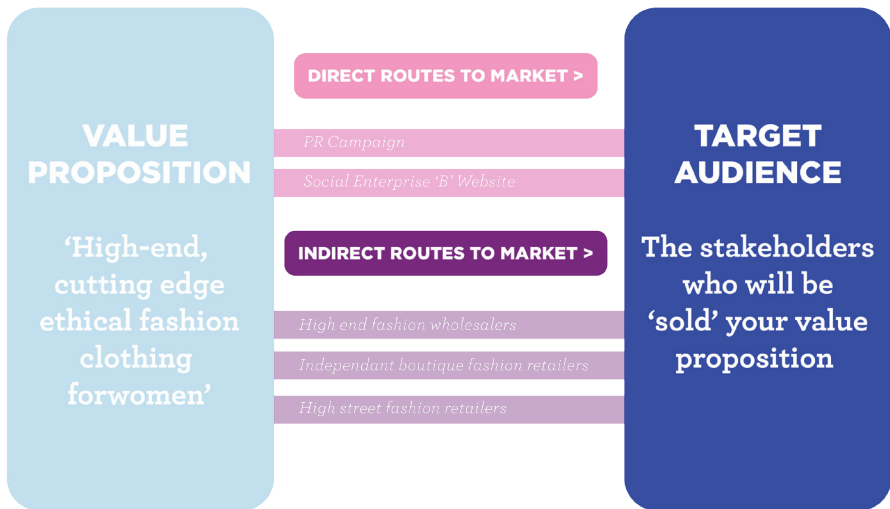
The diagram suggests that social enterprise B's (*value proposition: high-end ethical fashion clothing for women*) is positioned in a unique place within the target market, focusing on both quality and social responsibility. Assuming that this value proposition addresses the needs of the target audience, this organisation should have a competitive advantage within the target market (although in reality, other factors such as price are also likely to be important).

### Marketing strategy- your routes to market

The final step required in developing your organisations marketing strategy is to define the 'routes to market'. 'Routes to market' are the different routes or channels that your organisation will need to use in order to access the defined target audience with your value proposition. When assessing your 'routes to market', it might be useful to consider the methods you might be able to use to reach your target audience; direct, or indirect.

For example, the ethical fashion company may chose to communicate its value proposition directly to a consumer target audience through a

PR campaign, signposting people to their website. However, it may also consider the indirect routes it may need to use in order to reach more people and generate greater sales. The diagram below illustrates 'social enterprise B's' routes to market:



Your marketing plan (discussed later) will require you to consider how you will prioritise the different routes to market. For example, different routes to market may generate different levels of profitability for your organisation, therefore you may decide to prioritise your organisation's focus on these routes to market.

### Developing your marketing plan

Your marketing strategy should define your strategy for connecting with the defined target audience. Consequently, your **marketing plan** should identify practical steps and tactics to deliver the marketing strategy. This section will look at the key elements of a marketing plan:

- **Objective:** Each objective of the marketing plan should be focused on enabling the organisation to deliver its mission and strategic aims. Marketing objectives are typically focused on achieving one or more of the following results:
  - Generate new customers/ beneficiaries from within your target audience.
  - Retaining your existing customers/ beneficiaries.
  - Existing customers/ target audience purchase more products or services from your organisation.
  - Creating systemic change to change the way in which your product or service is delivered / paid for.
- **Tools:**
  - **Price:** how much will you need to charge for your product or service?
  - **Place:** which audience segment & routes to market will you focus on for delivery of this objective?
  - **Promotion:** your communications plan- which features, benefits and values will be communicated to this specific audience segment and through this specific route to market?
- **Plan:**
  - **Goals:** what goals will you need to meet to make sure you deliver the objective?
  - **Time frame:** when will you need to achieve these goals?
  - **Resource/ budget:** what will you need to invest in to achieve these goals?

*Note: If your organisation has a number of different products / services, you may need to develop a number of marketing plans for each respective product / service.*

The following table illustrates how these key elements of the marketing plan can be brought together in one summary table. The example shown below summarises the marketing plan for 'Social Enterprise D'- an organisation providing advice, information and support to migrants and refugees in city 'y':

| OBJECTIVE  | PRICE   | PLACE   |  | PROMOTION  | GOALS   | TIME FRAME  | RESOURCE BUDGET/<br>REQUIREMENT   |
|--|---|---|--|--|---|---|---|
|  |   | TARGET AUDIENCE<br>SEGMENT  | ROUTE TO MARKET  |  |   |   |   |
| <b>Renew service</b><br>Contract with Local Authority increase the number of migrants / refugees that access our advice and info services by 25% (5000+) | <ul style="list-style-type: none"> <li>12% reduction in price from existing contract</li> <li>Full cost recovery of direct service costs.</li> <li>25% cost recovery of central costs.</li> </ul> | <ul style="list-style-type: none"> <li>Local Authority Commissioners</li> </ul>   | <ul style="list-style-type: none"> <li>Direct contact with commissioners</li> <li>PR &amp; media campaign</li> </ul>                                       | <p>"Social Enterprise D will improve the social inclusion of migrants in city 'y' and reduce demand on traditional statutory services through our comprehensive advice and information service"</p>            | <ul style="list-style-type: none"> <li>Establish commissioning goals for new service contract tender.</li> <li>Develop a high quality, evidence based bid</li> </ul>                | <ul style="list-style-type: none"> <li>Bid finalised Jan</li> </ul>   | <ul style="list-style-type: none"> <li>20% of CEO time</li> <li>£4k for business planning support</li> </ul>          |
| <b>Increase the number of migrants / refugees that access our advice and info services by 25% (5000+)</b>  | n/a   | <ul style="list-style-type: none"> <li>Migrants</li> <li>Refugees</li> </ul>  | <ul style="list-style-type: none"> <li>PR &amp; media campaign</li> <li>Website</li> <li>Statutory services</li> </ul>                                     | <p>"Social Enterprise D provides free advice, information and support to refugees and migrants helping you adjust to life in city 'y' and providing you with a place to discuss any problems you may have"</p> | <ul style="list-style-type: none"> <li>Launch new website</li> <li>Launch new PR &amp; media campaign.</li> <li>Organise statutory service workshop day.</li> </ul>                 | <ul style="list-style-type: none"> <li>Website- March</li> <li>PR &amp; media Campaign- Feb</li> <li>Workshop- July</li> </ul>                              | <ul style="list-style-type: none"> <li>Website- £10k</li> <li>New role: Comms Officer</li> </ul>                      |
| <b>Campaign for refugee and migrant rights at the local level</b>  | n/a   | <ul style="list-style-type: none"> <li>Local MPs</li> <li>Local Councilors</li> <li>Statutory bodies: Border agency, Passports and Immigration National Government</li> </ul> | <ul style="list-style-type: none"> <li>Research paper &amp; press release</li> <li>PR &amp; media campaign</li> <li>Website</li> <li>Other NGOs</li> </ul> | <p>"Social Enterprise D: campaigning for a 'fair deal' for migrants and refugees in city 'y'.</p>  | <ul style="list-style-type: none"> <li>Commission research paper.</li> <li>Launch new PR &amp; media campaign.</li> <li>Attend local council integration steering group.</li> </ul> | <ul style="list-style-type: none"> <li>Research Paper: May, Release Aug.</li> <li>PR &amp; media Campaign- Feb</li> <li>Steering group- ongoing!</li> </ul> | <ul style="list-style-type: none"> <li>Research- £7k</li> <li>New role: Comms Officer</li> <li>1 day p/m C</li> </ul> |