



# **BREAKTHROUGH MARKETING PLANS**

SECOND EDITION

How to Stop  
Wasting Time and  
Start Driving Growth

**TIM CALKINS**

Kellogg School of Management

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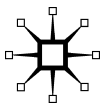
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For Carol, Claire, Charlie, and Anna

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# Chapter 1

## INTRODUCTION

IT WAS NOT A GOOD DAY WHEN Procter & Gamble marketer Kathleen Carroll learned she was being put in charge of Puritan cooking oil. The brand had been struggling for many years, and there was little reason to think things were about to change. Indeed, when her manager briefed her on the business, Kathleen got the distinct impression that her job was mainly to phase out the brand. This was not a career-enhancing assignment.

As Kathleen learned about the Puritan brand, she realized that the situation wasn't hopeless at all. The product was good. It had a point of difference in the market that people cared about; it had a unique blend of sunflower and safflower oils that many believed provided important health benefits. As she recalled, "Everything about it was perfect. The target was just off."<sup>1</sup>

So Kathleen put together a marketing plan to rejuvenate the brand through a bold repositioning. The plan involved three key initiatives: introduce a new product formula, communicate its health benefits, and reach food editors. Kathleen presented the plan to the division president and received approval to move forward. She explained, "I sold them on the fact that the brand could be relaunched."<sup>2</sup>

The results were striking. Kathleen and her cross-functional team executed the plan, and the business responded, with share more than doubling over the next three years.

\* \* \*

The ability to craft a strong marketing plan is a critical skill. Business leaders who can create a thoughtful, strategic, and focused plan can have a huge impact on an organization. Plans are vitally important.

I have been writing and reviewing marketing plans for more than twenty years, and teaching people how to write good marketing plans for more than a decade. During this time, I've reviewed more than 3,000 marketing plans from organizations all around the world. This book reflects what I have learned during that time.

*Breakthrough Marketing Plans* is built upon three very simple propositions. First, marketing plans are important for every organization and every marketer. Indeed, it is virtually impossible to be a successful marketing leader today if you can't create a clear, effective plan and then gain support for it from senior management and your cross-functional team.

Second, a startling number of marketing plans written today are completely ineffective. Many should simply be put in the trash—or, better yet (from an environmental perspective), the recycling bin. Despite the fact that people and organizations frequently spend months working on a marketing plan, the final document often contributes little. All too many marketing plans are reviewed in a perfunctory way and then put on a shelf, where they function as highly effective dust-gathering devices. This wastes time and money, and considering the power of a good marketing plan, it is a missed opportunity.

Third, creating a good marketing plan is really not all that complicated; the theories behind accomplishing this task reflect a good deal of common sense. Indeed, the very best marketing plans are strikingly simple. They are short and easy to understand.

I suspect that after reading this book you might say to yourself, “Well, that seems pretty obvious.” And you would be correct; the basic principles behind creating a good marketing plan are not complex. Yet many marketing plans do not follow these basic principles; far too many plans fall victim to the problems described in this book. As one of my students wrote on a class evaluation form, “The strategies discussed were very intuitive and based on common sense. The fact that I could not come up with any of the strategies on my own further showed that common sense, after all, is not very common.”

This book has two goals. The first is to highlight the fact that many marketing plans are ineffective and there is an urgent need for change. The second is to help people create stronger marketing plans that galvanize an organization and deliver strong business results.

#### WHO NEEDS THIS BOOK?

This book is for people who create or review marketing plans. This includes people in large and small organizations, people in for-profit and not-for-profit organizations, and people in new and old companies. This includes those who work in marketing, of course, but also people who perform other functions. Indeed, anyone who writes or reviews a marketing plan can benefit from reading this book.

*Breakthrough Marketing Plans* is primarily for people new to writing marketing plans, such as business school students and people transitioning into marketing from other functions. To these individuals, this book is an introduction to marketing plans and a guide to what to do and what not to do when creating them.

This book is also valuable for more seasoned marketers, people familiar with the marketing planning process. For these people, *Breakthrough Marketing Plans* has a slightly different purpose: to highlight how marketing plans go awry and to help improve them. After reading this book, some people will want to completely rethink how they approach marketing plans and adopt the ideas here.

Finally, this book is for senior executives, the people accountable for leading an organization and delivering results. Senior managers are, at the end of the day, the people who approve marketing plans and the people who are most accountable for the results. These are also some of the people who are most frustrated by the plans currently being written. Some senior executives may want to use the ideas in this book to improve the marketing plans being written in their organization. Others may use the book to create a formal marketing planning process if one doesn't already exist.

Not everyone will agree with the ideas in this book. People wedded to the traditional marketing plan format, for example, may well reject the ideas presented here; this book is a call for change, and many people don't like change. For those willing to look at things in a fresh way, read on.

#### USING THIS BOOK

If you are working on a marketing plan that is due in the relatively near future, flip directly to [chapter 10](#). This chapter provides a template for a marketing plan; if time is short, simply follow the template provided. You will find the template a pretty good starting point; it will certainly get you moving in the right direction.

If you don't know whether or not you should be worrying about marketing plans in the first place, start with [chapter 2](#), which explains why every organization needs one.

If you have a bit more time, you can immerse yourself fully in the topic and the theories. [Chapter 3](#) describes the typical marketing plan and highlights why it frequently misses the mark. This chapter also explores the factors that lead to weak plans and examines this rather important question: Why do smart, experienced people create terrible marketing plans? [Chapter 4](#) reviews the key elements of a marketing plan. [Chapter 5](#) describes the characteristics of the best plans.

Chapter 6 presents a planning process with a step-by-step approach. If you are just starting to develop a plan, this will be particularly useful. Chapter 7 includes advice about and suggestions for actually writing the document. Chapter 8 provides best practices for presenting a marketing plan effectively.

Chapters 9 to 13 provide tools and answer questions. Chapter 9 presents twenty strategic initiatives to highlight the range of options available and spark your thinking. Chapter 10 presents a marketing plan template. Chapter 11 reviews frequently asked questions. The book finishes with two marketing plan examples. Chapter 12, a plan in a presentation format, is for Flahavan's, a brand of Irish oatmeal. Chapter 13 is a written plan for Edzo's Burger Shop, a restaurant in Evanston, Illinois.

\* \* \*

Creating a strong marketing plan is a critical job for marketers. Unfortunately, far too many people do a miserable job of it. The ideas in this book can help marketers create plans that are approved and supported and that drive strong results. The ideas may also encourage more than a few people to deposit their current marketing plans in the recycling bin and start over.

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# Chapter 2

## WHY BOTHER?

IF YOU CAN CREATE, SECURE SUPPORT FOR, and execute a strong marketing plan, you can have a huge impact on a business. If you can't, you will struggle.

Hewlett-Packard CEO Léo Apotheker provides a rather notable example of this. On August 18, 2011, Apotheker revealed his plan for growing the company. It included the acquisition of a software company, Autonomy, and the likely spin-off of the Personal Systems Group. He positioned the moves as critical for the long-term health of HP, saying, “We are at a pivotal part of our history.”<sup>1</sup>

The impact was almost immediate; HP shares plunged as skeptical investors sold their holdings. The stock dropped from a price of \$29.51 per share just before the announcement to \$23.60 per share. Analysts questioned the strategy, wondering how it could be successful.

Apotheker tried desperately to convince people that his plan made sense, but he failed to do so. HP's board fired him on September 22. As Chairman Ray Lane explained the decision at the time, “We are at a critical moment and we need renewed leadership to successfully implement our strategy and take advantage of the market opportunities ahead.”<sup>2</sup>

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Marketing plans set the course; the plan spells out the goals for the business over a certain period of time and what precisely should be done to achieve those goals.

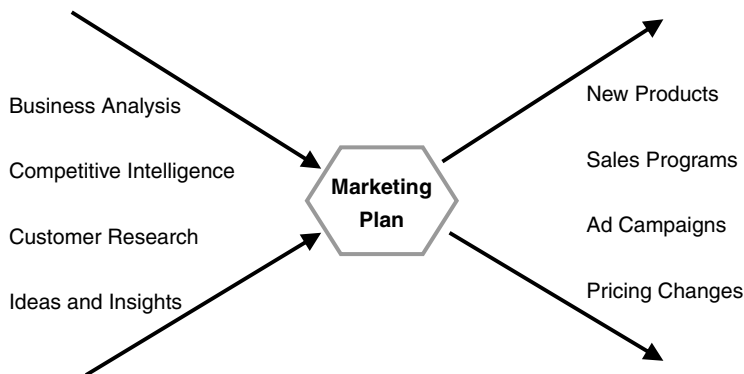
More than anything, marketing plans are recommendations; a marketing plan states precisely what steps should be taken to drive the business forward. As Sharon D'Agostino, president of Johnson & Johnson's Consumer Products Division, observed about marketing plans, "This is where we're going, and this is how we're getting there."

A marketing plan is the point of connection between data and action. It is the place where an executive takes all the information available and turns it into a plan for the business.

In many respects, a marketing plan is the focal point. It is where a marketing leader boils down everything she knows about a business and identifies the most important initiatives. Those initiatives are then broken out into all the various tactics and activities (see Exhibit 2.1).

Ultimately, marketing adds value when it leads to action, because action leads to results. In most companies, profits matter most. When profit results are good, everything works at the organization: bonuses are generous, stock options can grow dramatically in value, promotions come along more frequently, and people are fundamentally happy. The reverse is also true: when profit results are bad, bonuses are lower, the value of the stock options falls, employees are under pressure, and people are grumpy. Having experienced both scenarios

**Exhibit 2.1** Role of a Marketing Plan



firsthand, I can say for certain that it is far more enjoyable to work at a business when results are good.

Marketing contributes to an organization when it leads to action, and *only* then. Knowing a lot about your consumer is a lovely thing, but all that knowledge will add no value if it isn't put into action. Having insights into what motivates consumers is interesting and important, but the only way it will have an impact on the business is if those insights are turned into recommendations.

Marketing doesn't work unless something actually happens: an advertising campaign goes on television, a new product hits the market, or a price changes. One reason the marketing department is sometimes accused of being out of touch with the business is that marketers sometimes focus on insights and never get around to actually doing anything.

While writing this book, I spoke with dozens of marketing executives who have reviewed and created marketing plans. The most common analogy I heard in those interviews was this: A marketing plan is a road map for a business. The words were almost always the same:

“It is a road map for where you are going.”

“It's the road map for the future.”

“The marketing plan is the road map.”

“The reason you do the plan is to lay out the road map.”

In any business, it is important to remember that a marketing plan is a set of directions. It is a description of what needs to be done to get from one place to another: turn left here, turn right here, go fifty-seven miles, turn left, and you are there.

#### EVERY ORGANIZATION NEEDS A PLAN

In 2003, the American Dental Association launched what it called the Institute for Diversity in Leadership. This program was established to build the leadership capabilities of dentists from traditionally under-represented groups. During the program, participants

created and led public service projects. As a faculty member for the program, I had the opportunity to listen to the very impressive project updates.

One dentist had led a noble program to provide dental services to homeless veterans in San Francisco. The program provided an exceptionally important and valuable service in a very efficient manner. There was one problem, however: the program needed more dentists to volunteer. Otherwise, it would be impossible for the program to grow, impossible for it to reach its full potential, and impossible for it to have a meaningful impact on the pressing human need.

I asked the project leader some basic questions: “So what are you doing to attract more dentists? How are you going to market the opportunity? What is your marketing plan?”

This led to an awkward silence. The dentist shuffled around a bit and looked this way and that. He then rather sheepishly admitted that he had given no thought to marketing the opportunity. “I’m no marketer. I’m just a clinician,” he finally said.

He knew, and I knew, that although he was indeed a clinician, he was also a marketer. He marketed his dental practice every day, and in this particular case, he needed to market his volunteer opportunity.

Marketing is the process of connecting products, services, and ideas to customer needs. It is essential for every organization; if you can’t link your product or service or idea to a customer need, you will not be successful. People don’t buy things for no reason. People spend money, energy, and time on things that they need or want. In other words, people buy things that provide a benefit to them.

This applies to everything; it’s hard to imagine something that isn’t affected by marketing to some degree. Consumer products are, of course, dependent on marketing. People buy toothpaste to prevent cavities, have healthy gums, or whiten their teeth. Companies engage consulting firms to provide insights and recommendations and ultimately to improve results and increase profits. Restaurants depend

on marketing. Retailers, banks, cleaners, and circuses depend on marketing. So do politicians, religious leaders, and environmentalists. They all need people to believe there is a reason to support them; there has to be a benefit.

Each year the industry magazine *Advertising Age* publishes a list of fifty notable marketers: “Fifty Sharp Ideas and the Visionaries Who Saw Them Through.” The list is always fascinating because these individuals, who are leaders in innovative marketing efforts, come from a wide range of industries: consumer packaged goods, automotive, health, nonprofit, and financial services, among others. The 2007 list, for example, included the usual suspects, such as Coke and Vaseline, and some more unexpected products and brands, such as the book *The 4-Hour Workweek*; a new commercial airplane, the Boeing 787 Dreamliner; a computer game, *Guitar Hero II*; and a thong, Hanky Panky (see exhibit 2.2).<sup>3</sup>

We are all marketers. As William Luther wrote in his book *The Marketing Plan*, “The central ideas of marketing are universal and it makes no difference whether we are marketing furnaces, insurance policies, or margarine.”<sup>4</sup>

Marketing is essential for all companies; every organization has to make choices about what to do and what not to do when it comes to reaching customers. As a result, marketing plans provide an opportunity for every business organization. Marketer Greg Wozniak has seen the broad relevance of marketing plans. He began his career at Kraft Foods, one of the largest food companies in the world. He then moved to Barilla Pasta, a much smaller and privately held company. Later still he started his own company, selling doors to residential building contractors. At each organization, Greg created and used marketing plans, whether he was managing hundred-million-dollar brands at Kraft or launching his small door company. The plans were different in scope and size, but the basic function was the same: to set the course for the business. As he observed, “Marketing plans are applicable to any business.”

**Exhibit 2.2** 2007 Advertising Age 50 Notable Marketers

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Activia	Alli
Always	Caribou Coffee
Chipotle	Chocolate
Claritin-D	Coke Zero
CPK frozen pizza	Crest Pro-Health
CR-V	Doritos
Dreamliner	Energizer
Facebook	<i>The 4-Hour Workweek</i>
<i>Guitar Hero II</i>	<i>Halo 3</i>
Hanky Panky	Havaianas
Heineken Premium Light	HP computers
iPhone	JCPenney
Jenny Craig	Johnnie Walker Blue
Keen	Laura's Lean Beef
Life Is Good	Moosejaw
Mucinex	Ray-Ban
7-Eleven	Seventh Generation
SIGG	Skinny Bitch's
Smart Balance	Soleil
Sparks	Special Dark
SpudWare	Stride
SweetLeaf Stevia	Tresemmé
Umpqua	Vaseline
Webkinz	Wrangler Unlimited
Yahoo Answers	Yelp

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### THE CHALLENGE

Marketing plans are becoming more important because the world is getting more complicated.

Marketing has never been a simple endeavor. It has never been easy to understand what consumers actually want; people may say one thing but want something else, or they may not be able to envision the future or even conceive of what is possible. It has never been easy to deal with competition; competitors have been battling it out

for market share for centuries. It has never been easy to create powerful communication; this was true in the Middle Ages, and it is still true today.

Nonetheless, marketing is getting harder. Two factors are driving this change.

#### TOO MUCH DATA

The first factor making life difficult for marketers is data; quite simply, there is too much information. Marketers today have access to more data than ever before. On some businesses, you can look at sales data by hour, by store, and by product. The amount of information available is stunning, and the amount of time one could spend analyzing this information is infinite.

Intel recently published a report illustrating what happens in a single minute on the Internet: 100,000 new tweets on Twitter, 6 million Facebook views, 6 new Wikipedia articles, 47,000 app downloads, and 30 hours of new videos.<sup>5</sup>

Every day, market research firm Nielsen records 51.5 million transactions at 36,000 stores and sales of 2.1 million books at 12,000 locations. It also tracks 40,000 television programs and 300,000 radio ads.<sup>6</sup>

And the problem is only getting worse. The market research industry, for example, is identifying more and more ways to understand customers. A marketer can conduct focus groups, run quantitative studies, carry out ethnographies, look at brain scans, do conjoint analyses, and conduct elaborate multivariate regression analyses. Interesting new research techniques are appearing all the time, each one creating more data and more information. With the rise of the Internet and the decrease of computing costs, it is possible to segment consumers into smaller and smaller groups. The concept of true one-to-one marketing is now close to becoming reality.

The large amount of data available today is a blessing, certainly. Marketers can now make better decisions than ever before; they can

dig into information and uncover remarkable insights and then use these insights to create compelling programs. Several years ago, marketers would never have dreamed of having so much information.

But the vast amount of data is also a curse. If a marketer isn't careful, she will simply get lost in the data. She will spend so much time gathering and analyzing the data that she will never get around to drawing conclusions and answering the most basic questions: So what? What does all this mean? What will we do? As Walmart CMO Stephen Quinn observes, "We have so much data we are drowning in it."

When everything can be analyzed, it gets harder to reach a conclusion. Analysis is easy. Making a decision is hard.

The problem is that the data doesn't really matter. Having lots of facts and figures doesn't necessarily lead to good results. It is just information. What matters is the recommendation: Based on everything we know, what should we do?

#### AN EXPLOSION OF CHOICE

The second factor making life difficult is the explosion of choice; marketers now have more options than ever before.

Making decisions has always been the hard part of marketing. Ultimately, a marketer has to decide what steps to take to drive sales and build the business. Marketing is all about making choices; a company can't do everything. Ultimately, an organization has to decide how to best utilize scarce resources: time, money, attention, and so forth. This is difficult because marketers could do hundreds or even thousands of things to sell a product.

The list is only getting longer as technology advances; each day, it seems, another compelling marketing tactic arrives in the market, another wonderful thing to pursue. Andy England, global CMO of MillerCoors, appreciates the challenge, noting, "There used to be three choices. Now there are a thousand."

Pretend for a moment that you are the brand manager for Heinz ketchup. What are all the things you could do to drive sales and build profits in the United States? The list is long. You could advertise on

network television, on one of the four big networks. Or you could advertise on cable television, on one of dozens of channels. You could advertise in one of the hundreds of magazines on the market, or in one of the hundreds of newspapers. You could increase or decrease prices or run a promotion. If you are running a promotion, you could run it nationally or just in a particular area, and you could run the promotion continuously for a year or pick just one of the fifty-two different weeks. You could improve the product so it performs better or you could reduce its cost. You could change the label or the package. You could create a new flavor. You could launch an entirely new brand or create a sub-brand. You could sponsor the Olympics or a local sporting event. You could do a program on Facebook or build a website. You could run banner ads on one of millions of different websites. The list goes on and on.

The question isn't which ideas are good ones; many of the ideas would likely work to some degree. Nor is the question which ideas will have immediate impact on the business; many of them would probably do this. Of course, some of the best ideas might not; they might be more long-term focused. The most important question is this: Which ideas are the best ones to build the business?

The only certain thing if you are running Heinz ketchup is that you can't pursue all the ideas; trying to do everything will guarantee failure. There isn't enough money to do everything, even on a relatively big brand like Heinz. Doing more and more things means that each one gets less attention and each one probably is executed less well. You have to choose.

A marketing plan help to address both of these challenges; it first helps marketers boil down the data to determine what is important, and then it helps marketers make decisions.

"If you don't know where you are going," the old expression goes, "any road will get you there." This statement is true in life, and it is true in marketing; if you don't know what you are trying to accomplish, everything might be a good idea, and it is impossible to decide.



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