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## DEVELOPING A COMPELLING MARKETING PLAN

*“My name is Joseph Perello. You can call me Joe. Since my appointment last April by Mayor Bloomberg as New York City’s Chief Marketing Officer, I also tell people they can call me ‘the luckiest guy in the world.’ ... In 1949 E.B. White wrote in ‘Here is New York’ that there are actually three different New Yorks (Natives, Commuters and Settlers). I would like to propose there is a fourth New York—the idea of New York. This fourth New York is what the millions of people who don’t live here experience when they hear the words, ‘New York City.’ It is what makes people feel connected to the City, even if they have only visited for a few days or have never been here at all. The idea of New York is, in many ways, our greatest asset.”<sup>1</sup>*

Joseph Perello  
Chief Marketing Officer, New York City  
Address to The Economist’s 2<sup>nd</sup> Annual Marketing Roundtable  
March 25, 2004

This final chapter provides a framework that organizes most of the major topics that have been addressed throughout this book (Segmentation, Target Marketing, Positioning, the 4Ps, and Evaluation), ones representing key components of a marketing plan and ones relying on a variety of timely research efforts. It presents a traditional outline for a marketing plan and provides descriptions of major components. It is intended to be a practical template for you to use when developing marketing plans—whether five or fifty pages in length.

It is also hoped that it will make clear the benefits of taking the time to develop a formal plan, benefits that might address common challenges you are most likely to face:

- The last time I brought up the idea of developing a marketing plan, everyone said we didn't have time. We just need to get the brochure out!
- We don't have a marketing department, so who's going to write the plan? I'm a program manager and have no marketing background.
- It doesn't seem to me this marketing stuff is measurable, and we are under real pressures to show impacts on the triple bottom line: social, economic, and environmental indicators.

In the opening story, imagine how hard it would be for this department manager to succeed without a solid marketing plan.

## **Opening Story: New York City Marketing Starts Spreading the News**

### ***Challenges***

In April 2003, Mayor Bloomberg announced the appointment of Joseph Perello as Chief Marketing Officer to head a department—NYC Marketing—with the specific mandate of developing and executing plans to maximize the full marketing potential of the City's resources. It is believed to be the first city in the world to develop an actual marketing office and Chief Marketing Officer position.

Perello and his department were given three primary marketing objectives:

1. Generate alternative means of revenue for New York City.
2. Support City agencies and important City initiatives.
3. Promote New York City around the world to grow jobs and tourism.

At first glance, this might look like an easy assignment, with research ranking New York City thirteenth out of 2,400 different brands and acclaiming positive attributes like “unique, fun, energetic, intelligent, independent, dynamic, glamorous, authentic, charming, socially responsible, kind and innovating.”<sup>2</sup> The problem is the same research indicated other, less positive attributes: “tough, rugged, arrogant and unapproachable,” ones that could make this journey a little bumpier.<sup>3</sup>

The department faced internal challenges and public sensitivities as well. “When people first heard about the idea of marketing New York City,” Perello noted, “their first thought was that we would be renaming the Brooklyn Bridge after a bank or plastering a company’s propaganda all over the City. That is not going to happen. The Mayor and New Yorkers would never stand for it.”<sup>4</sup>

## ***Strategies***

First, the department became the *guardian of the image* of New York City, relying on proven business models that other like organizations with strong emotional properties leverage, ones such as Disney and the Olympics. It meant there would need to be rigorous and coordinated efforts to build, expand, and protect the City’s image and use it effectively to drive tourism to and economic development of New York.

The department became the *City’s exclusive internal marketing agency* for corporate sponsorships, marketing, licensing, media, advertising, media management, and brand management. They offered their services to more than 50 other city agencies and departments, maximizing promotional opportunities that each possesses, increasing efficiency in government, and providing additional revenue for essential services. They consolidated efforts to make use of citywide assets, ones such as their 5,800 bus shelters, 250,000 light pole banners, 12,000 phone booths, 300 newsstands, 12,000 taxis, 1,600 public

parks, and 5,000 buildings, not to mention the 35 million visitors, 8 million residents, and 3.5 million workers in the City.

They embarked on an ambitious effort to *develop world-class partnerships*, interested in selecting only eight to ten world-class companies that would capture the essence of the City and help tell the story of New York around the world. It is anticipated that through these public/private initiatives with like-minded corporate citizens, the department would be able to deliver revenue to the City without raising taxes and that city services would be improved, which would improve the lives of New Yorkers.

## **Rewards**

Several notable accomplishments were reported in the department's first couple years:

- A collaboration was formed with **The History Channel**, valued by the City at \$19.5 million.
- A multi-year deal with **Snapple** was to guarantee the City \$106 million in cash and \$60 million in marketing and promotional value, where Snapple, among other agreements, would be the exclusive provider through vending machines of bottled spring water and 100 percent fruit juices in the City's 1,200 schools.
- **Virgin Airlines** was successfully enticed by promotional opportunities and tax incentives to locate its new U.S. headquarters in downtown New York City.
- In 2005, the **Country Music Awards** were lured to the City for the first time.
- A **Made in NY Incentive Program** provides marketing incentives to supplement the City and state tax incentives for feature films and television shows to be filmed primarily in New York City.

These partnerships and agreements appear to be delivering on the original premise that this new department and model could generate net revenue and visibility for the City by taking advantage of previously unrealized resources and promotional opportunities. Perello warns, however, that this type of innovation "requires being unreasonable. And expecting unreasonable things to happen."<sup>5</sup>

## Marketing Planning in the Public Sector

**Developing a marketing plan** requires a systematic process, one that begins with analyzing the current situation and environment, moves on to establishing marketing objectives and goals, identifying target audiences, determining a desired positioning, and designing a strategic marketing mix (4Ps), and then wraps up with developing evaluation, budget, and implementation plans (see next page).

Sometimes the plan is created for a specific program, product, place, or service within an agency (e.g., increasing the number of visitors to a national park), a specific geographic market (e.g., major cities in the Southeast), or a specific segment of the population (e.g., youth). Sometimes, though less frequently, plans are created for an entire agency or entity (e.g., U.S. Department of the Interior). Plans are most often developed for a one- to three-year period, with annual updates.

Those who have taken the time to develop a formal plan realize numerous benefits. Most importantly, they are more likely to meet their agency's performance goals (e.g., increase postal revenues). The planning document itself can also address any important internal objections regarding "marketing." Readers of the plan will see evidence that recommended activities are based on strategic thinking. They will understand why specific target audiences have been selected—and represent efficient and effective use of resources. They will see what anticipated costs are intended to produce in specific, quantifiable terms that can be translated to an associated return on investment. They will certainly learn that marketing is more than advertising. They will be delighted (even surprised) to see that you have a system, method, timing, and budget to evaluate your efforts. And they can't help but notice that you have recognized and engaged others within the agency in assisting with the plan's implementation.

Who develops the marketing plan? Ideally, a lead person with a team that includes a program manager, a representative from your communications or public information office, potentially someone from the finance area of your agency, and when relevant, members of external partner organizations and someone from the "field" or operations who can provide valuable input regarding the customer's perspective, the feasibility of potential strategies, and the important buy-in you'll need for implementation.

## **Marketing in the Public Sector**

### **Marketing Plan Outline**

#### **1.0 Executive Summary**

Brief summary highlighting major marketing objectives and goals the plan is intended to achieve; target audiences and desired positioning; marketing mix strategies (4Ps); evaluation, budget, and implementation plans.

#### **2.0 Situation Analysis**

- 2.1 Background information and plan purpose
- 2.2 SWOT: Strengths, Weaknesses, Opportunities, Threats
- 2.3 Competition: Direct and Indirect
- 2.4 Past or similar efforts: activities, results, and lessons learned

#### **3.0 Marketing Objectives and Goals**

- 3.1 Objectives (e.g., increases in utilization of services, participation levels, product sales, behavior change, compliance levels, market share, customer satisfaction, customer loyalty)
- 3.2 Goals: Intended results that are quantifiable, measurable, and specific

#### **4.0 Target Audience**

- 4.1 Profile: demographics, geographics, behaviors, psychographics, size, readiness to buy
- 4.2 Perceived barriers and benefits related to marketing objectives

#### **5.0 Positioning**

How you want the program or agency to be seen by target audiences

#### **6.0 Marketing Mix: Strategies to Influence Target Audiences**

- 6.1 Product
  - Physical goods, services, events, people, places, agency, ideas
  - Components: Core, Actual, and Augmented
- 6.2 Price
  - Monetary costs (fees)
  - Monetary and nonmonetary incentives and disincentives
- 6.3 Place
  - How, when, and where programs, products, and services can be accessed
- 6.4 Promotion
  - Key messages, messengers, and communication channels

#### **7.0 Evaluation Plan**

- 7.1 Purpose and audience for evaluation
- 7.2 What will be measured: output, outcome, and impact measures
- 7.3 How they will be measured
- 7.4 When they will be measured

#### **8.0 Budget**

- 8.1 Costs for implementing marketing plan
- 8.2 Any anticipated incremental revenues or cost savings

#### **9.0 Implementation Plan**

Who will do what, when

## ***Situation Analysis***

In this section of your plan, you present relevant background information, an analysis of organizational and market forces you will consider when determining marketing strategies, and a review of performance and lessons learned from past, similar efforts.

### ***Background Information and Plan Purpose***

Begin this section with a summary of factors that led to development of the plan. Why are you doing this? It might have been precipitated by a decline in utilization of services (tourists), a public health crisis (obesity), an increase in risk behaviors (use of methamphetamines), a desire to revitalize a brand (community transit), the need to respond to a new competitive offering (from FedEx), or an opportunity to offer a new program or service that meets some public need (the ability to get a temporary visa online). By including a clear statement of purpose and focus for the plan at this point, you will have a reference and rallying point for subsequent planning decisions (e.g., a purpose to increase literacy and a focus on early learning).

### ***Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis***

Relative to the purpose and focus of the plan, you'll then want to conduct a quick audit of forces in the internal and external environment that are anticipated to have some impact on or relevance for subsequent planning decisions.

Make a list of major *organizational* strengths to maximize and weaknesses you need to minimize, including factors such as available resources, management support for the project, current alliances and partners, delivery system capabilities, agency reputation, and issue priority.

Then make a similar list of *external forces* in the marketplace that represent either opportunities you can take advantage of or threats you need to prepare for. These major trends and events are typically outside your influence as a marketer but must be taken into account, with major categories including cultural, technological, demographic, economic, political, and legal forces.

## ***Competitive Analysis***

Now scan the strengths and weaknesses of the competition, considering both direct as well as indirect players. Direct competitors are those whose offerings are similar to yours (e.g., bookstores for libraries). Indirect competitors are those that fulfill the target audience's need—but in a different way (e.g., television for libraries).

## ***Review of Past, Similar Efforts***

Finally, take a brief moment to reflect on past, similar efforts, reviewing outcomes and noting lessons learned, either by your organization or a similar one.

## **Marketing Objectives and Goals**

With your eye on the purpose for your plan and a keen awareness of the marketing environment, you are now ready to declare more specific intentions—your marketing objectives and goals.

*Marketing objectives* are more detailed than your statement of purpose and should be expressed in terms of a desired behavior or action, change in brand image, or increased knowledge that you want to achieve. Examples are varied:

- Increase purchases of packaging products offered at post offices
- Increase volunteers for after-school tutoring programs
- Increase utilization of online vehicle license renewals
- Decrease number of fans driving home drunk after sports events
- Decrease car thefts in high-crime neighborhoods
- Create awareness of new Medicare prescription options
- Improve perception of law enforcement officers

*Marketing goals* are quantifiable and measurable expressions of your marketing objectives. They answer the question, “How many car thefts do you want this plan to prevent, or what percentage of vehicle owners do you want to renew their license online as a result of this effort?” They should be realistic and include a time frame (e.g., by the



year 2010), addressing the question “by when.” Recognize that what you determine here will guide your subsequent decisions regarding target audiences and marketing mix strategies. This decision will also have significant implications for budgets and will provide clear direction for evaluation measures later in the planning process.

## Target Audience

As you recall from earlier chapters, you will select target audiences by first segmenting the market, evaluating segments, and then choosing one or more as the focal point for positioning and marketing mix strategies. A rich description of that target audience should be provided in this section of your marketing plan.

Ideally, you will describe your target audience in such a way that “you’d know them if they walked into the room.” This means you provide a *demographic profile* using variables such as age, gender, family size, income, occupation, education, religion, race, and nationality. It is also just as meaningful, in some cases even more so, to provide other team members and campaign planners with information on this segment’s *values, lifestyle, and personality* characteristics. Information regarding *related behaviors or purchases* will be inspiring, as will any insights you have on when and where your target audience might be *most open* to your messages or likely to notice them (e.g., messages regarding invasive plants might be of most interest to attendees at an annual flower and garden show).

Also describe the potential *benefits* that your target audience perceives they will receive, or wants most to receive, as a result of taking the actions your marketing plan will attempt to influence. Those working on your campaign materials will benefit immensely from knowing “what’s in it for them.” Importantly, benefits vary by target audience segment and should therefore be researched. One commuter segment targeted by a transit agency may care most about cost savings, while another is motivated by doing their part to protect the environment, and yet another is looking for a chance to read more books. What is your target audience looking for that you should highlight? Some planners even further segment the market based on “benefits sought,” recognizing implications for different positioning and marketing mix strategies.

Every great “salesperson” is also eager to know what *barriers* or concerns the target audience has that might keep them from acting. Knowing that this will assist in developing a compelling positioning for your offer as well as the right marketing mix. A public utility wanting households to put kitchen oils and grease in containers to be recycled will need to address confusion over what types of containers are safe and appropriate to use, objections to having to take it to a special recycling center, and a challenge as to why it even matters.

## Positioning

After identifying, describing, and understanding the target segment, this part of the marketing plan briefly describes the desired positioning for the program, service, agency, or other product offering at the focal point of the plan. This is an essential step prior to developing your marketing strategy because a successful strategy is always built on STP—Segmentation, Targeting, and Positioning.<sup>6</sup>

This desired positioning can be described using a few sentences, even bullet points, that clarify how you want your offer to be viewed by your target audience. It should include a *value proposition*, the cogent reason why the target market should “buy” your offering.<sup>7</sup> The aim is to determine and articulate a distinct position, one that highlights benefits and diminishes barriers unique for your target audience and one that places you in a favorable light relative to the competition. It should define appropriate *points-of-difference* as well as *points-of-parity* relative to direct as well as indirect competitors.<sup>8</sup> As you may recall from Chapter 6, “Creating and Maintaining a Desired Brand Identity,” the EPA wanted consumers to see ENERGY STAR® products as a way to save money and help protect the environment at the same time, CDC wanted tweens to see exercise as cool and fun, and officials in Texas wanted their litter prevention effort to be seen as bold and as a reflection of great state pride.

## Marketing Mix

Now open your marketing toolbox, one containing four familiar tools by now: Product, Price, Place, and Promotion (4Ps). It is the blend of

these elements that constitutes your marketing mix strategy, one you will design with an intention to produce the response you want from your target market. Because separate chapters have been dedicated to each of these elements, the following comments focus on information you would include regarding each in a formal marketing plan.

## ***Product***

Describe core, actual, and augmented product levels. The *core product* consists of benefits the target audience will receive as a result of acting and are ones that you will highlight. The *actual product* includes aspects of features, name, quality, style, design, and packaging associated with the product. The *augmented product* refers to any additional features, objects, and/or services that you will include that will add perceived value to the transaction.

## ***Price***

Mention any *monetary costs* (fees) charged for products, programs, and services and, if offered, note *monetary incentives* to stimulate action. Also stress any *monetary disincentives* such as fines, *nonmonetary incentives* such as recognition, and *nonmonetary disincentives* such as negative public visibility.

## ***Place***

Place decisions relate to ones where you have chosen to deliver your offer and the means that citizens have to access it. You will delineate what distribution channels will be utilized, choosing among options including physical locations, phone, fax, mail, mobile units, drive-thrus, Internet, videos, home delivery/house calls, places where potential customers shop, dine, and hang out, kiosks, and vending machines. You will also include decisions on when these channels are “open for business,” the amount of wait time, and any aspects of locational ambiance (e.g., cleanliness of a lobby).

## ***Promotion***

In this section, you will describe your persuasive communication strategies, covering decisions related to key *messages* (what you want

to communicate), *messengers* (any spokespersons, sponsors, partners, or actors you use to deliver messages), and *communication channels* (where promotional messages will appear).

It is important to present the marketing mix in the sequence just noted, beginning with a description of the product and ending with a promotional strategy. After all, the promotional tool is the one you count on to ensure that target audiences know about your product, its price, and how to access it, decisions that you will make prior to communication planning.

## Evaluation Plan

In this important part of your plan, especially for administrators, you outline what measures will be used to evaluate the success of your effort and how and when these measures will be taken.

It begins with explaining the purpose and audience for the evaluation because this information has guided your choices. These were driven, at least in part, by your marketing goals, established earlier in the planning process. It may include one or more of the following measures mentioned in Chapter 12, “Monitoring and Evaluating Performance”:

- *Output measures* will identify what marketing activities and resources you will be reporting back on (e.g., numbers of brochures handed out).
- *Outcome measures* will focus on citizen response, noting what actions you will be measuring, reflected in levels of behaviors (e.g., numbers of attendees at a senior exercise class) or changes in knowledge, beliefs, or attitudes.
- *Impact measures* take it to the next level, answering those tough questions like “What good did all this do?” Your intended measures might be reflected in targeted revenue increases for the agency as a result of selling road services to local cities, improved traffic congestion, reductions in teen pregnancy, improvements in school readiness, improved water quality, decreases in traffic injuries, reduction in crime, or increased support and approval for a governmental project.

Expenses for evaluation will be noted in the budget section of your plan, and action items, including when measures will be taken, are reflected in your implementation plan.

## Budget

Costs associated with developing and implementing the marketing plan are delineated in this section. Although preliminary budgets may have been revised based on realities of funding sources, only a final budget is then presented—one reflecting confirmed product, price, place, and promotional-related costs. You will include incremental costs for product development, any pricing incentives, and added costs related to distribution channels as well as development and dissemination of communications.

This is where you note any anticipated incremental revenues or cost savings, ones that can then be paired with marketing costs to produce an anticipated return on investment. Analysis can then be conducted on the marketing cost “per transaction,” “per behavior change,” or “per new customer.” Over time, a database with these historic indices can be created that will provide a rational, relative means to determine efficient and effective use of marketing-related expenditures.

## Implementation Plan

You will wrap up your plan with a document that specifies *who* will do *what*, *when*, and for *how much*. It transforms marketing strategies into actions. Some even consider this section “the real marketing plan” since it provides a clear picture of marketing activities, responsibilities, timeframes, and budgets. It can serve as a standalone piece that can be shared with important internal groups, especially those who will be impacted by campaign activities as well as target market response (e.g., phone centers).

Tasks will include any developmental activities such as production of materials as well as important launch dates for communication elements. It provides the map that charts your course, enabling timely feedback when you have wavered or need to take corrective actions. It

certainly incorporates planned evaluation activities, ensuring they get implemented.

Formats for plans vary from simple schedules incorporated in the executive summary of the marketing plan to complex ones using special software programs. The ideal plan identifies major activities that would be undertaken over a period of one to three years.

## Summary

The process of developing a marketing plan may be as important as the plan itself.

By design, it encourages strategic thinking, beginning with establishing a purpose and focus for the plan and a description of “Where we are.” This then leads to identifying “Where we want to go,” expressed in terms of marketing goals and objectives. Strategies are selected for “How will we get there,” including choosing target markets, a desired positioning, and a special mix of the 4Ps, a blend especially designed to capture your target market. Don’t wrap up until you have your evaluation and implementation plans in place, outlining “How we will know we’ve arrived” and “How we will keep on track.”

Sharing the plan with others adds even more value, serving as a testament that your actions are based on strategy, that your budgets are aligned with goals, and that you have structures in place that will ensure accountability.

Though presented here as a sequential process, in reality you have most likely experienced or will experience that it is spiral in nature. Don’t be surprised or discouraged if you get all the way to an evaluation plan and find you need to redefine your goals or that you add up the costs of your ideas during the budgeting process and find you need to rethink some of your wild promotional ideas. Remember this is a dynamic management tool, not a dust-gathering document.