**GB530 Brand Extension Marketing Plan: Guide**

**Introduction**

Use this document as your guide to success. All Brand Extension Marketing Plan documents should use 1” margins, 12 pt. font, and include a cover page and a reference page.

For the Brand Extension Marketing Plan Assignments in this class you will not use the usual APA rules which require in-text citations as 1) no marketing plan ever uses direct quoting within its contents, 2) we are making an exception due to the nature of a Marketing Plan Assignment and 3) you will not use double-spacing but instead you will use this document’s formatting.

It is important that you write your Brand Extension Marketing Plan in third person (there is no “I” in a marketing plan), using your own words, and/or paraphrasing instead of direct quoting. Once deposited into the Dropbox for grading, Brand Extension Marketing Plan Assignments are submitted to Turnitin® for a potential plagiarism review, so it continues to be important for you never to use anyone else’s words verbatim.

For each of the Brand Extension Marketing Plan Assignments, you should list, on the reference page, all of the references you used when preparing your plan. Again, you do not need to include the in-text parentheses noting references and timeframes as normally required in our APA Assignments, but you do need to use APA to format your references list. If you have any questions on this exception to using APA, let me know.

All the components of the Marketing Plan are assessed using the following:

Subject Mastery Rubric: Knowledge (Can define major ideas) or Comprehension (Can discuss major ideas) or Application (Can apply major concepts to new situations).

**A MARKETING PLAN IS THE FOUNDATION FOR ALL MARKETING EFFORTS**

## Beginning your Brand Extension Marketing Plan: The Product Proposal

The major project in this course is to complete a Brand Extension Marketing Plan for one new product on the behalf of an existing for-profit organization.

As you begin your project, you need to first assume you have the role of a marketing manager for **one,** **new**, **currently not available from your selected Brand Company**, product on the behalf of a **real, for-profit organization**. Consider this a “brand extension”: you are adding a product to an existing company’s product line.

Think about your selection – the proposal is for a **New Product for a New Market of consumers! Extend the Brand Name into new product markets by offering a “new to the company” product.**

Companies may do this by buying an existing product, or importing a new product and putting their brand name on it – or they develop their own product to compete in the new market.



**Unit 1 BEMP Proposal - What will your project be about?**

**Submit your response to the following questions as a Product Proposal:**

* What is the brand name of your for-profit business/organization?
* What is the new product, not currently in existence, that will generate revenue for which you will prepare a marketing plan and strategy during this class? Give the product a name and briefly describe it.
* Look up “brand extension” in your Kotler text and describe whether your product is considered a line or a category extension.
* How will you acquire information to prepare your marketing plan during this class? What research will you undertake? Be specific.
* Will your new product be marketed domestically or globally? Why?
* Describe the key customer market (who are you targeting?)

**1.0 Executive Summary**

Is to be completed after all other sections have been completed and edited for Unit 6 – see end of this template for what you will complete in Unit 6.

**Unit 2 Identifying and Assessing Marketing Opportunities**

***(You can find a sample marketing plan in your Kotler textbook in Chapter 2)***

**2.0 SITUATION ANALYSIS**

Write a 1-paragraph summary of the current situation – write this section after completing the following sections of the Situation Analysis, but put it in this order.

2.1 Market Summary

(write this section after completing 2.1.1, 2.1.2, 2.1.3, 2.1.4, and 2.2)

In a 1–2 paragraph summary, address:

* What are your target customer groups? Why?
* What are your projections for the growth of this market?

2.1.1 Market Demographics (refer to your Kotler text for helpful definitions/explanations)

* Carefully define the demographic profile of your target market.
* In a similar fashion, define the geographic target area you are choosing.
* What are the behavior factors that will influence your decision-making?
* Define the values and lifestyles (psychographics) of your target market.

2.1.2 Market Needs (refer to your Kotler text to make certain you understand these terms)

* What are the benefits that are important to your customer base? What needs do they have?
* Include both customer needs and the customer value assessment.

2.1.3 Market Trends

* Identify and explain at least three trends that will influence how your customers view your product – these should be trends going on in the industry or the environment; these are trends that your company/product can respond to in some way. Remember: Remember: Trends are long term; fads are short term.

2.1.4 Market Growth

* Is the market growing, static, or diminishing? What are the growth trends?
* What is the evidence? What research are you using to determine market growth?
* How will you address the market if it is growing, static, or diminishing?

2.2 SWOT Analysis (refer to your Kotler text for a thorough explanation of a SWOT analysis)

2.2.1 Strengths – list and describe at least three positive internal aspects that add value

2.2.2 Weaknesses – list and describe at least three negative internal aspects that place you at competitive disadvantage

2.2.3 Opportunities – list and describe at least three opportunities external to your business that will lead to your success

2.2.4 Threats – list and describe at least three threats external to your business that will threaten your success (e.g., it is common to include unexpected acts of nature, government and regulatory concerns, and competition in this section of the SWOT)

2.3 Competition

* Describe your competition.
* Why will customers prefer your product?
* How will you compete with your competition and win?
* What is the marketing mix (price, place, promotion, product, you know them as “the 4 P’s of Marketing”) of at least one of your competitors?

**2.4 Product Offering** (refer to your Kotler text to make certain you understand these terms)

* Product/features/benefits (we particularly care about benefits as these are from the perspective of the target market)
* Describe your Brand Equity Model and say how you will build brand equity for this product/service.

**2.5 Keys to Success**

* List and describe at least three factors that will determine your success.

**2.6 Critical Issues**

* How will you leverage your SWOT strengths and opportunities to your advantage?
* How will you lessen the impact of your SWOT weaknesses and threats?
* Where is your product in the product life cycle and why? Refer to your Kotler text for a definition of a product life cycle.

## Unit 3 ****Marketing Plan: Connecting with the Customer****

**3.0 MARKETING STRATEGY**

**3.1 Mission**

* Establish the fundamental goals for the quality of your business/product offering and customer satisfaction.
* Define your business/product offering.
* What are your fundamental goals? (Fundamental goals are those that you would like to achieve with your new product, either as an individual product or as part of the overall company mission. These are directional goals that provide the overall strategic direction for management planning.)
* State the value proposition. Be sure to look up this term in your Kotler text if you don’t fully understand it.

**3.2 Marketing Objectives**

Include a sentence or two about each of the following:

* What are your specific marketing objectives?
* Market share: what is your growth objective by quarter?
* Market penetration: how do you plan to gain a share in this market?
* Awareness: how do you plan to gain awareness for your product?
* Customer acquisition: how do you plan to grow your customer base?
* Identify a specific, measurable market share and size.

Remember that your objectives need to be quantifiable. In other words, objectives need to have a base point, end point, and time frame so you can research to see if you have reached your benchmarks or if your plan needs adjustment.

**3.3 Financial Objectives**: Skip this section for now. You will do this later.

* 1. **Target Markets** (refer to your Kotler text to make sure you fully understand what is meant by target market segments)
* Identify the specific target market segments you have defined. What are the market niches you hope to capture? Describe.
* Include the rationale behind why these are the optimal target marketing segments. Be specific.

**Unit 4 Marketing Plan - Developing Strong Brands**

**3.5 Positioning** (refer to your Kotler text for definition of terms in this section)

* Describe how your product/service meets the need(s) of your target market segments.
* Describe how you are different from your key competition. What is the most distinguishing feature of your new product?

**3.6 Strategies:** Skip this Section.

**3.7 Marketing Mix**

Product

* What makes your product different from the competition?
* What gives your product more value than the competition?

Price

* How will you determine what price to charge for your product?
* How will go determine what your product is worth?
* How will your pricing strategy set you apart from your competition?

Place

* How do you plan to distribute your product? Do you have alternative delivery methods in mind? If so, describe in detail.
* Will you take responsibility for distribution, or will you reply on an outside firm? How will you decide?

Promotion

* What kind of promotional tools will you use? Describe in detail.
* How will you determine what promotional tactics will work best?
* With a limited promotional budget, how do you plan to gain market share?
* How will you go about evaluating the results of your promotional campaign?

3.8 Marketing Research

* What type(s) of marketing research to you think will work best to get you the information you need to make informed decisions?
* How will you evaluate whether the research is providing you with the results you need?
* Will you conduct the research yourself, or hire an outside firm? Explain why.

Note: Do not forget that you need research to determine if you reached your Objectives in 3.2.

**Unit 5 Marketing Plan - Delivering Value**

**4.0 FINANCIALS**

***4.1 Break-even Analysis***

* When you will break-even?
* Break-even Table/Chart
* Explanation of the Break-even Table/Chart

**TIP**

**Here is a good example of a break-even analysis. This should assist you in your own completion of this section. NOTE: You do not need to use the examples below – look online and use whatever break-even and sales forecast templates you wish to use.**

**NOTE: For annual break-even analysis – ensure you continue your analysis until your profit is 0 or positive. If you end a year with a negative income then that must be carried over to the next year and added to Fixed Costs – thus your break-even point will be further into the future. (Someone must pay for debts owed!) If you conduct a monthly break-even then you must provide the number of months until break even. This will correspond to your sales estimates.**

***EXAMPLE: 4.1 Break-even Analysis***

First year sales revenue for XXX is estimated to be $48,000,000. The average sales price is $100 per unit with the variable expense per unit at $75. This results in a contribution margin of $25 per unit. The sales volume in the first year is estimated to be 480,000 units. Estimated fixed costs for the first year are $20,000,000. Using the contribution margin method, estimated losses in the first year will be $(8,000,000). (Note: this information is for internal use only.)

YEAR 1

|  |  |  |
| --- | --- | --- |
|  | TOTAL | PER UNIT |
| Sales (480,000 items) | $48,000,000 | $100 |
| Less variable expenses | $36,000,000 | $75 |
|  |  |  |
| Contribution Margin | $12,000,000 | $25 |
| Less fixed expenses | $20,000,000 |  |
|  |  |  |
| Net operating income | ($8,000,000) |  |

YEAR 2

|  |  |  |
| --- | --- | --- |
|  | TOTAL | PER UNIT |
| Sales (1,200,000 items) | $120,000,000 | $100 |
| Less variable expenses | $90,000,000 | $75 |
|  |  |  |
| Contribution Margin | $30,000,000 | $25 |
| Less fixed expenses | $28,000,000 |  |
|  |  |  |
| Net operating income | $2,000,000 |  |

At this rate, breakeven will be reached when sales reach 1,120,000 units: 28,000,000 / $100-$75 = 1,120,000 units. This is estimated to take place in the second year. Break-even analysis assumes per-unit wholesale revenue will remain at $100 average. Variable costs are $75 per unit.

BREAK EVEN

|  |  |  |
| --- | --- | --- |
|  | TOTAL | PER UNIT |
| Sales (1,1200,000 items) | $11,200,000 | $100 |
| Less variable expenses | $84,000,000 | $75 |
|  |  |  |
| Contribution Margin | $28,000,000 | $25 |
| Less fixed expenses | $28,000,000 |  |
|  |  |  |
| Net operating income | $0 |  |

***4.2 Sales Forecast: 1st year by month; 2nd and 3rd years by quarter***

(refer to your Kotler text)

* Sales forecast and timing – include charts showing the following: Remember that some products have sales cycles – and whether you are planning for any growth in the market for increased promotions.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Year 1* | *Jan* | *Feb* | *Mar* | *Apr* | *May* | *Jun* | *Jul* | *Aug* | *Sep* | *Oct* | *Nov* | *Dec* |
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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Year 2* | *1st Q* | *2nd Q* | *3rd Q* | *4th Q* |  | *Year 3* | *1st Q* | *2nd Q* | *3rd Q* | *4th Q* |
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* Risks – this is a CRITICAL PART OF ANY MARKETING PLAN – so be sure to give this topic ample attention.
* Most important components of sales performance – this is a CRITICAL PART OF ANY MARKETING PLAN – so be sure to give this topic ample attention.

**4.3 Expense Forecast**

List your expenses for the following items for the next 3 years:

* Website
* Advertising
* Printed Material
* Development of retail channel
* Other (list)

**5.0 CONTROLS**

* How will you monitor expenses/revenue? Identify what methods/reports and how often?
* How will you assess marketing effectiveness?
* How will you assess changes in the market environment?

**5.2 Marketing Organization**

* Roles and Relationships in Your Marketing Functions (who will be responsible and who will implement this Brand Extension Marketing Plan?)

**5.3 Contingency Planning**

* Identify risks in this plan strategy.
* How you will monitor the risks?
* How you will adapt to adversity and changes? What options will you have?

**Unit 5 Communicating Value**

**1.0 Executive Summary**

In 4–6 paragraphs, summarize your Brand Extension Marketing Plan. Be sure to include:

* Product
* Benefits
* Target market
* Customer needs
* Value proposition
* How you would market on a national and global level
* Show an understanding of other cultures, global relationships, and global dynamics in the marketplace

**Go back through each section of your plan and make any appropriate revisions, based on the feedback of your professor during each section grading and/or based upon new information you’ve discovered throughout the process.**

**Submit all of the sections for your final completed Brand Extension Marketing Plan**

References

Here is where you will include all the references you used to prepare your marketing plan. Since a Business Plan is usually primary information sources are not usual – yet sources for data and direct quotes are used. **Do *not* use unverified sources such as Wikipedia as it is not an acceptable graduate school reference.** Do ALWAYS include our textbook and use APA formatting when citing your references on this reference page.

Kotler, P. & Keller, K. L. (2015). *Marketing management* (15th ed.).Upper Saddle River, NJ: Pearson Prentice Hall.