

# Writing a Marketing Plan

## for Your Food Business



Marketing your product and business can feel overwhelming, but it does not have to be. Think about creating a comprehensive marketing plan that helps you identify and formalize your marketing ideas and concepts.

Writing down your plans will help you stay focused and ensure that your marketing objectives align with your overall business goals and strategy. It will help you establish tasks and timelines, and ensure you are using your resources efficiently and effectively. It will also give bankers and lenders a good idea as to how you plan to sustain and grow your business.

Consider using the following eight sections as a guide to writing a comprehensive marketing plan for your food product and business.



### Section 1: Executive Summary

- Your executive summary should always be written last. It should clearly summarize and highlight the key points in each section of your marketing plan.
- Your executive summary should be concise and no longer than one page.

### Section 2: Market Research

- Research the potential market for your food product. Consider using a combination of:
  - primary research, such as field research, interviews, surveys, focus groups, experiments and trials
  - secondary research, such as existing research, published articles, industry blogs and online data
- Collect valuable qualitative and quantitative information that will help you determine if a market exists for your food product.

### Section 3: Branding

- To build a strong brand, you need to define your company's core philosophies, including your:
  - mission statement – define your company's core purpose and focus
  - vision statement – define your company's high-level goals for the future



## Section 6: Marketing Strategy and Action Plan

Before creating a marketing strategy and action plan, review the target market profile you have created. Identify the best ways to make your potential customer aware of and interested in your business and make them want to purchase your food product.

### Product

Describe your product based on your customer's needs and wants. Identify what value your food product brings to the customer in terms of product features, benefits and uniqueness.

### Pricing

- Identify potential objectives when setting your price, including:
  - maximizing profit
  - product positioning (correlation between price and quality) to:
    - encourage customer trials
    - avoid product return or spoilage
    - drive traffic
    - gain attention
    - be competitive
  - who you plan to sell to (e.g., grocery, food service and gift market)
- Determine the cost of goods sold of your food product. Include direct materials (e.g., ingredients, packaging and labelling), and direct labor associated with manufacturing your food product.
- Determine if there is sufficient gross margin between your wholesale cost and the customer's acceptable price range for your business to be sustainable long-term. Your food product price should factor in all potential future costs to ensure your product will remain

priced competitively under changing circumstances. For example, identify if there is adequate room to offer discounts or to cover additional costs, such as freight or selling through a broker, distributor or retailer.

### Distribution Channels

- Identify fast, easy and convenient processes and methods for your customer to find and purchase your food product.
- Make customers feel good about your process and reward repeat purchases to encourage loyalty.
- Identify what type of distribution channel you plan to use to get your food product into the hands of your customer. For example, will you sell your food product directly to your customer or through a broker, distributor, wholesaler and/or retailer.
  - Identify all partners in the distribution channel.
  - Identify the costs associated with each of the partners you will be working with in the distribution channel.
  - Determine how you will package products for shipping.
  - Determine the minimum order size you are willing to ship or deliver.
  - Determine the turnaround time you need to fill orders and get them to your customers.
  - It is expected that you will typically extend credit to your wholesale customers. Determine how many days you are willing to wait to be paid.
  - Determine how late deliveries, back orders or large shipments that need to be broken down will be handled.

### Promotion

- Identify how you will communicate the value of your food product to your customers through your promotional strategy. Your strategy should help you gain new customers, retain customers, encourage repeat purchases and build customer loyalty. Consider using a combination of networking, direct marketing, advertising, news releases, publicity, trade shows and websites to form your promotional strategy. Identify how much you will spend on each type of promotion per year.



## Advertising

- Identify what marketing strategies you plan to use to advertise your food product. Advertising media could include business cards, co-operative advertising with distributors and retailers, online, newspapers, magazines, billboards, radio and public relations.
- Determine the cost associated with each type of media.
- Determine your advertising media budget, the types of media you will use and how often you plan to use each of the type of media.
- Determine who will design and provide content for each type of media you choose. Make sure your communication approach is consistent among all types of media.

## Sales Promotion

- Identify what type of sales promotion(s) you plan to use. Some examples of promotions include in-store sampling, point-of-purchase displays and sales aids, coupons, consumer or wholesale trade shows, direct mail, giveaways, contests, tie-ins, testimonials, referrals and endorsements.
- Regardless of the sales promotion method you choose, ensure that a consistent message is communicated to the customer.
- Determine the cost associated with each method of sales promotion.
- Determine your promotional budget and how much you will spend on each method of sales promotion.
- Identify a customer service policy that will help retain and acquire customers. This could mean creating good press about your level of customer service and promoting it as a benefit of doing business with your company. It could also mean using customer reviews and testimonials in promotions online and in print.

## Publicity and Public Relations

- Identify and participate in activities that will gain public awareness for your food product and company. Publicity can be obtained through featured news articles, interviews, reviews, news releases, testimonials or referrals. This is a great way to promote your food product and company on a small promotional budget.

## Selling

- Create a list of potential customers and contact information.
- Research the benefits associated with dealing with different partners in the distribution channel. Decide how you plan to sell to the customer (e.g., selling directly, or selling through a broker, distributor, wholesaler or retailer).
- Identify any tools and resources you or the person selling your product will need to secure orders (e.g., using sell sheets, factsheets, brochures, offering volume discounts, and budgeting to purchase shelf space).
- Identify what your sales training program will look like.
- Identify how you will track and measure sales.
- Identify what incentive programs you will offer.

## Section 7: Marketing Objectives

- Establish achievable, measurable and timely marketing objectives. Examples of marketing objectives could include increasing sales, building brand awareness, launching a new product and targeting new customers or markets.
- Determine the key performance indicators you'll use to measure your marketing objectives. For example, if your marketing objective is to increase brand awareness, you may decide to track website traffic, social media chatter and referrals.
- Measure and document before, during and after each marketing initiative to ensure that you're receiving positive results. If not, this gives you an opportunity to make improvements to your marketing initiatives and help with future planning.

## Section 8: Financial Projections

- Include the following up-to-date financial information to show financial viability during a specific time period (typically 12-month time period):
  - Market potential – estimate the total population that would be interested in your company's food product.

- Sales potential – estimate the prospective market share your company can realistically achieve for your food product.
  - Sales forecast – estimate future sales revenue spread over a 12-month time period.
  - Break-even analysis – estimate how much your company will have to make before it starts to return a profit.
  - Fixed costs – identify all expenses that your company incurs, with or without producing your food product (e.g., facility rental, utilities, insurance and depreciation).
  - Variable costs – identify expenses you have directly incurred because of producing your food product. Examples include ingredients, labelling, packaging and labour related directly to production.
  - Balance sheet – project your company’s assets, liabilities and shareholders’ equity.
  - Income statement – project your companies revenues and expenses.
  - Cash-flow – show how changes in the balance sheet and income statement affect your company’s cash and cash equivalents.
- Base your projections on your marketing research.
  - Document all assumptions used to determine your financial information.
  - All financial projections should be collected for the same 12-month time period.
  - Create an implementation schedule that lists tasks and deadlines associated with completing your marketing objectives on a weekly, monthly or yearly basis.

## Other Considerations

Throughout your marketing plan, you should include potential risks that your business could face and clearly identify how you will deal with each situation. Some examples of unforeseen challenges could include negative press, new competition, shifts in trends and buyer preferences and regulation changes in terms of packaging, labeling and claims.

When creating a marketing plan, no element of your marketing strategy works in isolation. Information you determine in one area affects the decisions you make in another. You will need to find a balance between your product, price, distribution and promotion. These four elements work together to successfully position your product or brand and gain market share.



### For more information

- Go to [manitoba.ca/agriculture](http://manitoba.ca/agriculture) and click on Food and Ag Processing
- Email us at [mbagrifood@gov.mb.ca](mailto:mbagrifood@gov.mb.ca)
- Follow us on Twitter @MGGovAg
- Visit your local Manitoba Agriculture and Resource Development Office

Available in alternate formats upon request.