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# CAN THE MARKETING PLAN ASSIST BUSINESS PERFORMANCE?

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## ABSTRACT

Taking into account the changes that are taking place over the last decades in the global economy scene (globalization, service economy, Internet, technological changes), this research aims to identify the level of importance of the marketing plan for the growth and survival of the Pharmaceutical industry .

The aim of this research is to define the impact in which Marketing Plan possesses on the competitive position of the firms within the sector in Greece. More specifically the present research identifies how Marketing Plan may help a pharmaceutical firm to develop and enhance its competitiveness. The principle objective of this research was to identify whether effective and efficient Marketing Plan process is implemented in the Greek pharmaceutical

companies, and whether competitive and organizational benefits accumulate from the procedure.

A survey was conducted in order to achieve our objectives with a sample of 42 firms in order to identify the contribution of the pharmaceutical sector in the development, employment and social coherence.. The method used for the quantitative analysis is Factor analysis. The extraction method is Principal Component Analysis with use of Varimax Rotation Method. It is also developed a Multivariable Regression Model in order to forecast the total performance of the organization.

The analysis underlined the importance of the Marketing plan and its ability to improve managers' comprehension of marketing and markets, offering them the capability to formulate strategic and tactical assessments. Planning if managed carefully and closely monitored can offer a number of direct competitive benefits. Moreover marketing plan is a beneficial process for the organization since it provides a crucial aim for decisions and activities and provides a practical indication of marketing decision making.

**Key words:** Marketing Plan, economic environment, Pharmaceutical sector

## **1. Introduction**

Over the recent decades, the dominant change in the world economy is the globalization of markets (Levitt, 1984, Yip, 1992, Barlett and Ghoshal, 2000). The birth and adolescence of the global economy is the result of many other changes that the world has experienced during the last years. Advances in telecommunications (including the Internet revolution), advances in transport and production process advances have led the world toward a single converging commonality (Dunning, 2000). Theodore Levitt (1983) recognizes the impact of the technological changes in the new reality of global economy. The enterprises in all over the world have modified their processes in order to thoroughly exploit the technological advances both in communication and information technology.

During the last decade spectacular changes have been notified in the international economic scene and multinational companies have been turned to a key player. Another sector where the enterprises have been focused in a world level are the commercial and financing transactions, which has lead to an intensive growth of the world trade that has already

exceeded the growth of world production. Even though the risk is too high day by day more and more companies are globalising since it has become a necessity in order for them to survive and grow. In their effort they are supposed to face many obstacles and undertake enterprising risks. As a result of what so called global economy, global mergers and acquisitions and furthermore investment activity and global merchandise exports are increasing rapidly.

The shift towards a more integrated and interdependent world economy has led to intensive competition (Kotler, 2000). Firms are challenging in the arena of the competitive battle that takes place in the international markets that once were thought to be safe. The need for enterprises to find tools that help them enhance their competitiveness towards other enterprises is urgent. In order for the companies to overcome the difficulties that may arise in the global scene and moreover to sustain their competitive position, firms should take into consideration a line of parameters such as: the nature of the product, strategic objectives of the enterprise (both in the short and long run), the external environment, the internal processes within the company, the strength of the competitors etc. The increased rivalry as well as the severe competitive pressure could be overcome with the appropriate Marketing Plan. Shipley (1986) states that the greater the implementation of marketing concepts and Planning, the greater the probability of long term profits and market dominance. At any rate, the Marketing Plan has to be adopted as a Business Philosophy in order to help the company maintain and improve its position in a constantly turbulent, hostile and competitive environment. All the modern enterprises should recognize the importance of Marketing Plan as a tool and stop facing it as being peripheral to the managerial function (Simkin 2000).

The present research aims to identify the level of importance of the marketing Plan for the growth and survival of the Greek pharmaceutical industry. Furthermore, it will seek the terms that the pharmaceutical sector use for their Marketing Plan in order to enhance their competitiveness and their organizational benefits.

The aim in order to examine the case of Greek pharmaceutical sector was whether the Greek enterprises have recognized the necessity that marketing competency plays a significant role greater economy. Moreover, the contribution of the pharmaceutical sector in the development, employment and social coherence inside the European Union and Greece is substantial.

## **2. Literature Review**

### **2.1 The importance of marketing plan**

In turbulent and sometimes hostile market conditions, businesses must respond to environmental changes and adjust their orientation to the new circumstances. Considering this, Mc Donald (1992) underlined the importance of Marketing Plan. Bruno & Leidecker (1988) argue that nowadays businesses fail to succeed because of lack of marketing practice, including Plan and implementation. Jain (1985) has underlined the importance of understanding the marketplace as a means to enable the industry to deal with the environmental changes and moreover and meet the customer's needs .

Kotler (1991) underlines the problems that firms face with marketing and sales because their business-marketing concept is absent or pure. Considering this, the need to understand the effects of good Marketing Plan on the Greek pharmaceutical companies is urgency.

Gray (1991) underlined the importance of differentiating the managerial techniques as not all of them are appropriate to all types of businesses. After the completion of this research, its findings will be of use to pharmaceuticals in the Greek market. Challenges multiply as companies are globalizing and their planning procedures are becoming the core of the strategic management process. Effective Marketing Plan can therefore enable the company to become more reactive and flexible to the marketplace and this is what distinguishes the winners from the losers in the global economy scene (Keegan, 1989). For the majority of the companies development carries with it rigorous pressure for formalizing the Planning procedure.

Start up companies need to conceptualise the market dynamics and its business opportunities; understand the differences between customer and product orientation; recognize the different needs and wants of customers; define their target group, conceptualize the importance of practising a Marketing Plan. The tastes and needs of consumers change and they need to find a competitive advantage in order to survive to the changing reality

## **2.2 Importance of the Marketing Plan**

Marketing Plan is a methodical procedure which involves measuring marketing opportunities and resources, determining marketing objectives and putting in action its execution and control. The rationale for planning has been underlined and emphasizes the necessity for a procedure that is thorough, carefully designed and strictly controlled (Jain, 1993; McDonald, 1999; Piercy, 2000).

Brassington et al (2000) argues Marketing Plan may act as a catalyst between the market's needs and changes and resources and capabilities of the enterprise. An effective and efficient marketing plan should reflect the objectives and the main missions of the company. Possible wrong marketing directions and priorities in the Marketing Plan of the company may have serious consequences regarding the position of the company in the marketplace. The most common threat is a serious loss in the market share of the company. Corporate planning after a detailed scanning on the external and internal business environment could integrate the various objectives among different Strategic Business Units of the company and help the company to gain a more competitive position in the market.

Marketing Plan helps marketers to manage the complexity of the commercial environment in order to decide on critical issues such as: market positioning, product development, promotional activities, distribution channels, target markets, development strategies etc. According to McDonald (1999) better communication and co operation between the various departments of the organization can be achieved.

The majority of the Marketing Plans are annual though their type varies on the type of the business. The Plan can be brand based, regionally (division) based, business unit based or it can cover the entire organization. The review of the Marketing Plan depends on the decision of the administration, it could be re-examined twice a year, when the circumstances require it, mid way its duration or at the period it was meant to cover. Some of the companies faithfully apply the Marketing Plan that they have prepared, other use it as an aid for the comprehension of the market dynamics without necessarily fully applying its content while others apply it partly or not at all, they just prepare it in order to satisfy the requirements of Administration.

The Marketing Plan procedure encapsulates the fundamental elements of a marketing management: marketing analysis, strategic philosophy and determination of marketing mix

plans intended to execute the recommended marketing strategy (Kotler, 1991). Marketing Plan is a methodical procedure which involves measuring marketing opportunities and resources, determining marketing objectives and putting in action its execution and control (Pearson and Proctor, 1994). The rationale for planning has been underlined and emphasizes the necessity for a procedure that is thorough, carefully designed and strictly controlled (Jain, 1993; McDonald, 1999; Piercy, 2000).

### **2.3 Benefits of the Marketing Plan**

The output of Marketing Plan and the mediator procedure contain major communication and relationship benefits states McDonald (1989). Therefore as long as personnel are essentially involved and there is loyalty from administration the output of the Marketing Plan can be an asset for the company. Via Marketing Plan a deeper understanding of the marketing concept, philosophy and the basic ethos of marketing management can be achieved.

According to Jobber (2001) Marketing Plan is a beneficial process for the organization since it provides a crucial aim for decisions and activities and provides a practical indication of marketing decision making. Furthermore, it encourages people to set new objectives and motivates them to achieve more goals and raise their standards that otherwise would have lower standards. The Marketing Plan process encourages the procedure of finding a competitive advantage via the scanning of the marketing mix of the company. In reference to McDonald (1999) the organizational adaptation to the business environment is encouraged through the Marketing Plan procedure. Moreover he states that since adaptive capability is linked to better performance the acceptance of the inevitability of changes is very important.

Brassington et al (2000) states that several benefits could be gained from a complete Marketing Plan mainly attributed with the development, the control and the co ordination of the marketing activity. In terms of the development a Marketing Plan helps to the better allocation of resources, recognizes available options and offers solutions in order to handle the continuously changing environment. An efficient Marketing Plan raises fundamental issues regarding the resource allocation (issues concerning the build, hold, harvest and divest tactics). It supports the monitoring of changes by encouraging managers to review regularly the impact of changes in the business environment. Moreover it helps to analyze the environment and identify the main strengths and weaknesses.

In terms of the co ordination it makes clear of the objectives and makes specific what is expected. Inherent in this process is the reduction of internal rivalry and manages to integrate different areas. In addition an important task is that it communicates the various goals and plans to the staff. Inherent to the process are as well improved internal communication and co-operation, advanced understanding of corporate priorities, enhanced confidence and motivation via the preparation and sequenced actions that have to be followed, along with the superior level of related marketing intelligence which helps decision making and progress of marketing strategies Kotler, (1998).

Finally in terms of the control offered via Marketing Plan it allows remedial evaluations to be taken soon, it can provides the management with warnings in case that something is not going the right way and in deed it can ensure that the targets are going to be achieved. According to Yip (1989) planning if managed carefully and closely monitored can offer a number of direct competitive benefits such as: enhanced market share performance, better communication among executives, and effectiveness in product development, improved product quality and declining manufacturing costs. Both competitive and organizational benefits should be viewed holistically. Moreover Marketing Plan can improve managers' comprehension of marketing and markets, offering them the capability to formulate strategic and tactical assessments (Leeflang and de Mortanges, 1996; Simkin, 1996a, b).

## **2.4 Pharmaceutical versus Consumer Markets**

Pharmaceutical markets differ in several critical issues from consumer markets. To illustrate the above we should refer that the patient that use the medicinal product in most of the cases is neither the buyer nor the decision maker. Moreover in the pharmaceutical market issues such as regulatory, ethics and liability considerations are of major importance than in the case of super markets for example. In addition price sensitivity and brand loyalty are not so important in the pharmaceutical market than in any other market taking into consideration that the product is a totally inelastic one. Many customers continue to purchase brands of medicines that they have been given in their childhood just because they trust the trademark. In many cases it is very difficult to persuade customers to switch to something different once they trust one brand and they believe that it works for them. As a result, companies are trying to maximize their brand loyalty by expanding brands into new areas. The consumer is the



decision maker in the consumer market but in the pharmaceutical market this is not always true. It is the medicinal practitioners who have a unique and often multiple roles in the purchasing procedure of medicinal products even though the patient is the ultimate user. Medical practitioners are usually the decision makers who take the buying decision for their patients, or they might play the role of opinion leader, influencer or gatekeeper Jain (1993).

In the pharmaceutical market the degree of government regulation is advanced than in a common consumer market. Considerations regarding liability are also higher in the pharmaceutical market than in a consumer market. Ethical issues arise in the case of pharmaceutical market more regularly than in a consumer market. Regarding the R&D, in the case of pharmaceutical market without no doubt it is more complex and more costly than in a consumer market. Finally in the pharmaceutical market the price sensitivity is lower than in a consumer market (Kotler and Clarke, 1987). The pharmaceutical market many issues arise that are of vital significance for the sector such as: a) R&D necessity which leads to investments often exceeding the 20% of the total annual revenues of the company, b) the responsive subject of patient rights, c) more severe regulations compared to other markets d) ethical issues (e.g. animal welfare and ecological protection), liability matters, and brand loyalty, e) price sensitivity topics.

### **3. Trends and issues affecting the pharmaceutical sector.**

The market of medicines can be influenced by many factors. Some of the factors are population trends, lifestyle, life expectancy, drug misuse, and employment trends and National Health System (NHS), which plays a very important role because it reimburses a major part of prescriptions and can also influence the OTC sales.

Lifestyle affects the market of the pharmaceutical products. Nowadays people seek a more healthy way of life. This could lead to a fall in the demand of medicines. But the healthier people they become their expectations rise and this results again in more demand for medicines. Population trends have an important effect on most of the commercial markets, and indeed the pharmaceutical markets. Changes in population can affect the pharmaceutical market. The older people are more likely to need medicines than the younger ones.

### **3.1 The Pharmaceutical Industry globally**

Regarding the consumption and the expenditure on medicines in the countries of OECD, an augmentative tendency is observed during the last 20 years, with our country to constitute the exception. The total expense for medicines between the countries of OECD oscillates from 0, 7% to 2, 2% GNP with the mean in 1,2%. As part of the total expenditure on health the pharmaceutical expense represents an average of 15,4%. The share that corresponds in the GNP has been increased almost 50% from 1970, which means that in real terms the increase of the pharmaceutical expenditure each year was 1,5% more than the GNP.

However, since the early 1990s, the research-based pharmaceutical industry in Europe has been losing competitiveness with respect to the US. Data for 2002 and 2003 confirm the vulnerability of Europe's research-based pharmaceutical industry. Benchmarking and performance indicators show that the US has continued to increase its relative position as a focus of innovation. In 1990 the European market was the world's largest market with a 37.8% share (against 31.1% for the North American market); in 2004, North America accounted for 49.2% of the world pharmaceutical market, against 27.8% for the European market. Apart from improving public health and driving medical progress the E The pharmaceutical industry is one of Europe's best performing high-technology sectors. It performs well on most standard measures, such as production, value added, high skill employment, R&D and trade surplus. Rapid as well, are the developments that are taking place in the international market of the pharmaceutical industry, taking into account the forecasted rise of market, the high technology of health, the publicity, the electronic trade, but also the economies of scale that are promoted after the big fusions that were observed in the world pharmaceutical market during the last decade. The pharmaceutical industry in Europe represents one of the most efficient and productive sectors of high technology. The European pharmaceutical sector has increased its production (almost over triple in 2003 comparing to 1990) while the commercial balance is positive.

### 3.2 The Greek Pharmaceutical Market

The pharmaceutical enterprises operates in the Greek market in three different ways, either as affiliated companies of multinational enterprises, or as Greek enterprises that collaborate in various ways with foreign pharmaceutical industries and finally as Greek enterprises that work independent and circulate generic medicines, in other words medicines whose patent has expired.

The increased consumption and expenditure on medicines are influenced by the following defining factors: The demographic structure of population of a country and mainly the ageing of population, the degree of cover of population and social teams from the pharmaceutical care, the increase of GNP, the available income and standard of living in general. In addition, some other very important factors that influence the pharmaceutical expenditure as well are: the appearance of new illnesses, the prices, the development of Medical science, the growth of new treatments and the high technology of health.

According to the Family Budget Survey which was conducted in 2004 the average monthly household expenditure regarding health and medication expenditure in Greece was 6.8% of the total household purchases. In more details, of this amount 24% was spent on physicians' services, 15% on pharmaceuticals, 32% on dentists' services, and 12% on expenditure for hospitalization.

Both vertical increase of parallel exports and increase in the consumption of medicinal products in Greece have resulted in a prominent increase over the last 6 years. There has been a 57% increase in total sales of medicinal products in DDDs per 1,000 inhabitants per day ranged from 704 in 1999 to 1,105 in 2004 (the most recent year of available data). The increase of the sales in value between 1999 and 2004 has reached a percentage of 115% in value and 36% in quantity.

Finally, the study realises that in Greece correspond 1.143 residents per drugstore, the bigger proportion in the EU However, the proportion of pharmacist per drugstore is to contrary to other countries that are bigger. Also, Greek drugstores have the smaller medium surface in the EU, 47 tm. Regarding the quantity, the sales of medicinal products imported in 2004 reached 165 million units, a quantity analogous to 38% of the total sales volume. The quantities imported in 2003 and in 2004 varied by 12%. In 2004, the sales volume of the medicinal products manufactured in Greece were 223 million units (i.e. 51% of

the total sales volume). The other 11% refers to medicinal products packaged in Greece (45 million units).

## **4. Research Methodology**

### **4.1 The sample**

For the present survey the Simple Random Sampling method was used. Under this sampling scheme the sample size was fixed to 60 companies. For them 42 responded to the questionnaire (response rate about 70%). For selecting the data the face-to-face or personal interviews collection method was used.

### **4.2 Questionnaire Design**

For the needs of this survey a questionnaire was designed. The questionnaire included 17 closed formats multiple choice or Likert scale questions. In the present questionnaire the each grade of the five-scale measure indicates: 1= (Strongly disagree) to 5= ( Strongly agree). The questionnaire can be separated in four parts.

The first part includes questions about the company's profile. These questions indicate:

*The size of the company, Company's performance, Responder's profile*

The second part includes questions about the company's strategy and business plan. These questions indicate: *Company's Business Plan, Company's Strategic management*

The third part includes questions about the Marketing Plan. These questions indicate:

*The existence of Marketing Plan within the company, the contains of Marketing Plan*

*The implementation of Marketing Plan within the company, the control (review) of the Marketing Plan.*

The last part includes questions about business environment. These questions indicate the changes that have taken place in the business environment and the reaction of the company towards them. The present research is conducted from May 2005 to September 2005.

### **4.3 Statistical Techniques**

For the purpose of this research descriptive statistics is used in order to summarize using a median or a mode. To investigate differences between (the medians of) comparable groups use non-parametric methods e.g.:

- for two unrelated samples – Mann Whitney test is used ;
- for paired samples – Wilcoxon signed rank test is used;
- for three or more independent samples – Kruskal Wallis testis used.

Investigating associations between two different sets of observations the chi-square test of association is used.

Factor analysis is used in order to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables as well as Linear Regression in order to estimate the coefficients of the linear equation, involving one or more predicting variables that best predict the value of the response variable.

### **4.4 Descriptive Analysis**

We have used a sample coming from 42 pharmaceutical companies. As far as the property status of the companies is concerned, the greater part of the sample is Purely Foreigner (26 cases) followed by the Purely Greek (15 cases) and only one case was Foreigner at majority. The companies used show diversity to the number of employees (17%: less than 50 persons, 55%: 51 to 300 employees and 28%: more than 301 persons).

Taking into account the property status of the company and also the amount of employees engaged at each company, we can see our sample at Table 1. The mean of employees for “Greek” and “Foreigner” companies is 314 and 202 persons, respectively.

**Table 1. Number of employees by company's property status**

	Property status		
	Purely Greek 100%	Purely foreigner 100%	Foreigner at majority
1- 20 persons		7,7%	
21-50 persons	6,7%	15,4%	
51-100 persons	33,3%	30,8%	
101-300 persons	26,7%	23,1%	
301-800 persons	13,3%	23,1%	100,0%
Up to 800 persons	20,0%		

More than 50 % of the Greek companies of the sample operate for more than 25 years and the respective mean value is about 23 years. For the Foreigner companies of the sample the corresponding numbers are 18 years and 16, 4 years, respectively.

More than 85% of the companies have a turnover of more than 15 million euros while in particular the 95% confidence interval of turn over for the Greek companies is between 32-64 million euros and the same confidence interval for the Foreigner companies is between 21-41 million euros.

To sum up we can see that almost the 83% of our of sample of the pharmaceutical companies that operate in Greece engage more than 51 employees each, more than 50% have managed to remain at the sector for more than 25 years and almost 85% of our sample have a turnover of 15 million euros.

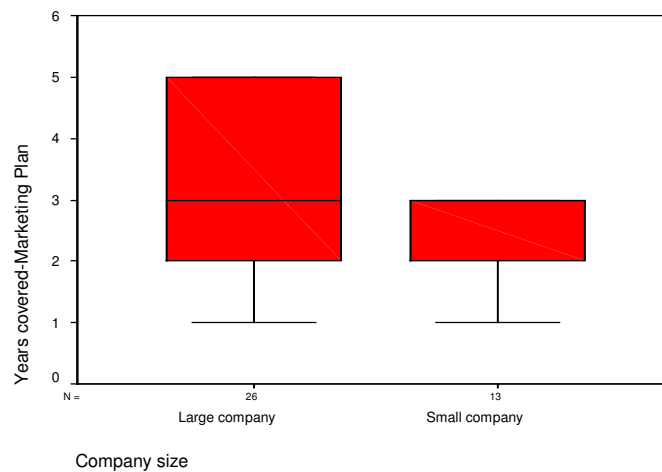
For the purpose of our study we split the companies in two subgroups according to the turnover they had (“Large Companies”: turnover more than 15.000.000 euros and number of employees more than 100, “Small Companies”: turnover less than 15.000.000 euros and/or number of employees less than 100).

Asking the companies about the development of a Marketing Plan and the main characteristics of this the 93% of the responders answered that their company prepares a Marketing Plan. This result shows that the Marketing Plan has become a useful tool to their organizations.

The duration of the Marketing Plan for the 70% of the companies is less than three years, which is in accordance with the international practice. The average duration of the Marketing Plan is 3,2 years, ranging from 3,3 years for the large companies to 2,8 years for the smaller ones, though this difference was not found to be statistically significant (t test, p value >0.05).

Below, at Figure 1, we can see the box-plots that refer to the duration of the Marketing Plan for large and small companies.

**Figure 1. Box plot for the duration of Marketing Plan for large and small companies**



It should be mentioned that the largest proportion of the companies that evaluate their performance as successful seem to prepare a Marketing Plan with a duration of more than 3 years (Table 2), though the results of the research do not verify a statistically significant connection (chi square test of independence, p- value >0.05).

**Table 2. Relation between duration of MP and sales growth**

Years covered by Marketing Plan	Medium annual sales growth	
	Better results	Worse or the same results
Less than 3 years	18%	13%
More than 3 years	46%	23%

In a business sector, which is characterized by strong competition, the comparative advantage of the companies is derived not only from the monitoring and reaction to actions of rivalry but also from the level of customer satisfaction. The companies in order to achieve the above mentioned strategic goals, they have developed specific internal procedures, as the measurement of the level of customers' satisfaction, the development of after sales service, the monitoring of the competitors weaknesses and actions. Taking into account the size of the companies it has been observed a difference on the way the large companies of the sector pay

attention to the actions of the competition, to the orientation of the various departments on serving customer's needs and requirements along with the application of methods with main purpose the measurement of customer satisfaction (Mann – Whitney, p-value= 0.017). The smaller businesses mainly due to cost restrictions cannot support equivalent programs.

As far as the business environment is concerned , we can see that the main changes on the attitude of the existing companies focus basically on the change of the sales strategy, the promotional activities and the exit of the companies from the sector. Examining the reaction of the companies to the changes of the business environment there was not found any statistically significant differences (Kruskal Wallis and Mann - Whitney non parametric tests). Long term drawings of the business reflect the mission and the vision of the company, something that should always be taken into account in the Planning process (more than 90% accept that point of view). Companies that take into account long term drawings while designing the Marketing Plan appear to have positive performance regarding their profits and their sales growth compared to their competitors. Nevertheless, the above factor cannot be determinant on its own.

The budget set for the Marketing Plan should be precise and flexible at the same time. Flexible enough to cope with changing circumstances but precise as well to justify the resources requested. The mainstream of the respondents (more than 80%, equally in large and small companies) support that the Marketing Plan of the Business is affected by the Budget that has been set for the Marketing Plan. Companies that take under consideration the strict guidelines set concerning the Marketing Budget seem to have as well positive results in the performance of the company regarding the sales and the profits of the company, though this factor only cannot be determinant on its own.

Examining the external strategic issues that may arise is another issue that should be done in a systematic base since the conditions in the external environment may change and therefore have an impact on the implementation of the Marketing Plan. Most of the respondents (almost 70%, identical opinions for customer oriented and competitor centered companies) share that opinion. A differentiation appears between large and small companies of the sector, indicating that large companies pay more attention to the external strategic issues than the smaller ones.



Again companies that take examine the external strategic issues while designing their Marketing Plan appear to have positive results in their performance in the field of sales and profits, though this factor once again cannot be determinant on its own. Marketing Plan is a continuous, dynamic process and not a static one. Bearing that in mind, companies should adjust their strategies to the new environmental conditions and this should be reflected to the Marketing Plan of the company. More than the half sample agrees to that point of view (similar opinions for small, large, customer oriented and competitor centered companies).

Companies that take under consideration this factor tend to have positive results in their sales and growth performance, though this factor doesn't seem to be statistically significant. The performance of the company is closely linked to the level of customer satisfaction that the company offers, though it is mostly utilized by the customer oriented companies. Tracking and measuring customer satisfaction is of vital importance due to the existing intensive competition. Businesses that do take into account the customer satisfaction when designing their Marketing Plan appear to have positive results (nearly 30%) mainly attributed to their profits and their sales but again in this occasion this aspect on its own cannot be determinant (statistically significant) for the performance of the company.

Furthermore, companies should bear in mind the Internal Company procedures since they reflect the dynamics of the company and the way the company operates. Therefore, Planning should comply with the existing internal company procedures, so as not to be a vague. Another imperative factor for the success of a Marketing Plan is the control and the evaluation of the performance trends in order to ensure that the Marketing Plan is well applied and that the outcomes will be the expected ones. However, a great percentage of the responding companies consider neither the existing internal procedures of the company nor the regular control of performance trends as of major importance for the design of the Marketing Plan. Nevertheless, the companies that do take into account the internal procedures while they design their Marketing Plan appear to have a statistical significant benefit regarding the growth in the market share (but not in the growth of profit) and the 40% of the companies which pay attention to the monitoring of the performance trends, look to have better profit and market share performance.

The existence of reports that compare the results of each activity of the Marketing to the aforementioned objectives and resources is an imperative in order the Marketing Plan to be

efficient and effective. This is unfortunately followed only by the competitor oriented companies, while the customer oriented companies hardly take it into account when designing their Marketing Plan. To continue with the application of the Marketing Plan, a great extend of application to the companies (62 % for the large companies and 57% for the small companies). At Table 3 we see that the relation between the level of application and the performance of the Marketing Plan is rather significant (especially among the large companies of the sector).

**Table 3. Cross tab between Performance and Percentage of application**

	Performance	
Percentage of application	Better results	More or less the same results
Less than 60%	5%	19%
More than 60%	57%	19%

In a regular base the Marketing Plan is redesigned twice a year for the 50% of the responders. It should be mentioned that the companies that re-examine their Marketing Plan seem to have a greater level of application. Therefore we can easily come to the conclusion that the companies with organizational infrastructure and a philosophy to use such tools, in most of the cases they manage to make better use of it.

#### **4.5 Multivariable Regression Model**

Finally we tried to develop a statistical model to forecast the total performance of the organization. For our case, we used the Multivariable Regression Model having as dependent variable the total performance of the organization (mean value of the opinion about the sales, the market share and the profits) and independent variables the Marketing Plan contents, the rate of marketing Plan implementation and when the marketing plan is redesigned.

We began by performing a Reliability analysis for the questions that form the variable Marketing Plan, the results of which are presented at Table 4.

**Table 4. Reliability analysis Table**

Method 1 (space saver) will be used for this analysis \_

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

Item-total Statistics

	Scale	Scale	Corrected	
	Mean	Variance	Item-	Alpha
	if Item	if Item	Total	if Item
	Deleted	Deleted	Correlation	Deleted
Q12_3	17.3171	6.5220	.3466	.6498
Q12_4	17.5610	6.3524	.3578	.6470
Q12_5	17.4878	6.6061	.3759	.6403
Q12_6	17.6585	5.5805	.4950	.5955
Q12_7	17.7561	6.4390	.3800	.6387
Q12_8	17.5854	6.0988	.4589	.6116

Reliability Coefficients

N of Cases = 41    N of Items = 6    Alpha = 0,6728

#### 4.6 Factor Analysis

Then we performed a Factor Analysis (Table 5) for the six questions that remained from the previous procedure concerning the marketing plan contents, where finally three factors were constructed (Table 6).

**Table 2. Factor Analysis - Total Variance Explained**

Component	Total Variance Explained					
	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.465	41.092	41.092	1.695	28.247	28.247
2	1.150	19.159	60.251	1.556	25.935	54.182
3	1.006	16.766	77.017	1.370	22.835	77.017
4	.697	11.611	88.627			
5	.394	6.569	95.196			
6	.288	4.804	100.000			

Extraction Method: Principal Component Analysis.

The extraction method used for the factor analysis is Principal Component Analysis with use of Varimax Rotation Method. The variance explained by these three factors is 77.02% of the total variance of the variables.

**Table 6. Factor Analysis – Factors**

Factors	Variables
<b>Factor 1: Macro environment</b>	When we draw the Marketing we examine various external strategic issues
<b>Factor 2: Internal Processes</b>	The Marketing Plan is a continuous process
	Marketing Plan takes into consideration customer satisfaction.
	We draw the Marketing Plan taking into account the existing internal company procedures
<b>Factor 3: Marketing Plan Monitoring</b>	We closely monitor performance trends of all Marketing activities.
	We publish reports comparing results of each activity of Marketing to the aforementioned objectives and resources.

The results of the Multivariable regression model are presented at Table 7.

**Table 7. Regression Model coefficient**

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,463	,802		3,071	,005
	FACTOR_3	,129	,090	,241	1,423	,168
	Examination of various external strategic issues	-,306	,184	-,289	-1,656	,111
	Marketing Plan-Extent of application	,432	,132	,635	3,278	,003

Unfortunately this model explains only the 48.2% of the total variance (R square), fact that indicates that this model is not very efficient for our purpose and data.

## 5. Conclusions

According to the results of the research, regarding the existence of the Marketing Plan the majority of the firms design and apply a Marketing Plan. Moreover it is considered as a useful tool among the companies as the largest proportion of them companies prepares a Marketing Plan with duration more than 3 years. Customer satisfaction and actions of the rivalry are considered as main factors to the design of the Marketing Plan. The importance of the aforementioned factors is reflected in the internal procedures of the company. Regarding the environmental analysis the majority of the firms recognize several factors that result in various changes both in the internal and external business environment. For example various changes appear in the entrance and exit of competitors from the market, along with changes in sales and marketing strategies followed.

Moreover we should underline that during the preparation of the Marketing Plan various issues are taken into consideration such as the existence of long term drawings within the Marketing Plan, the strict guidelines set regarding the Marketing Budget, the examination of various strategic issues, the Marketing Plan as a continuous process, customer satisfaction as a priority, the effect of the existing internal company procedures in the design of the Marketing Plan, the performance trends of the Marketing activities along with the reports examining this performance. All the above factors are very important for the success of the company and bearing them in mind while designing and applying a Marketing Plan seems to lead to better performance regarding the market share, the sales and growth. The result is that

organizational benefits can be realized from the completion of the contents of the Marketing Plan.

Regarding the revision and the implementation of the Marketing Plan we concluded that the Marketing Plan is not just a typical tool but it's been applied to a great extent. The relation between the level of application and the performance of the Marketing Plan is rather significant especially among the large companies of the sector. Moreover it should be mentioned that the companies that re-examine their Marketing Plan seem to have a greater level of application. Therefore the companies with organizational infrastructure and a philosophy to use tools such as Marketing Plan in most of the cases they manage to make better use of it.

The analysis underlined the importance of the Marketing plan and its ability to improve managers' comprehension of marketing and markets, offering them the capability to formulate strategic and tactical assessments. Planning if managed carefully and closely monitored can offer a number of direct competitive benefits. Moreover Marketing Plan is a beneficial process for the organization since it provides a crucial aim for decisions and activities and provides a practical indication of marketing decision making. Via Marketing Plan a deeper understanding of the marketing concept, philosophy and the basic ethos of marketing management can be achieved.

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