

FIFTH EDITION

# The VIRGIN Marketer

Create Your  
Market Plan

Noel Capon





## about the author



Noel Capon is R.C. Kopf Professor of International Marketing and past Chair of the Marketing Division, Graduate School of Business, Columbia University. Educated primarily in Great Britain, Professor Capon earned B.Sc. (First Class Honours, Special) and Ph.D. degrees

in Chemistry from University College, London University. He also received degrees in Business Administration from Manchester (Dip. BA), Harvard (MBA), and Columbia (Ph.D.) Business Schools.

Professor Capon joined the Columbia Business School faculty in 1979. Previously he served on the faculty of, and received tenure from, the University of California (Graduate School of Management, UCLA) and was also Marketing Department Chair. He has taught and/or held faculty positions at Harvard Business School; Australia — Monash University; England — Bradford Management Centre, London Business School, Manchester Business School; France — INSEAD; Hong Kong — Hong Kong University of Science and Technology (HKUST); China — China European International Business School (CEIBS — Shanghai), Marketing and Innovation College (MIC) — also Honorary Dean, Beijing; India — Indian School of Business (ISB — Hyderabad).

Professor Capon has published more than 80 refereed articles and book chapters, and is editor for sections on Marketing, and Sales Management and Distribution, in the *AMA Management Handbook* (1994). He has published more than 40 books plus three video books.

Professor Capon teaches in Columbia's full-time MBA and Executive MBA (EMBA) programs and its partner program with Hong Kong University and London Business School. He is a pioneer in developing video teaching materials and teaching via the *flipped classroom*. Professor Capon was Founding Director of Managing Strategic Accounts and the Global Account Manager Certification program in conjunction with St. Gallen University (Switzerland). He is a director of the Strategic Account Management Association (SAMA). He founded the Advanced Marketing Management Program in conjunction with CEIBS. Professor Capon also designs, directs, and teaches in numerous custom programs for major corporations globally. In 2001, Professor Capon cofounded The Chief Sales Executive Forum, offering multiple educational opportunities for sales and account management leaders. Capon is a director of the Strategic Account Management Association (SAMA), Founder and Chair of Wessex Press, and Chair of LunaCap Ventures, a venture capital firm, and Chair of LunaCap Foundation, a charitable organization that supports military veterans and those of Mexican descent, at top-tier business schools globally.

## *The Virgin Marketer: Create Your Market Plan*

*The Virgin Marketer: Create Your Market Plan* (TVM) is a companion volume to three textbooks: *Managing Marketing in the 21st Century* (MM21C), *Capon's Marketing Framework* (CMF), *Capon's Marketing Essentials* (CME). As you read and study the material in your textbook, we hope you will learn a lot about marketing. But no matter how much effort you put into your text, and how good a job we have done with MM21C, CMF, CME, that is really only a start. You will only begin to live and breathe the marketing philosophy by getting your hands dirty and actually *doing* marketing. That is the purpose of *The Virgin Marketer: Create Your Market Plan*.

The material in TVM has a very long pedigree. Many well-known domestic U.S. and multinational firms have used selections and/or variations of the frameworks presented here to develop actionable market plans. TVM has guided the development of market plans for well over 30 organizations, large and small, established firms, and entrepreneurial start-ups. We list these organizations in Appendix 1.

In the chapters that follow, we guide you through the market planning process, from analysis, through transition to action (ATA). We focus on marketing as a philosophy, six marketing imperatives that encompass the marketing job, five marketing principles, and the insights each marketer must secure to be successful. We use many examples that best describe each of the important ideas. In TVM, you, the reader, choose the firm, business, or other organization that is most interesting or meaningful to you. We want you to select a marketing case to try out your new knowledge, so that you can develop and hone your marketing skills. We designed the material in Appendix 2 to help enhance your intellectual capital.

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## Preamble

The main purpose of the preamble is to state the topic of your marketing case in a way that frames your analysis, and recommendations. You should state very broadly the product/market arena you are addressing.

Here is where you provide background on your chosen firm/business. Depending on the focus, you may provide corporate/business level information. If your marketing case is a startup, some of the following items do not apply. You must make your own decisions. Note that the entirety of TVM assumes that the firm has already completed an opportunity identification process, and settled on your chosen product/market as representing a viable opportunity.

Information that you should provide in the preamble includes:

- **Product/market arena**
  - The product/product line you are considering: How it works, how customers use it
  - Broadly defined, the market for the product/product line
- **Background to the firm/business**
  - Size information: For example — revenues, assets, employees, budgets
  - Organizational outputs: products — goods, services
  - Organizational inputs: capital equipment, raw materials, human resources
  - Technologies employed
  - Employee skill levels
  - Organization design: how various departments are related; who reports to whom. If possible, include an organization chart.
  - Recent significant corporate events: For example — acquisitions, divestitures, strategic alliances, lawsuits, leadership changes
  - Any other information you believe is pertinent to your marketing case
- Performance data for the previous few years — revenues, profits, stock price — Figure PA.1

The purpose of the preamble is not to disclose confidential information. Rather, it sets the stage for your analyses in the chapters that follow: The preamble provides the reader with a framework within which to evaluate those analyses.

FIGURE PA.1 Historical Financial Results

	Year - 5	Year - 4	Year - 3	Year - 2	Year - 1
Sales revenues					
Cost of goods sold					
Gross profits					
Expenses					
Net profits					
Assets					
Stock price range					
Number of employees					

in each chapter there are frameworks,  
often presented in the form of  
templates to fill out; these templates  
help you formulate good questions  
and to organize your ideas

**preamble** — the purpose of the preamble is to state the topic of your marketing case in a way that frames your analysis; here is where you provide background on your chosen firm/business

## Chapter 8: External Forces

### A. EXTERNAL FORCES

In addition to market forces — competitors, complementors, supply chain, publics — that directly affect the firm, managers must also consider a set of external forces impacting both the firm/business but also customers, plus the various market entities. We term these **PESTLE** forces — Political, Economic, Sociocultural, Technological, Legal, Environmental (physical).

- In Figure 8A.1, identify important exemplars of these forces you expect to impact your firm/business (also, the various market entities) over the next three to five years. (For example, potential economic exemplars may include interest rates, exchange rates, inflation.) Identify the potential impact of these forces on your firm/business.

FIGURE 8A.1 Environmental Forces Analysis

Planning Horizon: 3 to 5 Years

Force	Important Exemplars	Potential Impact on the Firm/Business
Political		
Economic		
Sociocultural		
Technological		
Legal/Regulatory		
Environmental (physical)		

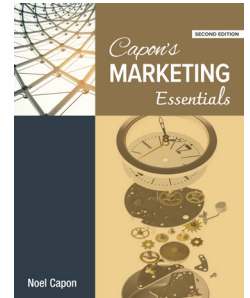
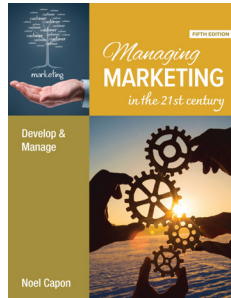
- Figure 8A.2 summarizes each external force and its effect. (Think of a newspaper headline.)

FIGURE 8A.2 PESTLE Forces Summary

Planning Horizon: 3 to 5 Years

Force	Summary of Impact of External Force
Political	
Economic	
Sociocultural	
Technological	
Legal/Regulatory	
Environmental (physical)	

The *Virgin Marketer: Create Your Market Plan* (5e) — companion volume to *Managing Marketing in the 21st Century* (5e), *Capon's Marketing Framework* (5e), *Capon's Marketing Essentials* (2e)



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New York, NY 10018  
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