**Situation analysis.** In a marketing plan, *situation analysis* is the determination of a firm’s current marketing situation. It answers the basic question “Where do things stand right now?” and serves as a snapshot of the business’s current state of affairs as related to marketing.

Situation analysis is an important and time-consuming component of a marketing plan. It covers the following key areas, which are sometimes referred to as the 5 C’s:

- **Company** (the organization itself)
  - What are the company’s overall goals?
  - What is the company’s organizational culture like?
  - What goods and services does the company currently produce?
  - What are the features and benefits of the company’s goods and services?
  - What makes the company unique?
  - What is the company’s current financial situation?

- **Customers** *(target market)*
  - What is the size of the company’s current target market?
  - What are the *demographics* (defining characteristics) of the current target market?
  - What are the purchasing behaviors of the current target market?
When entering a new target market, it is important to carefully research demographic information, such as median income, that might impact marketing strategy.

Desired target market. Next, the marketing plan should include a section identifying the target market the company desires to reach. If the plan is not written for a new target market or a new product, it may not need to include this particular section. For example, Madelyn’s courier business targets other small businesses (having 50 or fewer employees) in the city. She provides information about this target market in the situation analysis portion of her plan—she does not need to repeat it here. However, for a bigger company entering a new target market or introducing a new product, further information will be needed.
There are many different types of marketing objectives that a company can set for itself. They can relate to issues including target markets, promotions, channels of distribution, and even the research and development of new products. A marketing plan may even include different sets of objectives for different groups within the same target market. A company may set different goals for reaching new customers, for instance, than it does for reaching existing customers.

The marketing objectives section also mentions any issues that might affect the organization’s ability to reach its goals. Examples of these types of issues include a competitor coming out with a similar product or a predicted downturn in economic activity. The plan should address how the organization will overcome these obstacles with its marketing programs.

**Marketing strategies and programs.** Here is the heart of the marketing plan. This is usually the longest section of the plan, taking up 50 percent or more of the overall length. The plan’s authors may start out by identifying a general marketing strategy, such as growth (i.e., obtaining a bigger market share), stability (i.e., keeping the same market share), or market exit (i.e., taking a product off the market before introducing a replacement).