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Разработка плана маркетинга

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В силу внешних и внутренних факторов ситуация на рынке может быть очень нестабильной, поэтому все предприятия должны уметь адаптироваться к изменчивым правилам игры на рынке. Другими словами, план маркетинга и стратегия любой компании должны быть всегда готовы к любым изменениям. План маркетинга является главным ориентиром для любой компании, поэтому он должен в наименьшей степени зависеть от внешних факторов. С сильным планом маркетинга компания может быть уверена, что ресурсы компании используются наиболее эффективным образом, и компания следует в правильном направлении. Менеджмент компании должен всегда оставаться чутким к любым изменениям и новым тенденциям на рынке, чтобы была возможность вовремя изменить направление.

Отвечая на вопрос: "Почему план маркетинга так важен?". Хотелось бы выделить следующие факторы:

1. План маркетинга определяет чёткое направление деятельности компании.
2. План маркетинга даёт четкое видение любому отделу какие цели являются наиболее актуальными для компании в данный момент.
3. План маркетинга позволяет разобраться в особенностях маркетинговых исследований, анализа клиентов, планирования производства, продвижения, распределения и ценообразования.

Ключевые слова: маркетинг, стратегия, стратегический менеджмент, план маркетинга, маркетинговое планирование, инструменты маркетинга, анализ рынка, эффективность, разработка, управление.

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Marketing plan development

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According to various external and internal factors market is very unstable, all businesses should be adaptive towards changing conditions and environment. In other words, the marketing plan of any company should be ready to be changed. Marketing plan should be strong because it is a main guide, which helps company to grow. Good marketing plan helps to ensure that resources are used in the most effective way and company follows right direction. Management of a company should be very sensible to any trends or changes on the market in order to change the direction in time.

Answering the question: “Why marketing plan is so important?” I would like to highlight following facts:

1. Marketing plan sets certain direction for company’s activities.
2. It gives clear vision for any department what goals does the company have.
3. It allows to better understand all features of marketing research, customer analysis, manufacturing planning, promotion, distribution and pricing.

Key words: marketing strategy, marketing, management, market analysis, planning, development, effectiveness.

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1.1. The essence of marketing plan

Unconditional presence of planning procedures in the organization is predetermined by the need to find the answers on two main questions: “What objectives are mostly crucial in the company right now?” and “How to achieve these objectives?” In other words, for any organization, which is consciously building its activities, the question is to determine the parameters of the formal planning process. Most of the questions are the following: “What is the plan of actions?”; ”What are the risks?”; “What are the opportunities?”; “What are the timeframes?”.

The term "marketing plan" is used to define the approaches and methods of marketing resources allocating in order to achieve marketing objectives and goals. It sounds simple, but the actual process is quite complicated. Each company has their own specific resources and follows its specific goals, which also change over the time. Marketing planning is used to segment the market, determine its condition, predicting its growth and forecast the viability of market share within each segment.

It is essential to think of a marketing plan as a road map, which will provide the company with detailed directions on how to reach its marketing goals. Company’s marketing plan outlines specific actions that it will take to market its product or service potential customers. These actions work to persuade these potential customers to purchase its products or services. Moreover, company’s marketing plan does not need to be long and it does not have to cost a lot of money to complete. Marketing plans can be a part of its overall business plan or as a singular document.

Definition of marketing strategy

Unfortunately, it happens that people confuse the difference between a marketing strategy and a marketing plan, because there is a great variety of different definitions of marketing strategy. According to Michael Baker ***marketing strategy*** *is a process that could enable an organization to focus its resources and funds on the optimal opportunities with the aims of increasing sales and managing a sustainable competitive advantage* [1, p.22].

The marketing strategy is framed by company’s overall business goals. It includes a definition of business, description of products/services offered, a profile of target audience and further defines company's role on the market. It is an explanation of the goals company need to achieve with certain marketing efforts. In other words, marketing strategy gives a specific answer on the corporate question: “What goals and objectives do we want to achieve?”.

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Definition of marketing plan

*“**Customers can’t always tell you what they want, but they can always tell you what’s wrong**”*

- *Carly Fiona (Entrepreneurial Thought Leaders)*

Having a look at the statement above, one could easily draw a conclusion that nothing but ambiguity could be seen. However, when thinking more profound, this statement definitely has sense. One of the purposes of creating a marketing plan is to avoid business circumstances, which will lead in the result to some bad consequences. Primarily, on the basis of previously conducted reports the company should have in mind how to act in order to achieve its goals and get positive feedback from the customers.

According to Susan Ward a ***marketing plan*** *defines the particular actions one plans to carry out to interest potential customers and clients in one’s product and/or service and make them to buy the product and/or services one offers* [16, p.101]. In other words, a marketing plan gives a specific answer on the corporate question: “How are we going to achieve our objectives and goals?”.

Differences between strategic planning and tactical planning

Strategic marketing planning comes first when the company is creating its marketing plan. It deals with the direction of its business growth in relation to its competition and the brand image necessary to advance its market position. Then comes tactical marketing planning, which consists of planning the actual activities that improve its competitive position and convey its brand image. Strategic marketing is the idea. Tactical marketing is the action.

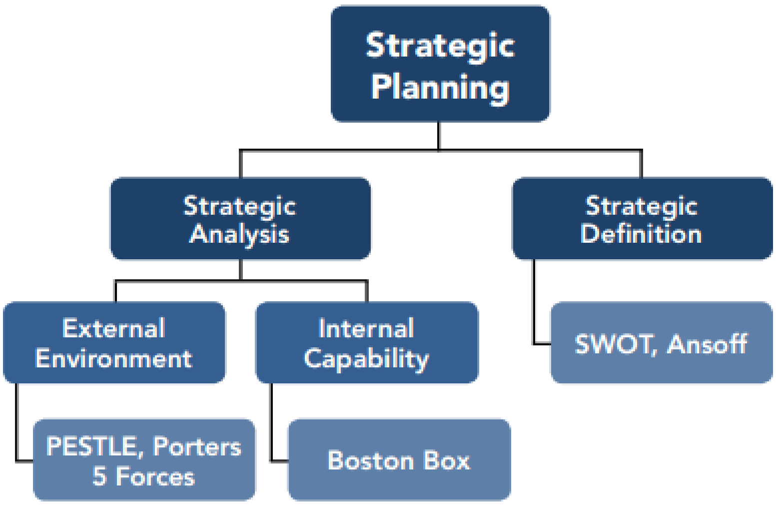
Strategic Marketing Planning

Planning marketing strategy requires a thorough understanding of modern trends in industry, competitive position of the company, the demographics and buying habits of its target audience. After achieving this understanding through industry and market research, the company can formulate its goals. The strategy is the guide that helps any big or small enterprise to achieve its goals and comprises a financial plan entailing its marketing budget as well as a conceptual plan.

The strategic plan should be supported by extensive researches and facts. The firm must continually collect a huge amount of information about the industry, market, competition and other factors, in order to effectively compete in today's business world. The strategic plan gives the company certainty, individuality, which allows it to attract certain types of workers. Finally, strategic plans should be designed as flexible as possible, to carry out modifications and changes if it becomes necessary. Strategic marketing activity plan can include the following sections:

- Product plan (what and at what time will be manufactured)
- Research and development of new products
- Pricing plan
- Advertising campaign
- Plan of distribution channels
- Planning of sales promotion events

The diagram below shows where five widely used business analysis fit into the strategic planning process.



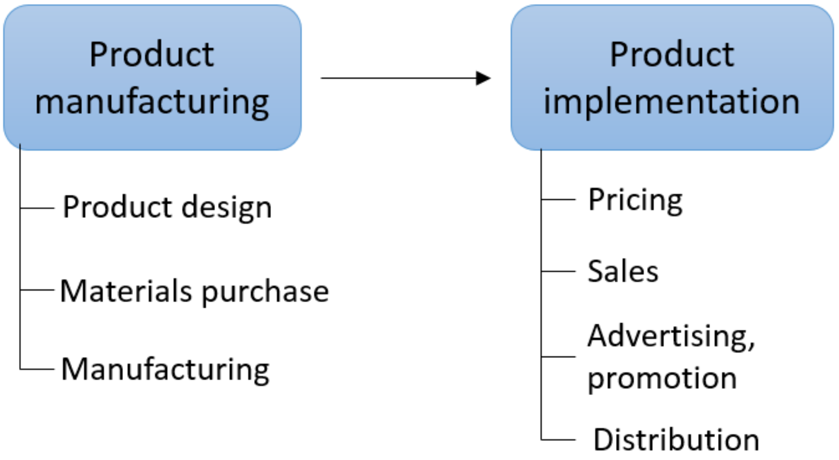
Pic. 1. Five business analysis, which are used in strategic planning process. (Source: http://www.free-management-ebooks.com)

Tactical Marketing Planning

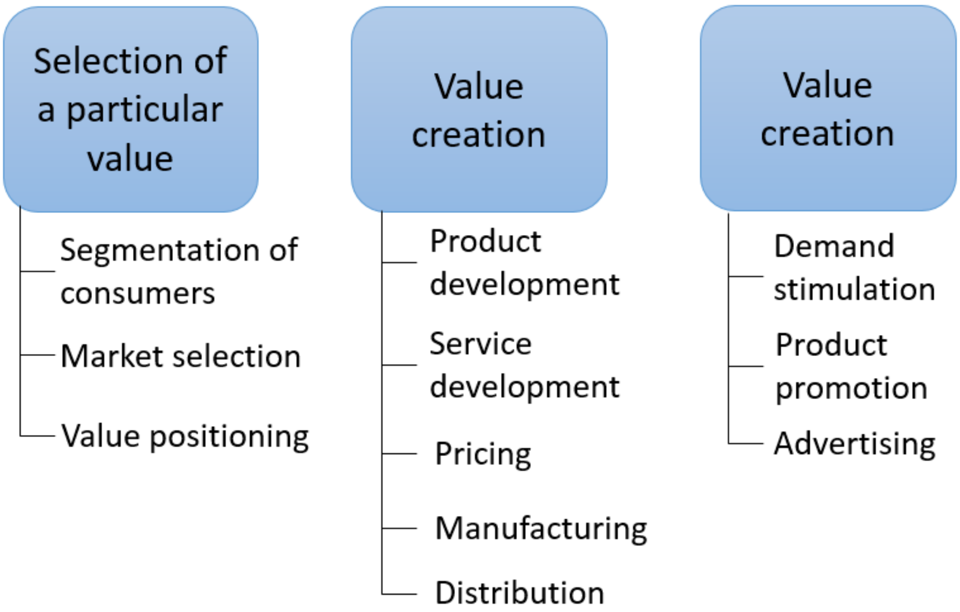
Advertising, community building and sales promotions are all parts of company's tactical marketing plan. Advertising involves online, radio, television and print marketing. It communicates company's brand image and informs its target audience of company's presence in the market and any promotional events it is hosting. If the strategy of the company involves expanding into the high-end consumer market, its tactics might aim to convey a quality image at a reasonable price. Advertising and events showcasing the newest products and informational events designed to educate its customer community about use and maintenance of company's products can help to convey company's reliability as a prime reason the customer is better served by purchasing high-end product line.

Differences between new and traditional approaches of business organization process.

Traditional approach of business organization process, which is defined by offering certain values to the market in order to gain profit, is not effective for economic systems with high level of competition in conditions of high variety of goods. In conditions of new economic system, the core of the business should be marketing, based on material and information value creation. The enterprise should consider its activity as unbreakable chain of new value creation and its provision to the potential customers. On the pictures below features of different approaches are shown.



Pic. 2. Traditional approach of business organization (developed by the author)



Pic. 3. New approach of business organization (developed by the author)

Selection of a particular value is a core objective of marketing in the company.

Segmentation, value creation and positioning are the essence of strategic marketing. Tactical marketing includes global components such as pricing, planning of manufacturing, distribution, public relation and advertising campaign [23, p.45]

1.2. The correlation between marketing plan and corporate goals

It is considered that if the company does not have clearly defined business goals and marketing objectives, it is as if you are driving through a fog. Even though you have your headlights on, it is very complicated to see a person passing by. Company's goals and marketing plan are very essential and crucial in its pursuit not only to generate sales and gain income, but also to establish company's authority and credibility in chosen market or sphere.

According to Dave Ramsey **goal** – *is the desired result that a person or system expects and plans to achieve* [14, p.36]. Every business, in fact every individual, should have goals in order to succeed. It includes having to set a certain standard or level that company has to reach. This level or standard would require the development of various strategies that would set the pace and serve as guidance towards the achievement of the goal, which is also referred to as the objective of any business plan or personal undertaking. The expected result acts as a guide for whatever action that the individual or company is taking towards the achievements of its goals.

Moreover, goal is similar to a definite, realistic, and achievable aim, which usually has a certain deadline. Goals can be either short-term or long-term. Goals can be any of these types:

- Consumer goal, which means meeting the demand of consumers for a certain product.
- Product goal, which is associated with manufacturing products, that are of higher quality.
- Operational goal, which is mainly about the proper management of resources for the efficient operation of the business.
- Secondary goal, which is concerned with all other goals of the company that are not considered as priorities.

Strategies are the approaches by which goals are expected to be achieved. It includes the direction to which the company is heading, the scope of the market, how it can compete with other companies, the expectations of people who run and control the business, and other factors that have an impact on the achievement of the company's goals.

There are three types of business strategy:

- Corporate strategy, which defines how to meet the expectations of the stakeholders;
- Business unit strategy, which determines how competitive the business is
- Operational strategy, which makes clear the utilization of resources towards the achievement

of a company's goals.

In the result, a strategy is the set of milestones by which the goal of the company is achieved. In fact, every business enterprise has common goals, that is, to become profitable and earn sufficient income for its owners. The achievement of these goals will depend largely on the strategies developed by its management.

Types of goals

There are different interpretations of goals. Usually there are long-term and short-term goals. Usually between long-term and short-term goals there are intermediate goals, which also are called medium-term. Short-term goals are usually achieved in 1 year, medium-term are in 1-3 years, long-term - from 3 years.

Depending on many factors such as the specifications of the industry, features of the environment, nature and content of the mission, each organization sets their own goals.

Increasing Market Share

Being satisfied with the current market share is a great way to eventually kill the business. One of the most important corporate goals is increasing market share. This can be achieved through:

- Innovations
- Strengthening customer relationships
- Acquiring competitors

Increasing Profitability

All corporations should seek ways how to increase their profitability, if they want to remain in business and be competitive. It can be achieved through:

- Cutting out unprofitable products and services
- Development of new markets
- Targeting new customers
- Raising profit margins
- Cutting unnecessary costs

Expanding Current Product Lines

Offering the same products without change for years creates stagnancy in the market. While wild expansion is never recommended, testing out new products and services to see what the market will bear is a good strategy for growth and a good corporate goal. Product line expansion enables businesses to take advantage of opportunities in different market sectors.

Improving Employee Retention Rates

Most of the companies focus on expansion and profitability. However, attention must also be paid to infrastructure when setting corporate goals. If current employee retention rates are low, this means that productivity is suffering and as such, the goals of the company may not be achieved. Improving employee retention rates reduces the amount of money and time spent on training new hires, which, in turn, helps profitability. Improving retention rates can be achieved through:

- Tracking the retention level
- Training first level supervisors
- More rigorous employee selection parameters
- Looking for ways to increase flexibility in work conditions
- Training employees

SMART principle

Businesses that have specific aims are usually more successful than those that don't; because a business with objectives knows what it is trying to achieve. Objectives can be set in all areas of the business e.g. sales, production, finance and marketing. In order to achieve success company’s goals should follow the S.M.A.R.T. principle [12, p.18].

Specific

The first term stresses the need for a specific goal over and against a more general one. This means the goal is clear and unambiguous; without vagaries and platitudes. To make sure goals are specific, they must explain a team exactly what is expected, why is it important, what members are involved, where is it going to happen and which attributes are important.

A specific goal will usually answer the five "W" questions:

- What: What is it necessary to accomplish?
- Why: Specific reasons, purpose or benefits of accomplishing the goal.
- Who: Who is involved?
- Where: Identify a location.
- Which: Identify requirements and constraints.

Measurable

The second term stresses the need for concrete criteria for measuring progress toward the attainment of the goal. The thought behind this is that if a goal is not measurable, it is not possible to know whether a team is making progress toward successful completion. Measuring progress is supposed to help a team stay on track, reach its target dates, and experience the exhilaration of achievement that spurs it on to continued effort required to reach the ultimate goal.

A measurable goal will usually answer questions such as:

- How much?
- How many?
- How will I know when it is accomplished?

Attainable

The third term stresses the importance of goals that are realistic and attainable. Despite the fact how challenging the goal is, it should be attainable and not extreme. In fact, the goals should be neither out of reach nor below standard performance. When the most important goals are identified, the company starts to figure out ways how to achieve them. The company develops the attitudes, abilities, skills, and financial capacity to reach them. The theory states that an attainable goal may cause goal-setters to identify previously overlooked opportunities to bring themselves closer to the achievement of their goals.

An attainable goal will usually answer the question:

- How: How can the goal be reached?

Reasonable

The fourth term stresses the importance of choosing goals that matter and have a clear point why they are crucial. The most important idea that the objectives should be possible and feasible. Reasonable goals drive the team, department, and organization forward. A goal that supports or is in alignment with other goals would be considered as a relevant goal.

A relevant goal can answer yes to these questions:

- Does this seem worthwhile?
- Is this the right time?
- Does the goal match other efforts/needs?
- How is it aligned to objectives?

Time-bound

The fifth term stresses the importance of grounding goals within a time frame, giving them a target date. A commitment to a deadline helps a team focus their efforts on completion of the goal on or before the due date. This part of the S.M.A.R.T. goal criteria is intended to prevent goals from being overtaken by the day-to-day crises that invariably arise in an organization. A time-bound goal is intended to establish a sense of urgency.

A time-bound goal will usually answer the question:

- When?
- What are the deadlines?
- What should be done in 2 weeks?
- What should be done in 6 months?
- What should be done in 1 year?

1.3. Marketing plan structure

Marketing plan should be detailed and exact. Innovation is one of crucial factors of well performed marketing plan. It is not a simple, but rather a complex process for each individual, therefore for entire company. If a company with straight forward marketing strategy seeks to conquer a particular customer group, firstly it needs a vision. Vision itself causes to make actions. Action itself demands a high profile strategy, which furthermore seeks for a well-organized plan and action. It is a never ending circle of few main elements to perform a good quality marketing strategy. The plan is a detailed written document, which can be used to promote a single product, of form the annual business strategy.

The features of marketing plan development

The essence of planning is defined as a formula: plan the production solely of demanded goods. Major general planning principles include:

- Focusing on achieving the final practical results of production and sales activities; the effective implementation of the goods on the market in the planned quantities, which means that the obtaining of a certain market share in accordance with the long-term goal.
- The focus of the company is not on short-term, but on long-term result of marketing process, that requires special attention to strategic planning.
- Planning of the strategy and tactics of active adaptation to the requirements of potential buyers.

Planning in marketing solves the following problems:

- Defines the objectives, goals, principles and criteria for the evaluation of the planning process;
- Defines the structure and provisions of plans and their mutual relationships;
- Establishes baseline data for planning (state and prospects of development of the market, the existing and future needs of the end users of enterprise, the forecast changes in the

commodity structure of markets, etc.);

- Determines the overall organization of the process and the planning framework (the level of competence and responsibility of governing the rights and responsibilities of the organizational and structural divisions of the enterprise, etc.).

While performing a marketing plan in Russian enterprises considering the conditions of the market relations, it is important to follow at least three principles:

1. The one who develops the plan should implement it in life;

2. The level of competence in marketing planning should meet the level of competence of resource management in the enterprise;

3. It is necessary to provide the flexibility and adaptability of planning in accordance with changes in the external and internal environment of the enterprise.

The last principle is particularly important for the leaders of the Russian enterprises, for which the plan has always been the law and had to be carried out by any means, without any change in its structure and terms, without regard to need a released product or not. In marketing management system, plans call for the release of only those goods, which are necessarily demanded by consumers. Therefore, adaptability principle of planning, taking into account the dynamics of the demand perspective, it becomes the most important.

In general, marketing plan should consist of situational analysis as a first step, defining the objectives as a second, shaping the strategy, defining tactics, estimating the budget and establishing the system of controls [14, p.27]:

1. **Situational analysis**. By situational analysis company examines the macro forces (economic, political-legal, social-cultural, technological) employing different tools and considering different individuals in its environment (company, competitors, distributors, and sup pliers). The company carries out a SWOT analysis (strengths, weaknesses, opportunities, and threats). PESTEL analysis is one more useful tool implementation of which is strongly recommended.
2. **Objectives.** Based on identifying its best opportunities from its situational analysis, the company ranks objectives and sets goals. The company could also set sub-objectives in respect to its stakeholders, image/reputation, technology etc.
3. **Strategy.** Every goal could be achieved in a variety of different ways. It is very crucial for the company to pick the most effective strategy, plan of actions, in order to achieve success.
4. **Tactics.** Every strategy should be discussed in every detail regarding to 4Ps and the actions that will be taken in calendar time by specific individuals who are about to carry out the plan.

5. **Budget.** The company's planned actions and activities involve costs that add up to the budget that it needs to achieve its objectives.
6. **Controls**. The company should set overview periods and measure it's performance from time to time that will reveal whether it is making progress toward the goal. When performance suffers, the company must revise its objectives, strategies, or actions to improve the situation.

One of the most critical stages is definitely situational analysis, which provides a solid base for the further steps. If the current situation (internal and external environment) was analyzed in a wrong way all the further stages are going to present the spoiled picture of reality.

According to the Professor Philip Kotler: "*Marketing plans will not produce a dollar of profit if you don't implement them"* [10, p.114]. In other words, the marketing plan is completely useless unless it is not putted into practice. Without detailed and well organized implementation in particular sphere and with certain target group, plan is more or less doomed to fail.

PEST/PESTEL/PESTLE analysis

For the purpose of effective marketing plan creation it is strongly recommended to use PEST analysis. Together with usage of internal micro-environmental factors and internal drivers it creates so-called SWOT matrix. PEST analysis shapes the framework of macro-environmental factors such as political, economic, social and technological variables used in the macro and external environment scanning. However this extended variation of original PEST model includes both environmental and legal categories. This way PESTEL analysis is more complex on one side, but provides much more information about the certain market. Moreover, there is PESTLE analysis, which is even more extended and includes ethical factors to analyze.

PESTEL is very useful and powerful strategic tool for understanding market growth or decline, business position, potential and direction for operations. So as already mentioned acronym includes specific categories and variables that are being considered and analyzed. Therefore, quick theoretical overview of the factors that PESTEL analysis involves can be observed [24, p.246].

- **Political factors** represent to what degree the government intervenes in the economy. Furthermore, this category includes areas such as labor, legislation, tax policy, environmental law, trade restrictions, tariffs and overall political stability/instability. Under political factors, it is assumed goods and services that are subsidized by the government.

- **Economic factors** are very important for the given analyses, since they consider variables and categories like economic growth, interest rates, exchange rates, inflation rate etc. This indicator represents the overall economic situation in the country. Moreover, if the company is willing to go abroad, this information becomes necessary.
- **Social factors** include the cultural, religious, language features of the certain country. Nowadays, such factors as population growth rate, age distribution, career attitudes have been added and have a great impact on company's understanding of the market.
- **Technological factors** include technological aspects such as research and development investments, technology incentives, rate of technological change etc. These factors could determine and shape barriers for entry, efficient production level and further influence outsourcing decisions.
- Environmental factors include ecological and environmental aspects such as weather, climate, and climate change, which may especially affect industries such as tourism, farming, and insurance. Furthermore, growing awareness of the potential impacts of climate change has affected how companies are operating and what products they offer. Nowadays it became the necessity to operate in an "environmental-friendly" way.
- **Legal factors** include consumer law, discrimination law, antitrust law, employment law, and health and safety law. These factors can affect how a company operates, its costs, and the demand for its products.

SWOT analysis – historical overview and definition

SWOT analysis came from the research conducted at Stanford Research Institute during the 1960‘s [6, p.15]. The research was funded by the "Fortune 500"[1] companies in order to find out what could be done for preventing corporate planning failure. However, some companies formulated an opinion that corporate planning in the shape of long-term planning does not work well. It was not paying off, so the investments were too expensive. However, the missing link was found, the problem was how to get the management team agree and stick to a comprehensive set of actions.

Nowadays, a SWOT analysis is a strategic planning technique that can be carried out for a company, product, place, industry, or person [25, p.20]. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. To be more specific, the process involves identifying

[1] The Fortune 500 is an annual list of the 500 largest companies in the United States as compiled by FORTUNE magazine. The list is put together using the most recent figures for revenue and includes both public and private companies with publicly available revenue data. (http://fortune.com/fortune500)

company's strengths, which are things a business does well or advantages it has, such as dedicated workers, an innovative product design or a good retail location, while weakness are things a business does poorly or disadvantages it has. Moreover, the analysis involves identifying potential opportunities, which are external factors, form that the company might benefit, including untapped markets or favorable regulations. Furthermore, analysis includes threats or external factors that present in the market the company operates in, which might harm the business, such as competitors and unfavorable government regulations. The first letter of each factor creates the acronym SWOT.

Pic. 4. SWOT analysis. (Source: https://www.mindtools.com)

The strength of the SWOT analysis comes from the fact that it can be applied to many different organizational scenarios, but its weakness is that it requires clear thinking and good judgment to obtain any real value from using it. SWOT analysis is often the first step in a more complex and in-depth analysis.

Differences between strategic SWOT and TOWS analysis

A TOWS analysis includes the same basic process of listing strengths, weaknesses, opportunities and threats as a SWOT analysis, however with a TOWS analysis, threats and opportunities are examined first and weaknesses and strengths are examined last. After creating a list of threats, opportunistic, weaknesses and strengths, managers examine ways the company can take advantage of opportunities and minimize threats by exploiting strengths and overcoming weaknesses.

SWOT or TOWS analysis helps a business get a better understanding of the strategic choices that it faces. The externally focused TOWS Matrix helps business think about the options that it could pursue.

Pic. 5. TOWS analysis. (Source: https://www.mindtools.com)

There are four basic strategies depending on the prevalence of the analysed group of factors (positive or negative) in the environment and within the company:

- **SO situation - maxi-maxi strategy**. This situation applies to the company for which dominates strengths in the environment and opportunities within. This situation corresponds to the maxi-maxi strategy: strong expansion and diversified development.
- **WO situation - mini-maxi strategy**. In this condition, company has more vulnerabilities - weaknesses, but its environment gives more opportunities. The strategy should include the use of these opportunities while reducing or correcting weaknesses within the organization.
- **ST situation - maxi-mini strategy**. The source of development difficulties for the company are unfavorable external conditions (prevalence of threats). The company may use large internal strengths in attempt to overcome threats from environment.
- **WT situation - mini-mini strategy**. The company in this case is devoid of any development opportunities. It operates in hostile environments, and its potential for change is small. It does not have significant strengths, which could withstand threats. Mini-mini strategy boils down to a pessimistic version of the liquidation or in optimistic situation - to strive for survival, or merger with another organization.

From those basic strategic alternatives, managers should derive more concrete strategies (or its combination) such as:

- specialization or concentration,
- forward or backward integration,
- diversification,
- product innovation,
- internationalization,
- liquidation (termination of an unprofitable product line).

SWOT and TOWS use the same factors for analysis, and the terms are sometimes used interchangeably without regard to the order that strengths, weaknesses, threats and opportunities are examined. These two matrixes are relatively simple tools, which are used for generating strategic options. With the help these matrixes, business can intelligently look at how potential opportunity can be implemented in the best way, at the same time minimize the impact of weaknesses and protect itself against threats.

The five forces model of competition

Porter's five forces analysis has been made up in 1979. As Porter suggested five main forces shape and distinct competition at the level of strategic units and that a detailed analysis of each in turn could assist managers to find out the keys to competitiveness in their particular area of industry [9, p.34]. This model is widely used, not only for profit oriented organizations, as well organizations like public institutions and non-profit sectors organizations are using five forces model in order better to understand their customers, suppliers and other organizations.

As Porter originally determined five categories after which this model got its name are [27, p.34]:

1. **Rivalry among existing companies**. The rivalry is likely to be more intense in case some of the following characteristics appear period of low market growth, where exit barriers are high and product's differentiation is low etc.

2. **The threat of market entry.** Entry barriers could be low where some of the following applies: entry costs are low, differentiation is low and there are gaps in the market in terms of uncovered market segments etc.

3. **The threat of substitutes.** Substitutes might come either from new entrants or from existing companies.

4. **Bargaining power of suppliers.** Suppliers tend to have more power in the following cases: suppliers are more concentrated than buyers, cost of changing suppliers are high etc.

5. **Bargaining power of buyers.** Customers tend to be more powerful in the supply chain if: they are more concentrated than sellers, there are alternative sources of supply or buying switching costs are low.

To sum everything up, Porter's five forces include - three forces from 'horizontal' competition: the threat of substitutes, the rivalry among existing companies and the threat of new market entrants. On the other hand, Porter’s five forces include two forces from 'vertical' competition: the bargaining power of suppliers and the bargaining power of customers.

However**,** Porter's framework was criticized by other academics and strategists such as Stewart Neill and Kevin P. Coyne [10, p.242]. They have stated that three dubious assumptions underlie Porter’s five forces:

1. That buyers, competitors, and suppliers are unrelated and do not interact and collude;
2. That the source of value is structural advantage (creating barriers to entry);
3. That uncertainty is low, allowing participants in a market to plan for and respond to competitive behavior.

The relevance of this model for the importance of conducted research is very significant since it provides the insights of the market in terms of competitive factors that are already present. Going through all five categories of the model should get the manager much closer to the appropriate conclusion.

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