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**BUSINESS PLANS VERSUS MARKETING PLANS**

Some of the Web sites and other research resources you might visit in this course refer to a *business* plan, rather than a *marketing* plan. Although those two types of plans are related, and both are very important to growing a business, they are not one in the same. It is important for you to understand the function of each type of plan, so you can focus on the proper aspects for your assessments in this course.

The Business Plan

A business plan outlines and defines a business, and identifies the goals and objectives for the organization. Think of it as providing the big picture, or the overall scope of the company. It includes all aspects of the organization, including the objectives and strategies set for use in a specific timeframe. An overall business plan includes several sections, such as the:

* Executive Summary.
* Business Description.
* Market Strategies.
* Competitive Analysis.
* Design and Development Plan.
* Operations and Management Plans.
* Financial Components.

The Marketing Plan

By contrast, a marketing plan is a subset of the overall business plan. It focuses specifically on how the organization will seek new customers. It outlines the detailed marketing activities for the organization. Marketing plans include explanations of how the company will get customers to buy its products and services. Marketing plans also present methods for getting the message out to the organization’s target market. Some sections commonly appearing in a marketing plan include:

* Products and Services, and Your Unique Selling Proposition.
* Pricing Strategy Sales or Distribution Plan.
* Advertising and Promotions Plan.

In this course, we will look specifically at the *marketing plan* portion of the overall business plan. Please keep this in mind and look specifically for the marketing sections of the plans you study throughout this course, including the plans provided to you as examples, the plans from the recommended Web site resources, and plans you research on your own. Be careful to limit your focus in order to address the proper content for this course.

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# REI CASE STUDY – RESEARCH GUIDE

This research guide can be used as a starting point for investigating REI's marketing practices.

Explore the [Recreational Equipment Incorporated](http://www.rei.com/) (REI) Web site for an overview of the company philosophy, products, and services. Check out the content of the About REI section of the Web site. Note: The following company background information was formerly presented on the Web site.

REI's thriving spirit was born in the 1930s when Pacific Northwest mountaineer Lloyd Anderson began his search for an ice axe. Lloyd wanted a reliable tool at a reasonable price but had no success in finding one locally. He eventually found a high-quality model in an Austrian alpine gear catalog for a mere $3.50, shipping included. Word about his find quickly spread among Seattle's climbing community, which led Lloyd and his wife, Mary, to convene with 21 fellow climbers to establish an outdoor gear co-op in 1938 (REI, 2007).

You might find it interesting to compare this historical outline with the content currently featured on the About REI page.

In this course, you will also be required to use secondary research resources. Explore and review the marketing research resources of the organizations below:

* [National Sporting Goods Association](http://www.nsga.org/).
* [Sports and Fitness Industry Association](http://www.sfia.org/).

Use the Internet Archive tool, the [WayBack Machine](http://archive.org/" \o "Select this link to launch this material in a new window." \t "_blank), to search for REI.com and you will find historical versions of REI Web site pages. Select a few pages and compare REI’s former prices and product offerings with the current online catalog.

Secondary research resources can also be found through organizations affiliated with REI. [Entre Prises USA, Inc.](http://www.epusa.com/), the organization that built the first climbing wall in the REI flagship store, provided the following secondary research information about REI:

* “REI opened the doors to its flagship store in Seattle, in 1996.
* This large retail store is located adjacent to Interstate 5 in downtown Seattle.
* Up to 250,000 people drive by the store every day. It was important to REI to capture their attention.
* REI looked to Entre Prises to build a 65 ft. freestanding structure that would be the central focus of the store.
* After ten months of construction, 4 miles of rebar, and 120 tons of concrete, the ICON for REI was sculpted. REI has received unparalleled media response from the climbing wall. People wait hours to climb the Entre Prises Pinnacle and in the first year over 10,000 people climbed it, and the interest continues to grow!" (Entre Prises USA, Inc., 2007).

##### **References**

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