

Entrepreneur Resource Guide

Chapter

MARKETING YOUR BUSINESS



THE WOMEN'S BUSINESS CENTER AT

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Chapter 3:

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WHAT IS MARKETING?

Before beginning any type of marketing activities it is important to understand who you are (your brand), what you are marketing, and who you are marketing to. In order to do so, market research is necessary and can be done relatively inexpensively. Marketing consists of many elements and can be defined as: the process or technique of promoting, selling, and distributing a product or service while satisfying customer needs, wants and requirements; or everything that an organization does to facilitate an exchange between company and consumer – it is constant.

MARKET RESEARCH

Market research means collecting information about potential customers, industry trends, and competitors. Market research can be time intensive, but it is a critical addition to your business or marketing plan. Market research helps you identify SWOT – Strengths, Weaknesses, Opportunities and Threats. Cost effective market research can be done by looking at secondary research (research already done by another group). You can find many web sites devoted to this such as www.marketresearch.com and/or other sites about your specific industry.

YOUR CUSTOMERS

Put together a questionnaire and have your employees ask prospects, customers, vendors, and suppliers to complete it. A couple of questions you could ask are: Do you like our products or services? What are we doing right? What could we improve? Look for other comparable markets and share the expense of a study. Remember you want to do this with comparable markets, but not competitors.

IDENTIFYING AND UNDERSTANDING YOUR TARGET AUDIENCE(S):

Knowing the customer is the foundation to all successful marketing efforts. You should be able to describe your “typical” target customer in terms of demographics (age, gender, income, location, etc.) and understand what motivates them. It is important to note that your business may have more than one target customer group/segment and each segment may have different needs and motivations.

CONSIDER THE FOLLOWING QUESTIONS:

- Why would they need or desire your product or service?
- How do they make purchasing decisions?
- What are the factors that contribute to their purchasing decisions (price, quality, service, convenience, etc.)?
- What are their other options for meeting that need?

BRANDING AND BRAND PLATFORM

A brand consists of a name, logo, colors, slogan/messaging, sound. A brand is the total essence of the company and provides a shorthand message on what a company stands for and what it offers. A brand platform (sometimes called the brand position) is the set of associations that customers make with your company and is made up of three elements; or what your brand stands for:

The Position: the brand's claim

The Promise: the brand's benefits

The Reasons Why: what the brand has or does that makes the promise real; the proof

Example: Volvo

Brand Platform: Volvo has been associated with quality and safety for more than 80 years and has been awarded numerous times for these claims. They have a "Volvo saved my Life" club and a "Volvo High Mileage Club"

Objectives that a good brand will achieve include:

- Delivers the message clearly
- Confirms your credibility
- Connects your target prospects emotionally
- Motivates the buyer
- Solidifies user loyalty

How you market your brand may change, but the brand generally stays the same

THE MARKETING PLAN: Why it is necessary

A marketing plan should be a living document that changes with your business and the market. Your marketing efforts must be spread throughout each year; you might not see immediate results from your marketing activities. At the base of a marketing plan is a good business plan, which is necessary because you cannot expect to market your business one time and achieve superior results.

CONSIDER THE FOLLOWING QUESTIONS:

- What economic and business environment are you experiencing?
- What opportunities and problems are you facing?
- What business objectives do you expect to achieve?
- What exactly do you sell? (product)
- Where will you sell it? (place)
- Who are your customers? (target audience)
- Why should they buy your product or service rather than your competitors'?
- How will you create your pricing structure? (price)
- How will you communicate your product or service to your customers?
- Who will do what, when? (promotion)
- How are you going to measure your progress so you can learn from the experience?

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MARKETING vs. ADVERTISING vs. PUBLIC RELATIONS

Advertising and public relations are elements of marketing; they are also elements of the four 'P's (to be defined). Other components of marketing include: media planning, product pricing, distribution, customer support, sales strategy. Advertising covers any communication that is paid for, from television and cinema commercials, radio and Internet ads to print media and billboards. Public Relations communications are not directly paid for and include press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events.

THE FOUR 'P'S OF MARKETING:

What does it mean and why is important? The four Ps are the variables that control and affect your "offering." They are Product, Price, Place, and Promotion. By using variations of these four components you have the ability to reach multiple consumers within your target market and to create a successful marketing mix.

Example: you may need to market/promote (via advertising, public relations, word of mouth) your product to different audiences in different places (i.e. physical shops, internet) or you may offer a discounted price to people who purchase online or who purchase x number of products

THE PROMOTION 'P'

Promotion has four distinct elements - *advertising, public relations, word of mouth and point of sale*. Crossover often occurs when promotion uses the four principle elements together. Advertising, covers any communication that is purchased. Public relations are communications not directly purchased. Word of mouth is informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum or buzz. Point of sale is where the transaction takes place – physical store, internet, etc. Another aspect of promotion to consider is packaging of your product.

MARKETING VEHICLES

Referral programs, brochures, direct mail, newsletter, recognizable slogan/logo, television, billboards, excellent customer service for repeat business, printed pens, refrigerator magnets, calendars, Yellow Pages, signage (outside your storefront), press releases, e-newsletters, local magazines, promotional activities, sponsorships, direct contact with potential customers, community events, word of mouth, business card placement, newspaper, trade shows, radio, internet, flyers and speaking engagements.

COMMON MARKETING PITFALLS

- **Communicating an Inconsistent Message:** Since marketing is about communicating with customers, avoid sending mixed messages about your business. For example, trying to promote an image of high quality through marketing materials and paid advertisements but allowing the business location or business to be dirty or cluttered may influence customer perceptions more than costly promotional activities.
- **Haphazard Marketing (Hit or Miss):** Marketing on a sporadic basis does not produce good results. For marketing to be effective, it must be a continual and coordinated process. While marketing efforts may increase during certain times of the year due to the seasonality of a business, it should never stop completely.
- **Basing Marketing Decisions on Advice from Sales Reps:** While advertising sales reps may have valuable information to share, they are typically trying to push one form of paid advertising (i.e. radio ads, yellow page ads, magazine ads, etc.). As a business owner, you should be the expert in your customers. It is usually best to avoid spending your entire budget on one type of advertising.
- **Underestimating Marketing Costs:** Once marketing activities are planned, you should determine the anticipated costs of those activities. Many business owners find that marketing and advertising are more costly than originally anticipated.

- **Not Tailoring Your Marketing to Your Customers:** In order for marketing efforts to be effective, the marketing plan must be tailored to the audience. The foundation for developing effective marketing strategies is to thoroughly understand your customers. Marketing without keeping your target audience in mind will not have the desired impact.

- **Assuming that Your Business is the Best. Therefore, Marketing is Unnecessary:** Many business owners erroneously assume that customers will automatically patronize their business because it is the “best.” Attracting customers is never easy. Marketing is always necessary. For new businesses, it takes time to create awareness and bring in new customers. Existing businesses must constantly work to satisfy customers, attract new customers, and remain relevant in a changing marketplace.

- **Relying Solely on Paid Advertisements:** For a small business owner, relying solely on placing paid advertisements is typically ineffective due to budgetary constraints. Since marketing is more than just placing ads, it is important to develop creative and cost effective ways to target your customer. This may include a combination of paid advertisements and other less costly tactics.

- **Neglecting to Track Marketing Efforts:** It is important to track your marketing efforts when possible in order to see what techniques are working and which ones are not. This will allow you to make adjustments to your strategies. As you learn which techniques work well, adjust your marketing plan accordingly.

- **Inadequate Time Devoted to Marketing Activities:** Not only does marketing require financial resources, it requires time. Devoting regularly scheduled time to marketing activities is often difficult for a small business, however, marketing is critical to business success, so it is important to take a disciplined approach and regularly schedule time for marketing, even when business is going well.

- **Expecting Immediate Results from Marketing Efforts:** Marketing is a long term process. You will not always see immediate results from marketing efforts. It is critical to market on a continual basis.

ELEVATOR PITCH

An elevator pitch is any kind of short speech that sells an idea, promotes your business or markets you as an individual. It is as essential as a business card. You need to be able to say who you are, what you do, what you are interested in doing and how you can be a resource to your listeners. The elevator pitch should be the hook that gets people to either support your business or ask more questions. It should not

be extremely detailed otherwise people will have no need to follow up with you, or will make decision about your product without the benefit of seeing it in person.

In developing the elevator pitch it is important to:

- **Know your audience** - Before writing any part of your elevator pitch research your audience. You will be much more likely to succeed if your elevator speech is clearly targeted at the individuals you are speaking to.
- **Know yourself** - Before you can convince anyone of your proposition you need to know exactly what it is. You need to define precisely what you are offering, what problems you can solve and what benefits you bring to a prospective contact or employers. Answer the following questions:

- What are your key strengths?
- What adjectives come to mind to describe you?
- What is it you are trying to sell or let others know about you?

- **Outline your talk** - Start an outline of your material using bullet points. You do not need to add any detail at this stage; simply write a few notes to help remind you of what you really want to say. They do not need to be complete sentences. You can use the following questions to start your outline:

- Who am I?
- What do I offer?
- What problem is solved?
- What are the main contributions I can make?
- What should the listener do as a result of hearing this?

- **Finalize your pitch** - Now that you have your outline of your material, you can finalize the speech. The key to doing this is to expand on the notes you made by writing out each section.

Take each note you made and write a sentence about it. Take each of the sentences and connect them together with additional phrases to make them flow. Go through what you have written and change any long words or jargon into everyday language. Go back through the re-written material and cut out unnecessary words. Finalize your pitch by making sure it is no more than 90 -100 words long.

Elevator Pitch Exercise

Create an elevator pitch tailored to your most typical or important customer. If you offer a variety of products and services, you may want to consider a pitch with some simple responses to follow up questions which can help you determine your audience. We are able to answer the Who, When, Where, What and Why.

TERMS AND DEFINITIONS

- **Brand:** A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.
- **Elevator Pitch/Speech:** a concise, carefully planned, and well-practiced description about your company that your mother should be able to understand in the time it would take to ride up an elevator. It is not a sales pitch and should conclude with an ask.
- **Logo:** 1. (product development definition) A clipped or shortened form of logotype. A logo is a word or phrase that serves to identify an organization. It is similar to a trade name. 2. (advertising definition) A graphic design that is used as a continuing symbol for a company, organization, or brand. It is often in the form of an adaptation of the company name or brand name or used in conjunction with the name.
- **Marketing:** Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large --American Marketing Association.
- **Marketing Research:** Marketing research is the function that links the consumer, customer, and public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.
- **ROI:** Return on Investment.
- **Target Market:** The particular segment of a total population on which the retailer focuses its merchandising expertise to satisfy that submarket in order to accomplish its profit objectives.

ENTREPRENEUR RESOURCE GUIDE

Chapter 1: Starting Your Business

Chapter 2: Financing Your Business

Chapter 3: Marketing Your Business

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