

MARKETING PLAN

Introduction

People who buy your products and services need information. Promotion and advertising is the method by which you put information about your products and services in the hands and minds of your customer. Using a shotgun approach or promoting your business to everyone, is always the most expensive and often least effective. A successful marketing plan will have a laser focus on prospective profitable customers.

This is a step-by-step method to discover and organize information into a successful marketing plan. It will assist you in:

- Deciding which group of people you should target for promotion.
- Identifying information that will form your promotional message.
- Determining how to efficiently and effectively promote your business.
- How to continuously improve your customer service.

This discovery process assists you in gathering market information and deciding which way, is the best way, for you to do business. This is achieved by a systematic discovery process within the following topics:

- Your Business Market
- Market Potential
- The Right Price
- Product Characteristics
- Customer Loyalty and Repeat Business
- Promotion and Advertising
- Customer Service
- Competitive Advantage

Discussion will conclude by describing how to successfully implement a marketing plan and obtain additional resources as needed.

Products, Services, Product Lines, Service Lines, Product Groupings, Service Groupings

Most businesses provide services or offer a mixture of products and services to their customers. For ease of reading, understanding and reference, this document will refer to products, services, product lines, service lines, product groupings and service groupings as a product or products.

Your Business Market

Describe the main products and services of your business.

Describe your business's main product(s) as if the person you are describing it to is hearing it or seeing it for the first time.

What geographic area will your business serve?

How far will people travel to get to your place of business or how far will you be able to transport your product / service to the customer? Describe travel in terms of time and distance. You can describe the geographic area using the following methods:

- Zip codes
- Street Boundaries
- Municipal boundaries
- Natural boundaries like rivers, lakes and mountains

Identify your competitors.

How many competitors are there in the area? A competitor is a business that sells a product or service that is the same or can serve as an alternative to your product or service.

You can find this information by looking through the following references and web sites:

- The phone book
- Ask suppliers vendors and distributors for their lists of businesses
- Industry Reports from newspapers, magazines trade publications, trade associations or the Internet
- <http://www.sbtcdc.org/quickfaqs/marketing.asp>

Business Directories

Usually a fee for service or subscription is required:

- Dun & Bradstreet
- Harris Infosource
- Thomas Register
- Hoover's

http://www.sbtcdc.org/quick_faqs/marketing.asp

Describe the people who would buy the product or service.

In terms of demographic characteristics, describe the profile of the person that would buy the business's main products or services. Some common demographic characteristics:

- | | | |
|---------------------------|-----------------------|---------------------------------------|
| • Age | • Family status | • Location of work |
| • Education level | • Income level | • Home address |
| • Gender
(male/female) | • Ethnicity
(race) | • Highly frequented shopping
areas |

Market Potential

How many potential customers are there in the target market that you will serve?

The target market is the number of people with the demographic characteristics that will purchase your product within the geographic area that your business will serve. You can find this information by searching web sites that provide census data. Some web sites are:

- <http://www.ersys.com/>
- <http://www.bls.gov/>
- www.census.gov
- <http://www.melissadata.com/>
- Local Chamber of Commerce
<http://www.greenvillenc.org/>
- Business or demographic section on County web site
<http://www.locateincarolina.com/content/demo/index.php>
- Local Gov't section on www.ncgov.com on the State web s
- <http://easidemographics.com/>

Are there enough potential customers to support your business and your competitors?

Refer to trade journals or do your own break-even financial analysis. Determine how much in sales your business will need to generate and how many potential customers it will take to support your business.

The Right Price

How will the price that you assign to the main product / service line or group influence the customer's decision to buy?

- What is the competition charging for the same product or a product that could easily substitute for the product/service that you are selling?
- Are there unique characteristics of your product/service, that the customer values, which would enable you to a charge higher price?
- Are your customers price sensitive? If there were two products of similar quality, would the customer automatically purchase the lower cost product? Will you price your product slightly less than your competition, with the expectation that the customer will be strongly influenced by the lower cost product?
- Are you selling a revolutionary new product or popular brand for which customers have found no substitute? Does your service provide an extraordinary convenience that cannot be matched? What price would the customer be willing to pay to enjoy the benefits of your product? Will you be able to maximize your profit by charging what the customer is willing to pay?
- Will the price you charge for your product or service provide an adequate contribution to your overhead expenses and net income (net profit)?

Compare your product price to your competitor's product price.

	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Product Price					

Product / Service Characteristics

Provide a detailed description of the product or service. Enable the reader to have a complete understanding of the product's or service's multiple uses, functions, capacities and

- provides pleasure
- performance
- warranty
- convenience
- cost savings
- customer support
- saves time
- solves a problem
- consistent

appearances.

What will be important to the customer as they are using the product or service, other than price? Select three product characteristics that are the greatest customer satisfiers or benefits. Describe how the customer will value the product characteristics. Examples of product characteristics that may benefit or satisfy the customer are as follows:

Compare your three product characteristics that customers appreciate against the strengths and weaknesses of your competitors.

Examples of Product Characteristics ↓	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Provides Pleasure (taste, smell, appearance)					
Performance					
Warranty					

Customer Loyalty and Repeat Business

Customer loyalty is achieved by a business when it goes beyond meeting the customer's expectations to exceeding the customer's expectations. Often it takes more than a superior main product line to succeed in exceeding the customer's expectations.

What additional benefits, product functions or services will the customer receive or experience even though it may have not been the major reason for the purchase?

Example:

Product/Service	Product Characteristics [<i>which</i>]	
	Caused Purchase	Added Benefit
Restaurant Food	Quality of food and service	Atmosphere
Hand Tool	Performance and affordability	Durability
Car	Performance, economy, Safety	Audio System

Describe the additional products for sale and how they support or add to the main product or service. Examples of supporting products that are in addition to the main product line are:

Business	Main Product Line	Supporting Products
Grocery Store	Produce, Meats, Packaged Goods	Milk, Bread
Auto Dealer	New Car Sales	Used Car Sales
Shoe Store	Shoes	Shoe polish, Shoe Strings
Restaurant	Food	Beverages

What competitive advantage will additional benefits that your main products offer or additional supporting products will encourage repeat business? How does this compare to your competition?

	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Additional Product Benefits					
Supporting Products					

Promotion and Advertising

What advertising media will your business use?

Given your target customer's demographic characteristics, which promotional media will reach the people most likely to buy the product or service? How many potential customers will the promotional media reach? What is the cost per potential customer for the promotional media? Compare the effectiveness and costs of a number of different types of promotional media such as:

- Billboard
- Catalogs
- Newspaper
- Magazine
- Television
- Radio
- Web Site
- Direct Mail
- Telemarketing
- Demonstrations
- Trade Shows
- Promotional Events
- Sponsoring Sport Teams
- Community Event Sponsorship
- Donating products or services
- Yellow Pages
- Business Directory
- Media kits
- Brochures
- Newsletters
- Speaking Engagements
- Signage

What will be your promotional message?

How will you decide how much and what information people need to know in order to make a purchase? What competitive advantages should you be promoting?

Is the promotional message designed to:

- Communicate to the type of the person (according to demographic characteristics) that will make the decision to purchase the product?
- Emphasize the satisfaction or pleasurable experience a customer would experience while the customer enjoys the product's main benefits?
- Deliver a clear message and not overwhelm the potential customer with information?
- Provide more than "business card – type" information?

Create a promotions/advertising schedule and budget.

How will your promotions and advertising compare to your competition?

	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Promotions & Advertising					

Customer Service

How will people get into contact with your place of business?

In order to make a purchase how will a person make their first contact with you? Would it be by telephone, Internet, personal visit or a sales call by your employees? The first contact with a potential customer is very important. How are you making it easy for the customer to do the following:

- Reach you by telephone
- Find your place of business
- Drive to your place of business
- Search for your business on the Internet.
- Ask questions about your products/services.
- Receive knowledgeable answers about products/services.

How does your business compare to your competitors in initiating contact with the customer and supporting the sales & service.

	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Sales Staff Performance					
Customer Support Services					

What is the plan to get your product or service to the customer after the customer indicates their intent to buy?

- Who will make the delivery? Are they reliable? How will they represent your business?
- Is the appearance of the product or service at delivery important?
- Is the time between when the customer orders and receives the product/service important?
- How will you know the level of customer satisfaction after the delivery of the product or service?
- What will it cost the customer in frustration and inconvenience to purchase your product?

How will you discover the level of customer satisfaction after the customer has received the product?

Customer surveys can be conducted in person by your sales staff, a follow-up telephone call, or a postage paid mail-back survey.

How will you use the customer satisfaction information?

Customer satisfaction information can be used to make changes in the main product, supporting products, sales approach, advertising, customer support service or delivery.

Competitive Advantage

How do you compare with your competitors?

Summarize your work from the previous sections on this table. Compare the strengths and weaknesses of your business against your competitor. Think about which “Forms of Competition” influence the customer to buy the products sold by you and your competitor.

	Form Of Competition	My Own Business	Competitor 1	Competitor 2	Competitor 3	Competitor 4
	Product Price					
	Product Characteristic #1					
	Product Characteristic #2					
	Product Characteristic #3					
	Additional Product Benefits					
	Supporting Products					
	Promotions & Advertising					
	Sales Staff Performance					
	Customer Support Services					

What is your business's competitive advantage?

Review the information in the previous table. Focus on the "Forms of Competition" which have the greatest influence on the customer to purchase your product. Note how your strengths compare to your competitors' strengths and weaknesses. From this review, state what will make your business more successful than your competition. This conclusion is your competitive advantage.

Conclusion

At the conclusion of your marketing plan you should state the following:

- The person responsible for implementing the marketing plan.
- The dollar amount committed to your marketing efforts.
- How the money will be spent.
- The impact anticipated from successful implementation.

For additional guidance and information about your marketing plan, contact your Business Counselor at the ***Small Business & Technology Development Center at ECU.***