

MARKETING, ADVERTISING, & PROMOTING YOUR BUSINESS

Every business must establish its own best methods for bringing its products and/or service to the customer. The process of selecting these methods requires careful consideration of all relevant factors. ***These days, marketing must be done strategically.***

YOUR MARKETING OBJECTIVES

A Strategic Marketing Plan must be guided by some objectives. Use your understanding of your business and industry to select some clear goals for your marketing efforts. An ideal objective is both realistic and measurable (i.e. you should be able to prove that you have completed it). In the future, these objectives will help you to determine whether your marketing efforts were successful.

Four Basic Marketing Objectives

Market Penetration The business is trying to find ways to sell a product or service that is already, sold to a market that already exists. For example, your business will sell fast food in a town that already has two such establishments.

Marketing options:

- > offer initially reduced prices to attract customers.
- >sell a few items at exceptionally low prices to attract customers (a method call *Loss Leader Pricing*)
- >use a promotional offer such as coupon or a free gift
- >set up a “pre-established” business (i.e. franchise)

Market Development In this scenario the business seeks to find new markets for existing products/service. For example, you may want to set up a fast food restaurant in a town that has no such establishment

Marketing options:>brainstorm for the most feasible and potentially successful new market

- >take product/service samples to the new market
- >promote the benefits/image of the product to the market

Product Development Introduce a new product/service to existing customers to complement its existing products.

Marketing options:>ensure that the new product complements existing activities

- >aggressively market the new product to existing customers

Four Basic Marketing Objectives cont'd

Diversification Strategy In this scenario an existing firm will try to sell a new product/service to a new group of customers. For example, your fast food restaurant may open an attached semi-formal dining area.

Marketing Options > Ensure that new related line of service can be added efficiently
> Consider *market penetration* and *market development*

The Four P's Effective Marketing

A tool used by many marketing books to emphasize the key marketing variables is “The Four P’s of Effective Marketing”. The best thing about these four factors is that they are all under your control. Your marketing strategy should consider these factors when it seeks to find a strategy to achieve your marketing objectives.

Product: *developing your product or service to meet the customer's needs*

Price: *how much, what terms, what about discounts*

Place: *getting your service/product in the right place at the right time*

Promotion: *all of your advertising and market building tools*

Always remember to consider the fifth P of marketing – **Person**. This factor deals with the important issues of customer service and interpersonal relations.

There is also a sixth P of marketing – **Positioning**- that is namely, the positioning of your business and products in relation to your competition.

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Four Basic Marketing Objectives

Market Penetration

Marketing Options

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>Sell a few items at exceptionally low prices to attract customers (a method called *Loss Leader Pricing*)

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Market Development

Marketing Options

In this scenario the business seeks to find new markets for existing products/services. For example, you may want to set up a fast food restaurant in a town that has no such establishment.

>Brainstorm for the most feasible and potentially successful new market.

>Take product/service samples to the new market

>Promote the benefits/image of the product to the market.

Product Development

Marketing Options

Introduce a new product/service to existing customers to complement its existing products.

>Ensure that the new product complements existing activities

>Aggressively market the new product to existing customers.

Marketing, Advertising & Promoting Your Business

Creating A Business Image & Selecting A Marketing Message

You have decided what strategy is most suitable to achieve your marketing objectives and it is now time to select a business image and marketing that will most effectively achieve your marketing objectives.

The image and message should motivate potential customers to buy.

Simply stated, a **business image** is the “personality” that you try to create for your business. It is how the potential customer will perceive the firm.

The **marketing message** is a similar yet slightly different concept. It is the story, about why people purchase your goods/services that you will emphasize to your potential customer.

“Brainstorming” The best way to select an effective and appropriate image and method is to gather a group of your business advisors and friends to brainstorm for ideas – *your personal consultants*. It is important to tell these individuals about your market research to brainstorm. (Warning! You may have to buy coffee to get people to help you!)

“WIIFM” As you try to find an image and message, remember to consider your product or service from the point of view of the customer. Although you may be most proud of some features of your product, the customer will usually desire the benefits brought by the product, regardless of the features. “WIIFM” stands for the customers #1 concern. *“What’s in it for me?”*

Market Factors and Your Product/Service

The image should reflect the target customer he/she relates to your product or service. For example, if the customer values the time of operation of your grocery store, then make it known that you are open when they need you to be open. Attempt to portray the image that your business is tuned to the customers needs and that the product/service will make their life and income better (*sell benefits and not features*).

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Spreading The Message and Building The Image

Now that you have selected your marketing message and business image, you can move on to determine exactly how this will be done. This is the part of *strategic marketing* that most people with basic marketing, *where the rubber meets the road*.

There are many things to consider. A few of the most important ones are listed below.

Maximize Utilize every contact with the public, especially with the target audience that was determined by your market research, to portray your image and maximize market exposure. Image building is extremely difficult, especially for new businesses, and no business can afford to lose opportunities to achieve its marketing objectives.

Continuity A concept related to maximizing exposure, continuity refers to sending the same message and image through each marketing effort. Always remember to build the same message. New businesses overcome obscurity by repeatedly using the same logo, same themes and same color scheme. Having too many different messages and images confuses your customer.

Overcoming Challenges Through Marketing

Your marketing methods will be responsible for helping your business overcome many of the challenges of the market. Your choices should answer...

What to do to gain initial entry into the market? What to do to counteract sales slumps?

Consider The Tangible Image

The physical image strongly reflects the company. There are two types of physical image that are important.

Business Appearance... Precious few businesses stand to benefit from an unkept business premises. Your buildings and vehicles will give customers an idea about what type of business you are. This doesn't have to cost allot, its cheap as a weekly car wash or a lawn mower.

Personal Appearance.. Does your appearance complement the image that you want to build with the customer? Dress appropriately and ensure that your employees do the same. More personal aspects, such as posture, facial expression and hygienic are also important.

Multipurpose Tools

Your business should select the name, slogan, logo and colors that will most effectively send its business message. For example, a lawyer who wants to convey trust and stability should utilize conservative logos, business names and office furnishings. On the other hand, a skateboard shop that needs to be "hip" should utilize provocative logos, catchy titles and flashy furnishings. Like the tangible images of your business or personnel, the appearance your marketing materials will send its own message to potential customers.

Three Types of Marketing Activities

Most marketing books suggests that there are three distinct types of marketing activities that can be used to spread a marketing message and build an image.

1. ***Advertising*** Is defined as methods intended to encourage people to become customers and to increase sales. There are 3 basic methods of advertising.

Mass Media Example: A billboard saying, "Shop at Pat's"

Point of Sale Example: A sign in your store saying "We Care"

Word of Mouth Example: Advocates tell their friends about you

Each of these methods has its own benefits and weaknesses. Whichever one(s) you choose, try to consider how to maximize your efforts. For example, you must make your ad appealing and

noteworthy. People are exposed to **9,000** other images every day so it's got to stick out. If you can't afford to advertise in the way that you desire, consider joining with other small businesses in a cooperative advertising scheme.

Advertising Examples: display ads, in newspaper/magazines, classifieds, direct mail, yellow pages, flyers, directory ads, posters, billboards, in-store posters, etc.

- 2. Promotions** Promotions are those methods used to increase market share, expand sales and yield greater profits. Promotions can be costly or not so costly. They are very effective at helping your business stand out in the mind of your target customer. A crucial thing to consider is whether your promotion appeals to your target market. For example, *“Do customers of your home cleaning service really want a free baseball card with every cleaning?”*

Promotional Examples: Gifts (hats, pads, matches), coupons, calling cards, trade shows, contests, special events, free samples.

- 3. Publicity/Public Relations** This includes your own personal word of mouth advertising and free exposure gained through the media or any other means.

Public relations are a difficult tool to use but it can also be the most cost effective and creative. A business manager should always be looking for opportunities to gain exposure in the target market.

Publicity examples: Annual community events, “expert” letters to the editor, press releases, providing services to non-profit groups, etc.

And finally

**ALWAYS REMEMBER THAT NO AMOUNT OF
ADVERTISING/PROMTIONS CAN REPLACE EFFECTIVE
PERSONAL SELLING AND CUSTOMER SERVICE**

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50 FREE WAYS TO MARKET YOURSELF AND YOUR COMPANY

1. **Name**
2. **Niche**
3. **Color**
4. **Theme**
5. **Research Studies**
6. **Marketing Plan**
7. **Identity**
8. **Pricing**
9. **Customer Mailing List**
10. **Attire**
11. **Phone Demeanor**
12. **Neatness**
13. **Smiles**
14. **Speed**
15. **Service**
16. **Follow-up**
17. **Contact time with the Customer**
18. **How to say Hello & Goodbye**
19. **Publicity contacts**
20. **Brand Name Awareness**
21. **Enthusiasm**
22. **Competitiveness**
23. **Community Involvement**
24. **Window Displays**
25. **Association Membership**
26. **Sales Training**
27. **Books and Articles**
28. **Courses and Lectures**
29. **Gift Certificates**
30. **Testimonials**
31. **Tie-ins with others**
32. **Hours of Operation Financing**
33. **Days of Operation**
34. **Financing**
35. **Credibility**
36. **Satisfied Customers**
37. **Word-of-Mouth**
38. **Public Relations**
39. **Telemarketing Scripts**
40. **Access to Co-op Funds**
41. **Access to Marketing Materials**
42. **Column in a Publication**
43. **Special Events**
44. **Seminars and Workshops**
45. **Merchandise Displays**
46. **Demonstrations**
47. **Consultations**
48. **Sales Presentations**
49. **Sales Representatives**
50. **Reputation**

Marketing, Advertising & Promoting Your Business

The 10 Advertising and Marketing Commandments

(Adapted from *CODA: Going into Business*, Cambridge, Ontario, 1993)

- 1) ***Advertising and Marketing are the foundation of any successful business.*** You can have the best product or service in the world but if you can't sell it, you have a hobby and not a business.
- 2) ***Advertising is an investment and not an expense.*** Money spent on advertising is an investment in future sales.
- 3) ***Target marketing is essential to success.*** A shotgun approach to advertising is a waste of time and money.
- 4) ***Consistency in design, image and message is important.*** Don't confuse the public with conflicting statements. Consistency creates trust and recognition.
- 5) ***Make your ad appealing and noteworthy.*** People are exposed to **9,000** images daily. Your ad must stand out to be recognized.
- 6) ***Make your ad visual.*** People learn through sight not by reading.
- 7) ***Advertising is a year round, full time job.*** A full-year plan with how, what, why, when and how much (\$) is essential to advertising success.
- 8) ***Don't over promise, don't under promise.*** Your advertising must say who you are. Benefits must be clearly identifiable to customers.
- 9) ***No amount of advertising can replace effective personal selling.*** Speaking directly to potential customers is the best way to make a sale.
- 10) ***A satisfied customer is the best form of advertising.*** This is especially the case when you solve customer complaints! Satisfied customers will tell others about your business. Customer follow-up also helps develop your customer base.

42 NEARLY FREE WAYS TO PROMOTE

- 1. Letterhead**
- 2. Envelopes**
- 3. Enclosure**
- 4. attachments**
- 5. Your checks**
- 6. Labels**
- 7. Seals**
- 8. Inside of package**
- 9. Package insert**
- 10. Package attachments**
- 11. Shipping cartons**
- 12. Directions for use**
- 13. Backs of Displays**
- 14. Coupons**
- 15. Sales Representatives Cards**
- 16. Delivery or service vans**
- 17. Plant/office signs**
- 18. Receptions room**
- 19. Publicity releases**
- 20. Writing booklets, pamphlets, articles**
- 21. Radio/TV/ “expert” appearances**
- 22. Donation of a products or services**
- 23. Sponsorship of community events**
- 24. Make speeches/teach classes**
- 25. Promotion gimmicks**
- 26. Social and business functions**
- 27. Newsletters**
- 28. Free “plugs” for your product**
- 29. Your business cards**
- 30. Special holiday promotions**
- 31. Sponsor your own contest**
- 32. Networking**
- 33. Giveaways**
- 34. Fliers**
- 35. Wearable promo**
- 36. Phone names**
- 37. Thank you cards and gifts**
- 38. Company birthday parties**
- 39. Postcards**
- 40. Brochures**
- 41. Trade shows**
- 42. Ads**

Be creative, remember, even if you're on the right track, you may get run over if you just sit there.

Advertising Media: Advantages and Disadvantages

1. Newspapers:

Advantages-Tangible medium, reader can clip ad, save

- allows advertiser to include great detail, if necessary
- enjoys great credibility and acceptance with readers

Disadvantages-circulation had steadily declines, doesn't equal readership

- deadlines constrain copy, layout
- passive medium, reader can select what ads to read
- can't concentrate on a specific target market

2. Magazines

Advantages -can offer optimal target market

- frequently highest quality product
- allows advertiser to include great detail, if necessary

Disadvantages-passive medium (see newspaper, above)

- advertising clutter means low readership recall
- extreme deadlines constrain copy, layout

3. Direct Mail/Direct Advertising

Advantages -offers optimal target marketing

- response rate can easily be measured
- can cover every household

Disadvantages-traditionally low response rates (one to two percent)

- requires lengthy preparation and lead time
- difficult to control delivery

4. Yellow Pages

Advantages -callers are already in market when they call

- copy can be long, full of information
- high penetration (everybody has access to them)

Disadvantages -longest deadline lead time, inflexible

- passive medium (see newspapers, above)
- cannot include price information unless fixed over long period

5. Shoppers/Penny Savers

Advantages-effective to reach buyers about to make decision

- appeals to price conscious
- allows advertiser to include a lot of detail

Disadvantages -small reach (limited readership usually duplicated in other print media)

- frequently low quality production
- rarely read thoroughly, discarded quickly

6. Outdoor Transit (Billboards)

- Advantages
- location
 - size, impact
- Disadvantages
- highly effective for simple ideas
 - inflexible, changes difficult
 - messages can physically deteriorate
 - both have negative image, subject to much regulation

7. Radio

- Advantages
- reach, 95% of people listen in a week, 75% in a day
 - extremely good for targeting demographics
 - active medium (listener hears everything broadcast, can't opt not to hear commercials easily)
- Disadvantages
- advertiser cannot include much detail
 - proliferation of stations breaks up audience/demos
 - certain part per single exposure
 - can demonstrate product or service

8. Television

- Advantages
- highest retention per exposure
 - high production value available, creativity
 - highest reach per single exposure
 - can demonstrate product or service
- Disadvantages
- audiences increasingly fragmented (new channels)
 - increasingly limited to night time viewing
 - highest media costs

9. Specialty Advertising (caps, calendars, buttons, pens, etc)

- Advantages
- ability to target into specific markets
 - usefulness of product insures longevity of message
 - allows for personalized messages
- Disadvantages
- limited space for messages
 - long production and delivery times
 - difficult to evaluate effectiveness

Five Steps To A Successful Direct Mail Campaign

What is it? *Direct Mail* is a method of promoting or advertising your product or service, to those most likely to purchase, that uses a direct service (such as Canada Post). It gets the attention of the recipient and gives the reader a means to take direct action via a telephone number, coupons, order forms, etc.

STEP 1 DETERMINE THE BEST BUYER

Who are you looking for and what do you want them to do? In defining your most likely buyer, consider the following factors:

- ⇒ **Demographics...** Tell you the external aspects of people's life-styles such as age, sex, income and education level
- ⇒ **Psychographics...** Measure internal aspects (ex. What people buy, & how they live)

STEP 2 FORMULATE YOUR OFFER

Make an offer that appeals to the best buyer. It must be simple and easy to understand. Remember, if your offer makes it harder to respond up front, you'll receive fewer responses, but more of those will turn into sales.

STEPS 3 SELECT A MAILING LIST

This is one of the most crucial steps in the campaign. You can create your own list from current or past customer files or create a new list from other sources such as:

The Yellow Pages... Voter Registration lists... Zip code directories... Manufacturers or distributors lists... Associations memberships.

Medium to large businesses often purchase customized lists from a "list broker". Although effective, these are often too costly for small businesses.

STEP 4 CHOOSE YOUR FORMAT

Some examples are letters, invitations, sweepstakes, post cards, card decks, and so on. Dimensional mail – such as a tube or box – has the highest opening rate but is quite costly. Letters also have high readership but can become labeled as "junk mail". Whatever you choose, make sure it is compatible with your product or service.

Remember... keep your message consistent

STEP 5 DESIGN AND WRITE THE PACKAGE: *Here are some key points to consider...*

- ⇒ People appreciate a personalized envelope ("resident" or "manager" reads "Junk mail")
- ⇒ Personally sign your Sell Letter
- ⇒ Highlight the key headline or points in the letter
- ⇒ Use the **Ten Most Powerful Words..** *Introducing, New, Now, You, Win Guarantee, Free, Easy, Save, Today*
- ⇒ Make it simple and easy to read
- ⇒ Test the package with a "sample market" of friends or experts
- ⇒ Include all the information a customer needs to place an order

Marketing, Advertising & Promoting Your Business

Mechanism/Medium	Evaluation (1=Very good) (2= Good) (3= Poor)	Comments (Consistency, Need for Change)
Advertising		
Business Cards		
Direct Mail		
Employees		
Exhibits		
Letterhead		
Literature		
Packaging		
Personal Selling		
Publicity		
Public Relations		
Sales Promotion		
Signage		
Store Front		
Telephone Listing		
Vehicles		
Word of Mouth		
Other		

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Advertising and Promotion Promotion and Advertising Budget

Date: _____

Industry average _____ % of sales volume

Last year _____ % of sales volume

Target _____ % of sales volume

	Last Year _____			Budget _____		Actual		
	(A) Sales/Month	(B) Promo \$	(B) as % (A)	(A) Sales/Month	(B) Promo \$	(B) as % (A)	Sales/Moth	Promo \$
Month 1								
Month 2								
Month 3								
Month 4								
Month 5								
Month 6								
Month 7								
Month 8								
Month 9								
Month 10								
Month 11								
Month 12								
TOTAL								