Overview of Marketing

Presented by Ann Walenski
The Big Idea!

Marketing Story of Sliced Bread

• Otto Frederick Rohwedder – “The Jeweler”
• Developed in 1912 – Bread Slicing Machine
• Prototype/Blue Prints Destroyed in 1928
• Adopted in 1930 by Wonder Bread
  • Feature – Sliced Bread
  • Benefit – Stayed Fresh

18 years of Marketing

Marketing is an ongoing process…

and Failure is an Option!
You have developed your "Big Idea"

Review your Business Plan and figure out how to make it a Marketing success!
Your Business Plan..

- Operations
- Finance
- Marketing

What is your Purpose?

What is your Plan?
Raise Your Hand if …

You have a new product or service for the market.

You’re not sure how to get it into the marketplace.
The key to getting started in Marketing is asking the right questions.

What is your:
- Product/Service
- Vision
- Goal
- Purpose
- Budget
Tonight:

- Understand Marketing Components
  - WHAT

- Write the Marketing Plan
  - HOW?

- Developing the Marketing Plan
  - Why?

DEVELOP A ROADMAP
MARKETING PROCESS

Raise your hand if you have asked…

1. How can I set my business apart from the competition?

2. How Can I Market an Unknown Product?

3. What's the Best Way to Acquire Customers.

This is the beginning of the Marketing Process.
PART 1 – MARKETING PLAN

MARKETING COMPONENTS
Marketing is the process for creating, communicating, delivering, and exchanging goods and services - transactional event.

Putting the right product in the right place, at the right price, at the right time.
Marketing… The “5 P’s”

Product – Place – Price
Promotion - People
The Product or Service

1. What are you selling?
2. Are you providing a service?
3. How does the product work?
4. What does the product look like?
5. What type of packaging does it have?

These are all aspects of your product. The product category can extend to things like the type of warranty you offer, service and installation.
Place

1. When/where is your product available?
2. Are there time limitations due to store hours?
3. Are there shipping times associated with the purchase? Does the distance from the customer create an obstacle for the purchase?
4. Is a retail location reselling your product? What type of store is it? Does the store have a regular customer base? Does partnering with the store make sense?
Price -

1. How much your customer is willing to pay for whatever product/service your business provides.
2. What is the cost to manufacture & distribute.
3. What are Production and Non-Production Costs?
Promotion - How will you communicate with your customers?
People -
Relationships develop -
Establish duration –
Create loyalty –
Create repeat sales
More than selling goods and services

Marketing is an “exchange” – THE TRANSACTIONAL PROCESS
(CRM) Customer Relation Management

Acquisition

Retention

Winning Back
Avoid “Marketing Myopia”

**Marketing Myopia**
Myopia is the condition more commonly known as short sightedness.

Marketing Myopia basically refers to an organization's natural tendency to market their products based on a very narrow and often internally focused point of view.

**BE CREATIVE - INNOVATIVE**
See Clearly - Your Purpose of Marketing…

- Acquisition
- Winning Back
- Increased Profitability
- Retention

Welcome!
PART 2 – MARKETING PLAN

WRITING THE MARKETING PLAN
Part 2 - Writing the Plan

Developing a marketing plan is one of the most important things you can do to ensure that your business will make a profit.
In the beginning...

Key questions to ask yourself…

1. What does my business stand for? Mission
2. What do I need to know about my business market? Research
3. Who is my ideal customer? Target Audience
4. What are my sales objectives? Profits
There are many ways to develop and format a marketing plan. The approach taken here is to present a 7-step plan that includes:

1. Purpose and Mission
2. Product/Service Identity - Market Research
3. Target Audience and Product Objectives
4. Competition Analysis – Pricing
5. Distribution – Promotional Mix
6. Sales Objectives, Forecasting
7. Action Plan - Production
Purpose of Marketing Plan

Offer brief explanation for why this plan was produced

It forces you to identify:
• Target market.
• Short and long-term marketing goals.
• Your business as a whole and ties together market objectives.
• Allocate limited resources for greatest return.
• Guide to measure progress and outcome.
Develop Mission Statement

Identifies long-run vision of the organization:

1. Why is the company in business?
2. What markets do we serve?
3. What are the main benefits we offer our customers?
   “Practical and highly affordable business solutions”
4. What does this company want to be known for?
5. What is the philosophy for doing business?
6. What products/services does the company offer?
1. Identify each service and product specifically.
2. Differentiate products/services in terms of specialty.
3. Describe product lines, and new products/services that will be introduced.
4. Give cost of each product/service.
5. Give the price you plan to charge for each product/service.
Conduct Market Research

Market Research Should Answer These Questions

1. Who are your customers and potential customers?
2. Identify Demographics - Geographic
3. Can/will consumers buy the product you're offering?
4. Are your prices consistent with what the buyers view as a value?
5. Who are your competitors?
The Marketing Research Process

1. Define Problem
2. Plan Design/Primary Data
3. Collect Data
4. Specify Sampling Procedure
5. Analyze Data
6. Prepare Marketing Report
7. Follow Up
EFFECTIVE MARKET RESEARCH

Popular Sections
- Population
- Income
- Births & Deaths
- Labor Force

Summary Statistics
- USA Statistics in Brief
- Historical Statistics
- State Rankings
- Thematic Maps

Other Resources
- States & Local Areas
- USA Counties
- QuickFacts

Statistical Abstract of the United States

US Census

County Offices

Survey Monkey

Chamber of Commerce Sites

Multiple Web Resources
Research your Target Audience

Identify who your best customers are in the terms of total value they represent to your profitability and their loyalty to your business.

Determine Common Characteristics

Demographics – Age – Income – Education – Marital - Buying Habits – Product Use – Time of Use – Loyalty
Psychographics – Values – Life Styles – Interests - Attitudes
Geography – Climate - Consumption Patterns

Target these customers in the marketplace and you have discovered your “TARGET AUDIENCE”
Research Product Usage

Questions related to customers usage.

• Who is using the product?
• Why do they use the product?
• When do they use the product?
• How is the product used?
• Needs/benefits sought by market
Target Market Buying Decisions

CONSUMER DECISION-MAKING PROCESS

Demographics Factors

Geographic Factors

Product Usage

Psychological Factors

BUY / DON’T BUY
Ask Yourself... Is There Demand?

- **Target Market** – How many consumers are there in your target market?
- **Geographic Territory** – How many consumers are in your defined area?
- **Consumption Constraints** – What consumption habits exist that limit potential?
- **Average Purchase Per Year** –
- **Company Share of the Market** – How much to expect to attain?
1. Identify the top five competitors in your market.
2. Determine their similarities and differences to the business you are planning.
3. Identify and compare your company's and your competitors' strengths and weaknesses.
1. Identify methods for making your operation better than theirs.
2. Determine whether their business is increasing, decreasing or level.
3. Compare your marketing techniques with those of your competitors.
Pricing and Production Costs

Pricing a product or service begins with an understanding of the total cost of the product/service.

Production costs
Labor costs - Material costs – Your time

Non-production costs
Rent, utilities, postage, telephone, supplies, marketing expenses, etc.
Product Pricing for Promotion

Product Pricing

(Total cost x % increase = price).

Calculating the total cost allows you to look at the price point that you want to obtain. 

This is limited by the retail price of the competition.
Product Distribution

Identify the most effective methods for getting products/services to customers in the target market.

• Will it require shipping- Wait time
• Packaging Identify need for warehousing of products
• Identify distribution channels if not sold direct to buyer.
• Are new methods of distribution emerging?
Describe potential advertising programs - discuss the following:

1. Media choices, how selected and target audience
2. Seasonal
3. Project expenditures for each medium and product/service.
4. Describe potential public relations/publicity activities - i.e. business opening
Product Sales Objectives

Develop Sales Objectives - common goals that are identified through marketing.

Includes:

• Profit margins
• Revenue targets
• Distribution methods
• Targeted demographics

Inform target audience through social media about features and benefits of our product and its competitive advantage, leading to a 10 percent increase in sales in one year.
1. Project sales for each product/service.
2. Develop a close estimate of total potential sales volume.

Sources can include:
- Census Data – Government Websites
- Marketing Research Data
- Local Chamber of Commerce
- Data from a custom designed marketing research project – surveys etc.
1. Review sales history of competitors through secondary research.
2. Show recent sales trends in industry.
3. Make any seasonal adjustments.
4. Project sales and income for next four quarters.
1. Lists and prioritize all the marketing strategies and activities you have identified.
   • E.Q. - Creating business cards

2. Your action plan will include at least a yearlong schedule of activities.

3. Realistic projection of your production and customer service capabilities.
The marketing campaign should be at least a year in duration, taking into account the many seasonal factors that affect customers’ purchasing habits.

1. You need to find the best medium (social media, newspaper/radio/other) to get the message to potential customers.

2. Plan advertising messages to emphasize the strengths of the products, services, and the people of your business to your potential customers.
PART 3 – MARKETING PLAN

AREAS FOR CONSIDERATION
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Catchy names may seem clever, but they often tell nothing about the service or product of the business. The business name is a primary marketing tool and should contain a clear message of the product or service provided.
Image is of utmost importance in their decision to purchase products or services from you.

1. Color, scheme, logo, or trademark should appear on all stationery, advertisements, signage, and any other promotional efforts.
2. Includes internet and website marketing efforts.

*You must be consistent in all your promotion and advertising materials to strengthen your image relative to your competitors.*
Analysis: Customer Service

Customer service is a part of the customer’s total concept of your business and product/service.

While it is not visible, it is part of your image. Customers expect friendly, prompt, courteous service.

Good customer service may be the most critical aspect of any marketing campaign.
1. High Exposure Location –
   • Marketing effort should be used to create customer demand.

2. Low Exposure Location –
   • Marketing effort should be used to create awareness – how can I find you?

3. Marketing from a home.
   • Ease and speed of distribution would become the primary factor in Marketing.
Determine the **level of production** necessary to meet sales forecasts.

**Impact** - capital needs, equipment expenditures, personnel needs, and other business demands
As with the overall business plan, the marketing plan must be used, evaluated and revised.

Frequent evaluation - Revisions = Marketing success.