

SMALL BUSINESS MARKETING PLAN

2010/11 EDITION

A guide and template to creating marketing plans that cut through cluttered markets and identify the right promotional tools to get the word out of your business.

By small business marketing experts,
for small business owners

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**We don't sell new cars...
but we do help small business owners to afford them**



This free eBook is provided by Engage Marketing, Melbourne's small business marketing specialists.

We're experts in how to get the most out of small business. We help you, the small business owner, afford that new boat that you started your business for in the first place!

We make a big difference to your life through developing marketing plans from start to finish, or simply working on elements of your marketing.

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Plan Lab, guides small business owners through the process of creating their own marketing plan while learning valuable marketing skills. The cloud-based tool provides advice at each stage of writing your marketing plan, allowing you to create a plan that is quicker, cheaper and more educational than using a marketing consultant.

Visit the Plan Lab website to see why it's a smarter way to build a marketing plan.

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MARKETING PLAN OUTLINE

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EXECUTIVE SUMMARY

Your executive summary should be quite extensive, outlining your product or service, the customer, the market, the marketing strategy that you will use and the objectives that the marketing strategy strives to achieve.

The executive summary is often the only page that your bank or potential investors will read. It has the potential to make or break your ambition so put a lot of time into perfecting it. Include all of the keys to your success and your projected outcomes.

When describing the product, rather than list its features, list its benefits, as that is what you are really selling. "iPod – 1000 songs in your pocket" worked much better than "iPod – 5GB hard drive, 2.5" screen, plays music" ever would have. Once you start getting in the 'sell benefits rather than features' mind set, you'll notice a remarkable difference to customer's perception of your business and what you offer.

● ● ● ENGAGE NOTES

Often its easiest to start the Executive Summary after you have completed the rest of your marketing plan.

THE MARKET

Your market analysis should give the reader a complete understanding of the market - that is, who operates in it, how it has been performing in recent years, how it is expected to perform in the future, what influences impact on those operating in it and what niche's exist. This is best accomplished by completing the following:

- Market description
- Competitor analysis
- SWOT analysis
- PEST analysis
- Growth forecast
- Opportunity statement

Describe the market and its characteristics. What growth or decline has the industry seen in recent years and what is forecasted growth estimated at? Describe the reasons for these results.

A competitive analysis is integral in creating a successful small business. Describe in depth, the performance, positioning, marketing tactics, strengths, weaknesses and future plans of your competitors.

In explaining your forecasted growth, identify what external influences affect the industry. This is best done in what is known as a PEST Analysis (its well worth Googling this term and conducting a PEST Analysis).

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An opportunity statement is something usually not seen in a Marketing Plan but we suggest doing one to help you note down areas in which your business could explore in the future. Not only will it increase your chances of taking new opportunities, banks and investors love to see your awareness of your market and its opportunities.

THE CUSTOMER

Your customer analysis should segment different customer types according to the following attributes:

- Number of members in the segment
- Estimated percentage of sales
- What they want
- How they use it
- Support requirements
- Price sensitivity
- How to reach them
- Value Drivers
- Decision Process

There are different ways that you can look at the market. They might be by behavior (loyalty, usage patterns, order size, if they spread word of mouth), psychographics (values, attitudes and lifestyle), demographics (age, gender, ethnicity, income, family status) or geographic region.

To get the most complete and accurate research, use a variety of methods such as speaking to the market directly, speaking to others in the industry and analysing industry reports and publications.

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Do a thorough analysis of both your typical customers and your ideal customer. Your ideal customer might be the one that spends the most amount of money, the one that keeps coming back or the one that spends an average amount, but is so delighted with your business that they tell a bunch of their friends and they turn into customers.

Work towards targetting your ideal customer most effectively and think about how to turn more of your customers into ideal customers.

EXAMPLE

Our research suggests that our primary customer will be females, aged between 21-28, earning between \$40,000-\$70,000 per year. They like their clothing to match their career ambitions and enjoy the satisfaction of shopping at what they know is a boutique women's clothing store with clothes that are less mainstream and highly fashionable.

We estimate that this demographic will be accountable for 60-70% of sales. A key to retaining this market is to maintain the feeling of exclusivity in our marketing and sales promotions. They have low sensitivity to price and spend based on emotion, not logic.

They are best reached through word of mouth spreading throughout the market, while repeat sales will be encouraged through private Facebook-promoted events. This will be a good way of encouraging a group of followers to be loyalty to the brand.

The 20-23 year old age bracket cannot be ignored and should be targeted towards the end of university semesters as they graduate and step into full-time work. For many, this will be their first real career and will be excited to purchase boutique fashionable clothing for their job interviews.

MARKETING STRATEGY

Everything that you have studied about your market and customer should come together in your strategy. At this point, you should know the opportunities in your market, who your customers are, how to reach them, and how to solve their problem.

Your strategy should cover other things that are key to your anticipated results and your desired image. It might be that your design-focussed, have the most reputable customer service or be known for your support within the community.

Any basic strategy should cover the standard issues of management/marketing:

- product (name, quality, product line, warranty, packaging)
- price (discounts, bundles, payment terms, leasing)
- place (distribution, how to motivate distributors, locations, logistics)
- unique selling proposition

Pricing can be decided according to competition, what the market will tolerate, a profit percentage. Perhaps you can offer a unique pricing model to differentiate from your competitors.

List and describe alternative strategies and the implications of each. These alternatives might be different price points, market positions or personality.

Spend some time explaining your brand and your Unique Selling Proposition. A brand is what people think of your business and how they relate to it. Brand development takes time and dedication in consistently associating the same values and visual cues in all of your marketing material. Your unique selling proposition is what you market as a feature or benefit that you can give your customers that no other competitor can.

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We have some new ones that you won't see in your traditional marketing textbooks because they're new; they're how customers react to marketing now, not 10 years ago.

- personality
- story
- customer experience
- customer service

Your story should fit in with your personality. That might be creative, light-hearted and funny, professional, true-blue-Aussie or even Hippy if that's your market. Set your personality according to what your customers relate to.

Any good marketing strategy has a story to tell the customer and tools to help them share your story with others. Make yourself interesting and worth talking about because no-one's going to share something boring or even average, and word of mouth is the most powerful form of marketing there is.

Customer service and the experience that potential customers are part of when they interact with your brand can help to make an exceptional business. Think about every point that a customer would interact with you and how to make that process as positive and emotionally effective as possible.

PROMOTION

Promotion is the fun part for some small business owners and a headache for others. In your promotional plan, outline exactly how you are going to reach your market. It might be through search engines, direct mail, or any number of hundreds of marketing tactics. Your promotional plan should include:

- direct marketing
- internet marketing
- public relations
- advertising
- your marketing budget
- an action plan
- projected outcomes

Typically a sale will come from a build up of the benefits of a few different marketing tactics. For this reason we recommend that you spend time working on a variety of marketing tactics so that you're covered in all areas, even if you have a few standouts that are working well for you.

The most successful small businesses are seen online, offline, through word of mouth and in the media. What you want is a light bulb moment where a customer picks up your marketing material (ad, direct mail, brochure, etc.) and thinks 'Oh yeah, I've seen these guys on the internet and my friend recommended them as well'. Provided your business doesn't have a bad personality, they have no reason not to give you their business.

Create an action plan like the example below to ensure that you carry out your promotional items.

TASK	DUE DATE	COMPLETED BY	ON DATE
Create brochure	1/02/2010	John	3/02/2010
Distribute brochures in cafe's	8/02/2010		

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Traditionally, promotion is part of the strategy section of your marketing plan, however we believe that it's more effective on its own. Rather than seeing the size of your strategy chapter and thinking that you have enough, letting the Promotion section stand-alone will give it the focus it deserves.

You might have your own method for coming up with your promotional ideas and that's fine. We recommend starting by thinking about your customers. Where are they? What are their habits?

Think about strategy as the cake and promotion as the icing and sprinkles that entice people to buy.

PROMOTIONAL IDEAS

The following ideas are available in more detail in our free eBook “30 Big Small Business Marketing Ideas”.

Please note that not every idea will be suitable for your business and that your promotional ideas should be carefully selected as part of your overall marketing strategy.

- form a strategic alliance
- gather testimonials
- publish free eBooks
- author guest blog posts and articles for a publication
- advertisements in targeted publications
- purchase street banners
- design in-store signage
- submit to online directory listings
- frequently update your website
- search engine optimisation
- start blogging
- explore Google™ AdWords
- commit to social marketing (forums, Facebook™, Twitter™)
- distribute personal letters and direct mail campaigns
- offer competitions to collect opt-in customer details
- email marketing
- create a newsletter
- sponsor a local community sporting club
- public relations stunts or stories
- networking (industry events, chamber of commerce, etc.)
- free demonstrations
- free-trial offers

OBJECTIVES

Setting objectives gives you something to work towards as well as great focus on what marketing activities you need to undertake to succeed. Wait 3 months from the formation of your marketing plan and compare your results to your objectives. Do this again at 6, 12 & 18 months and reformulate your marketing plan according to results.

Your objectives may be:

- to increase profit by XX% within one year
- to increase market share by XX% within nine months
- to be recognised as the quality market offering within one year
- to sell YYYY units in the first six months
- increase product awareness by XX% in the 18-25 year old age group
- decrease resistance to buying by XX% leading to more Point-of-sale sales

Objectives are not meant to be set and then forgotten. By regularly measuring the performance of our various marketing tactics, you can continually refine and improve your marketing.

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Set S.M.A.R.T. objectives (specific, measurable, achievable, realistic and timed).

Visit the Engage Marketing blog at <http://www.engagemarketing.com.au/blog/> and search for the post "6 ways to stop wasting your marketing budget" for tips on measuring and analysing your marketing performance.

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