

Chapter 5: The Marketing Plan

Tab 1: Introduction

The **marketing plan** is the part of the business plan where you describe what you will do to attract customers. Marketing describes everything you do to promote your business to potential customers. In your marketing plan you should describe:

- The need for your product or service
- Your target customers
- Growth trends in your industry
- Your competition
- The marketing strategies you will use to reach your target customers

It is important to describe how and where you found this information so that people who review your marketing plan understand that you are basing your ideas on research and not guesses.

Parts of the Marketing Plan

Business Features

Your marketing plan needs to include information about the features of your product or service. What makes your business unique? How do you stand out from the competition? Why will customers want to use your business instead of another business?

Once you figure out your business's features, think about how your business name can reflect those features.

Customers

Your marketing plan also should include information about your target customers. Your customers might be individuals, or they might be other businesses or resellers.

Competition

It is important to know about your competition. You should know how they are similar and different from your business, what they charge, their weaknesses and strengths, and how they market to their customers.

Market Research

You need to do market research to learn about your target customers, competition, expected sales, and potential growth. There are many ways to do market research, and it's best to use more than one way to gather your information. A lot of information can be found online, but it's also important to talk to people one-on-one.

Marketing Strategy & Methods

Marketing strategies and methods are the things you will do to tell customers about your business. They include establishing a business image, designing a logo, making a website and social media pages, and making print materials like business cards, brochures, and fliers.

Tab 2: Business Features

Business features are the things that make your product or service valuable to customers. They help you target your marketing efforts to stand out from the competition. They can also be used to help you refine your business name.

Business Traits

Small businesses usually can't compete against bigger businesses on price. Larger businesses have "economies of scale" that allow them to produce their products or services at lower costs. That means you have to think about other reasons people will go to your business. Why should customers pay more for your product instead of buying from your competition?

Other reasons customers might use a business include:

- Location and hours
 - Maybe your store is easier to get to, or is open at more convenient times
- Superior product
 - Maybe your product is better quality and lasts longer
- Image
 - Maybe your business is part of a "buy local" campaign or you use recycled materials

Getting Started

Answer these questions to get started describing the features and benefits of your business. Record your answers so you can use them when you develop your marketing plan.

- What are some defining features of your product or service?
- What are the benefits to your customers?
- What types of customers are you trying to attract?

Here are answers to these questions for a sample business, *John's Finish Carpentry*.

Features: *John's Finish Carpentry*

John identified several defining features for his new business:

- He has the skills to complete precision work
- He can work with many different types of wood
- He can work on-site or in his shop
- He can create one-of-a-kind products
- He is dependable
- He offers personal service

Benefits: *John's Finish Carpentry*

John thinks customers who purchase his services will benefit from:

- Quality installation
- Products that look good and function perfectly
- Customized products that are exactly what the customer wants
- A contactor that shows up and delivers an end product on time
- A contractor who listens to and does what the customer wants

Potential Customers: John's Finish Carpentry

John hopes to attract customers who:

- Own a home but don't have skills to do finish carpentry work
- Want or need a custom item
- Have the income to pay for customized finish carpentry
- Want someone they can trust to do the work in their home

Business Name

Once you have thought about the features and benefits of your business, you can use this information to refine your business name. A **business name** should:

- Have meaning
- Describe what the business does
- Provide a positive quality of the business
- Not be offensive, confusing, or something that potential customers find distasteful

You should also consider how your business name looks as part of a logo, on a business card, on a website, and as a web address.

Business Name Availability

Once you settle on a business name, you need to find out if it is available.

- Make sure the name or a similar name is not being used in a nearby community.
- Check at the [U.S. Patent and Trademark Office](http://www.uspto.gov/trademarks-application-process/search-trademark-database) (www.uspto.gov/trademarks-application-process/search-trademark-database) to make sure the name is not already trademarked.
- If your business is going to be incorporated, make sure your business name doesn't match another business name in the state. Contact your state filing office for instructions on how to search the state database.

Business Plan Outline

Once you identify the key features of your business and decide on your business name, use this information to fill out the **business features** section in the **Business Plan Outline** you downloaded in Chapter 4.

Quiz Yourself**Question 1**

Is *Green Thumb Landscaping* a good name for a new business? Why or why not?

Answer 1

Green Thumb Landscaping is a good business name because it describes what the business does. The owner will need to research other business names in the community to make sure there aren't any with similar names.

Question 2

Is *Sandy's Sparkling Spa Service and Supplies* a good name for a new business? Why or why not?

Answer 2

Sandy's Sparkling Spa Service and Supplies is a good business name because it says what the business does and is probably different from other business names. However, it is long so it would be hard to use on marketing materials.

Question 3

Is *Bob's Basics* a good name for a new business? Why or why not?

Answer 3

Bob's Basics has a nice ring to it and is short so it would look good on marketing materials, but it doesn't describe what the business does.

Question 4

What are some business features you might use to market your business?

Answer 4

Defining business features might include:

- Quality
- Unique, one-of-a-kind product
- Availability
- Convenience

It is hard for most small businesses to compete on price alone, since larger businesses can produce products and services more cheaply. Large businesses can do things like buy materials in bulk, use automated machinery, or hire specialized workers.

Tab 3: Customers

This section describes characteristics of your potential customers. Start by describing the different people or businesses who can benefit from the features of your business.

Potential customers can be:

- Individuals who will buy your product or service
- A business that will use the product or service to produce their own product
- A reseller that will resell your product or service

You might have groups of customers who are very different from each other and have different characteristics and needs.

Customer Segments

Targeted Marketing

The market for your product or service includes existing and potential customers who need or want the product or service and will pay for it. But not every customer will buy your product or service for the same reasons. Knowing about your customer segments, or different types of customers, will help you know how to market to each group.

Defining Segments

One way to segment customers is by key characteristics. These can be things like where people live, how much money they earn, or their hobbies or interests. Here are a few examples:

- Geographic
 - Examples: rural/urban, national, regional, local
- Demographic
 - Examples: gender, income level, education level, ethnicity
- Viewpoints
 - Examples: social class, beliefs, lifestyle, attitudes
- Hobbies/interests
 - Examples: reading, outdoor activities, music, art, sewing
- Professions
 - Examples: craftsperson, educator, banker, nurse, blue collar, white collar

Customer Behaviors

Another way to divide markets is by customer behaviors. These could be things like:

- Reason for purchase
 - Examples: need, desire, status
- Frequency of purchase
 - Examples: daily, weekly, monthly, yearly
- Amount purchased at a time
- Loyalty to brand
- Price sensitivity
 - Example: changing buying behaviors based on price
- Expectations for quality

Individuals

If your potential customers are people, describe each customer segment by key characteristics, such as:

- Gender
- Age range
- Education level
- Income level
- Profession
- Residence location
- How they will access your business
- Their hobbies or interests
- Where they shop
- What they read
- What they buy

Businesses

If your potential customers are businesses, you should describe them by things like:

- The type and size of the businesses
- Where the businesses are located
- How they will access your business
- Other services or products they purchase

Example: *Big Sky Horse and Saddle*

Big Sky Horse and Saddle is a small ranch operation that teaches riding lessons. They segment their market by:

- Age group
- Riding styles (Western, English, and Dressage)
- Experience level

Strategies to market to different customer segments include:

- Children: reached through a summer parks and recreation program and scouting groups
- Adults: reached through a website and social media, such as Facebook
- Riding interests and experience: reached through advertising in local newsletters of Western and Dressage riding groups

Initial Marketing and Growth

When you start your business, focus on one market segment at first. After you meet your initial sales goals, then think about how you can target other types of customers.

Example: *Grinder*

A new coffee shop called *Grinder* is located across the street from a college. *Grinder* started by serving coffee and bakery items. Initial marketing was aimed at students as a place to hang out and study or to grab coffee before class.

Expanding to New Markets: *Grinder*

After successfully attracting students, *Grinder's* owner decided to offer a lunch menu. She expanded her marketing efforts to university employees, advertising her new menu as an alternative to on-campus dining options.

After meeting sales goals for breakfast and lunch, the owner decided to offer dinner as well. She marketed her new dinner menu to people living in the nearby neighborhood, and promoted *Grinder* as a local place to grab an inexpensive dinner.

Targeted Marketing: *Grinder*

Each of the coffee shop's three marketing efforts highlighted the shop's food quality and convenience. However, the owner used slightly different marketing methods and messages to reach students, staff, and neighbors.

Tab 4: Competition

In order to create a good marketing plan, it is important to know about your competition. You should know about:

- Your competitors' products and services
- What your competitors charge for their products and services
- Your competitors' weaknesses and strengths
- How your business' features and benefits differ from your competitors
- How your business will gain market share

Tab 5: Market Research

You will need to do market research to figure out who your potential customers are, learn about your competition, and estimate your expected sales and potential growth. Most of this information can be found online. Once you do some online research, you can get information that is more specific from surveys, interviews, or focus groups.

The sections below outline different ways to conduct market research.

Web Searches

You can find a lot of information online. Search for specific types of businesses in your area to identify your competition. You can also search city websites for business directories.

Look at the websites of your competitors to learn about their products, services, and pricing. If there are no competing or similar businesses in your area, look at websites of similar businesses in other communities.

Industry Data Links

There are many resources on the web to get you started. Here are some websites with information about industry data:

- [Wikipedia's List of Professional and Trade Magazines](https://en.wikipedia.org/wiki/Category:Professional_and_trade_magazines)
(https://en.wikipedia.org/wiki/Category:Professional_and_trade_magazines)
- [Southwest Missouri State's Guide to Finding Trade Publications](http://courses.semo.edu/library/infolit/tradepublications.htm)
(<http://courses.semo.edu/library/infolit/tradepublications.htm>)
- [Wikipedia Trade Groups in the US](https://en.wikipedia.org/wiki/List_of_industry_trade_groups_in_the_United_States)
(https://en.wikipedia.org/wiki/List_of_industry_trade_groups_in_the_United_States)
- [Small Business Administration](http://www.sba.gov) (www.sba.gov)
- [SBA: Business Data and Statistics](http://www.sba.gov/business-guide/plan/market-research-competitive-analysis) (www.sba.gov/business-guide/plan/market-research-competitive-analysis)
- [Small Business Development Centers](https://www.sba.gov/tools/local-assistance/sbdc) (<https://www.sba.gov/tools/local-assistance/sbdc>)
 - Search for a regional office near you

Demographics Data

To learn about your potential customers, look up demographics data. Places to search for this information include:

National Data Sources

- [US Census: States and Local Areas](http://www.census.gov/library/publications/2010/compendia/databooks.html)
(www.census.gov/library/publications/2010/compendia/databooks.html)
- [US Census: Metropolitan and Micropolitan Areas](http://www.census.gov/programs-surveys/metro-micro.html) (www.census.gov/programs-surveys/metro-micro.html)
- [US Census Quickfacts](http://www.census.gov/quickfacts/fact/table/US/PST045216) (www.census.gov/quickfacts/fact/table/US/PST045216)
- [Bureau of Labor Statistics](http://www.bls.gov) (www.bls.gov)
- [Metro and Non-Metro Area Occupational Employment and Wage Estimates](http://www.bls.gov/oes/current/oessrcma.htm)
(www.bls.gov/oes/current/oessrcma.htm)

City, Suburban, and State Data Searches

- [City Data](http://www.city-data.com) (www.city-data.com)
- [Suburban Stats](https://suburbanstats.org) (https://suburbanstats.org)
- City business directories (search by city)
- Chambers of Commerce (search by city)
- State Department of Labor (search for your state)
- State Department of Industry (search for your state)
- State Department of Commerce (search for your state)

Survey Types

Surveys are a good way to find out what customers want. You can also survey other business owners who have similar but noncompeting businesses.

Survey answers should be entered into a computer program like Excel so they can be analyzed or averaged. The more survey responses you collect, the more accurate the information.

Methods

Surveys can be conducted:

- In person
- By telephone
- By mail
- Online

In-Person Surveys

In-person surveys let you explain survey questions and read body language. If you are planning an in-person survey, it is important to figure out where and when you will conduct the survey. You need to make sure you are surveying your target audience.

For instance, if you want to start a business that attracts people in your neighborhood, you might conduct an in-person survey outside the local grocery store during peak times when neighbors are likely to shop.

Telephone Surveys

Telephone surveys are a fast way to gather information, as long as people answer the phone and agree to talk to you. Telephone surveys might be a good strategy for contacting businesses, but probably won't be very good at reaching people who screen calls.

Mail Surveys

Mail-based surveys are usually mailed with a return postage-paid envelope and an incentive (such as a \$1 bill) for completing the survey. Mail surveys often have a low response rate. They often include follow-up reminders to get more people to respond.

Mail-based surveys can be expensive since you must cover postage for mailing materials.

Internet Surveys

Internet surveys can be developed using free online survey tools such as:

- [SurveyMonkey](http://www.surveymonkey.com) (www.surveymonkey.com)

- [Typeform](http://www.typeform.com) (www.typeform.com)
- [Google Forms](http://www.google.com/forms/about) (www.google.com/forms/about)
- [Survey Gizmo](http://www.surveygizmo.com) (www.surveygizmo.com)

People are invited to take the survey by mail, email, or by an advertisement or flier. Response rates usually increase with reminders.

Online survey tools allow for question branching, where follow-up questions are asked or not asked depending on previous answers. They will also summarize the results for you.

Survey Basics

Developing a good survey can take some practice. To get started, list the things you would like to know. Then decide which are the most important. People are more willing to respond to short surveys, so you may have to leave some questions unanswered.

When you look at your results, make sure you average the answers for more reliable information. One person who doesn't like your product doesn't mean it's a bad product, but if 20 people don't like it then you should pay closer attention to the findings.

Writing Clear Questions

To write clear survey questions:

- Ask only one question at a time. Avoid the word "and"
 - **Don't** ask "Did you find the service useful and valuable?" This will make it hard to figure out if the service was both useful and valuable, or just one of those.
 - **Do** ask two separate questions: "Did you find the service useful?" **and** "Did you find the service valuable?"
- Don't use jargon or terms that might not be widely understood.
- Don't use double negative questions.
 - Double negatives usually include the word "not" in the question or statement. They are usually poor grammar, and can be confusing.
 - Example: "Do you not dislike this product?" or "Do you not never use this product?"

Getting Accurate Answers

To get more accurate survey answers:

- Avoid leading or biased questions.
 - **Don't** ask: "X product has several problems, what is your opinion of it?"
 - **Do** ask: "How would you rate X product's reliability?"
- Focus on past actions.
 - Ask people about what they have done or bought in the past, not about what they plan to do or buy in the future.
 - Past behavior is the best indicator of actual behavior.

Multiple Choice

Multiple choice questions are easy for people to respond to and can help with analyzing results.

- Make sure multiple choice options offer all possible answers
 - If this isn't possible, provide an "other" category and ask for an explanation.
- Use ranges for sensitive questions

- People are more willing to answer a sensitive question, such as household income, using range categories (i.e. between \$10,000 and \$19,999) instead of filling in a blank.
- Make sure response categories or ranges do not overlap
 - For instance, the age categories 21-35 and 35-50 overlap. Use 21-34 and 35-50 instead.
- Decide if the people taking the survey can select one or more answer, and make sure this is clearly noted on the survey.

Rating Scales

Rating scales are similar to multiple choice questions, but people answer questions based on a scale rather than categories.

- Make sure the scale is balanced across positive and negative options.
 - For example, a five-point rating scale might include: strongly disagree, disagree, neutral, agree, and strongly agree.

Responses

Organize surveys so that your most important questions get answered.

- Ask the most important questions first, because people get tired and often decide to quit in the middle of a survey.
- Don't ask about income, age, or other personal details at the beginning of the survey. Many people don't want to answer personal or sensitive questions and will not continue.
- Don't require someone to answer the first question before moving on to the next one.
 - This is important for internet surveys because people may quit the survey if they don't want to answer a question.

Resources for Writing Survey Questions

Here are few resources for writing good survey questions:

- SurveyMonkey's [Writing Good Survey Questions](http://www.surveymonkey.com/mp/writing-survey-questions) (www.surveymonkey.com/mp/writing-survey-questions)
- Quick and Dirty Tips.com's: [How To Write Good Survey Questions](http://www.quickanddirtytips.com/education/grammar/how-to-write-good-survey-questions) (www.quickanddirtytips.com/education/grammar/how-to-write-good-survey-questions)

Interview and Focus Groups

Interviews and focus groups are ways to get more in-depth information about a topic. They give you the chance to ask follow-up questions so you can better understand what people think. Both include face-to-face interaction, but interviews occur one-on-one and focus groups are in a group format.

Interviews and focus groups are conducted with a small sample of people from a larger group.

- For instance, if you are interested in getting input about an after-school camp for kids, you might conduct interviews with five or six parents from the local elementary school.

Questions

Interview and focus group questions are often about behaviors, opinions, feelings, knowledge, or background characteristics. Questions should be:

- Easy to understand, short, and to the point
- Open-ended
 - Don't ask questions that can be answered by a simple "yes" or "no"
- Non-threatening

- Don't ask very personal or embarrassing questions

Comparing Formats

Generally, focus groups cover fewer questions than interviews.

- Interviews often follow a list of questions or prompts, but the interviewer can ask other questions if they want.
- Focus groups let people in the group interact, which can bring up new ideas or reactions to the questions.

Focus Groups Basics

Focus groups are usually led by two people: a leader and an assistant.

- The leader asks questions, summarizes answers, and asks follow-up questions
- The assistant records the discussion and asks clarifying questions
- Both make sure everyone shares their viewpoint
- Both look over the notes and analyze responses

To get good results from a focus group, you need to ask good questions and encourage everyone to talk and share their views.

Additional Resources

To find out more about conducting focus groups, check out:

- [Community Toolbox, Chapter 3 Section 6. Conducting Focus Groups](http://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/conduct-focus-groups/main) (http://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/conduct-focus-groups/main)
 - Developed by University of Kansas, Workgroup for Community Health and Development
- [Focus Group Questionnaire Fundamentals- Basic Questions](http://www.focusgrouptips.com/focus-group-questionnaire.html) (http://www.focusgrouptips.com/focus-group-questionnaire.html)
 - FocusGroupTips.com discusses five different types of basic questions.

Market Research Example

John's House Painting

John wants to start a house painting business in Beaver, Utah. He plans to paint both interior and exterior surfaces. To begin his research, John searches for house painting businesses on the internet.

- He does a general Google search and searches for painting businesses listed on the city of Beaver, Utah's website.
- He finds one local painter and two nationwide companies that hire local contractors.

Target Market

John thinks his target market will be:

- Homeowners who are employed full-time
- Homeowners who are elderly

To identify his number of potential clients, he looks up this information for Beaver, Utah:

- The number of men and women over the age of 50
- The number of people aged 60 and over who live in their own homes
- The number of owner-occupied homes
- The number of employed people in the city and in the county

- The size of the city and the county (in square miles)

Customer Research

John did in-person interviews to figure out customer need for his business.

- He targeted all age groups to see if his assumption about the average customer age was correct.

He asked these questions in his interviews:

- When was the last time your house interior or exterior was painted?
- Who did the work—did you paint yourself or hire a contractor?
 - Why did you make that choice?
- If you got an estimate but didn't hire a contractor, why not?
- If you are planning a paint job in the future, what will factor into your decision to hire a contractor?

Tab 6: Marketing Strategies and Methods

Marketing describes everything a business owner does to tell potential customers about their business. You build on information from market research about customers and competition to develop a strategy or marketing plan to reach customers.

Customer Outreach

Image

When you are opening a new business, you need to take time to think about the image you want to put forward.

- What is your philosophy about customer service?
- How will things like packaging, brochures, business cards, and displays highlight your business' features?
- How does your business location contribute to your product or service and customer base?

Getting Started

With a business image in mind, you can start developing your marketing materials. These include:

- Designing a logo
- Developing print materials such as business cards, letterhead, and brochures
- Developing a website and social media pages
- Compiling customer contact information

Developing Your Strategy

Next, you need to decide on your marketing strategy. This includes all your outreach, advertising, and promotional activities. You need to answer questions like these.

- What media will you use?
 - Examples: websites, social media, windshield handouts, magazines, local publications, a card or brochure places at another store, mailings, billboards
- How frequently will you run your ads?
 - Examples: daily, weekly, monthly, bi-monthly
- Will you offer giveaways or discounts?
- Will you directly contact your potential customers? If yes, who will do it and how?

- Examples: By the owner, email, trade show
- How will you learn about customer satisfaction?
 - Examples: questionnaires, interviews, focus groups, repeat business, referrals

Advertising

There are many different ways to tell customers about your business. Advertising tells people about your business, convinces them that they should use your business, and builds your brand recognition. Usually, you have to pay for advertising, such as:

- Web ads
- Paid Google search placement
- Radio ads
- TV ads
- Print ads (newspaper, magazine, yellow pages, trade directory, billboard, weekly shopper)
- Direct mail ads (newsletters, flyers, postcards, brochures)
- Internet/website advertising

One of the best (and free!) types of advertising is word-of-mouth referrals from customers and customer reviews on social media.

Promotion

Promotions are things you do to encourage people to buy your product or service. Promotional strategies include:

- Coupons
- Incentives (like buy one get one free)
- Discounted prices
- Free samples

Public Relations

Public relations are methods for telling people about your business. These are good things for new businesses to do to build brand awareness. Public relations activities include things like:

- News releases
- Magazine or journal articles
- Attending or giving seminars and workshops
- Sponsoring community activities
- Providing services or goods to community organizations as raffle prizes
- Speaking engagements
- Announcements or interest stories on social media
- Blogging or providing useful information on social media

Reach

Reach is the total number of unduplicated people that receive an advertisement or promotion. If you want to increase reach, your ad needs to be heard, read, or seen by different people. You can increase reach by advertising in different places, and to different types of customers.

Example:

You have a radio ad that you want to run on two different radio stations. If you run your ad on two country music stations, your reach will be smaller because people who listen to country music probably

listen to both stations. But if you run your ad on a country music station and on a hip-hop music station, your reach will be bigger. The total number of different people who hear the ad will be bigger because there probably are not that many people who listen to both the country and hip-hop music stations.

Effective Reach

Effective reach is the percent of people who see or hear your advertisement, and who remember the ad and your product. For example, if 100 people hear your ad on the radio and 75 of them remember the ad and the product, then the effective reach is 75%.

Frequency

Frequency is the number of times an audience is exposed to an ad over a period of time. You can increase frequency by running your ad more often. For example, placing an ad in a newspaper four times per week instead of two.

Effective frequency is the number of times people see or hear an ad before they remember it and the product. In general, people need to be exposed to an ad at least three times to reach effective frequency.

Marketing Methods

Marketing methods are the different things you do to advertise your business and communicate with customers. It's important to think about who you are trying to reach and then decide the best way to reach them. Don't spend your time and money advertising in places where your target customers won't see your ads.

For example, if you want to advertise to teenagers and young adults, you should advertise on social media sites like Facebook. However, if you are trying to reach older adults, then an ad in the local newspaper might be a better choice.

There are many different ways to reach your customers.

Websites

Every business, even small ones, should have a website. The internet is the first place most people look for information about businesses. At a minimum, a website should:

- Describe your product or service
- Tell about you as the owner
- Provide contact information

Make sure to keep your website updated. Also, make sure to put your website address on your other marketing materials, like your business cards and print ads.

Your website might also include:

- Online purchasing options
- Online reservations
- Testimonials or reviews
- Additional product information

The most effective websites are:

- Reviewed and updated regularly
- Accessible by mobile devices, like smartphones
- Search Engine Optimized (SEO) so they come up near the top of search engines
- Integrated with other social media sites

Website Examples

Check out the websites of some of our featured business owners:

[Earth Within Flowers](http://earthwithin.com) (<http://earthwithin.com>)

[Believe in Me Photography](http://www.believeinmephoto.com/index.html) (www.believeinmephoto.com/index.html)

[AB Technology Solutions](http://www.abtechnologiesolutions.com) (www.abtechnologiesolutions.com)

For more information about the business owners featured in this guide, click on the [Featured Business Owners](http://vrselfemployment.org/content/featured-business-owners) (<http://vrselfemployment.org/content/featured-business-owners>) section of the vrselfemployment.org website.

Social Media

Social media can help you interact with customers and point them to your business website. Social media can also build reach. When customers share posts through their personal networkers, the total number of people who see your advertisement goes up.

Most social media sites allow businesses to create profiles for free. Some sites, like Facebook, have resources to help small business owners learn how to advertise on the site. Social media sites include Facebook, Twitter, Instagram, YouTube, Snapchat and Pinterest. Which social media site you use depends on who you are trying to reach. Don't spend time creating a social media account on every site if your customers only use one or two of them. Part of your market research needs to include which social media platforms your target customers use.

Online Presence

[Telecom Toolbox](http://telecomtoolbox.ri.umt.edu/online-career-development) (<http://telecomtoolbox.ri.umt.edu/online-career-development>) is a useful resource to help you build and manage your online social media presence. The site is designed for people who are seeking jobs. While the information does not target self-employed business owners, many of the tips still apply. Many of the things that appeal to potential employers also appeal to potential customers.

To help keep your social media accounts organized, you can use a management tool like Buffer or HootSuite. Search for "social media management tool" to find a tool that you like.

Personal Contacts

When you talk to people face-to-face, you can build trust and learn information to help you tailor your marketing. It's easier to get more details when you're talking in person. It's also easier for each person to explain themselves and make sure the other person understands. Unfortunately, it can be hard to talk to a lot of customers face-to-face because it takes a lot of time.

Business Cards and Brochures

Business cards and brochures need to include your contact information and a short description of your business. Leave them in places where your target customers are likely to be looking for the product or service you offer.

For example, a business that installs floors might leave business cards and brochures at carpet or flooring stores.

Mass mailings

Mass mailings are sent to individuals, businesses, or agencies. Although mass mailings are sent to a lot of people, there is no guarantee the people who get them will read any (or all) of the ad. Mass mailings are what some people refer to as “junk mail.”

Articles

Articles are a way to describe and highlight your product. Send articles to trade magazines or newsletters that reach your target audience. If the editor likes your article, they may publish it based on available space and what else is being published in that issue. It can take a long time to get an article published, especially if it gets held for a later issue.

Print Advertisements

Newspapers generally reach a large, varied, mostly-adult audience. Magazines typically reach fewer people, depending on the focus of the magazine.

Advertising in a local newspaper or magazine can be a good way to reach local customers. However, advertisements can be expensive and may not catch the reader’s attention.

Radio and Television

Radio stations have fairly specific audiences. Since there are no visuals, you have to rely on the announcer’s skill to share your message.

TV creates a visual image that reinforces a message. The main disadvantage is cost. Another disadvantage is that homemade ads have a hard time competing with well-produced ads from bigger businesses.

Posters and Billboards

Posters and billboards have the potential for reaching many people. Your message needs to be short and eye-catching so that passers-by read it. Pick a location where your target customers will see your ad.

For example, if you are starting a new daycare, you might put up posters around the neighborhood and rent a billboard on a main street near your business location.

Quiz Yourself**Question 1**

What is the difference between advertising and promotion?

Answer 1

Advertising builds your brand or product recognition, and convinces customers to buy your product or service. Promotion is a type of advertising that tries to increase sales by offering customers incentives to buy such as discounts or coupons.

Question 2

What are three ways to market a business?

Answer 2

Ways to market a business include:

- Create a **website**
- Have a **social media** presence
- Make **personal contacts**
- Place **marketing materials** such as business cards and brochures in strategic locations
- Send out a **mass mailing**
- **Advertise** (newsletters, newspapers, magazines, radio, TV, billboards)

Question 3

What is the difference between “reach” and “effective reach” in advertising?

Answer 3

Reach is the total number of different people that receive an advertisement or promotion.

Effective reach is the percent of people exposed to an advertisement who remember the ad and your product.

Tab 7: Chapter Review

The marketing plan contains information about your business features, target customers, and how you will advertise and reach out to customer groups. To develop a good marketing plan you need to:

- Describe your products or services and the features and benefits of your business
- Conduct research about your industry, competition, and potential customers
- Define your customer segments
- Develop your marketing materials, such as logo, website, and business cards
- Describe advertising and promotion strategies and methods

Prepare

Marketing is an important part of getting your new business up and running. You need to spend time researching and thinking about your marketing strategies.

First, figure out your defining business features and your target customers. What makes your business different from your competitors? What would attract customers to your business?

Next, identify your target customers. Then, brainstorm three ways to market your business to them. Use your answers from the **business features** section of this chapter and from the About Your Business worksheet from Chapter 3 to help you.

Counselor Review

Business Features

Knowing what features will make a business stand out is an important first step in developing a marketing strategy. Help the client figure out their business' features that will help them stand out from their competition.

Customer Segments

Encourage the client to start small, focusing on one or two customer segments at first. They can grow their business and target customers after they achieve success with the first segments. Refer to the Grinder coffee shop example in the **customer segments** section in Tab 3.

Website

Websites are the main way customers search and find products and services. Help your client figure out how they will develop their business website and maintain it. Can they access a local adult education class for developing a basic website? Do they have funds to support a web developer? Can they utilize a student at the local college who can take on website development as a class project?

Social Media

Social media is a good way to advertise a business and communicate with customers. Posting to social media accounts is usually free. The main investment is time. Some social media sites allow business owners to pay a fee to increase the number of people who see their ad or post. An example is paying to boost a Facebook post.

It can be overwhelming to try to keep multiple social media sites up-to-date. Encourage the client to figure out which platform their target customers are using, and to set up accounts on those sites. They can always add more platforms later if they have time.

Word-of-Mouth

Word-of-mouth is still the most effective way to market a business. This is why social media is an important part of a marketing strategy. People share things with their friends and family in-person and via social media platforms which increases reach.

Remind the client, however, that word-of-mouth works both ways. People can share both good and bad things about the business and business owner. A good reputation goes a long way in business.

Check Your Understanding

This section helps you check your understanding of the material covered in this chapter. Go through the questions and write down your answers on a separate piece of paper. Check your answers in the Review Your Answers section

Check Your Understanding

Choosing a Business Name

What things should you think about when you pick your business name?

Website

Should every business have a website? Why or why not?

Customer Segments

Why is it important to understand your business's different customer segments?

Scenario: Customer Segments

Stuart wants to open a rock and gem shop. In addition to selling rocks, gems, and fossils, he will offer educational programs to children and adults at his shop, local schools, and the natural history museum. He lives in Moab, Utah, a place with a lot of unique geology. Many seasonal tourists visit because of the geology.

Who are some of Stuart's potential customer segments?

Scenario: Marketing Strategies

What are some marketing strategies Stuart could use to target his different customer segments?

Surveys

Which of these is the better survey question? Why?

- Many people have complained about Product X. What do you think about it?
- How would you rate Product X?

Review your Answers**Choosing a Business Name**

Question: What things should you think about when you pick your business name?

Answer: A business name should:

- Have meaning
- Tell what the business does
- Show a quality a business owner would like to share
- Not offend people
- Look good on marketing materials
- Not be trademarked
- Not have the same name or a similar name to another business in the same area

Website

Question: Should every business have a website? Why or why not?

Answer: It depends on the business. But keep in mind that the most common way people look for information about a business is by doing a web search. Most marketing experts recommend that every business, even small ones, have a website.

Customer Segments

Question: Why is it important to understand your business's different customer segments?

Answer: Understanding your different customer groups will help you target your marketing methods and messages. It will be easier to reach different people with different messages tailored to what they care about.

Scenario: Customer Segments

Question: Stuart wants to open a rock and gem shop. In addition to selling rocks, gems, and fossils, he will offer educational programs for children and adults in his shop, at local schools, and the natural history museum. He lives in Moab, Utah, a place with a lot of unique geology. Many seasonal tourists visit because of the geology.

What are some of Stuart's potential customer segments?

Answer: Stuart could segment his market in the following ways:

- By interest:
 - People who collect rocks, gems, or fossils
 - People who are interested in the geology of the region
 - People who visit the natural history museum
 - Tourists, or people who are visiting and want to learn more about the area
- By age:
 - Children
 - Teenagers
 - Adults

Scenario: Marketing Strategies

Question: What are some strategies Stuart could use to market to his different customer segments?

Answer: Marketing strategies Stuart could use include:

- All segments: reached through a website and other social media, such as Facebook and Instagram
- All segments: reached through having a booth at a community event
- Tourists: reached through brochures at gas stations and the local visitor center, and through fliers in local restaurants
- Other adults, both local and visiting: reached through local magazines and newspapers
- Children: reached through short presentations at the natural history museum and schools

Surveys

Question: Which of these is the better survey question? Why?

- Many people have complained about Product X. What do you think about it?
- How would you rate Product X?

Answer: The question "How would you rate Product X?" is a better survey question because it is unbiased. The question "Many people have complained about Product X. What do you think about it?" is leading and biased—by saying that many people have complained about Product X, you could be encouraging the person taking your survey to think negatively about the product.