

MARKETING YOUR BUSINESS FOR SUCCESS

WORKSHOP

INTRODUCTION

MARKETING YOUR BUSINESS FOR SUCCESS WORKBOOK

Training Module - 3

Workshop Objectives

By the end of this workshop, you should be able to:

- * Determine the purpose of the marketing plan
 - Identify strategies for conducting market research
 - Identify advantages of market research

- * Determine what the marketing plan contains
 - Target market
 - Competition
 - Product/service
 - Marketing budget
 - Location
 - Pricing strategy
 - Promotional strategy

- * List
 - advantages of developing a marketing plan
 - disadvantages of developing a marketing plan

- * Prepare a marketing plan outline

- * Develop an effective marketing strategy
 - Advertising strategy
 - Promotional strategy

MARKETING YOUR BUSINESS FOR SUCCESS - THE MARKETING PLAN - UNDERSTANDING THE MARKETPLACE

Marketing plays a vital role in successful business ventures. How well the plan you develop markets your business, along with the management and financial management plans, will ultimately determine your degree of success or failure. The key elements of a successful marketing plan are to 1) know your customers -- their likes, dislikes and expectations, and 2) to know your competitors -- their strengths and weaknesses. By identifying these factors, you can develop a marketing strategy that will allow you to arouse and fulfill customers needs, better understand competitors and identify changes in the marketplace that can affect your bottom line.

The purpose of the marketing plan is to define your market, i.e., identify your customers and competitors, to outline a strategy for attracting and keeping customers and to identify and anticipate change. Your business will not succeed simply because you want it to succeed. It takes careful planning and a thorough

understanding of the marketplace to develop a strategy that will ensure success.

Understanding the Marketplace

Generally, the first and most important step in understanding the market is to study it through market research. In the case of a franchise, the franchisor has developed a marketing program, so you will need to review the program he or she has provided. Look over the plan to determine what product/service you will offer and write a description of it. Even though a franchisor has described your product or service, it is a good idea to develop and write your own description because this process helps you to know your product or service--a key variable in any successful marketing plan. When describing your product or service outline what you feel are its unique aspects, and explain how or why these aspects will appeal to customers. Emphasize the special features that you feel are its selling points. These features are what you will use to convince customers to purchase your product or service.

Next go over sales projections, determining if there is a demand for the product or service. In the case of a franchise, the franchisor will have developed the projections. Study this data to see how he or she arrived at these projections. This will help you to better understand how the marketplace operates relative to your product/service, and it can help you develop the skills necessary to identify and anticipate changes in the marketplace. Start your own file on marketplace trends. Periodically review your data, looking for shifts in the market. If changes are occurring, you should modify the marketing plan to coincide with these changes. In franchise operations, it is customary for the franchisor to update the marketing plan periodically to reflect changes in the marketplace and to keep the marketing program current.

A marketing plan should answer these questions:

- * Is this product or service in constant demand?
- * How many competitors provide the same product or service?
- * Can you create a demand for your service or product?
- * Can you effectively compete in price, quality and delivery?
- * If a franchise, will the franchisor price the product or service to give you the projected profit?

Review your program to ensure that it answers these questions. If your plan doesn't answer the questions, it will need to be modified, or you will need to devise a strategy that will provide a means for answering them. When you are satisfied that you understand the program, how the market operates and how to identify market shifts and trends, start writing the marketing section of your business plan.

Even if you adopt a marketing program that has been developed elsewhere, it is your responsibility to promote your product or

service by cultivating the marketplace, i.e., attracting and keeping customers. You can accomplish this aim by knowing your market, your customers, your competitors and your product/service. Don't rely solely on the program provided by a franchisor or others, gather and assess your own data using the techniques outlined in your plan. By gathering and analyzing this information, you will be better able to determine if your program is in line with your competitors, if it is in line with industry averages and what adjustments you can make to improve your overall competitiveness.

A sample "Marketing Plan" is attached as part of Appendix I. Study it carefully, then try to develop a similar program for your business plan.

MARKET RESEARCH

Strategies for Researching the Market

Researching your market is perhaps the easiest way to assess it. Market research does not have to be costly, nor does it have to be a complex process. It can be as simple and as easy as surveying a cross-section of your consumers (focus group) to get their opinions about the product or service you will be offering, or conducting a telephone or mail survey. The disadvantages of using the telephone or mail survey method are the individuals you contact may not be interested in responding to a survey. Other market research techniques include analyzing demographic data, such as population growth/decline rate; age range, sex, income/educational level; brainstorming with family and friends, focus group interviews. Whatever method you use, your focus should be on gathering enough information to determine who your potential customers are--their needs, wants and expectations; if there is a demand for your product or service; who your competitors are and how well they are doing.

Market research should answer questions such as:

- * Who are your customers and potential customers?
- * What kind of people are they?
- * Where do they live?
- * Can and will they buy the product or service you're offering?
- * Are you offering the kinds of goods or services they want -- at the best place, the best time and best amounts?
- * Are your prices consistent with what the buyers view as the products' values?
- * Are you applying the promotional programs in a way that will bring about success?
- * What do customers think of your franchise?
- * Who are your competitors?
- * If a franchise, how does your operation compare with the competition?

While there are some disadvantages to market research--it's a

costly, time-consuming process, builds in biases that distort information, ignores answers or lets arrogance or hostility cut off communications at some point in the marketing process--the advantages, however, outweigh the disadvantages. Don't forego this process or stop halfway because you are not getting the desired results. This may be an indication that you are going into the wrong business or that there isn't a market for your product or service. Don't be discouraged. You simply may need to modify your original plan.

A few of the benefits of market research are outlined below.

- * Learning who your customers are and what they want.
- * Learning how to reach your customer and how frequently you should try to communicate with them.
- * Learning which appeals are most effective and which ones aren't.
- * Learning the relative successes of different marketing strategies in relation to their return on investment.

While market research may appear to be a tedious, time-consuming process, it is necessary if you want to be successful. Think of market research as simply a method of finding out what catches customers' attention by observing their actions and drawing conclusions from what you see and as an organized way of finding objective answers to questions every business owner and manager must answer in order to succeed. Market research focuses and organizes marketing information, ensuring that it is timely and that it provides what you need to:

- * reduce business risks,
- * spot problems and potential problems in your current market,
- * identify and profit from sales opportunities, and
- * get basic facts about your markets to help you make better decisions and set up plans of action.

If viewed from this stand point, market research is an invaluable tool that can save you time, effort and money.

SELF-PACED ACTIVITY

During this activity you will answer the following questions:

- * Do you have a marketing plan? Yes___ No___
- * If yes, which elements described in pages 1-5 did you NOT include?
- * Have you conducted any marketing research?
- * If yes, how and what methods did you use?
- * If no, why?

MARKETING YOUR BUSINESS FOR SUCCESS - WHAT DOES A MARKETING PLAN CONTAIN?

Many first-time business owners think that by simply placing an ad in a local newspaper or a commercial on a radio or a television station, customers will automatically flock to purchase their product or service. This is true to a certain extent. Some people are likely to learn about your product or service and try it, just out of curiosity. But hundreds, even thousands, of other potential customers may never learn of your business. Just think of the money you'll lose, simply because you didn't develop an adequate marketing program!

Marketing is an essential part of business operations. And, it oftentimes determines how successful your business will be. What you as a potential business owner must do is maintain a thorough understanding of the marketing program, and use it to extract advantages from the marketplace. Go over the strategies and techniques until you understand how to apply them to get the results you desire. Remember, your aim is not only to attract and keep a steady group of loyal customers, but also to expand your customer base by identifying and attracting, new customers and to reduce risks by anticipating market shifts that can affect your bottom line.

To help you accomplish this aim, your marketing plan should include strategies typical of any marketing plan. The plan should especially include what marketers dub as the 4 P's of Marketing (PRODUCT/SERVICE, PRICE, PLACE AND PROMOTION). Review your plan. Make certain it contains the strategies listed below, then determine how these strategies are applied. Include a brief explanation for each strategy.

- * Describe the target market by
 - age
 - sex
 - profession/career
 - income level
 - educational level
 - residence

Identify and describe your customers (target market) by their age, sex, income/educational levels, profession/career and residence. Know your customers better than you know anyone--their likes, dislikes, expectations. Since you will have limited resources target only those customers who are more likely to purchase your product or service. As your franchise grows and your customer base expands, then, you may need to consider modifying this section of the marketing plan to include other customers.

- * Identify Competition
 - market research data

- demand for product or service
- nearest direct and indirect competitors
- strengths and weaknesses of competitors
- assessment of how competitors businesses are doing
- description of the unique features of your product or service
- similarities and dissimilarities between your product or service and competitor's
- pricing strategy for and comparison of yours and the competition's

Identify the five nearest direct competitors and the indirect competitors. Start a file on each identifying their weaknesses and strengths. Keep files on their advertising and promotional materials and their pricing strategies. Review these files periodically determining when and how often they advertise, sponsor promotions and offer sales.

* Describe Product/Service

- describe your product or service

Try to describe the benefits of your goods or services from your customer's perspective. Emphasize its special features--i.e., the selling points. Successful business owners know or at least have an idea of what their customers want or expect from them. This type of anticipation can be helpful in building customer satisfaction and loyalty.

* Develop Marketing Budget

- advertising and promotional plan
- costs allocated for advertising and promotions
- advertising and promotional materials
- list of advertising media to be used

Operating an effective marketing plan requires money, so you will have to allocate funds from your operating budget to cover advertising, promotional and all other costs associated with marketing. Develop a marketing budget based on the cost for the media you will use, and the cost for collecting research data and monitoring shifts in the marketplace.

* Describe Location (Place)

- description of the location
- advantages and disadvantages of location

Again, try to describe the location of your business from your customer's perspective. Describe its assets -- i.e., the convenience, whether or not public transportation is accessible, the safety aspects--street lighting, well lit parking lot or facility, decor, etc. Your location should be built around your customers, it should be accessible and should provide a sense of

security. An advantage of purchasing a franchise is the franchisor oftentimes assist in site selection and decorating.

* Develop Pricing strategy

- pricing techniques and brief description of these techniques
- retail costing and pricing
- competitive position
- pricing below competition
- pricing above competition
- price lining
- multiple pricing
- service costs and pricing (for service businesses only)
 - service components
 - material costs
 - labor costs
 - overhead costs

Although your pricing strategy may be based on the strategy devised by others, you should study this plan and the strategies used by competitors. That way you will acquire a thorough understanding of how to price your product or service, and you can determine if your prices are in line with competitors, if they are in line with industry averages and what adjustments you can make to bring them in line.

The key to success is to have an well-planned strategy, to establish your policies and to constantly monitor prices and operating costs to ensure profits. Keep abreast of changes in the marketplace because these changes can affect your bottom line.

* Develop an effective Promotional Strategy

- advertising media
- print media (newspaper, magazine, classified ads, Yellow Pages advertising, brochure)
- radio
- television
- networking
- business cards
- tee shirts, hats, buttons, pens

Develop a promotional strategy that uses various media for promoting your business. Monitor the different media identifying those that most effectively promote your business. Concentrate on developing material for these formats that clearly identifies your goods or services, its location and price.

Since financial institutions weigh the soundness of your marketing plan when deciding whether your business is a good risk for their money, it is important that you prepare and present credible market data that shows there is a need in the community for your business and that demonstrates your ability to compete

successfully.

SELF-PACED ACTIVITY

During this activity you will:

- * Make an outline of the information a marketing plan should contain.

MARKETING YOUR BUSINESS FOR SUCCESS - THE MARKETING PLAN: ITS ADVANTAGES AND DISADVANTAGES

A well-written, comprehensive marketing plan is the focal point of all business ventures because it describes how you plan to attract and retain customers--the most crucial aspect of a business. And why are customers so important? The answer is simple. They ultimately are the means by which you will generate the income needed for daily operations, to repay debts and to turn a profit. In essence, the customers are your life line and the marketing plan is the pipeline that allows you access to them -- i.e., to fulfill their needs and expectations.

The marketing plan is essential to any successful business. It is the heart of the business, the basis from which all other operational and management plans are derived. Marketing offers you a wealth of information that if applied correctly virtually can ensure your success.

Therefore, it is important that you, as a first-time business owner, develop a comprehensive, effective marketing plan. If you need assistance in accomplishing this task, contact your local SBA office. Consult the local telephone directory under "U.S. Government" for the telephone number and address of the office nearest you.

Advantages/Disadvantages of Developing a Marketing Plan

An effective marketing plan will certainly boost your sales and increase your profit margins, which is the goal of every business owner. It is a milepost down the road to success and, as such, care and time should be put into its development. You must be able to convince customers that you have the best product or service for them at the best possible price. If you cannot convince potential customers of this, then you are wasting your time and money. This is where the marketing plan comes into play, and this is why it is so important.

There are numerous advantages you can extract from the marketplace if you know how. And the marketing plan is an excellent tool for identifying and developing strategies for extracting these advantages.

A few of the advantages are outlined below. The plan:

- * identifies needs and wants of consumers
- * determines demand for product or service
- * aids in design of products/services that fulfill consumers needs
- * outlines measures for generating the cash for daily operation, to repay debts and to turn a profit
- * identifies competitors and analyzes your firm's competitive advantage
- * identifies new product/service areas
- * identifies new and/or potential customers
- * allows for test to see if strategies are giving the desired results.

Some of the disadvantages of the market plan are:

- * identifies weaknesses in your business skills
- * leads to faulty marketing decisions based on improperly analyzed data
- * creates unrealistic financial projections if information is interpreted incorrectly
- * identifies weaknesses in your overall business plan

The marketing plan offers numerous advantages; however, as you can see, there can be drawbacks. Remember, however, the advantages outweigh the drawbacks, so seek professional assistance when you are developing the marketing section of your business plan. It will be worth the investment.

SELF-PACED ACTIVITY

During this activity you will:

- * Identify and list the advantages and disadvantages of developing a marketing plan.

MARKETING YOUR BUSINESS FOR SUCCESS - OUTLINE FOR A MARKETING PLAN

Elements of a Marketing Plan

- I. Description of the Target Market
 - age
 - sex
 - profession
 - income level
 - educational level
 - residence

- II. Description of Competitors
 - market research data
 - demand for product or service
 - nearest direct and indirect competitors
 - strengths and weaknesses of competitors
 - assessment of how competitors businesses are doing
 - description of the unique features of your product or service
 - similarities and dissimilarities between your product or service and competitors

- III. Description of Product or Service
 - describe your product or service
 - emphasize special features, i.e., the selling points

- IV. Marketing Budget
 - advertising and promotional plan
 - costs allocated for advertising and promotions
 - advertising and promotional materials
 - list of advertising media to be used and an estimate of cost for each medium

- V. Description of Location
 - description of the location
 - advantages and disadvantages of location

- VI. Pricing Strategy
 - pricing techniques and brief description of these techniques
 - retail costing and pricing
 - competitive position
 - pricing below competition
 - pricing above the competition
 - price lining
 - multiple pricing (for service businesses only)
 - service components
 - material costs
 - labor costs
 - overhead costs

MARKETING YOUR BUSINESS FOR SUCCESS - DEVELOPING AN EFFECTIVE
MARKETING STRATEGY

An advantage of purchasing a franchise is that the marketing plan is provided by the franchisor. While this saves you the time and energy it takes putting together a marketing program, it doesn't, however, ensure that you will attract customers to your franchise. How well your advertisements and promotions draw customers will ultimately determine how effective your marketing strategy is.

While a reputable franchisor will not sell you a franchise in a territory where there is not a market, or where the market is declining, it is your responsibility to cultivate your designated market. Whether you are independent or a franchise, one of the easiest ways to do this is through advertising and promotions.

Remember the aim of the advertising and promotional strategy is to create awareness of your product or service, to arouse customers' needs and expectations to the point of consumption and to create a loyal stream of satisfied customers who continue to patronize your business.

Effective Advertising and Promotions Techniques

Perhaps, the first step in developing an effective advertising and promotional strategy is to understand the difference between the two concepts. Most people think that advertising and promotions are one in the same; there is, however, a distinction between the two. While both advertising and promotions use the different media formats--print, radio and television--as a way of conveying a message, promotion encompasses much more. It is the method of advertising and can entail community involvement. This could mean sponsoring a Boy or Girl Scout troop, allowing non-profit organizations to use your facility, such as, letting the high school drama club use your parking lot for a car wash fund raiser, sending an underprivileged child to day camp or involvement in any type of positive community activity that will bring attention to your business.

While advertising is a way of keeping your business in the public's eye, promotions are a way of signaling that you are concerned and committed to the welfare of the community and its residents. This commitment may be one of the most effective techniques for building customer loyalty. People tend to be more supportive of businesses and organizations that give something to the community rather than those that just take from the community, never giving anything in return.

Now, let's look at how to develop an effective advertising program and promotional program for your business.

The Key to a Successful Advertising and Promotional Plan

Advertising

Advertising plays an important role in successful business ventures. It entails identifying and selecting the media that provide the greatest amount of exposure for your business and developing effective, yet appropriate materials for each medium. It is more than running an ad in a local newspaper, on a radio or television station or just simply hanging a sign outside your business and waiting for the customers to purchase your product or service. It requires that you know your product or service -- that is, the selling points -- and that you develop literature that can arouse the customers' consciousness levels to the point that they are curious enough to investigate it, and then raises their need or desire levels to the point that they are willing to purchase it.

Advertising keeps your product or service in the public's eye by creating a sense of awareness. Yet this awareness alone will not ensure the success of your business. Thus, advertising not only has to be effective, it also has to be a continuous process.

When developing an effective advertising strategy for a franchise, review the national advertising materials the franchisor has developed and determine if they can be applied regionally or locally. If they can, select the media that will provide the greatest amount of exposure and the most effective means for promoting your franchise. If the national materials are inappropriate, you may need to modify or develop your own materials. Remember, however, that you may have to get the franchisor's approval to use these materials. As a courtesy, regardless of the advertising policies in the franchise agreement, allow the franchisor to review these materials.

Once you are satisfied with the advertising materials, select the media that will best market your business. Since advertising can be costly, try to use a medium that is cost effective, yet will effectively market your business. If this is not possible, then be prepared to spend what is necessary to promote your business effectively -- the outcome will be worth the investment.

It may be a good idea to mix the different media formats that you use. For example, design a brochure that describes your product or service, emphasizing its selling points (special features). Place copies of the brochure in strategic locations of your business to use as customer handouts. Or, devise a customer survey. The survey should focus on whether customers like the product or service, the quality of the product/service, ways to improve it, the quality of service provided by staff--their friendliness and courtesy. Place the survey with a self-addressed, stamped envelope near the check-out counter and ask customers to mail in or return the survey when they come back. Review their comments with staff and implement those suggestions that are practical, cost efficient and can improve the overall quality of service your business provides.

Other media formats to use are:

- * newspaper, radio or television ads (newspaper advertising is the least expensive and television advertising is the most expensive of these formats). You probably will need professional advice and assistance when developing ads for these media formats.
- * business cards.
- * classified ads in the local newspaper.
- * direct marketing.
- * telemarketing (this format can be expensive, also).

- * Yellow Pages advertising.
- * sampling - mailing or distributing free samples of your product or a flyer about your service to the public.
- * advertising in community-based magazines or newspapers.

Whatever media format you use, be willing to invest the money needed to develop an effective ad campaign.

Promotions

As discussed earlier, promotion entails more than just selecting the media format to market your business. It can, and oftentimes does, encompass community involvement. This involvement can range from sponsoring a Boy or Girl Scout troop to hosting a charity ball for senior citizens or allowing non-profit organizations to use your facilities.

Your approach to promoting your business should encompass more than creating a sense of awareness about your business. It should include a commitment to community involvement--the desire to give something back to the community and its residents. An excellent way to foster this type of involvement is to meet with community leaders to find out how you can help, and what events are forthcoming that could or will require your assistance. Keep in mind that community leaders can be an excellent networking tool, especially if they feel your involvement is genuine.

Examples of community programs you can sponsor or take part in are:

- * sponsor a Boy or Girl Scout troop for summer camp
- * sponsor a underprivileged child in day camp
- * host and sponsor a charity ball for senior citizens
- * sponsor cooperative education for high school and/or college students
- * volunteer as a tutor for at-risk (those likely to drop out or fail in school) students
- * sponsor a fund raiser for the homeless, or day care tuition assistance for children of single-parent households
- * offer summer employment to local high school, middle school and college students
- * become active in the local chapters of the Big Brothers or Big Sisters organizations.
- * volunteer in a local literacy program.

Other inexpensive ways of promoting your business that doesn't encompass community involvement are:

- * employee tee shirts, hats, aprons or jackets with the

- name of your business and logo.
- * ball point pens with the name, telephone number and logo of your business.
- * balloons with the name, telephone number and logo of your business
- * free samples
- * a door prize for the 100th or 1,000th customer to enter your business.

While it is impossible for you to participate in every event or program in the community, you should at least get involved in one or two activities, even if it's only on a part-time basis. People tend to be more supportive of businesses, organizations or individuals who give something to the community. And, this is the image you especially want to project in your promotional activities.

No plan that anyone provides will show you how to promote or advertise your business. These are techniques that you, yourself, will have to develop. Talk it over with your family and community leaders, then decide which activities you can afford to sponsor and have the time to commit to before becoming involved. Involvement in the community doesn't necessarily have a price tag attached. Find a project that you can afford, that you have time for and is of interest to you.

For ideas on how to develop an effective advertising and promotional strategy, see "Marketing Tips, Tricks & Traps" in Appendix I. A sample Marketing Plan also is included to assist you in developing an effective marketing strategy for your business, and Table 1. "Advertising/Promotional Strategic Mix," will help you outline a strategy for advertising and promoting your business, while monitoring costs.

SELF-PACED ACTIVITY

During this activity you will:

- * List the different advertising and promotional media you can use.
- * Cite examples of activities you can use to promote your business.

MARKETING YOUR BUSINESS FOR SUCCESS - APPENDIX I - MARKETING

1. THE MARKETING PLAN
2. PRICE/QUALITY MATRIX
3. MARKETING TIPS, TRICKS & TRAPS
4. TABLE I - ADVERTISING/PROMOTIONAL STRATEGIC MIX

MARKETING PLAN

This is the marketing plan of _____

I. MARKET ANALYSIS

A. Target Market - Who are the customers?

1. We will be selling primarily to (check all that apply):

		Total Percent of Business
a. Private sector	_____	_____
b. Wholesalers	_____	_____
c. Retailers	_____	_____
d. Government	_____	_____
e. Other	_____	_____

2. We will be targeting customers by:

- a. Product line/services.
We will target specific lines _____
- b. Geographic area? Which areas? _____
- c. Sales? We will target sales of _____
- d. Industry? Our target industry is _____
- e. Other? _____

3. How much will our selected market spend on our type of product or service this coming year? \$ _____

B. Competition

1. Who are our competitors?

NAME _____

ADDRESS _____

Years in business _____

Market share _____

Price/Strategy _____

Product/Service
Features _____

NAME _____

ADDRESS _____

Years in business _____

Market share _____

Price/Strategy _____

Product/Service
Features _____

2. How competitive is the market?

High _____

Medium _____

Low _____

3. List below your strengths and weaknesses compared to your competition (consider such areas as location, size of resources, reputation, services, personnel, etc.):

Strengths

Weaknesses

1. _____ 1. _____

2. _____ 2. _____

3. _____ 3. _____

4. _____ 4. _____

C. Environment

1. The following are some important economic factors that will affect our product or service (such as country growth, industry health, economic trends, taxes, rising energy prices, etc.):

-
2. The following are some important legal factors that will affect our market:

3. The following are some important government factors:

4. The following are other environmental factors that will affect our market, but over which we have no control:

II. PRODUCT OR SERVICE ANALYSIS

A. Description

1. Describe here what the product/service is and what it does:

B. Comparison

1. What advantages does our product/service have over those of the competition (consider such things as unique features, patents, expertise, special training, etc.)?

2. What disadvantages does it have?

C. Some Considerations

1. Where will you get your materials and supplies?

2. List other considerations:

III. MARKETING STRATEGIES - MARKET MIX

A. Image

1. First, what kind of image do we want to have (such as cheap but good, or exclusiveness, or customer-oriented, or highest quality, or convenience, or speed, or ...)?

B. Features

1. List the features we will emphasize:

a. _____

b. _____

c. _____

C. Pricing

1. We will be using the following pricing strategy:

a. Markup on cost _____ What % markup? _____

- b. Suggested price _____
- c. Competitive _____
- d. Below competition _____
- e. Premium price _____
- f. Other _____

2. Are our prices in line with our image?

YES___ NO___

3. Do our prices cover costs and leave a margin of profit?

YES___ NO___

D. Customer Services

1. List the customer services we provide:

- a. _____
- b. _____
- c. _____

2. These are our sales/credit terms:

- a. _____
- b. _____
- c. _____

3. The competition offers the following services:

- a. _____
- b. _____
- c. _____

E. Advertising/Promotion

1. These are the things we wish to say about the business:

2. We will use the following advertising/promotion sources:

- 1. Television _____
- 2. Radio _____
- 3. Direct mail _____
- 4. Personal contacts _____
- 5. Trade associations _____
- 6. Newspaper _____
- 7. Magazines _____
- 8. Yellow Pages _____
- 9. Billboard _____
- 10. Other _____

3. The following are the reasons why we consider the media we have chosen to be the most effective:

MARKETING YOUR BUSINESS FOR SUCCESS - APPENDIX I - PRICE / QUALITY MATRIX
SALES APPEALS

PRICE/QUALITY	HIGH	MEDIUM	LOW
HIGH	"Rolls Royce" Strategy	"We Try Harder" Strategy	"Best Buy" Strategy
MEDIUM	"Out Performs" Strategy	"Piece of the Rock" Strategy	"Smart Shopper" Strategy
LOW	"Feature Packed" Strategy	"Keeps on Ticking" Strategy	"Bargain Hunter" Strategy

MARKETING YOUR BUSINESS FOR SUCCESS - APPENDIX I - MARKETING TIPS, TRICKS & TRAPS

1. Marketing Steps

- * Classifying Your Customers' Needs

- * Targeting Your Customer(s)
 - * Examining Your "Niche"
 - * Identifying Your Competitors
 - * Assessing and Managing Your Available Resources
 - Financial
 - Human
 - Material
 - Production
-

NOTES AND STRATEGIES FOR YOUR BUSINESS

MARKETING TIPS, TRICKS & TRAPS

2. Marketing Positioning

- * Follower versus Leader
 - * Quality versus Price
 - * Innovator versus Adaptor
 - * Customer versus Product
 - * International versus Domestic
 - * Private Sector versus Government
-

NOTES AND STRATEGIES FOR YOUR BUSINESS

MARKETING TIPS, TRICKS & TRAPS

3. Sales Strategy

- * Use Customer-Oriented Selling Approach - By Constructing Agreement
 - * Phase One: Establish Rapport with Customer - by agreeing to discuss what the customer wants to achieve.
 - * Phase Two: Determine Customer Objective and Situational Factors - by agreeing on

what the customer wants to achieve and those factors in the environment that will influence these results.

* Phase Three: Recommend a Customer Action Plan - by agreeing that using your product/service will indeed achieve what customer wants.

* Phase Four: Obtaining Customer Commitment - By agreeing that the customer will acquire your product/service.

* Emphasize Customer Advantage

Must be Read: When a competitive advantage can not be demonstrated, it will not translate into a benefit.

Must be Important to the Customer: When the perception of competitive advantage varies between supplier and customer, the customer wins.

Must be Specific: When a competitive advantage lacks specificity, it translates into mere puffery and is ignored.

Must be Promotable: When a competitive advantage is proven, it is essential that your customer know it, lest it not exist at all.

NOTES AND STRATEGIES FOR YOUR BUSINESS

MARKETING TIPS, TRICKS & TRAPS

4. Benefits vs. Features

* The six "O's" of organizing Customer Buying Behavior

ORIGINS of purchase:	Who buys it?
OBJECTIVES of purchase:	What do they need/buy?
OCCASIONS of purchase:	When do they buy it?
OUTLETS of purchase:	Where do they buy it?
OBJECTIVES of purchase:	Why do they buy it?
OPERATIONS of purchase:	How do they buy it?

* Convert features to benefits using the "...Which Means..."

Transition

* Sales Maxim: "Unless the proposition appeals to their INTEREST, unless it satisfies their DESIRES, and unless it shows them a GAIN--then they will not buy!"

* Quality Customer Leads:

Level of need	Ability to pay
Authority to pay	Accessibility
Sympathetic attitude	Business history
One-source buyer	Reputation (price or quality buyer)

NOTES AND STRATEGIES FOR YOUR BUSINESS

CONVERT FEATURES INTO BENEFITS--
THE "...WHICH MEANS..." TRANSITION

FEATURES	"WHICH MEANS"	BENEFITS
Performance		Time Saved
Reputation		Reduced Cost
Components		Prestige
Colors		Bigger Savings
Sizes		Greater Profits
Exclusive		Greater Convenience
Uses		Uniform Production
Applications		Uniform Accuracy
Ruggedness		Continuous Output
Delivery		Leadership
Service		Increased Sales
Price		Economy of Use
Design		Ease of Use
Availability		Reduced Inventory
Installation		Low Operating Cost
Promotion		Simplicity
Lab Tests		Reduced Upkeep
Terms		Reduced Waste
Workmanship		Long Life

BUYING MOTIVES

RATIONAL	EMOTIONAL
Economy of Purchase	Pride of Appearance
Economy of Use	Pride of Ownership
Efficient Profits	Desire of Prestige

Increased Profits

Durability

Accurate Performance

Labor-Saving

Time-Saving

Simple Construction

Simple Operation

Ease of Repair

Ease of Installation

Space-Saving

Increased Production

Availability

Complete Servicing

Good Workmanship

Low Maintenance

Thorough Research

Desire to be Unique

Curiosity

Desire for

Recognition

Desire to Imitate

Desire for Variety

Safety

Fear

Desire to Create

Desire for

Security

Convenience

Desire to Be

Unique

Curiosity