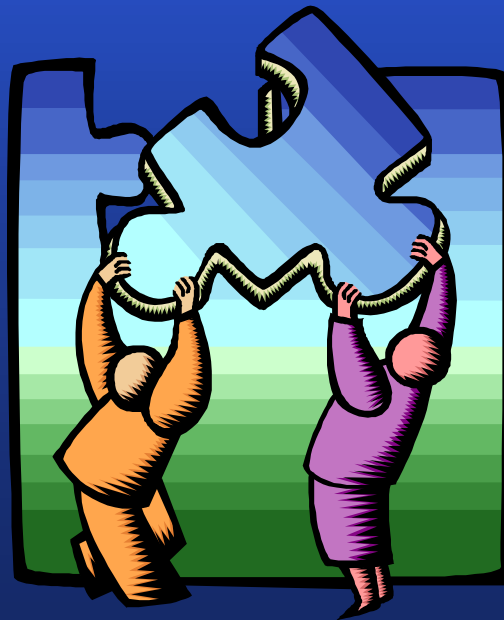


Creating a Powerful Marketing Plan



Guerrilla Marketing Strategies

- Find a niche and fill it.
- Don't just sell; entertain.
- Strive to be unique.
- Create an identity for your business.
- Connect with customers on an emotional level.



A Guerrilla Marketing Plan

- **Determines customer needs and wants through market research.**
- **Pinpoints the specific target markets the company will serve.**
- **Analyzes a firm's competitive advantages and builds a marketing strategy around them.**
- **Creates a marketing mix that meets customer needs and wants.**

Market Research

- Market research is the vehicle for gathering the information that serves as the foundation for the marketing plan.
- Never *assume* that a market exists for your company's product or service.
- Market research does *not* have to be time consuming, complex, or expensive to be useful.



Market Research

How to Conduct Market Research:

- Define the problem
- Collect the data
 - ◆ Individualized (one-to-one) marketing



How to Become an Effective One-to-One Marketer



Source: Adapted from Susan Greco, "The Road to One-to-One Marketing," *Inc.*, October 1995, pp. 56-66.

Market Research

How to Conduct Market Research:

- Define the problem
- Collect the data
 - ◆ Individualized (one-to-one) marketing
 - ◆ Data mining
- Analyze the data and interpret the results
- Draw conclusions and act



Pinpointing the Target Market

- One objective of market research is to pinpoint the company's *target market*, the specific group of customers at whom the company aims its products or services.
- Without a clear image of its target market, a small company tries to reach almost everyone and ends up appealing to almost no one!



Relationship Marketing

- Involves developing and maintaining *long-term relationships* with customers so that they will keep coming back to make repeat purchases.
- Small companies have an advantage over their larger rivals at relationship marketing.
- Requires a company to make customer service an all-encompassing part of its culture.
- Customers are part of *all* major issues the company faces.



The Relationship Marketing Process

If you have done everything else correctly, this step is relatively easy. Superb customer service is the best way to retain your most valuable customers.

**Sell,
Service,
and Satisfy**

Analyze

Conduct detailed customer intelligence to pinpoint most valuable customers and to learn all you can about them, including their lifetime value (LTV) to the company.

**Build
Relationships**

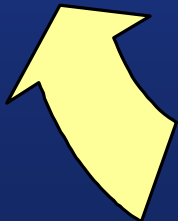
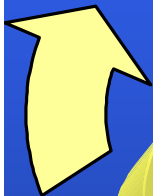
Based on what you have learned, contact customers with an offer designed for them. Make customers feel special and valued.

Learn

Make contact with most valuable customers and begin building a customer database using data mining and data warehousing techniques.

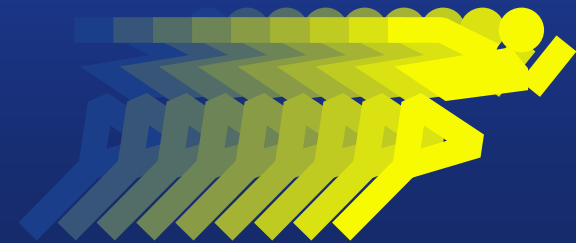
**Connect
&
Collect**

Learn from your customers by encouraging feedback from them; develop a thorough customer profile and constantly refine it.



Plotting a Marketing Strategy: Building a Competitive Edge

- Focus on the customer
- Devotion to quality
- Attention to convenience
- Concentration on innovation
- Dedication to service and customer satisfaction
- Emphasis on speed



Focus on the Customer

- 67% of customers who stop patronizing a business do so because an indifferent employee treated them poorly.
- 96% of dissatisfied customers *never complain* about rude or discourteous service, but...
 - ◆ 91% will *not* buy from that business again.
 - ◆ 100% will tell their “horror stories” to at least *nine other people*.
 - ◆ 13% of those unhappy customers will tell their stories to at least *20 other people*.

Focus on the Customer

- Treating customers indifferently or poorly costs the average company *15% to 30% of gross sales!*
- Replacing lost customers is expensive; it costs *five times* as much to attract a new customer as it does to sell to an existing one!
- About 70% of a company's sales come from existing customers.
- Because 20% of a typical company's customers account for about 80% of its sales, no business can afford to alienate its best and most profitable customers and survive!

Focus on the Customer

Companies that are successful at retaining their customers constantly ask themselves (and their customers) four questions:

1. What are we doing right?
2. How can we do that even better?
3. What have we done wrong?
4. What can we do in the future?

Devotion to Quality

- **Quality – more than just a slogan on the company bulletin board**
- **World-class companies treat quality as a strategic objective, an integral part of the company culture.**
- **This is the philosophy of Total Quality Management (TQM).**
 - ◆ **Quality in the product or service itself**
 - ◆ **Quality in every aspect of the business and its relationship with the customer**
 - ◆ **Continuous improvement in quality**

How Do Americans Define Quality in a Product?

- Reliability (average time between breakdowns)
- Durability (how long an item lasts)
- Ease of use
- Known or trusted brand name
- Low price



How Do Americans Define Quality in a Service?

- Tangibles (equipment, facilities, people)
- Reliability (doing what you say you will do)
- Responsiveness (promptness in helping customers)
- Assurance and empathy (conveying a caring attitude)



Attention to Convenience

- Is your business conveniently located near customers?
- Are your business hours suitable to your customers?
- Would customers appreciate pickup and delivery services?
- Do you make it easy for customers to buy on credit or with credit cards?
- Are your employees trained to handle business transactions quickly, efficiently, and politely?
- Does your company handle telephone calls well?

Concentration on Innovation

- Innovation – the key to future success
- Innovation – one of the greatest strengths of entrepreneurs. It shows up in the new products, techniques, and unusual approaches they introduce.
- Entrepreneurs often create new products and services by focusing their efforts on one area and by using their size and flexibility to their advantage.



Dedication to Service

Goal: to achieve *customer astonishment!*

- Listen to customers.
- Define “superior service.”
- Set standards and measure performance.
- Examine your company’s service cycle.
- Hire the right employees.
- Train employees to deliver superior service.



Dedication to Service

(continued)

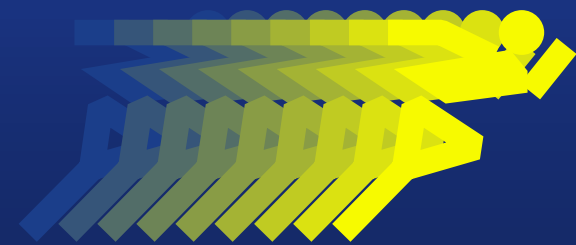
Goal: to achieve *customer astonishment!*

- “Empower” employees to offer superior service.
- Use technology to provide improved service.
- Reward superior service.
- Get top managers’ support.
- View customer service as an investment, not an expense.



Emphasis on Speed

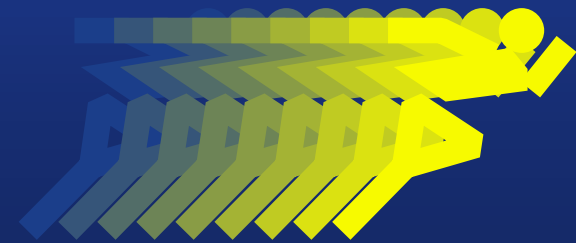
- Re-engineer the process rather than try to do the same thing – only faster.
- Create cross-functional teams of workers and empower them to attack and solve problems.
- Set aggressive goals for production and stick to the schedule.



Emphasis on Speed

(continued)

- Rethink the supply chain.
- Instill speed in the company culture.
- Use technology to find shortcuts wherever possible.
- Put the Internet to work for you.



Benefits of Marketing on the World Wide Web

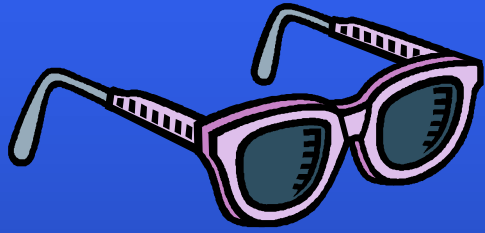
- Even the smallest companies can market their products and services around the globe.
- The Web is growing rapidly.
- The Web can be the “Great Equalizer” in a small company’s marketing program.
- Web customers are demographically attractive: They are young, educated, and wealthy.



Small Businesses and the Web

- Only 1/4 of small companies have Web sites. Why?
 - ◆ Security concerns
 - ◆ Site may not draw customers
- Although small companies make about 50% of U.S. retail sales, they account for just 9% of online sales.

The Marketing Mix



■ Product

■ Place

■ Price

■ Promotion



Stages in the Product Life Cycle

- **Introductory stage**
- **Growth and acceptance stage**
- **Maturity and competition stage**
- **Market saturation stage**
- **Product decline stage**

