

Business Plan Outline (Typical)

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Marketing Perspectives



- **Customer Perspective**: Product or service being offered best solves my overall needs
 - Quality, Price, Availability, Dependability, etc.
- **Your Perspective**: Differentiating your product or service to maximize its profit potential

Marketing Definition



5 Critical Elements

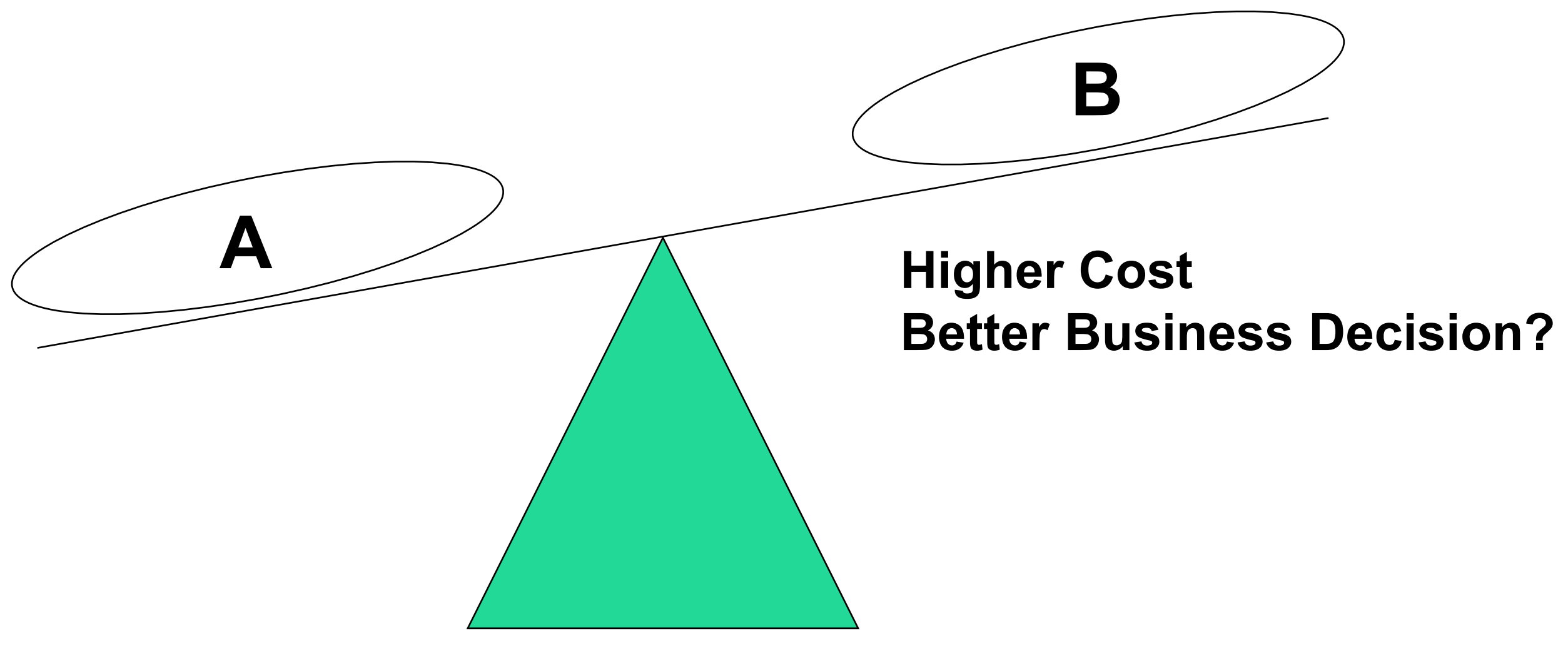
- **Your product or service**
- **Your market**
- **Your consumer**
- **Your customer**
- **Your competition**

Why is the customer not necessarily
the consumer?

Value of Information to be Collected

How much detail is required for informed decision?

Detail



What special information do you need to make a better business decision?

Gaining an Competitive Edge

➤ Consumer shopping behavior:

- - What & why do they buy?
- - Where do they shop & how often?
- - How much do they spend?

➤ Category purchase behavior:

- - Who buys? Individual Decision, Family Decision?
- - What brands do they consider?
- - Do price points & deals influence purchasing
- - How do they buy? Cash, Credit, Layaway?

➤ Consumer attitudes & opinions:

- - Convenience
- - Shopping Environment
- - Why item not needed

Market Research



➤ **Target Market:**

- - Identify customers & potential customers

➤ **Competitors**

➤ **Market Offer**

- **Product, Price, Distribution, & Promotion**

➤ **Franchise**

Market Research Process



- **Systematic collection and analysis of data**
- **Transformed into information for decision making:**
 - - Answer marketing questions.
 - - Assist solving marketing problems.
 - - Help in writing marketing plans.

Market Research Strategies

- **Researching market is easiest way to gain insight**
- **Does not have to be costly, or complex process:**
 - **- Analyzing available data:**
 - Demographics: Population growth/decline rate; age range, sex, income/educational level
 - **- Surveying your potential customers**
 - **- Brainstorming with family and friends**
 - **- Interviews with potential customers**

Typical Research Questions



- **What would be our market share?**
- **How long would it take to reach this target?**
- **Would people prefer a square pizza or round one?**
- **If prices went up, would sales go down?**
- **Which ad campaign would be most effective:**
 - **Newspapers**
 - **Radio**
 - **Direct Mailing Coupons**

Primary Data Sources

Observational Data:

- Mechanical
- Electronic
- Personal
- Mystery Shopper

Questionnaire Data:

- In-depth interviews
- Focus groups
- Mall intercepts
- Web Surveys

Contact Methods:

- Personal Interview
- Mail
- Telephone
- Web based
- e-mail

Secondary Data Sources

Internal company data:

- Customer data bases
- Old research reports
- Strategic marketing plans

Commercial sources:

- Media Data Info
- Nielsen Retail Index
- Arbitron
- Internet:

www.emarketer.com

www.freedemographics.com

www.marketresearch.com

Government sources:

- Census of population
- Census of retail trade
- Census of business
- Surveys of Minority Businesses
- Women-Owned Businesses

Professional Publications:

- *Advertising Age*
- *American Demographics*
- *Wall Street Journal*
- *Sales & Marketing Management*
- Trade Associations
- Chamber of Commerce

Demographic Data Example

[Source](#)

PEOPLE	Bradenton, 34207	United States
Population	34,362	293,655,400
Pop. Density	5272.4	80
Pop. Change	11.99%	5.88%
Median Age	44.6	37.6
Household Size	2.03	2.58
RACE		
White	91.68%	77.53%
Black	4.39%	12.35%
Asian	0.99%	3.58%
American Indian	0.43%	0.89%
Other	2.51%	5.65%
Hispanic	8.21%	12.73%
FAMILY		
Married, w/children	10.67%	27.90%
Married, no children	29.34%	31.04%
Single, w/children	8.92%	9.43%
Single, no children	49.57%	30.05%
Divorced	15.15%	7.64%
Separated	3.70%	2.82%
Widowed	13.47%	7.42%
Now Married	46.64%	57.73%
Never Married	21.04%	24.39%

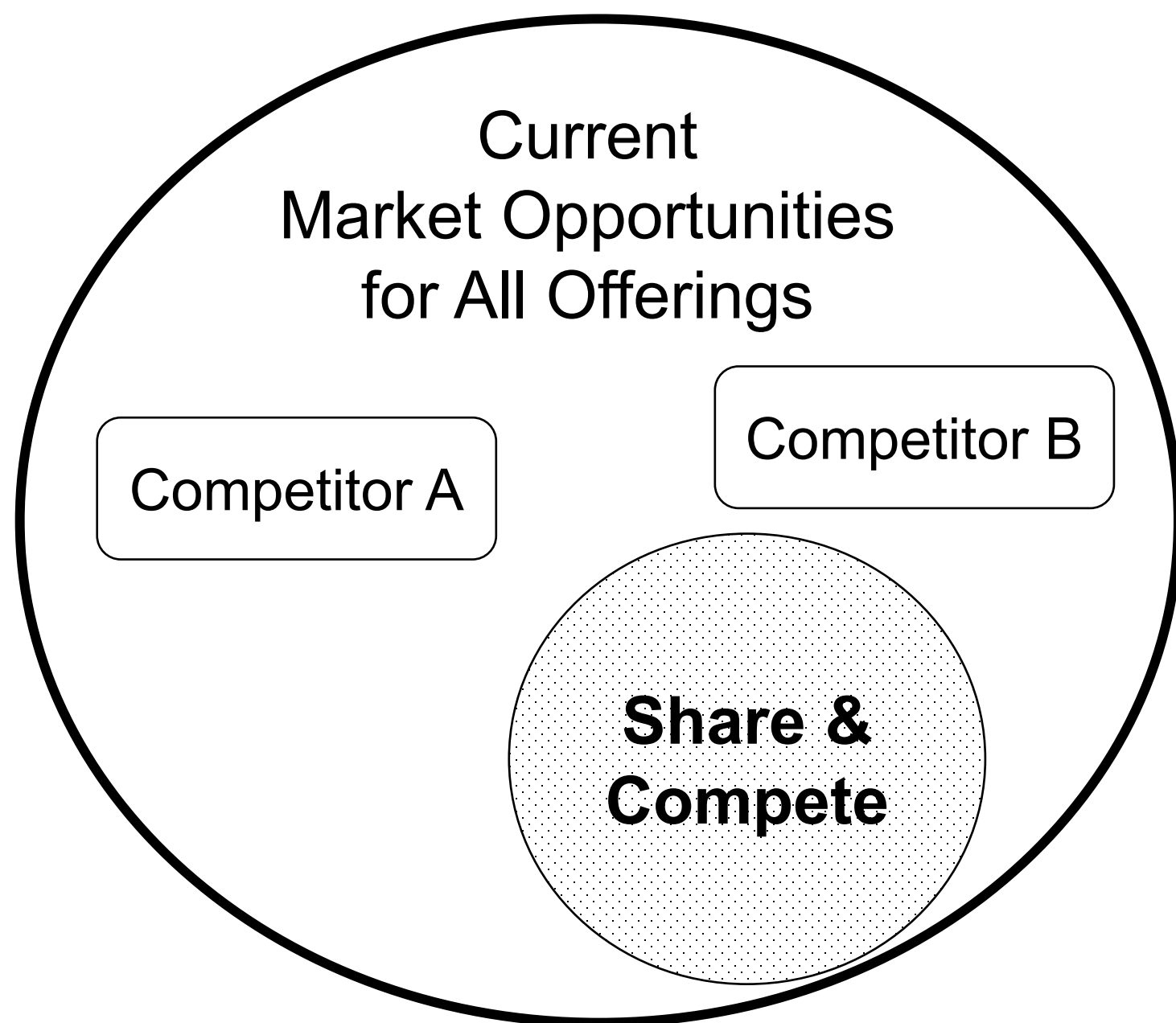
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Tips on Simple Market Research

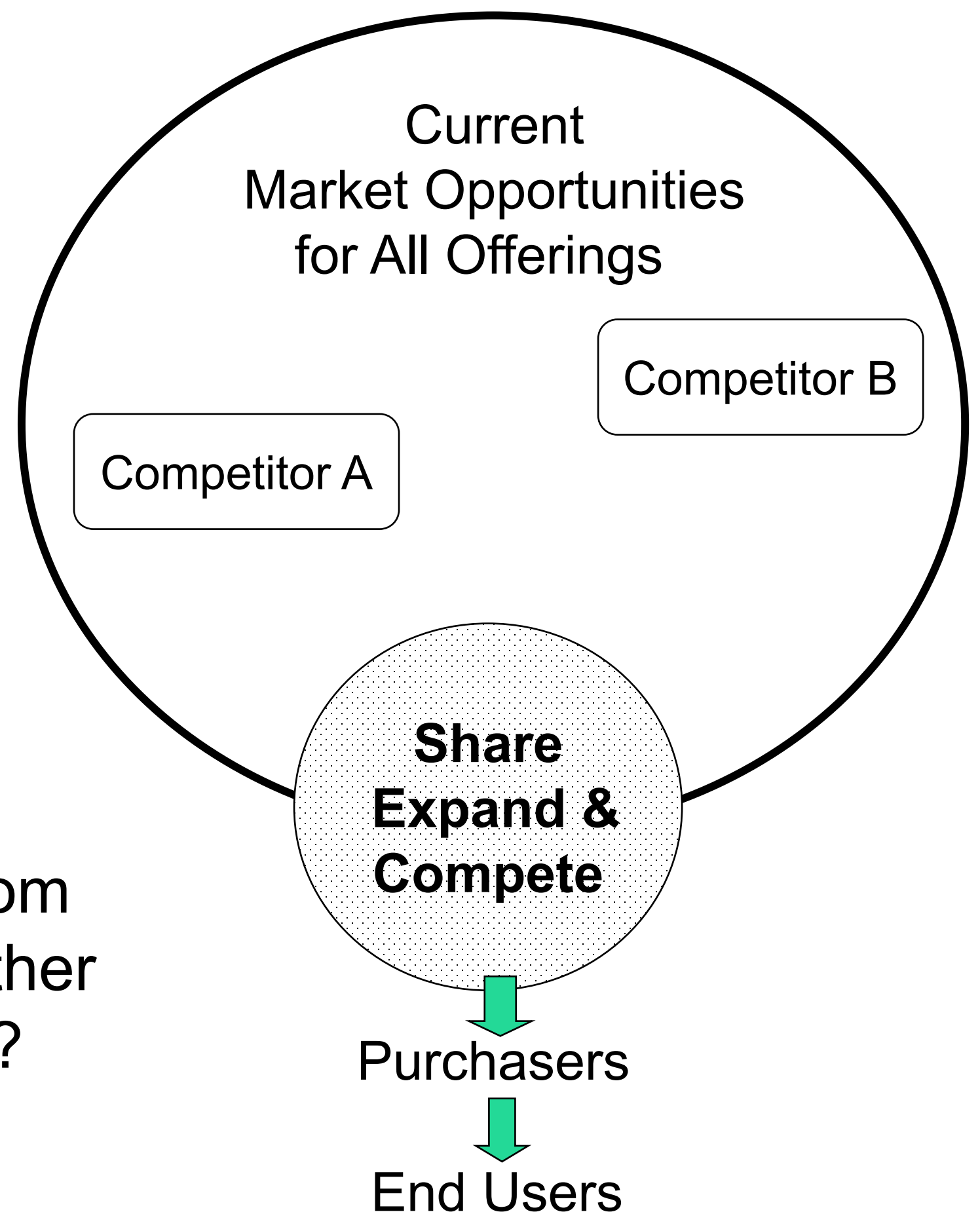
- **Ask your potential customers for suggestions**
- **Provide information cards for customers to complete**
- **Review trade association studies and periodicals**
- **Review government Information**
 - **Census data, local economic development, etc.**
- **Join local organizations such as Chamber of Commerce**
- **Analyze important information already at your fingertips**

Market Definitions & Analysis

Compete for Same Market



Expand Demand in Market



Why purchase from
your business rather
than competitors?

Your Target Market

Should include important “marketing” questions like:

- **What are key characteristics of your market?
Size? Varying Demand? Regional?**
- **What needs does this market fulfill?**
- **Is the market growing or declining?**
- **In what segment of the market will your
product/service compete?**
- **Will your product/service change the market?**

Strongest selling points about your
planned market offering?

Target Market Description



➤ **Demographic (Census Data):**

- - Age
- - Sex
- - Profession
- - Income level
- - Educational level

➤ **Geographic (Market Location):**

- - Zip code
- - City, State

Questions Regarding Target Customer



- **What do you know about your customers?**
- **How much will they purchase and when?**
- **What needs or wants are not currently met?**
- **Will your offering meet their special needs?**

Have you had any discussions with customers to obtain their point of view?

Questions Regarding the “End-User”

- **Who is the consumer?**
 - **Is purchaser the also the consumer?**
- **What are the special needs of the consumer?**
- **What unique things can meet special needs?**
 - **Ease of use**
 - **Quality and reliability**
 - **Convenience of support**
 - **Packaging**
 - **Pricing**

Competitive Analysis



- **Who are your competitors?**
- **What are their strengths and weaknesses?**
- **Does your product/service address one or more of competitors weaknesses?**
- **Future Scenario Possibility:**
 - **Competitor changes that could lower your sales**
 - **Your plan to deal with this competitive likelihood?**

Product or Service Offering



- **Describe your product or service**
 - - Position in the Marketplace (Product Image)
 - - Primary Selling Points
- **Sales Forecast (\$'s and Units)**
 - - Industry
 - - Geographic Area
 - - Your Company
 - - By Product or Service

Retail Operations

- **Location, Location, Location !!!**
 - Be as close to your customer as possible.
- **Customer Demographics:**
 - Age, sex, income, etc.
- **Signage:**
 - Readable
 - Explains business clearly
- **Storefront Appearance**
 - Parking, safety, loading, etc.

Supply & Distribution Channels



Suppliers:

- **Consistency**
- **Quality**
- **Reliability**
- **Credit**

Distributors:

- **Who are they?**
- **Where located**
- **Image, Service, Reputation**
- **Contract arrangements**

Distribution Strategy Questions



- **How are similar products distributed?**
- **How much inventory on hand?**
- **Does customer pickup or do you deliver?**
- **Do you need sales representatives?**

Internet Marketing



- **Product/service easily understood**
 - **most users are impatient**
- **Internet Site easy to find and navigate**
- **Professional development assistance**
- **Payment process**
 - **most use credit cards or PayPal**
- **Shipping for products**
 - **most use UPS or Fed Ex**
- **Customer service and returns**

Pricing Strategy

➤ Pricing points:

- - Below competition
- - Above competition
- - Equal to competition
- - Variable pricing

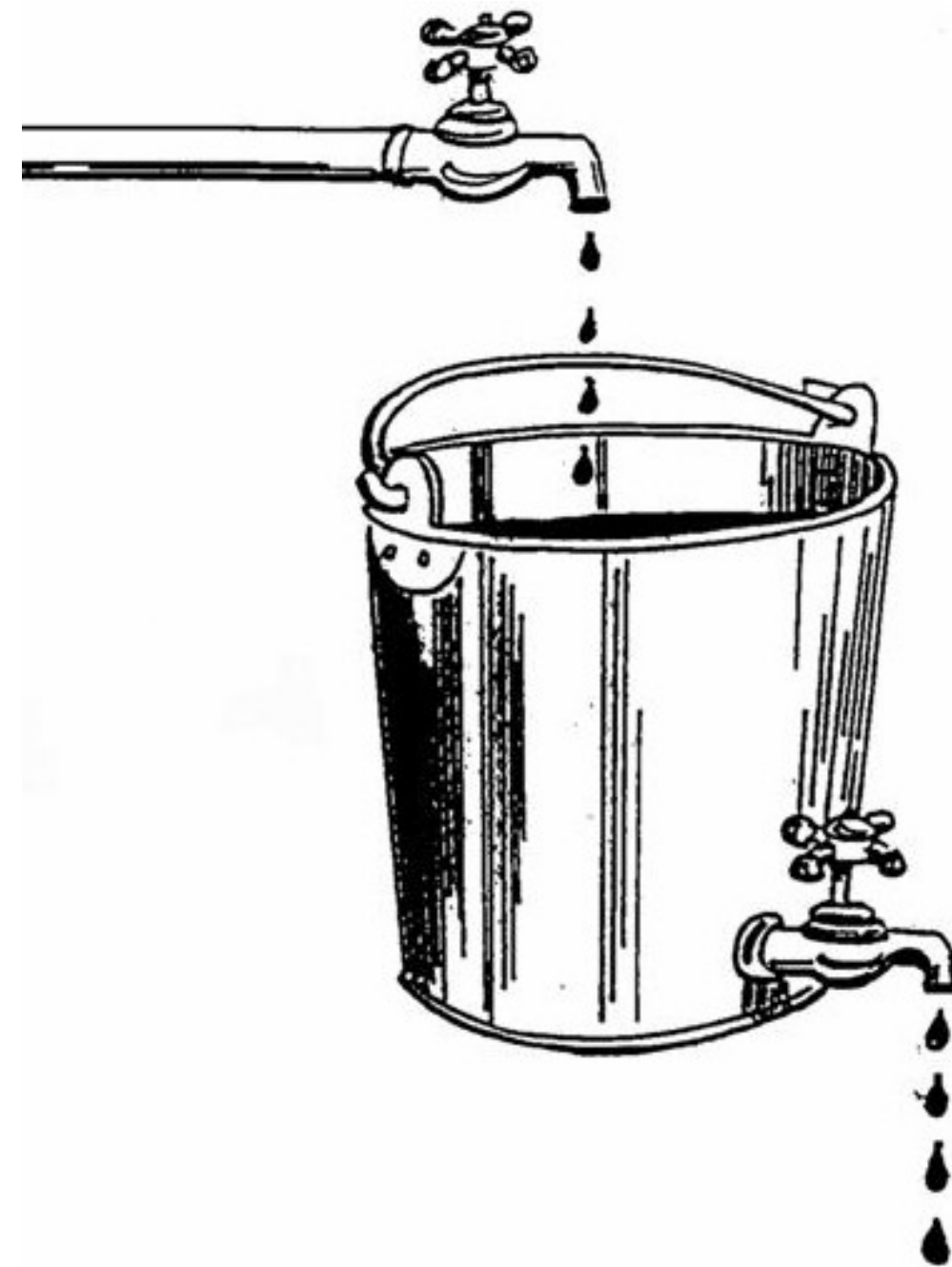
➤ Retail costs & expenses

- - Material costs
- - Labor costs
- - Overhead costs
- - Service

➤ Breakeven Analysis

INFLOW

- Price x Quantity Sold



- Expenses to run business

Pricing Strategy Questions

- **Total cost to produce your product or service?**
- **Can you make a profit at your price?**
- **Price of competitive products/services?**
- **Creative ways to get higher price?**
 - **Change size, improve quality, add features . . .**
- **Reduce costs to enable lower price**

Promoting Your Product or Service

- **Advertising and Sales Promotions**
 - Exhibit in Trade Shows to create interest
- **Customer endorsements & incentives for references**
- **Tie in with other products or services**
- **Bonus Pack**
 - Coupons and BOGO offers
- **Short term price decline**

What are the risks of a short-term price decline to stimulate sales?

Advertising

- **Newspapers: weekly, local papers**
- **Mailers: can localize area**
- **Radio: cost depends on station and times**
- **TV: some local possibilities**
- **Look for media that reaches your customer**

Marketing Budgets



Costs Allocated by Category

- ✓ **Product or Service Promotion**
- ✓ **Advertising materials**
- ✓ **Sales and Commissions**
- ✓ **Franchise (if applicable)**

Product or Service Summary

- **Presentation or Advertisement**
 - **Descriptive, informative & accurate**
- **Stress uniqueness of your offering**
- **Describe how product or service satisfies your customers' specific needs**

AIDA Sales Strategy



- ✓ **A – Attention (create awareness)**
- ✓ **I – Interest (create emotional appeal)**
- ✓ **D – Desire (value and need)**
- ✓ **A - Action (close order)**

“After the Sale” Customer Service



- **Is customer satisfied with purchase?**
- **Give all complaints top priority**
- **Follow up sales with inquiries**
- **Learn customer status before competition**

Sales Summary



**Effective sales requires attention,
common sense and creative thinking**

- **Prepare for sale cycle based on Marketing Plan**
- **Know your company's strengths & weaknesses**
- **Know your competitor's strengths & weaknesses**
- **Never be satisfied with Status Quo**