



SMALL BUSINESS MARKETING PLAN



OKVETWORKS



**OKLAHOMA DEPARTMENT OF
VETERANS AFFAIRS**

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A well-designed marketing plan can help you raise awareness of your business, attract more customers and boost sales. Use this guide to develop a 12-month marketing plan and integrate it into your company's business plan.

Step 1: Review the Market

Your plan needs an introductory section – a description of where your business stands today and how you intend to put your marketing plans in place (or change them) and what this will mean to your business the next 12 months.

Your introductory section will contain:

- A description of your business - What products or services do you offer?
- A description of your market or business environment:
 - Are there sections of your target market that are underserved and will your product or service fill that void? If so, write a brief explanation of what this market is like and how your products are going to get the attention of the consumer.
 - Does the market want or value your service or product? Why?
 - Is there enough money to be made with your product or service in your target market?
 - How much of a profit will you need to make for your business to pay off?
- Does your business benefit from any distinct marketing advantages?
 - Is your product or service already well known?
 - Do you have high customer loyalty?
 - Do the local trade organizations endorse your product?
- The marketing challenges you face:
 - Do you lack brand recognition?
 - Do you face a limited budget?
- The current location of your competition:
 - Does the competition within this market leave room for you to be competitive?
 - Is your geographic location a positive or a negative?
- What are your competition's weaknesses? How can you use those weaknesses to your advantage?
 - Your competitor's failure to provide flexible service may be an area you can exploit.
 - Does the competition ignore the local market?
- Are there any foreseeable outside influences on your business?
 - Have laws or statutes related to your business been changed?
 - Will future area construction affect your current traffic patterns?

Step 2: Overview of Your Target Customer

Your plan must contain some information about your customers (either existing customers or prospective customers). Your overview should examine:

- Who they are?
- What do they want?
- What motivates them to buy?

Here, you can include a simple list of information about your customer, some basic demographic info and some more detailed information as it relates to your product, such as:

- Age
- Gender
- Any buying characteristics?
- How does my customer normally purchase similar products?
- Who's the decision maker or primary buyer?
- What is your target customer's motivation for buying (do they want to look good, learn to save money, increase health, etc.)?
- What kind of habits does your customer have, specifically where do they get their information (magazines, trade shows, newspapers, the web, etc.)?
- Do you have a niche that you are trying to target or appeal to?
- Are there any unifying criteria (they are all attorneys, accountants, hair dressers, etc.)?
- Any specifics (i.e., only estate attorneys)?

Step 3: Your Business Goals

Very briefly, list your company's goals for the upcoming year: both marketing and sales goals. It's important to put your goals down on paper. Make sure you include elements of your business that are possible to track so you can gauge your progress. Your goals should be:

- Sensible
- Measurable
- Achievable
- Realistic
- Time Specific

For instance, a goal of "increasing sales of accounting software" is not very specific or measurable. But a goal of "increasing sales of accounting software by 20 percent over the next 12 months" is much more specific and measurable.

Your goal section should include information about your gross sales target for your business, goals for your marketing efforts as well as plans for future growth.

Step 4: Your Strategies and Tactics

This section is the heart of your marketing plan. It details what your marketing message is, what you plan to do to market your materials, how you plan to achieve your marketing goals and what tactics you'll use to meet them.

Your marketing message determines how you want to communicate your message to the customer. What story about your business do you want to tell? Here are some of the key points to include in your strategy:

- What it is that you do?
- What's special about your customer?
- How do you perceive your potential customer's problems?
- Are these problems critical to your customer, if so how? How can you solve these problems?
- What are the benefits that customers will receive from your products or services?
- Do you have testimonials from customers about your products or services?
- What details can you give about your pricing structure for your goods or services?
- What kind of guarantee are you willing to offer customers?

Your tactics are the means that you will use to inform your customer about your business and your products. Your tactical plan will include all the steps you need to take to meet your goals. Are you planning to advertise in a particular way? Will you be attending trade shows? Do you plan to offer a special promotion? Your tactics need to be carefully spelled out, with dates and actions associated with them, and what tools you'll use to reach your customer.

Your tactics will include the actual elements you will use to deliver your message to the customer. Of course, you want to use a method that is going to give you the highest return on your marketing dollar. You'll use tactics that are going to get you in front of your target customer or niche market.

Which tools or medium you use should be the correct blend of market, message, and medium. For instance, if you're marketing your Yoga fitness center and the benefits to triathlon training, you wouldn't place an ad in a magazine targeted at senior citizens.

Some of the tools you may choose to use are:

- Flyers
- Brochures
- Business cards
- Gift certificates
- Catalogs
- Posters
- Postcards
- Door hangers
- Newsletters
- Banners
- Signs
- Window display
- Billboards
- Newspaper ads
- Television ads
- Infomercials
- Radio ads
- Magazine ads
- Movie ads
- Articles
- Sales letters
- Media releases
- Trade shows
- Public speaking
- Social Media
- Online Advertising
- Charity events
- Networking
- Contests
- Seminars
- Sweepstakes
- Special events
- Agents
- Word-of-mouth
- Classified ads
- Yellow pages
- Door-to-door
- Website
- Email

Step 5: Your Budget

The last section of your plan will break down the projected expenses of your marketing efforts. This section includes any estimated expenses for the creation, development and distribution of your materials. Your budget plan should include the estimated purchase cost of raw materials, printing and postage. If you plan to take part in any trade shows, your travel costs, booth fees, setup costs plus any other particular expenses should be accounted for.

You develop a marketing budget initially by simply calculating your initial marketing expenses. Once you have that information down on paper, you can go back and either do more research or add more details to further refine your calculations.

If your business has been running for a while, you know how much money your current sales are generating. You can use that information to divide into your past marketing expenses and calculate your "cost of marketing." That will also tell you what it cost you to sell one unit or what it cost to acquire one customer. If you haven't been in business long, or are just starting out, you can use your initial sales goals as the basis for developing your marketing budget. Of course, you'll have to revise these figures once you get actual sales.

Calculate Your Cost of Acquiring Each New Customer

1. Distribute _____ (quantity of promotional effort) by _____ (medium)
2. At a total cost of \$ _____
3. Acquire _____ new customers as a result
4. Divide the money spent by the number of new customers: \$ _____ divided by _____ = \$ _____
5. By using this media message to reach this target market, the cost to acquire 1 new customer is: \$ _____
6. To get _____ (goal) customers the budget would be: _____ (number of customers) x \$ _____ (cost per customer) = \$ _____

After you have an estimate of the cost to sell an item or acquire a customer, you'll have a good understanding of how much money you should budget to increase your sales and meet your sales goals.

Your plan should never be set in stone. If you make changes to a tactic you can always update your marketing plan to reflect those changes.

A solid, well thought out marketing plan will help you focus on how you need to expend your efforts. It might take some work to find the initial information, but once you have a plan in place, you can invest your time, energy and motivation into making your business a success.

80/20 Rule

Here's a highly effective 80/20 guideline you can use. Invest 80% of your advertising budget and effort in proven promotions and 20% in testing new variations. Most businesses using this system continue growing, even in a highly competitive market.

Step 6: Your Resources

Determine who on your team will handle your planned marketing efforts. If you do not have the staff or knowledge in-house, consider hiring a vendor to help you.