



*Rural Women's
Network*

START YOUR OWN BUSINESS

WORK BOOK 3

MARKETING

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Introduction

Marketing your business effectively involves understanding your customer needs. Once you understand what your customers want you can then satisfy them. Market research will help you identify your customer wants/needs, how much they are willing to pay, and where they want to buy it (i.e. shop, direct mail).

Developing a Marketing Plan

A Marketing Plan consists of four main sections:

- Your service or product (Product)
- The price you intend to charge (Price)
- The ways you intend to promote your business (Promotion)
- The place where customers will access your service (Place)

PRODUCT/SERVICE

When setting up in business you need to be aware of what customer needs are for your particular product or service. You can then develop a service/product which has features to meet these needs. However you also need an understanding of how the customer benefits from using your product/service.

For example, a Bed & Breakfast

Features of a service/product	Benefits to the customer
Bedroom	Room to stay for the night
4 Diamond	Good quality accommodation
Breakfast	Good start to the day

Think about what it is the customer wants from you.

Task 1

Describe the product/service that you will provide and include:

- Quality & Design
- Features & Benefits
- Service & Warranties
- Unique Selling Point (what makes your business different from others)

PRICE

Setting your price should be based on the following factors:

- How much the customers is willing to pay
- What competitors are charging (in comparison to your proposed price)
- How much it has cost you in producing/developing your product/service (you will look at this in more detail in the finance work book)

Price cutting often does not work! When setting your price you need to refer to the results of your market research. This will help you to complete the following tasks.

Task 2

Describe how much you think customers are willing to pay for your product or service and why.

Briefly detail how much competitors are charging for a comparable product/service, and indicate their level of quality compared to yours.

Competitor Name	Price Range	Quality & Other Notes

Task 3

Based on the information that you have arrived at through Task 2, indicate below how much you intend to charge for your product/service.



PROMOTION

There are a number of different ways you can promote your business. The mixture most appropriate to you will depend on:

- Who your customers are
- The best way of reaching your customers
- Your marketing budget

Personal Selling

This involves you (or a representative from your business) approaching a potential customer and promoting your product/service to them. This can be a little daunting, but is made easier if you are well prepared and knowledgeable about what you are trying to sell.

- You should start by identifying potential customers to target. It is sometimes helpful if a friend or family gives you an introduction.
- Do a little homework before the meeting
- Develop some literature that you will feel comfortable talking around
- Prepare responses to possible questions

You can develop potential contacts/prospects through:

- Contacts you may already have
- Referrals from customers, their customer base etc.
- Networks through RWN, Chamber of Trade, clubs etc
- Look through resources such as small advertisement sections in newspapers, trade magazines and directories etc.

This is probably one of the most difficult ways of promoting your business, but one of the most effective because of the one to one contact. People buy from people!

Word of mouth

This is a very effective and inexpensive way of promoting your business. A satisfied customer is the best possible advert for your business. However you need to get a small base of customers before this will start to work for you. You will therefore need to rely more on other forms of promotion to get your initial customers. Ask other business owners and they will more often than not say that they get the majority of their business through word of mouth recommendation.

Web site

A web site is a promotional tool that people can access via the internet. Web sites hold information about your product or service and can be very useful when developed and advertised effectively. However, on their own with no promotion it is unlikely that they will bring in any business (a bit like a brochure sitting in your cupboard).

There are four broad categories of web sites:

- Business Card: One page web site with brief description of business and contact details
- On-line Brochure: Several pages with information that you would have on your brochure.
- Informative: Several pages with more information about your product/service.
- E-commerce: Facility to purchase product/service online.

People and businesses generally expect your web site to be informative; they expect to be able to gather more information about your product/service than that which appears on your brochure. But beware, they can be costly - make sure you get a quote for the design of the site and be very clear about what you want the site to do before you place the business.

Public Relations (PR)

PR is about spreading good news about your business. In many instances this means going to your local press and informing them of newsworthy stories. However, PR is more than this and can encompass work you do with charities and your involvement in the local community.

An employee telling a friend that you are a really employer is also good PR. Therefore PR really embraces all the good things you do as an organisation. It is a good form of promotion as it is free and it will help to build you a good reputation.

In order to receive good PR, your organisation needs to be doing good!

Advertising

This involves paying for space in a newspaper, magazine, journal etc. This can be a very expensive way of promoting your business and many, many, businesses have wasted hundreds of pounds on advertising.

When looking at potential places to advertise, you need to consider:

- How long the publication/magazine will around for
- Who reads the publication
- How many people read it (this information will be available from the editors)
- Cost of the advert (including set-up and VAT) and where it will appear

Directories such as the Yellow Pages can often be good places to advertise. (Check the deadline for publications....you may need to wait a whole year).

Radio Advertising

Radio advertising is not as expensive as you first may imagine. For example on CFM it is in the region of £200 for a 3 times a day slot for four weeks. It can be an extremely effective way of informing people about your product or service and raising awareness.

Before choosing to advertise on the radio, you will need to:

- Collect information on the listening audience (age profiles, gender, etc.)
- Establish cost (including advert development and VAT)

Direct Mail

This consists of sending out information to potential customers such as leaflets and brochures.

This method of promotion is only effective if sent to your potential customer group. You can purchase mailing lists (approx 15p per name) from Market Research companies such as Experian.

This method can be a very cost effective way of getting information about your business directly to potential customers, as long as it is properly targeted.

You will normally need to develop a computerised mailing list which will consist of the names and addresses of people that you intend to promote your business to.

Task 4

Look at the list below and select media that you think may be appropriate to your business. Comment on what you think the strengths and weaknesses may be of using it? Particularly think about how this may help you to reach your intended customers. Use the box below to record your thinking.

<p>Advertising:</p> <ul style="list-style-type: none"> • Local Press • Free Press • National Press • Consumer Magazines • Trade Journals • Inserts – Press • Directories • Radio • TV • Cinema 	<p>Mailing:</p> <ul style="list-style-type: none"> • Direct Mail • Circulars • Leaflets 	<p>Awareness Raising:</p> <ul style="list-style-type: none"> • Posters • Leaflets • Shop Windows • Sponsorship • Exhibitions • Web sites • T-shirts etc.
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Media	Strengths	Weaknesses

Developing your Promotion Strategy

Usually a combination of promotional methods is required in order to raise awareness and interest in your product/service. The choice of methods will very much depend on who your customers are and the most cost effective way of reaching them.

Task 5

Describe the methods you will use to promote your products/services. Include information on:

- What that promotional type will do
- When you intend to use it
- Rough cost if you have that information available

Promotion Type + purpose	When to be used	Cost

PLACE

This is the location where people buy and/or receive your product or service.

Location may be:

- Over the internet
- Direct Mail
- Shop
- At customer's home or business (for example a training provider may visit other businesses)

This is a vital part of your Marketing Plan, because if your product or service is not in an easily accessible place for your customers they will not buy it.

Task 6

Describe where your product/service will be purchased and supplied or delivered.

Developing a business from home

If you are thinking of setting up your business from home, detail below any changes you will need to make in order to do this effectively.