

## CHAPTER V

### MARKET THE SMALL BUSINESS

#### **5.1 Promotion: Advertising and Its Alternatives - Develop a promotion and advertising strategy for a small business opportunity.**

Promotion is an attempt by marketers to inform, persuade, or remind consumers and B2B users to influence their opinion or elicit a response. Most firms use some form of promotion. Because company goals vary widely, so do promotional strategies. The goal is to stimulate action from the people or organizations of a target market. In a profit-oriented firm, the desired action is for the consumer to buy the promoted item. Mrs. Smith's, for instance, wants people to buy more frozen pies. Not-for-profit organizations seek a variety of actions with their promotions. They tell us not to litter, to buckle up, to join the military, or to attend the ballet.

Promotional goals include creating awareness, getting people to try products, providing information, retaining loyal customers, increasing the use of products, and identifying potential customers, as well as teaching potential service clients what is needed to "co-create" the services provided. Any promotional campaign may seek to achieve one or more of these goals:

#### **The Promotional Mix**

The combination of traditional advertising, personal selling, sales promotion, public relations, social media, and e-commerce used to promote a product is called the promotional mix. Each firm creates a unique promotional mix for each product. But the goal is always to deliver the firm's message efficiently and effectively to the target audience. These are the elements of the promotional mix:

**Traditional advertising:** Any paid form of non-personal promotion by an identified sponsor that is delivered through traditional media channels.

**Personal selling:** A face-to-face presentation to a prospective buyer.

**Sales promotion:** Marketing activities (other than personal selling, traditional advertising, public relations, social media, and e-commerce) that stimulate consumer buying, including coupons and samples, displays, shows and exhibitions, demonstrations, and other types of selling efforts.

**Public relations:** The linking of organizational goals with key aspects of the public interest and the development of programs designed to earn public understanding and acceptance. Public

relations can include lobbying, publicity, special events, internal publications, and media such as a company's internal television channel.

**Social media:** The use of social media platforms such as Facebook, Twitter, Pinterest, Instagram, and various blogs to generate “buzz” about a product or company. The skills and knowledge needed to generate information as well as to defend the company against problems (such as incriminating videos “going viral”) are separate skills from those related to traditional advertising. Even promotional strategies such as paying celebrities to wear a specific line of clothing and posting these images on Twitter or Instagram (a form of advertising) requires different types of planning and expertise than traditional advertising.

**E-commerce:** The use of a company's website to generate sales through online ordering, information, interactive components such as games, and other elements of the website. Website development is mandatory in today's business world. Understanding how to develop and utilize a website to generate sales is imperative for any marketer.

## **5.2 Evaluate ethical considerations involved in product and service consumption.**

Marketing research has experienced a resurgence with the widespread use of the internet and the popularity of social networking. It is easier than ever before for companies to connect directly with customers and collect individual information that goes into a computer database to be matched with other pieces of data collected during unrelated transactions. The way a company conducts its market research these days can have serious ethical repercussions, impacting the lives of consumers in ways that have yet to be fully understood. Further, companies can be faced with a public backlash if their market research practices are perceived as unethical.

## **5.3 Apply relationship marketing to a small business opportunity.**

### **1. Understand your customers and provide information that's valuable to them**

This point should go without saying, but before you can implement a successful marketing campaign, you have to research your customers.

Take time to understand their needs and interests, and use that knowledge to provide information that's valuable to them.

### **2. Build a strong brand identity**

If you want people to get excited about your brand, you have to first create a strong brand identity.

What makes your company different from your competitors? Why should people buy your products and services instead of looking elsewhere?

You have to make it easy for customers to identify your brand, and give them a reason to prefer your business. This starts with your basic branding elements, like your logo and slogan, and should also include a unique selling proposition.

Are your products superior to others on the market? Does your company have a specific mission beyond sales? Do you provide exceptional customer service?

### **3. Follow up with customers after sales**

After a customer purchases a product or service from your company, it's important that you follow up to make sure they are satisfied with their experience. You can ask them to give feedback in the form of surveys or reviews, and make sure that if their experience wasn't a positive one, you make an effort to remedy that.

You can provide additional information about products that may compliment their purchases.

### **4. Send email updates**

You can also keep in contact with customers via email newsletters.

In your newsletters, you can provide important updates about your company, as well as offer special promotions and contests for existing customers. This can keep people engaged with your business and encourage them to keep coming back in the future.

### **5. Reward loyal customers**

People like rewards, and they like being recognized for customer loyalty.

Sure, I have a slight coffee addiction – but it's okay because I get rewards every time I fill my cup with java goodness at Starbucks. And yes, I like to shop. But every time I swipe the plastic at J. Crew, I get a hole punched in my loyalty card. More hole punches = more discounts, and more discounts = happy Emily.

### **6. Ask for feedback...and take necessary steps for improvement**

You should always give your customers the opportunity to leave feedback and rate their experience with your company.

For instance, if you own an ecommerce store, you can direct people to rate their experience after they make a purchase. Ask for ratings on both the product itself, as well as the overall buying ex

This will help your business to gain valuable feedback about what you're doing well and areas where you can improve.

### **7. Arrange periodic calls with customers**

If you provide a specific service or operate on a B2B model, you can also schedule periodic phone or Skype calls with your customers.

One-on-one conversations help you learn more about their businesses and their expectations working with your company. This will allow you to gain insight into how you can tailor your communication and offerings to meet their individual needs.

## **8. Celebrate customer appreciation days**

If you're like me, you think every occasion is a chance to celebrate. So why not take the opportunity to celebrate your customers?

### **5.4 Evaluate market trends relevant to a small business venture.**

Market trends are the upward or downward movement of a market, during a period of time. The market size is more difficult to estimate if one is starting with something completely new. In this case, you will have to derive the figures from the number of potential customers, or customer segments.

Besides information about the target market, one also needs information about one's competitors, customers, products, etc. Lastly, you need to measure marketing effectiveness. A few techniques are:

Customer analysis

Choice modelling

Competitor analysis

Risk analysis

Product research

Advertising the research

Marketing mix modeling

Simulated Test Marketing[5]

Changes in the market are important because they often are the source of new opportunities and threats. Moreover, they have the potential to dramatically affect the market size.

Examples include changes in economic, social, regulatory, legal, and political conditions and in available technology, price sensitivity, demand for variety, and level of emphasis on service and support.

### **5.5 Evaluate market conditions for a small business opportunity.**

A market analysis studies the attractiveness and the dynamics of a special market within a special industry. It is part of the industry analysis and thus in turn of the global environmental analysis. Through all of these analyses, the strengths, weaknesses, opportunities and threats (SWOT) of a company can be identified. Finally, with the help of a SWOT analysis, adequate business strategies of a company will be defined. The market analysis is also known as a documented investigation of a market that is used to inform a firm's planning activities, particularly around decisions of

inventory, purchase, work force expansion/contraction, facility expansion, purchases of capital equipment, promotional activities, and many other aspects of a company.

## **5.6 Determine characteristics of potential niches for small business customers.**

You want to start a business, but the thing that's holding you back is the market niche you know you need to choose. And, honestly, this can be tricky: You could list all of your interests and passions and still come away feeling as if you haven't hit upon the singular thing you were meant to do.

If you're struggling to decide, or you need more data to work with, use the following five steps to find your niche

1. Identify your interests and passions.
2. Identify problems you can solve.
3. Research your competition.
4. Determine the profitability of your niche.
5. Test your idea.

## **5.7 Product and Branding.**

Branding is the use of a name, term, symbol or design to give a product a unique identity in the marketplace. Marketers have three major strategic options: manufacturer branding vs. private labels; individual branding vs. family brands; and co-branding. Successful branding can cement a product line in the minds of the public: who doesn't know the Coca-Cola red font or the Nike swoosh? Marketers should also consider whether to seek trademark protection for their brand.

## **5.8 Price, Place, and Technology - Select distribution channels appropriate for a small business opportunity.**

The four Ps of marketing: product, price, place and promotion

The marketing mix can be divided into four groups of variables commonly known as the four Ps:

Product: The goods and/or services offered by a company to its customers.

Price: The amount of money paid by customers to purchase the product.

Place (or distribution): The activities that make the product available to consumers.

Promotion: The activities that communicate the product's features and benefits and persuade customers to purchase the product.

## **5.9 Create a pricing strategy for a small business opportunity.**

- Step 1: Determine your business goals.
- Step 2: Conduct a thorough market pricing analysis.
- Step 3: Analyze your target audience
- Step 4: Profile your competitive landscape
- Step 5: Create a pricing strategy and execution plan.

#### **5.10 Coordinate implementation of customer service strategies - designing of improvement strategies based on feedback.**

Ensure customer service strategies and opportunities are promoted to designated individuals and groups

Identify and allocate available budget resources to fulfil customer service objectives

Promptly action procedures to resolve customer difficulties and complaints within organisational requirements

Ensure that decisions to implement strategies are taken in consultation with designated individuals and groups

Review client satisfaction with service delivery using feedback data in accordance with organisational requirements

Identify and report changes necessary to maintain service standards to designated individuals and groups

Prepare conclusions and recommendations from verifiable evidence and provide constructive advice on future directions of client service strategies

Maintain systems, records and reporting procedures to compare changes in customer satisfaction