Creating A Marketing & Sales Plan AND Market Research
Let's look at how we create a marketing plan...

1. Where am I?
2. Where do I want to go?
3. How do I get there?

It's that simple, but you HAVE to sit down, figure it out and write it all down!!!!
Where am I?

- Your product or service
- Your geographic marketing area--neighborhood, regional or national
- Your competition
- How you differ from the competition--what makes you special
- Your price
- The competition's promotion methods
- Your promotion methods
- Your distribution methods or business location
“Where am I?” continued – Who are your customers?

- Your current customer base: age, sex, income, neighborhood
- How your customers learn about your product or service—advertising, direct mail, word of mouth, Yellow Pages
- Patterns or habits your customers and potential customers share—where they shop, what they read, watch, listen to
- Qualities your customers value most about your product or service—selection, convenience, service, reliability, availability, affordability
- Qualities your customers like least about your product or service—can they be adjusted to serve your customers better?
- Prospective customers like least about your product or service but whom you aren’t currently reaching

(These are hard questions to answer… we’ll talk about how to figure out the answers in a little while)
Where do I want to go?

- Important: This section of your plan should involve GOALS.
- Goals should be MEASURABLE.
Examples

Top-level goals should be simple and straightforward:

- Increase sales from $5000 to $7500 per month (average) within the next three months.
- In July, attract 100 customers into the store who haven’t been here before.
How am I going to get there?

This is the fun part! (AND the hard part!)

- Address each goal separately.
- Outline the steps you will take to achieve the goal (consider your Ps!
- Estimate cost
- Estimate revenue
- Prepare a schedule
- Identify how you will test your methods and how you will measure results.
Okay, about those hard questions

Market Research

Two kinds:

A. Primary: original research that you or someone else doest just to answer your question.

B. Secondary: uses existing information already compiled – published reports, data collected by general researchers.
Market Research – Two Types:

- Qualitative: asking open-ended questions, i.e. “What do you like or not like about our store?”
- Quantitative: Asking questions whose answers are numbers or percentages, i.e. “What percent of the people who come to this strip mall come into our store on any given day?”
Primary Market Research

- You can do it yourself or hire someone
- It is expensive to hire someone but may be well worth it!
Primary Market Research: Methods

- **Focus Group** – get a bunch of people together and ask them questions

  **Pro** – this is the best way to understand how the customer’s perspective is different from yours. Especially effective for **QUALITATIVE** data.

  **Con** – not guaranteed to be representative of the population at large.
Primary Market Research: Methods

- Questionnaire/Survey
  Pro – Especially effective for QUANTITATIVE data
  Con – Lots of analysis to get results and draw conclusions; if questions are done poorly, conclusions may be wrong.
Secondary Market Research

- It may be easier to just buy data rather than spend a lot of time hunting all over for stuff that turns out to not be available for free.
- Whether you buy it or find it, it’s hard to know whether the data is good or bad.
Secondary Market Research

- Sources:
  - Trade journals and magazines
  - Presentations at conferences (if you can’t go, correspond with the presenter!)
  - Chamber of commerce
  - The published directories that show average income and size of businesses are of limited use in the pet industries.
Secondary Market Research

- Good for Quantitative data
- Qualitative data is pretty limited... you can use it to emphasize a point in a business plan or budget plan you are presenting to someone else, but I wouldn’t take it too much to heart! (“Anecdotal” Evidence)
ADVERTISING!

- Advertising: a marketing tactic in which you pay a medium, typically radio, video or print, to promote your product to potential customers.
- You can’t always draw a line, so most small companies will just have an “advertising and marketing” budget.
Advertising – budget considerations

- Most small companies do not budget enough for advertising (afraid of success?)
- Compare to franchise or chain stores
  - These also have the advantage of “packaged” advertising in which only a few things have to be tweaked to use.
    - Saves time
    - Proven – presumably they don’t keep distributing bad ads!
- The small guy CAN compete; remember, the ad doesn’t have to win awards, just be effective!
For your final project, you need:

- A competitive analysis, including
  - Identification of all competitors by name and location
  - Area(s) in which they are in competition with you, i.e. they also sell [blank] or provide [blank].
  - Your competitive position with regard to them, i.e. they are presently turning customers away because they don’t have enough time for them... there is room in the market for both of us; or my business will have lower prices or better service or... (hint – you need to know something about the other business in order to say this! You can’t just say “I’ll be better,” with nothing to back it up.

- Competitive analysis is due on Wed, 11/18.
You will also need:

- An advertising and sales plan
  - Use the stuff I lectured on today, plus posted articles to create this.
  - Basically, how will you advertise? Should consider your target market – who is most likely to use what you are selling and what is the best way to reach those people?

- The sales plan normally would be all about revenue numbers. Since we aren’t going to do financial projections for this project, the sales plan is merely a list of your products, but it needs to include both goods and services. Doesn’t have to be as detailed as your startup purchases: “Grooming tools” is sufficient. However, you should assign a percent to each category, how much of your 100% of revenue this category will account for. This is also due on Wed, 11/18