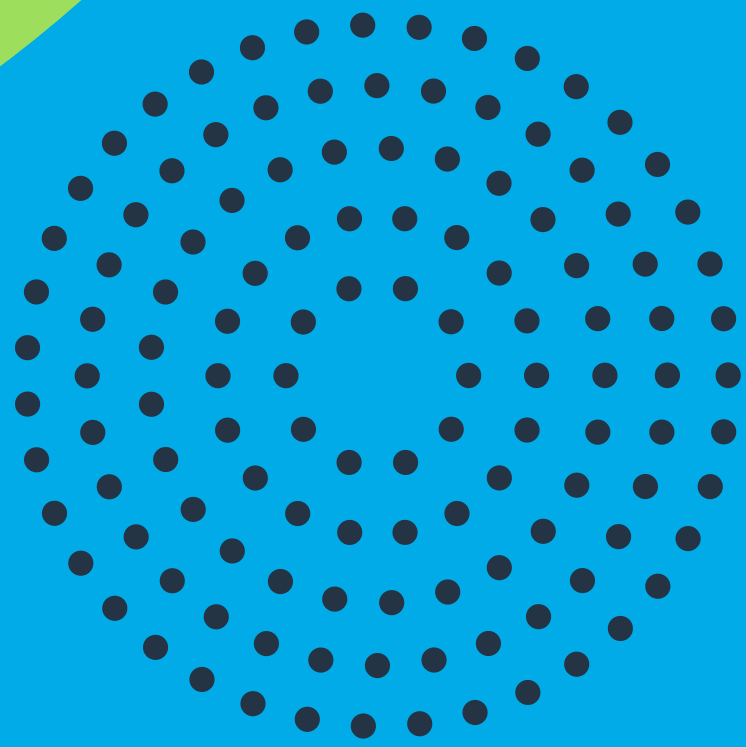




HOW TO CREATE A SMALL BUSINESS MARKETING PLAN





Jump Off The Hamster Wheel

You didn't become a business owner because you wanted to feel like a hamster on a wheel. You became a business owner because:

- You believed you had a quality product or service to offer.
- You wanted to be your own boss.
- You wanted to make money.

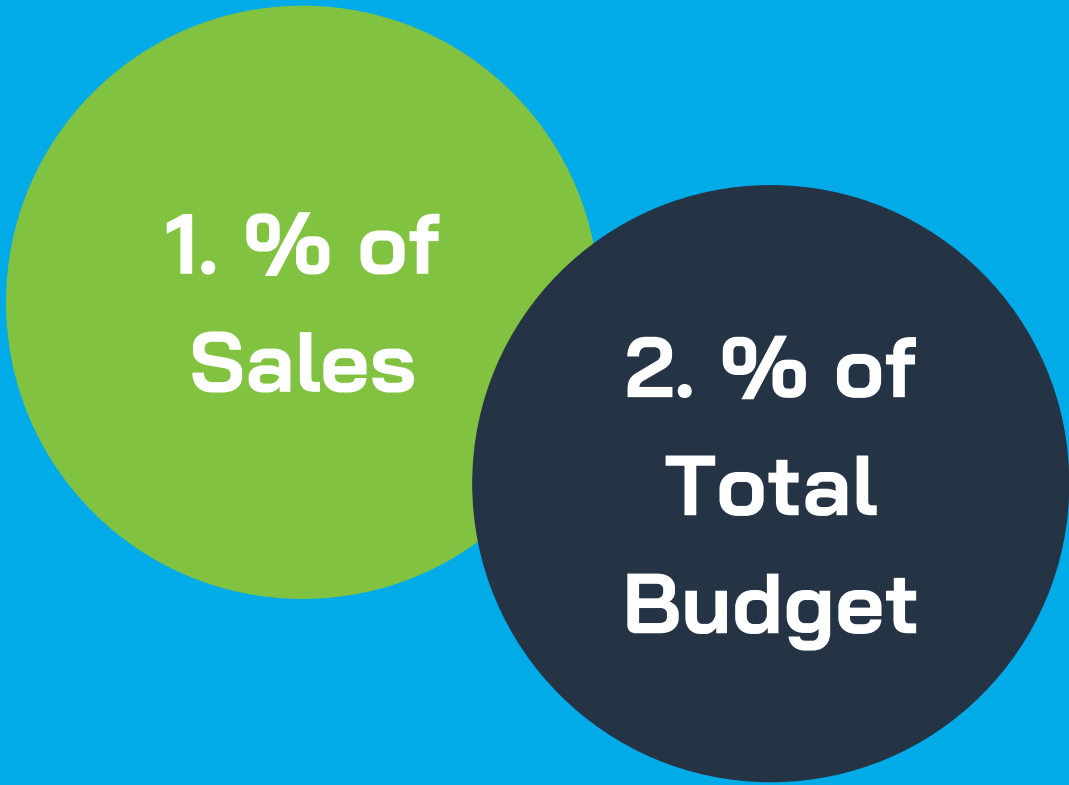
You've put your **money, time, heart and soul** into your business, so we're pretty sure you believe it's worth a well-thought-out marketing plan. A **versatile, comprehensive marketing plan** will empower you to:

- Increase sales and revenue
- Anticipate inventory and staffing needs
- Create complementary promotions
- Engage your customers in store and online
- Track activity to find out what works and what doesn't
- Save money
- Save time
- Reduce stress

That's why we're going to offer some guidance about how you can take control of your business marketing plan, so that you can get off that hamster wheel.

Let's Get This (Budget) Party Started!

Now that you're make marketing a top priority. Where do you begin? With money, of course. There are a couple of **common methods** used to establish a marketing budget:



Percentage Of Sales Method

With the **Percentage of Sales** method, you can choose to designate **5% to 7% of your past or projected sales figure** to create a marketing budget and be done with it. Or, you can get more complex and calculate **10% and 12% of your annual projected sales**, multiply each by your gross markup percentage and then deduct your rent or mortgage payment from the totals.

The two balances represent the range for your marketing budget.

$$\text{\$200,000 (projected sales figure)} \times 7\% = \text{\$14,000}$$

-OR-

$$\begin{aligned} &\text{\$100,000 (projected sales figure)} \times 15\% \\ &\text{(gross markup)} = \text{\$30,000} - \text{\$18,000} \\ &\text{(mortgage)} = \text{\$12,000} \end{aligned}$$

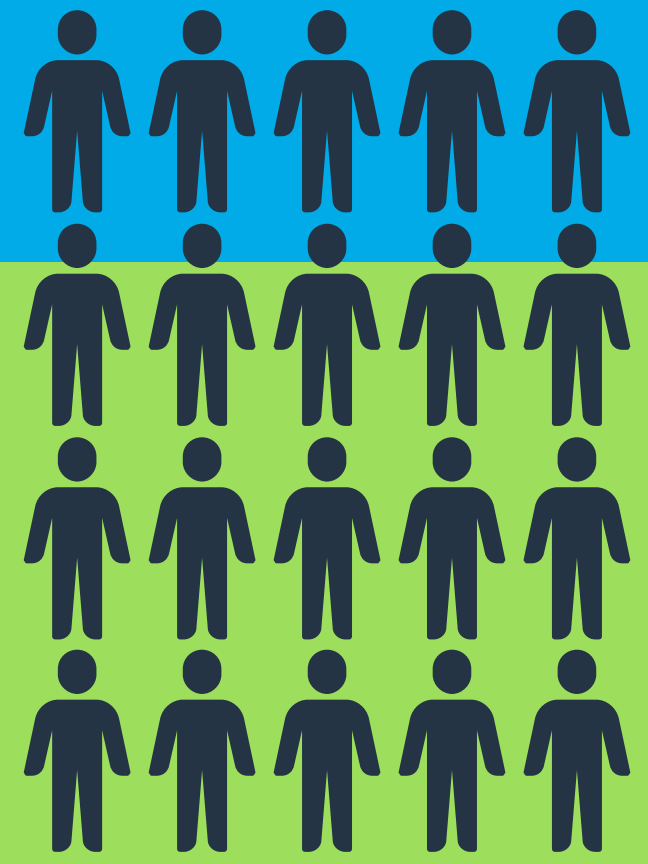
Percentage Of Total Budget

The **Percentage of Total Budget** method involves designating between **20% and 30% of your total annual budget** to marketing if you are a startup. If you are not a new business, then 7% to 10% of your total annual budget could work for you.

$$\text{Startup Marketing Budget: } \text{\$150,000 (total annual budget)} \times 25\% = \text{\$37,500}$$

$$\begin{aligned} &\text{Existing Business Marketing Budget:} \\ &\text{\$150,000 (total annual budget)} \times 8\% = \\ &\text{\$12,000} \end{aligned}$$

MARKETING GOALS AND AUDIENCES



The ultimate goal of any marketing campaign is to create more customers who generate more revenue. What steps should you take in pursuit of that result?

1. Set measurable goals

Your marketing goal might be to achieve a certain amount in sales, acquire a certain number of new customers, move a certain quantity of inventory or some other goal. Determining the goals you want to achieve with your marketing campaigns throughout the year will help you decide how to market and to whom.

3. Segment your existing customers

Your current customer database (the one you should be keeping up to date), could be segmented into categories that suit your business. For example, you could establish categories such as average spend per year, new customer (0 to 1 year), lapsed customer (no purchases for 6 months), loyal customer (at least one sale monthly) and so on.

2. Define your ideal customer

If you are a new business, your ideal customer might be a female, aged 16 to 30, with an income of at least \$30,000 living in Anytown, USA. Or, maybe your ideal customer is a retired, male history buff. Understanding who your ideal customer is will help you create targeted, personalized campaigns that get results.

4. Know your competitors

Everyone has competitors. Who are yours? What do they offer that you don't? What do you offer that they don't? What makes your business better? People are marketed to every day. Find what makes your business better than your competitors and emphasize that. Free delivery, price beating and loyalty programs are some examples.

5. Map out your geographic territory

Where do your ideal customers live? Would they travel 5 minutes to get to you? What about two hours, or a day? Do you ship or deliver locally? Nationally? This is the geographic area you'll want to reach with your marketing.

Once you've decided on your marketing goals and your ideal audience, you can create your campaign offer and choose your marketing methods using the marketing budget you established earlier. Take the long view of your annual marketing plan to allow enough time to produce an effective, measurable campaign.



TARGETED MARKETING

YOU CAN TELL EVERYBODY OR
YOU CAN TELL THOSE WHO CARE



Blanket marketing is a smart move for businesses that offer products or services that everyone wants or needs. However, if you're a small business that offers products or services that are unique, targeted marketing is worthy of consideration. In today's digital marketing world, you can create marketing messages to be seen only by your ideal customer. For instance, if you are a roofing company, you can target only homeowners in your geographic area. If you run a day care, you don't want to spend money on digital ads or postcards that retired adults will see. You'll want to target your ads to families with small children. Perhaps you only want to reach lapsed customers to offer them an incentive for purchasing from you again. All of these scenarios and many others are possible with targeted marketing. While targeted marketing may cost a little more, you know you're reaching the type of consumer most likely to respond, giving you a higher ROI.

"You don't want to spend money on digital ads or postcards that your customers won't see. Target your ads to your ideal customers for higher ROI."



ALLOCATING THE MARKETING BUDGET

According to a Valpak survey, respondents allocated marketing dollars toward digital marketing methods 2 out of 3 times. Combined with responses indicating a lack of an established budget, as well as time, one could make the assumption that digital was used so often because it doesn't require as much planning.

Top Marketing Methods	
1. Solo Direct Mail/Paid Digital 38%	7. Door Hangers 26%
2. Social Media Ads 37%	8. Event Marketing 24%
3. Daily/Sunday Newspaper Ads 34%	9. Billboards 11%
4. Direct Mail Co-ops 28%	10. Radio 11%
5. Telephone Books 28%	11. Magazine Ads 10%
6. Weekly or Insert Newspaper Ads 27%	12. Television 6%

While digital is a driving force in today's marketing and advertising approaches, print—especially direct mail—is still a powerful response generator. The Response Rate Report by the Direct Marketing Association states that the direct mail response rate averages 3.7% for in-house mailing lists compared to email's. 1% for in-house lists. Additionally, 79% of direct mail recipients act on direct mail immediately, whereas only 49% act immediately on email, according to the CMO Council. The downsides to direct mail become apparent in the resources, costs and time a direct mail campaign can take to produce and mail. But, balanced by a response rate that far exceeds digital, direct mail is a worthy marketing investment. Marry direct mail with digital by providing a website address and coupon code that also captures updated recipient info, and you've killed a couple of birds with one stone. You have gained exposure, garnered response, collected data and possibly acquired customers. And you can track all of it.

PERFORMANCE REVIEWS

IF ADS WERE EMPLOYEES

Pretend for a moment that your last marketing campaign was your employee and it was time for a performance review. If you had set goals for that employee and had monitored their performance on the sales floor, then you'd know how to grade their performance and whether or not a raise, probation or dismissal was appropriate. The same goes for your marketing. Yet, according to the survey results, only 51% of business owners and managers tracked their campaigns, and of those, only 39% relied on digital analytics, call tracking or redemption — the most reliable forms of campaign measurement. Most relied on word-of-mouth to measure the success of their campaigns. A majority of the respondents didn't make a connection between traditional marketing (print) and digital sales and leads.



Today's digital technology has made performance measurement incredibly easy. Depending on the marketing method you use, performance tracking can almost run on its own, providing you with real-time reporting at the frequency you request.

With traditional marketing methods like direct mail and print ads, you can deploy performance tracking through call tracking services, where a specific, dedicated phone number is provided for customers to call. You can also use a coupon for in-store redemption or a coupon code for online redemption.

Conclusion

Before you decide on which marketing methods you want to use for your annual marketing plan, determine your company's overall goals for sales and revenue, new customers, etc. Then, decide how you will track their performance. Establish the performance markers, goals, tracking methods and frequency. Then, choose your marketing methods and schedule production time accordingly



Don't Go It Alone

Your business is far too valuable for a fly-by-night marketing plan. Laying the foundation for an annual plan will bring measurable rewards you can use to grow your business year by year. Valpak of Staten Island offers a variety of resources to help you with your business marketing.

Contact Us Today!
718-448-0101

