

Marketing is more than just selling and advertising. It's about what you need to do to capture and keep your customers over time. Your marketing plan needs to answer the question: Why am I in business, what do customers want and why will customers buy from me and not my competitors?

Developing your marketing plan covers four main aspects:

- ❑ Market research.
- ❑ Marketing goals.
- ❑ Marketing strategies.
- ❑ Monitor & control.

Marketing Dos and Don'ts:

Do

- ▶ *Regularly review your marketing strategies to meet changing situations.*
- ▶ *Focus on your customers' wants and needs, not on what you think you have to offer.*
- ▶ *Find a niche – small businesses tend to succeed by offering something that's a bit different.*

Don't

- ▶ *Waste money on promotional opportunities that don't fit with your strategies.*
- ▶ *Neglect building networks to help you promote your business and build your reputation.*
- ▶ *Forget to assess the effectiveness of your strategies.*

Undertaking market research

Before you develop your marketing goals and strategies, you need to identify what are the most promising market opportunities you should pursue. You need to consider:

Your products/services

It may seem obvious, but you will benefit from analysing your product/service offering from the customer point of view. Ask yourself:

- ❑ What benefits are you offering your customers?
- ❑ What are all the features of your products/services and which ones will be most valued by customers?
- ❑ What will be its likely life cycle and what is the risk of substitutions?

Your marketplace

Understand your market and identify factors that will impact on your business.

Aspects to consider:

- ❑ What is its size and is it growing or shrinking?
- ❑ Where is your main market located?
- ❑ What are its characteristics? eg gender, aspirations, ability to pay.
- ❑ What changing social trends and attitudes could affect your business?
- ❑ What technological developments are occurring? Emergence of substitute products/services?

Your customers

Once you have researched your market, you can define the specific segments you intend to target. Market segments are groups of customers who share similar attributes and attitudes: which segment(s) you target will depend on the nature of your business and your strengths and capabilities. Segments can be defined by: location, gender, industry, ethnic identity, attitudes (eg adventure seekers) and attributes (eg luxury car owners).

You need to understand the factors that will drive your customers to buy your products or services.

Your competitors

Identify both direct competitors (those selling the same products and services to the same markets) and indirect competitors (those offering substitute or similar products/services).

Information you need to know about competitors includes:

- ❑ What exactly they offer their customers.
- ❑ How well established they are and their reputation.
- ❑ Their strengths and weaknesses and what makes them successful.
- ❑ Their pricing.

Market research sources

At this stage, your main sources of information will be through:

- ❑ Discussion with knowledgeable peers and potential customers and suppliers.
- ❑ Desk research, including Web searches, trade/industry material and market statistics, eg ABS, market research reports.
- ❑ Discussion with business advisers, eg Business Advisory Service.

Your marketing goals should pass the SMART test:

S – Specific
M – Measurable
A – Achievable
R – Realistic
T – Time bound

More Information

SOURCES OF INFORMATION

Visit the NSW Department of State and Regional Development small business website for more information on marketing, including marketing planning tools, and for more general business information:
www.smallbiz.nsw.gov.au

Industry Associations and your local Chamber of Commerce and Industry offer advice and services to members. Click on *resources* and *weblinks* on the DSRD small business site for contact details.

WHO SHOULD I TALK TO?

Your local Business Advisory Service can offer you one on one advice on developing your marketing plan, including assisting with your market research. It also offers low cost marketing workshops and access to useful tools such as benchmarking software. Call 1300 650 058

Your SWOT analysis

Using the information you have collected, you can undertake a SWOT analysis to help you determine your marketing goals. Your SWOT involves assessing:

Internally	Externally
Strengths you should build on	Opportunities you should exploit
Weaknesses you need to overcome	Threats you need to manage

Put dot points under each heading that honestly reflect your research. You need to develop strategies to deal with each identified issue.

Setting your marketing goals

Your marketing goals build on your broader business objectives and specify:

- ❑ What products/services you will offer for which market segments.
- ❑ What key benefits you will offer.
- ❑ How you will gain a competitive advantage.
- ❑ What specific targets you aim to meet over what time frame, eg market share, revenue, customer numbers.

Your marketing strategies

To put your goals into action, you need to develop specific strategies to achieve them. Key aspects that need to be covered:

Product: your product/service offering including quality, features, packaging, guarantees, after sales service. See the **Customer Service** fact sheet for more details on this service aspect.

Price: your pricing policy, including discounts, allowances and credit policies. Your pricing should be based on a realistic assessment of all your costs and take into account what the market will bear and the image you are trying to create.

Promotion: your approach will depend on the nature of your business and can include advertising, personal selling, public relations, networking, web-based marketing. Pick up the **Advertising & Promotion** fact sheet from your local Business Advisory Service.

Place: how you will distribute your products or services. Consider locations, retailers, inventory implications, transport and warehousing.

Monitor & control

Marketing is a necessary cost to the business and you should set a marketing budget, including monthly cash flow, as part of your business plan.

Measuring the results of your marketing activities will ensure you continue to get value for your marketing investment. For example, assessing an increase in revenue or customer numbers as a result of promotional activities allows you to decide what activities give you the best return.