

for sale? The market area is the geographical scope of one's market. In other words, what are the geographical boundaries that one can position the product/service, taking into consideration many factors including existing resources, business and family goals, time, and other matters.

Developing a customer profile – This step requires secondary and primary market research to determine the specific characteristics (psychographics and demographics) that make up a group of potential customers.

Determining the trade area and the target market — This step focuses on the number of people in the market who "fit" or match a customer profile. The target market is a sub-segment of the overall trade area because generally an enterprise cannot meet the demand and needs of an entire population within an overall trade area. There may be several target markets, identified by specific characteristics that make up the total demand for the product or service. Again, the enterprise's ability to market to one or more target markets depends on several factors including existing resources, goals, time, and other matters.

Selecting a market niche – Often, small enterprises or businesses seek a select market group that is overlooked by other businesses. By concentrating on a smaller, less obvious market, an enterprise can take advantage of advertising and promoting the product/service in a more efficient and effective manner, customizing the product or service to customers' needs, and better utilization of one's resources.

Determining the potential market share – Once a market niche and trade area has been identified, the enterprise should carefully estimate what it considers to be its percentage of the





market niche. This step is crucial because people tend to overestimate their potential market share.

Estimate sales potential – This is the final step in which one estimates the potential sales level per period (month, annual, other) based on the price of the product/service and the number of sales per customer during this period.

b. <u>Determining sales potential in a niche market</u>

A demonstration of this process follows using the sale of handspun/hand-knitted wool stocking caps.

1). Product positioning in market area: The product is handspun, hand-knitted wool stocking caps, produced on a Wyoming sheep ranch, priced at \$1.
The positioning should be in an area that has a cooler climate or season such as the high altitudes in the northern United States. To avoid starting out by overestimating a market of all people in the northern part of the United States (this would be millions), the positioning decision continues to refine the market area to a reasonable level for the enterprise's resources and other considerations. Eventually, the decision leads to positioning the wool caps to people who spend time outdoors in Utah and Wyoming.

→ The United States

- Higher altitudes in northern U.S.
 - Rocky Mountain Region
 - Wyoming and Utah
 - Product Position: People who spend time outdoors in Wyoming and Utah





- 2). Developing a customer profile

 By using a reference guide for consumer market analysis,

 The Lifestyle Market Analyst, customer profiles are
 developed from the three metropolis areas for Utah and
 Wyoming. The three market profiles are:
 - Cheyenne/Scottsbluff
 - Casper/Riverton
 - Salt Lake City
- 3). Key lifestyles

 Key lifestyles from these three market profiles are identified as hunting/shooting and camping/hiking.

 People who enjoy the hunting/shooting and camping/hiking lifestyles in Wyoming and Utah tend to have a higher percentage of the following demographics:
 - 18 44 (age of household)
 - Male
 - Median income \$36,000 \$38,000
 - Own home





The top 10 activities and interest characteristics identified in the three metropolitan market areas are the following characteristics. These generally show a similarity of interests within the three groups.

Top Ten Activities and Interests		
Casper/Riverton	Cheyenne/Scottsbluff	Salt Lake City
Recreation vehicles	Recreation vehicles	Snow skiing
Fishing	Fishing	Recreation vehicles
Motorcycles	Snow skiing	Motorcycles
Needle work/knitting	Own dog	Fishing
Own dog	Motorcycles	Buy pre-recorded videos
Snow skiing	Needle work/knitting	Use IBM compatibles
Military veteran in	Sewing	Attend arts and
household		cultural events
Crafts	Automotive work	Golf

Source: Standard Rate and Data Service. <u>The Lifestyle Market Analyst</u>. National Demographics and Lifestyles: Polk Company, 1998.

With this information, the enterprise can develop a customer profile as follows:

- Men, 18-44 years of age, living in Wyoming and Utah, who like to shoot, hunt, camp, and/or hike. They also like to fish and snow ski. Their household median income is about \$37,000. People in their household likely have hobbies such as needlework, knitting, and sewing. They might own a recreational vehicle, motorcycle, and dog.
- 4). Determining the trade area and the target market:

 The trade area needs to be defined more narrowly than the geographical population of Wyoming and Utah, which is over 2 million. The process of refining the





population to a workable number that fits the customer profile and eventually a smaller niche is as follows:

- Population of Utah and Wyoming: 2,176,438 people
 Potential trade fitting customer profile: 860,000 (males 18 44 year old)
 - The enterprise cannot provide products and adequately handle managing an enterprise that markets to 860,000 people. Thus, the process of narrowing the target market to a defined niche (market sub segment) is very important to a small business or enterprise. The Wyoming ranch decides to market the wool caps to hunters in Utah and Wyoming, who fit well within the customer profile identified above. After researching the annual hunters' report published by the Wyoming and Utah Game and Fish departments, the ranch carefully estimates that approximately 38 percent of the 860,000 males fitting the customer profile are hunters.
- Market niche: 38% of 860,000 males are hunters = 326,800 hunters
 - 6). Determining the potential market share

 The Wyoming ranch has correctly determined that this niche of 326,800 hunters is unreasonable because not every hunter will need or want to purchase a wool cap or purchase one sold by the ranch. Estimating a market share is difficult. It involves knowledge about the competition and the customers. The Wyoming ranch knows that there are many hats, caps, and stocking caps on the market and that most customers own more than one type of head covering used for outdoor purposes.





The ranch also knows that it has a limited capacity to produce and market wool stocking caps. Based on market research and enterprise resource analysis, it determines that it has a very small potential market share potential of .25 percent (1/4 of 1%.)

- Share of niche market: .0025 of 326,800 = 817 wool stocking caps
 - 7). Estimated annual sales potential

 The Wyoming enterprise is finally in a position to estimate annual sales potential. The estimate includes determining the number of sales per targeted customer per year. In this case, the enterprise determines that one wool stocking cap will be sold per customer per year. The annual sales potential of \$12,255 is the gross sales amount. The enterprise will have to estimate the cost of goods sold, expenses, and taxes to determine if the sale potential is feasible and reasonable.
- Estimated money spent per targeted customer: \$15

 Estimated annual sales potential: \$15 x 817 = \$12,255.

Note: The following pages offer a variety of marketing ideas for you, the professional to distribute to your clients, based on their specific needs and interests.





G. Creating a promotional message and plan

- 1. How do you define your service or product? If you were at a party and someone asked you what you did for a living, how would you answer?
- 2. Why are you producing this message? Why are you taking the time, spending the money, and going to this effort? What is your purpose?
- 3. What do you want to accomplish? What is your objective? What do you want to make happen for the money and time you spend?
- 4. Who is your audience? Who is your target market? Define the decision marker(s). What are they like? What is their customer profile?
- 5. What does your target market want from your service or product? What are their selection criteria when they are deciding on this service? What are their concerns? What are their hopes? What are their fears?
- 6. If you can only place one thought in your target's head, what would it be? Your audience will forget your message soon after hearing or reading it. What is the major thought or focus you want them to remember?
- 7. What is the one thing you can legitimately deliver to everyone who buys from you? What does your target market get? What can you promise?
- 8. What other reasons should they buy from you? List as many reasons your product or service should be attractive to the audience as you can, such as price, service, expertise, convenience, etc. Elaborate on each one.
- 9. Who are your main competitors and what do they have to offer? What are their strengths and weaknesses?
- 10. What makes you different from your competition? What makes you stand out? What is your competitive advantage? What can you offer that the competition can't?
- 11. What objections are there to the sale? What are the barriers you must overcome? How will you overcome them?





- 12. What outside factors may affect your message? What is there about the product, industry, economy, culture, environment, business trends, etc., that may affect the sale of the service or product?
- 13. What media will you use? What vehicles or promotional tools will you use to reach your target audience? Each tool is different. Remember that the message must fit the medium.
- 14. Are there any timing issues, outside of the media, affecting your message? Is seasonality a factor? Is there a political cycle or current event that might affect the message or the audience's reaction to the message?
- 15. How should the audience feel after receiving your message? What kind of impact do you want to make? How should the audience feel after receiving your promotional message?
- 16. What should the audience do after they receive the message? How should the audience respond? What action should take place: should they contact you, send for information, etc.?
- 17. Is there anything that must <u>not</u> appear, be included, or be considered in the message?
- 18. What is the budget and deadline for this promotional project?
- 19. Who should be contacted for more information?

Source: Joe Zagorski, National Business Association, Nov/Dec 1996 National Business News, in cooperation with U.S. Small Business Administration's BIC's, SBDC's, and SCORES's offices.





H. Direct mail tips

Direct mail can include a variety of marketing tools, including letters, brochures, fliers, postcards, catalogs and coupons. Each one requires special attention in the design of the piece. The most important part of a direct mail campaign is the mailing list. A great mailing package, with superior copy and glitzy design is useless if it doesn't reach the right audience for the product or service.

The sales letter is an important component of the direct mail piece. This is not to say that a brochure, coupon, flier, etc., can't be included with the letter, in fact, they should. Letters create the illusion of personal communication, an important component in making the sale.

Advantages of direct mail:

- Usually lower cost per potential customer
- Can be very selective to the target audience
- 85 percent of direct mail is opened
- Results are immediate response is usually seen within three to four days after mailing

Disadvantages of direct mail:

- Developing a good mailing list is difficult
- Timing and mail delivery dates cannot always be determined if using bulk mail
- Design of the mail piece is critical, including format and wording

Tips for sending direct mail:

- Ensure the mailer gives the prospective customer information that will help him or her make a buying decision
- Mail to a target audience, identifying who your customer is when compiling the list
- Develop a consistent message
- Give contact information your name, address, phone number





- Test your mail piece by coding different mailings to see which are most successful
- Make an offer a free brochure, free catalog, free information
- Talk in specifics, not vague generalities
- A simple design is best. Don't be too creative or cutesy
- Present a powerful opening in your mail piece don't save the best for last; chances are the customer won't get to the end of the message
- Follow up, and respond to a request promptly

Develop a strong opening for the mailer:

- Ask a proactive question
- Go straight to the heart of the reader's most pressing problem or concern
- Arouse curiosity
- Lead off with a fascinating fact or incredible statistic
- Start the offer up front





I. Tradeshow marketing tips

1. Overview

Trade shows can be a great way for consumers, retailers, buyers, and brokers to see the products and services that you have to offer. There are different kinds of trade shows and exhibition opportunities. At retail shows, you sell directly to the consumer. At wholesale trade shows, you will sell to buyers. Some regional and local shows will allow both retail and wholesale sales. A retail show will allow you to expose your products to consumers and to sell to them at retail prices. This generates more dollars per sale, but has limited market penetration in terms of establishing other outlets for your product. Direct sales to consumers do give you feedback on acceptance of your product or service and help you to understand pricing. The advantage of a wholesale trade show is that it is a cost-effective way to meet and sell to the trade. Trade shows also provide an opportunity for doing some valuable market research.

If you have never attended trade shows, one of the best ways to learn about trade show and your industry is to go to a show as a visitor. If possible, attend the specific show that you're thinking of exhibiting at or talk to past exhibitors and get their input.

Before participating in a trade show, does it fit into your business and marketing plan?

- a. Does the show target the market you're after?

 Don't waste your time and money on a show that caters to people who have no interest in your product. At the same time, don't overlook shows where you may be the only one capitalizing on a marketing opportunity missed by your competitors.
- b. Do you have the production capacity to handle increased orders?





Once you've decided to participate in a show, you'll need to address availability of product. One of the biggest mistakes a business can make is over-committing. Don't sell what you can't deliver, or you'll have unhappy consumers, distributors, brokers, and retailers.

c. What is the real cost of doing the show?
Be sure you can afford to participate in the show. Establish a budget that includes travel, lodging, meals, and entry fees.
Determine if you need to hire an assistant to help at the show.
Make sure you know what deposit is required and what the cancellation penalties are. Read your contract carefully.
Electricity, tables, chairs, refrigeration, etc., are usually not included in the basic booth fees. If the cost is prohibitive then consider sharing a booth with other vendors to save money and to provide some backup during the show.

2. Booth design

While many people design their own booths, others work with companies that design booth space for large and small businesses. As you begin to attend some of the larger shows, you'll see that the competition is fierce. It will also give you ideas on how to design your own booth. If you decide that you don't want to tackle the booth design ask other business owners for their recommendations. Be aware that shows have specific regulations. Most shows have a booklet that spells out the rules you must follow. Most promoters are very strict, and you don't want to jeopardize your ability to participate in the show. When designing your booth remember that you will have to transport it from show to show, so utilize lightweight materials. Design your signage so that you can use it at various shows. This will save you time and money.





Make a list of items you'll need to take with you:

- a lock box for cash (if necessary)
- hammer
- Velcro
- extra light bulbs
- file folders
- tape
- business cards
- brochures
- price lists and promotions
- paper and pens
- snacks
- a change of clothes if you'll be setting up the booth the same day the show begins

3. Working the show

Once you have designed an eye-catching booth you are now ready to meet consumers and buyers face to face. Be prepared to sell the product efficiently and enthusiastically. Try not to eat when you're in your booth. Half the battle is getting someone to stop long enough for you to make your sales pitch. Be aggressive. Don't sit in the back of your booth with your nose in a book. Sometimes you'll have only a split second to get the attention of buyers. Get them to sample or look at your product, and give them brochures, along with order information, for them to take with them. Ask for information about your potential customer and follow up. You may not be able to talk to everyone, so you need at least to get their names so you can contact them later.

Find out who is attending the show and plan to get in touch with buyers you want to meet. Invite them to visit your booth. Ask the show organizer for a few complimentary tickets and send them to the top buyers. If you are participating in a consumer show, invite local retailers. Read badges and make eye contact with good prospects.





You should talk to as many qualified buyers as your can, so don't waste time on tire kickers. They waste your time and can cost you a sale. Don't underestimate how hard it is to be enthusiastic about your product hour after hour, all day long. You're not the only one trying to get the attention of these potential customers, so you are going to have to stand out in the crowd. Start honing your skills on smaller regional shows, before you sign up for national or international events.





J. <u>Tips for creating a brochure</u>

The purpose of a brochure is to educate the customer about your product or service and encourage the customer to get in contact with you.

1. Brochure design

Brochures are designed for two reasons:

- 1. To attract a customer's attention the first time:

 This type of brochure is an attention-getter to introduce your product or service to the customer. It contains general information about your product or service, and requires the customer to follow up for further information.
- 2. To give a customer more information:
 This type of brochure is the follow up brochure, containing much information on the product or service. The brochure educates customers and calls them to action.

Step 1:

Develop the copy (text) for your brochure. Keep the copy concise. Be sure to include contact information on the brochure.

A *feature* is what a product has. A *benefit* is what a product does. The more the product does, the more attractive it becomes.

Step 2:

Add graphics to add emphasis, not to clutter the brochure. Remember, white space is considered a graphic element, and can be as effective as a four-color photograph or illustration. When on a tight budget, spot color (an additional color) can be used effectively.





2. Do's and Don'ts

Don't:

- Ask open-ended questions. Phrase each question so the answer can only be "yes".
- Use more than nine or 10 lines of type per paragraph.
- Underline or use all CAPITAL LETTERS for emphasis: use bold or italics, instead. This will make the brochure easier to read.

Do:

- Keep paragraphs short
- Keep a consistent image with your other promotional material

Source: Marketing for Dummies by Alexander Hiam





K. Internet marketing tips

- 1. Don't treat the internet like another media. It is different from traditional media and requires a different approach. The world wide web allows you to reach a potentially large audience with a great deal of information for a relatively small cost. Your site should allow users to interact and get the information they find useful to them. Some marketing strategies work better than others, but there are six basic elements to include in your strategy for it to be effective:
 - Give away products or services
 - Provide for effortless transfer to others
 - Scale easily from small to very large
 - Exploit common motivations and behaviors
 - Utilize existing communication networks
 - Take advantage of others' resources
- 2. Find out what your competitors are doing on the web. Analyze their sites. How does it relay information about their products and/or services?
- 3. Create an internet marketing plan. When you are ready to begin your company's website project, consult with an internet marketing professional to determine the goals to be achieved for your company's site and develop a marketing plan right for your business. Then build a site.
- 4. Promote and advertise your web site. Some of the successful entrepreneurs spend about 75 percent of their advertising budgets on non-internet media. Put your website on everything and in every place that you can think of. One of the most effective ways to do this is to get your site listed on a variety of "search engines," or places people go on the web to search for specific web sites. There are other tools such as: banner ad, which is an ad that integrates with another's web site; or using e-mail to round out your electronic marketing efforts.
- 5. Integrate your web site with your other marketing activities.
- 6. A good web site will add to your existing customer service to help keep customers and develop new ones.





- 7. Use the site as an information resource for your target markets.
- 8. Include a plan for international business in your web site marketing plan, even if it means relaying that you don't accept out of country orders.
- 9. It is critical that you outsource your web site development to the right firm, such as an internet marketing specialist, etc., if you have the financial resources. If not, spend a few months learning about it and taking courses on web site development and the various protocols. Some important questions you'll need to think about include: what size screen to design for (pixels or percentages); what color palette to use; and how form data will be saved.
- 10. Analyze your web traffic and learn from it. Find out how people are getting to your site and what they are doing once they get there. If using a development firm, make sure they review this with you on no less than a quarterly basis.





L. Print advertising tips

Components of a print advertisement:

- 1. *Headline*: the large words that first attract the eye, usually at the top of the page.
- 2. *Subhead*: an optional addition to the headline to provide more detail. The subhead is smaller than the heading, but larger than the body copy.
- 3. Body copy: the main text of an ad.
- 4. *Visual*: A photograph, illustration or other graphic element. This is an optional component of an advertisement.
- 5. Caption: Copy attached to the visual to explain it.
- 6. *Trademark*: A unique design that represents the brand of the company (like Nike's swoosh).
- 7. *Signature*: The company's trademarked version of its name. Often used as a logo design that features the brand name in a distinctive font and style.
- 8. *Slogan*: An optional element consisting of a short phrase, representing the spirit of the company.

Do's:

- Develop a dynamic headline
- Use active words, not passive words
- Use white space
- Be concise; not wordy
- Remember the five M's mission, message, media, money and measurement

Don't:

- Assume that bigger is always better
- Clutter the ad
- Use unfamiliar words
- Use passive words

Source: Marketing for Dummies, page 126





M. Marketing method/idea checklist

-	_Advertising: direct mail, newspaper, television, radio, magazine,
	yellow pages
	Balloon ride: restaurant used as prize for grand opening and
	received free publicity when prize was awarded
	_Balloons: kids become mobile advertising force
	_Billboard: announce opening, introduce new product, new location
	_Birthday cards: send to valued customers, enclose free sample of
	latest item (e.g. fragrances)
	_Bookmarks
	_Booths: to fit the occasion: a computer show was attended by a
	candy maker – "Sample Bits and Bytes of Alma's Amazing Fudge"
	Brag book: photographs of type of products you create, or
	manufacture.
	_Brochures: include phone number and address, make it easy for
	people to order from you. Use some type of code so you can learn
	best location for brochures.
	_Bulletin boards: Use miniature pads and provide tear off phone
	numbers or post business cards
	_Business announcement in newspapers:;of a special class you
	attended, if you or the product or service received attention in a
	national magazine, business start-up.
	_Business cards: carry with you at all times, include name, address,
	and business hours.
	_Bumper stickers
	_Buttons, badges, and nametags: attention getters that people will ask
	about.
	_Calendars: use name, phone number, address, and develop one
	appropriate for your business.
	_Capitalize on existing demand: in an area plagued by increased
	crime, a man who was marketing a burglar alarm which could be
	set off easily inside a pocket put a story in the newspaper that
	resulted in contacts from senior citizens for purchase.





Checks printed with business name and logo: people ask you
about your business, it's an opportunity for personal selling.
Christmas/holiday cards
City maps: with your logo on them
Congratulations newsmaker: clip and send to the newsmaker; a radar detection service sent brochures to people who have received speeding tickets; new mothers receive baby clothes advertising.
Contests: get names for a mailing list and free publicity when
winners are announced.
Complementing enterprises: when a strawberry farm discovered 70% prefer pick-your-own and 30% prefer pre-picked, it provided
both
Co-op advertising: split costs with other businesses
Coupons: build traffic, introduce new items or service, can be bill
stuffers or prizes, can be coded and tracked.
Donations and door prizes: request your business name be
mentioned, place your business card and sticker on the item.
Doorknob holders: local pizza place offers free delivery Thursday
between 4 pm and 7 pm – now ever Thursday is pizza night.
Evaluate effectiveness: code/color, department number in
advertisements; one store offered peanuts in shells in stores and asked customers to throw the shells on the floor so management
could track the traffic pattern; books worn and need repair; radio
ad – offer 10% discount when ad is mentioned with purchase.
Famous person: restaurant owner invited David Frost, was picked
up by AP and received national free publicity.
Franchise approach: a cinnamon roll franchise has a calorie zapper
each store has see-through window panel so people can see rolls
being made.
Free trial: a caterer catered one flight free she happened to have the
company business president present on board and got the
business.
Game shows: complimentary gifts
Gift certificates
Grocery store stuffers





Home craft fair: send invitations to special people and hold in a
place people want to see, like a local mansion
In-store promotions; instructional selling, demonstrate how to
make a product.
Logo: develop an image to build consumer recognition: increase
consumer confidence; people associate a logo with commitment to
quality and longevity; confidence leads to increased sales. Do you
recognize Izod Lacoste? How about alligator shirts?
Magnetic car signs: attention getter, tells people what you do.
Mailing list: establish one by asking customers to sign guest
book, asking for mailing address on tickets for a drawing, putting
names and addresses on sales tickets, taking name and address from
checks you cash, and asking if people want to be on a mailing list for
notification of sales, special events, and other promotions.
Multi-market your product as well as yourself: one architect is a
teacher, author, "stars" in and serves as a judge; a wheat crafter
developed a design for national magazine, did a column for area
newspaper, and taught classes.
Name must be easy to pronounce: tell you something about the
product ("tot trots" was changed to "stay in the saddle" which
hints of safety instead of a term people associate with illness),
be simple and catchy (hula-hoop, Etch-a-Sketch).
Networking
Newsletters: to special customers
Packing: cans or bottles of popcorn, fruit basket collector of wood
flowers, sapphires in dirt in burlap bag.
Parade: a dog food stagecoach pulled by eight dogs; baton teachers
had a dancing and marching troop; an auto restorer drove his
vintage items; a woman who sells sailboats rides one in county
parade
Party plan
Personal selling: know your rejection level
Personalized license plates: set you apart; use business name
Place mats: put restaurant name in center, block edges and sell
space space
space





Point of purchase: put out business cards, offer sewing alterations
service at a clothing shop, a wallpapering service at hardware
store, or a handyman service at hardware store.
Posters
Premium items
Recipe sheets: publish for cookbook, food columns, newspapers, and
bookmarks
Record keeping: a bee pollen wholesaler discovered one third of
its business in drug store; one-third in health store; and one third in
grocery store: inventory to discover popular colors and styles.
Recording setting: attempt to break Guinness book of records, line
up publicity ahead of time.
Referrals: decisions on services are made through referrals.
Restaurant: centerpieces
Samples: can be sold to people who want product immediately;
caterer used a sample centerpiece gold foiled with her name - for
purchases company name and information appeared on similar
stickers – received orders from the sample.
Specialty products: Good Fellow catalog, Denver Mart
(State name) made: use stickers on product; great for tourism
Stickers: place on everything you make, e.g. "I received your product
as a gift and want to order for a friend."
Surveys: learn likes and dislikes
T-shirts, jackets, sweatshirts, hats, aprons: maker of rattlesnake
skin products wore hat-band, belt, and boots at shows. Also had
shirt with business name on front and back.
Target ad: a home-based business owner advertised a fog free
mirror in Good Housekeeping, which cost \$1,000, and didn't
receive one order; a man advertised a product in Family Circle
which cost \$1,500 and didn't receive one order.
Tasting party in stores: Famous Amos took his chocolate chip
cookies everywhere he went.
Teaching special topics, classes: adult education through schools,
club programs; increases exposure, gains creditability, offers a
chance to sell.





	_Telephone: use an answering machine when you aren't there to
	answer the phone
	Thank you notes: should be handwritten to convey sincerity (e.g.
	"we appreciate your business," keep communication lines open.
	_Tie-in promotion: wallpapering business cards at lumber yard,
	plants at grocery store, artwork in doctor, dentist and attorneys
	office
	_Tours: school organization, conventions
Y	_Trade journals and magazine:
	_Truck identification: a pest sprayer painted his vehicle like a bug
	_T.V.
-	_Unique: e.g. letters from grandma, a cookie on a stem boxed like
	a rose and delivered, or chocolate roses made the same way.
	_Wear it: pig skin roses, farm wife apron
	_Window display: rent or borrow window space in vacancy stores
	Windshield sheets:

