Chic Communications

Kristin A. McMahon, Co-Founder
MICA, MPS Business of Art & Design ‘12
Marketing 101 :: Small Businesses

• Principles of Marketing
• Entrepreneurial Marketing
• Products & Services
• Defining Target Markets & Customers
• Partnerships & Joint Ventures
• Market Research
• Marketing Plans
Small Business Climate Change

- 667,000 New Business Started Annually
- Over 30,000 New Products Introduced Annually
- Each person sees over 4,000 Promotional/Logo Messages on a Daily Basis
Marketing Defined

“...Marketing is seen narrowly as the art of finding clever ways to dispose of a company’s products. Many people confuse marketing with advertising and selling. But authentic marketing is not the art of selling what you make, so much as knowing what to make. It is the art of identifying and understanding customer needs and coming up with solutions that satisfy customers and produce profits.”

-Philip Kotler  Marketing Management
What is Marketing?

- Marketing is based on “needs” and “wants”
- Stating a Need, Wanting a Solution
- The business that offers the best “solution”, considering many factors is the best company for the “client or customer”
Marketing Components :: 4 P’s

**Product**
- Physical good
- Service
- Features
- Benefits
- Quality Level
- Accessories
- Installation
- Instructions
- Warranty
- Packaging

**Place**
- Kinds and locations of stores
- Channel
- Market exposure
- How to handle transporting and storing
- Service levels

**Promotion**
- Sales promotion
- Salespeople
- Advertising
- Publicity

**Price**
- Flexibility
- Comparison to competitors
- Changes over product life cycle
- Geographic terms
- Discounts
- Allowances
Entrepreneurial Marketing

• The term “Entrepreneurial Marketing” (EM) has come to describe the marketing activities of small and new ventures.
  • Self-Promotion
  • Product or Service Promotion
  • Networking
  • Clubs/Organizations/Charitable Work
Branded by the bay: Annapolis marketing firms handle local, national accounts

Chic Communications

Chic Communications co-founders Morgan McCloud, left, and Kristin McMahon have been running their business in Annapolis since 2011.

The Capital, May 12, 2013- Business Feature: “Branded By The Bay: Annapolis Marketing Firms Handle Local, National Accounts”

Your Business :: Product & Services

• A product (synonymous with service in this discussion thus far) presents a “solution” that may in fact (or may claim to) **satisfy a need or want**.

• If enough customers have the ability and willingness to purchase the “solution” that the product or service offers, then it can be said that there is **market demand**.

• In one sense, the solution can be deemed a “bundle of benefits” (if you are developing and marketing effectively).
Establishing Target Markets
Questions To Ask **BEFORE** Establsihing Your Target Market

1. Who will pay for your product and/or service?
2. Who is already a customer?
3. Are you overestimating or underestimating your reach/goals?
4. What does your network/advisors/mentor think?
5. Are you making assumptions based on personal knowledge or past experience?
6. What is your revenue model? Do you have current revenue?
7. How will you sell your product and/or service?
8. How did your competitors get started?
9. How will you find customers?
10. Is there room to expand your desired target market?
Invent Who **YOUR** Customer Is (DEMOGRAPHICS)

- Age
- Gender
- Marital Status
- Family Status (DINKS?, Multiple Kids)
- Income Level
- Education Level
- Occupation or Industry
- Geographic Location
- Ethnic Group
- Political Affiliations/Leanings
- Purchasing Habits
Invent Who **YOUR** Customer Is (PSYCHOGRAPHICS)

• Personality
• Attitude
• Values

• Interest/Hobbies
• Lifestyle
• Behavior
Evaluate Your Desired Market

- Are there enough people that fit within your criteria?
- Will your target benefit from the product and/or service?
- Do you understand what drives my target to make decisions?
- Can your market afford the product and/or service?
- Can you reach the market with the message?
- Is the market easily accessible?
Define a Marketing Niche

Who Are You? What Do You Want to Be Known For?

• **Operational Niche:** business focuses on specialized products or services that will inherently appeal to a narrow customer segment.

• **Customer Niche:** focuses on one or more specific and profitable -- customer bases.

  *This can be an on-going, changing process.*
Finding Customers

• Word of Mouth/ Client Referrals
• Targeted prospect list from professional list broker (both consumer and business)
• Yellow Pages and other general advertising directories
• Trade Association directories (e.g. Chamber/ BBB)
• Professional Association member directories
• Business and Industry directories (e.g. D&B)
• On-line forums/ Social Media
Customers Need Direction.

1. What are you solving for your customer? (YOU)
2. How long have you had it? (Customer, Problem)
3. What have you done to fix it?
4. What is this problem costing you in time, money, other?
5. Do you have a budget set up to solve this problem?
6. Are you the person who makes these decisions?
7. When are you committed to finding a solution to this problem?
Why Customers Buy.

- You Offer Solution
- Customer Experience/ Service
- Price
- Brand Name
- “Feels Good”/ Gratification
Stages of Purchasing (Customer)

• **Consider:** What brands/products do consumers have in mind as they contemplate a purchase?
• **Evaluate:** Consumers gather information to narrow their choices.
• **Buy:** Consumers decide on a brand and buy it.
• **Post-purchase experience:** Consumers reflect on the buying experience, creating expectations/considerations that will inform a subsequent purchase.
• **Advocate:** Consumers tell others about the product or service they bought.
• **Bond:** Consumers skip or short-circuit the evaluation process and decide not to switch brands.
Unique Selling Propositions (USP)

Offer customer a specific, unique benefit – a proposition that differentiates you from competitors.

Amazon.com Books fast and cheap
BMW Ultimate Driving Machine
Domino’s Pizza Fresh, hot pizza in 30 minutes
Federal Express When it has to be there overnight
Nordstrom’s Unparalleled Service
Rolex Watches that “Winners” Wear - *Olympics*
Volvo Safety
Mercedes Engineering
Keeping Customers

- Continued Communication
  - Scheduled
  - “Just to Say Hi”
  - Touch Points (Anniversary’s, Birthday’s)

- Insider’s View/ Behind the Scenes

- Coupons & Incentives
Partnerships & Joint Ventures

Many Added Benefits:
• Cross Promotion
• Special Events
• Trade/Barter
• New Clients
Market Research

Problem → Collecting data → Hypothesis → Analysis → Conclusion

Market Research

Problem
Collecting data
Hypothesis
Analysis
Conclusion
Market Research

The process of gathering, analyzing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face. (Entrepreneur.com)
Myths About Market Research

“Research is only for big decisions” – NO.
Many start-up feel that they cannot justify the level of expenditures they think any serious marketing research undertaking will require.

But:
• Strategic mistakes may cost a lot in the future.
• Relatively trivial decisions can be significantly improved by a small amount of marketing research

Save Time. Save Money. Do It Right The First Time (well, try).
Myths About Market Research

“Market research is too expensive” –NO.

• Most people think that “market research is survey research”
• Survey based sampling is expensive, but, there are many alternatives to conduct research that can adequately meet information needs at low cost.
• There are many ways in which the cost of survey research itself can be significantly reduced.
How To Do Primary Research

1. Create Survey/Questionnaire
2. Distribute Surveys (Hard Copy or Digital)
3. Interview Prospects One-on-One
4. Talk with People who have relevant Experience
5. Canvass at Targeted Locations
6. Focus Groups (Based on Characteristics)
Guidelines for Questions

• Use simple, direct and familiar vocabulary to all respondents (written and verbal)
• Start with simple questions and lead into more specific harder questions towards the end
• Note: Personal/Sensitive Information questions should be placed at the end
• Minimize open ended questions
• Avoid questions like: *Don’t you agree? Wouldn’t you say?*
• Avoid “double-edged” questions: “*Are you satisfied with the cost and convenience of this service?*”
Marketing Plan

- **Strategy**
- **Tactics**
  - Message
  - Media
  - Channels
- **Programs**
  - Events
  - Mailings
  - Advertising
  - Press release
8 Essential Steps :: Marketing Plan

1. Identify Your Target Market(s)
2. Define Goals in Relation to Target Market Strategy
3. What are the BENEFITS of your Product/Service?
4. Why Should Anyone Buy from You?
5. Select Marketing Tactics
6. Set-Up Marketing Budget (Year)
7. Develop Implementation Schedule
8. Measure Results
Marketing Goals

Qualitative
Best Customer Service in Town
Office Out Of Home For Prestige
Perception of Personalized Service
Have Highest Quality
Be the first ( ________ ) business prospects think of

Quantitative
Increase Sales from $27K to $100K in 12 Months
Double Number of Customers in 2 Years
Increase Market Share 1 point in 18 months
Increase marketing spend to 10% of sales as sales increase
Questions?

Kristin A. McMahon
Co-Founder- Chic Communications
MICA, MPS Business of Art & Design Alum (‘12)
Email: kmcmahon@mica.edu, kristin@chicpr.com
Phone: 443.866.4449