

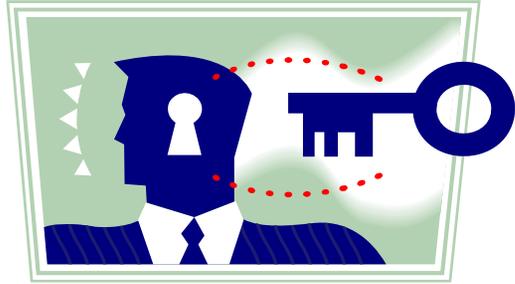
Key Concepts for Successful Marketing

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Overview

- What is marketing?
 - Why do it?
 - How do you do it?
 - What are common mistakes made in marketing?
 - Questions
 - “Developing Pieces of the Marketing Puzzle” Exercise
-



What is marketing?



What marketing is not!

What is marketing?



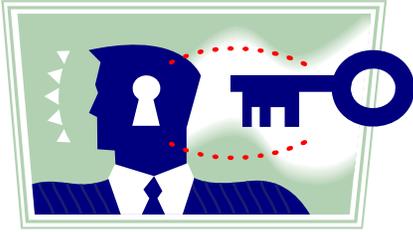
- Only advertising
 - A guarantee of success
-



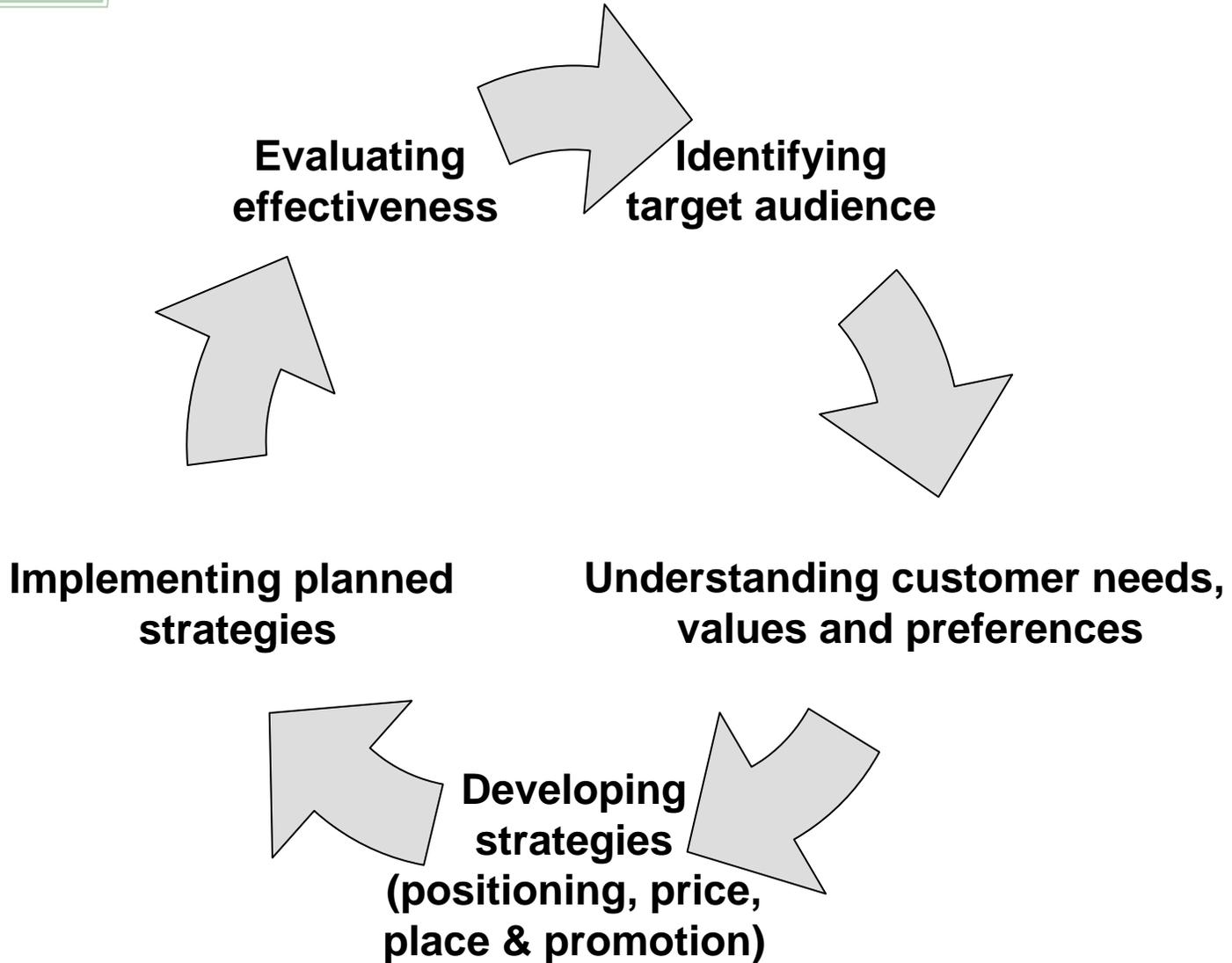
Marketing is...

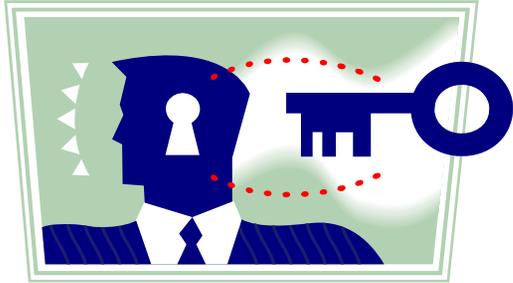


Planning and
executing a set of
objectives to bring
buyers and sellers
together so that a
sale can take
place



Marketing is...





Why do it?



Why do it?

“If we build it, they will come.”



Not necessarily!

Almost 1/3 of small businesses fail within 2 years

More than half fail within 4 years

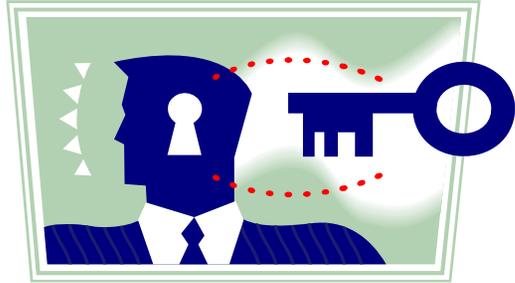


Why Businesses Fail (The 3 Ms)

- Money
 - Sufficient operating capital and cash flow

- Management
 - Skills and experience

- Marketing
 - Knowing and accessing your customer



How do you do it?



Marketing begins with...A Plan

Components of a Marketing Plan

1. Introduction
 2. Market Research and Analysis
 - Situational Analysis
 - Product/Service Analysis
 - Target Market Identification and Description
 - Competitor Analysis
 3. Marketing and Financial Objectives and Goals
-



Marketing begins with...A Plan

Components of a Marketing Plan (continued)

4. Marketing Mix

- Product & Positioning/Consumer Need
- Price/Cost
- Place/Convenience
- Promotion/Communication

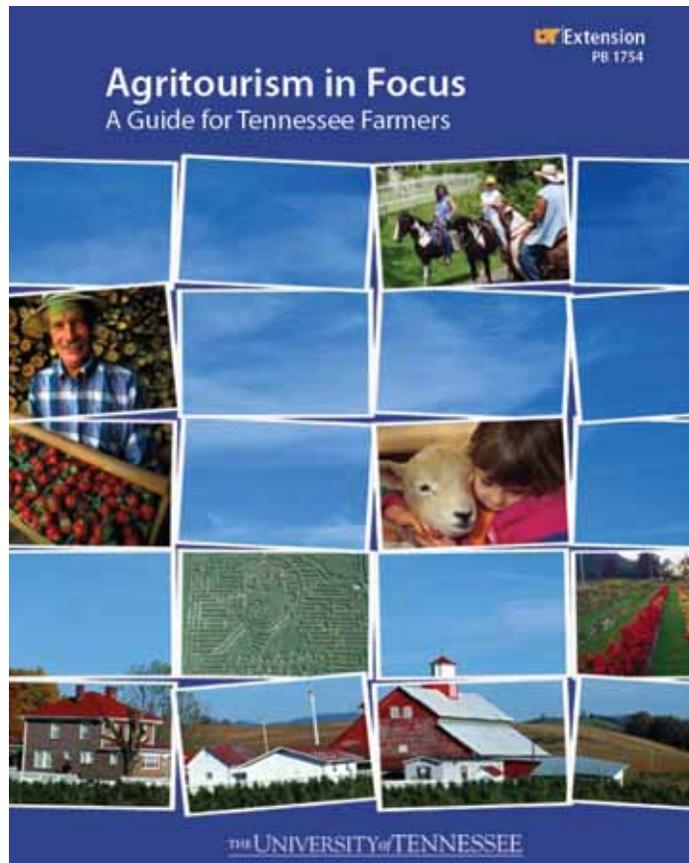
5. Marketing Budget

6. Marketing Plan Check List

7. Follow-up Evaluation of Marketing Plan



Develop Your Plan



- Refer to Chapter 4
- Available on-line at <http://cpa.utk.edu>



A closer look...

- Know yourself
- Identify your target market
- Understand customer values
- Link customer values to marketing mix
 - Positioning, Place, Price & Promotion
- Budget
- Measure effectiveness



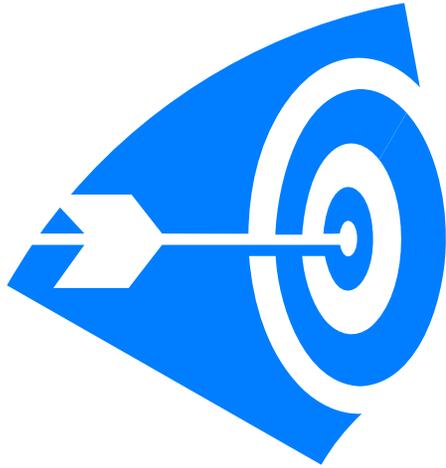


Know yourself – the good, bad and the ugly

- Perform a SWOT analysis
 - Strengths of your business
 - Weakness of your business
 - Opportunities presented by the outside
 - Threats presented by the outside
 - Able to use strengths to take advantage of opportunities?
 - Able to change weaknesses and threats into opportunities?
-



Identify your target audience



- A portion of the population with a
 1. Need that your business can fulfill
 2. Willingness to purchase
 3. Ability to purchase



Characteristics to Analyze

Demographic Analysis

- Age
- Gender
- Geographic location
- Annual income
- Marriage/family status
- Ethnicity
- Education level

Psychographic Analysis

- What do they VALUE?
 - Specific product characteristics
 - Price
 - Convenience
- How do they make decisions?
 - Recommendations
 - Advertising



Understand customer values

- Take on a customer state of mind
 - What's in it for them?

 - The customers' 4 Cs
 - Customer benefit
 - Customer cost
 - Convenience
 - Communication
-



Link customer values to marketing mix strategies

□ The buyer's four Cs

- Customer benefit
- Customer cost
- Convenience
- Communication



□ The seller's four Ps

- Product positioning
- Price
- Place
- Promotion





Positioning (Customer Benefit)

- You need a unique selling proposition
 - Reason why somebody should buy from you and not your competition
- What is unique about
 - The experience
 - The customer service
 - Products available
 - Location/Place



Positioning (Customer Benefit)

- Put it into words
 - Develop a positioning statement

 - Be consistent
 - Everything you do associated with your product should be consistent with this positioning statement
-



Price (Customer Cost)

- Pricing is a science and an art
- Consider
 - Fixed and variable costs of production
 - Supply and demand
 - Customer willingness to pay
 - Competition
 - Product positioning
 - Place





Place (Convenience)

□ Place/Location

- Ease to get there
- Cleanliness
- Aesthetically pleasing
- Amenities offered to meet customer needs/comfort
- Ambiance adds to experience
- Consistent with positioning





Promotion (Communication)

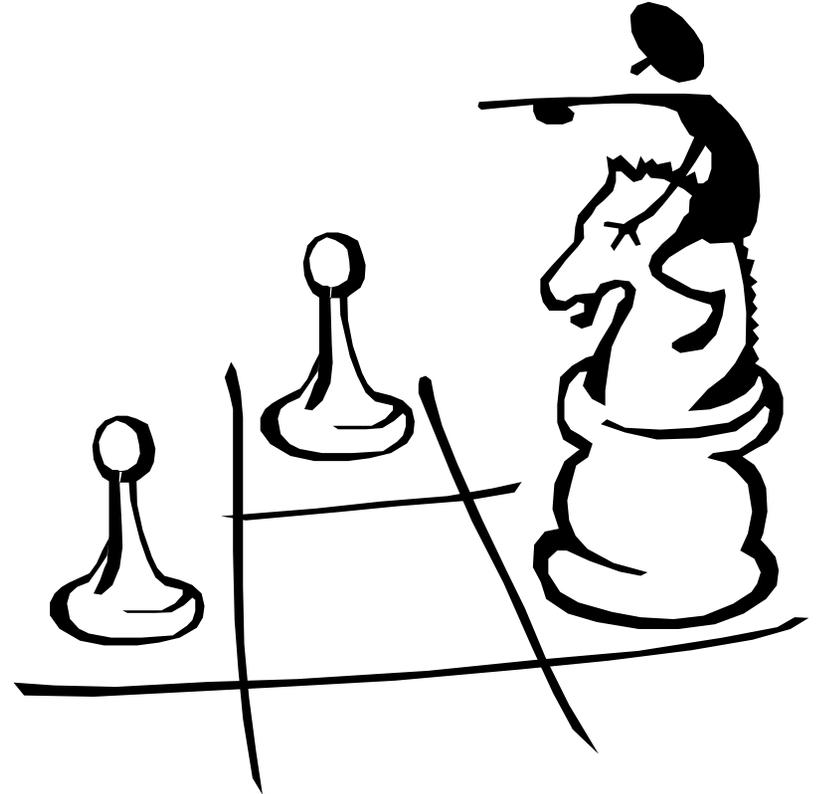
- Create promotion strategies (and associated budget) based on...
 - Your goals/objectives
 - Your target audience
 - Expected sales
 - Costs of marketing activities





Promotion (Communication)

- Promotion Strategy Options
 - Word-of-Mouth
 - Publicity
 - Public Relations
 - Sampling
 - Discounting
 - Advertising





Budgeting



- Create budget based on expected sales and costs of marketing activities
- Marketing budgets often 5-10% of sales
 - Ads 3-5%
- May change over product life cycle



Measuring marketing effectiveness

- What are the results of your marketing efforts?
- Are you meeting your goals and objectives?
- Are your financial and budget projections accurate?
- Are adjustments needed?

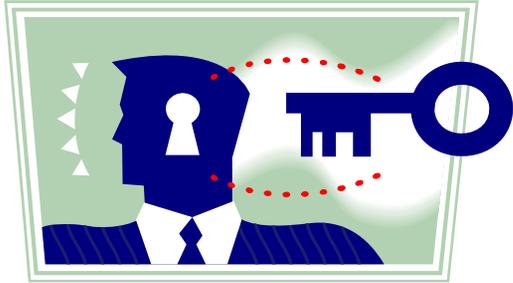




Measuring marketing effectiveness

- Monitor sales and number of customers to compare before, during and after promotions
 - Total
 - Average sale per customer
- Ask customers how they heard about the product
- Collect coupons





What are common mistakes made in marketing?



Marketing Mistakes to Avoid

1. Not developing a marketing plan and budget
 2. Not targeting a specific audience/market
 3. Not developing a clear and consistent marketing image
 4. Believing your product will sell itself
 5. Not clearly defining the product benefits
-



Marketing Mistakes to Avoid

6. Lack of diversification in media mix
 7. Forgetting that slow and steady wins the race
 8. Not focusing on repeat business
 9. Not getting feedback
 10. Changing for the sake of it
-



Summary

- Marketing is planning and executing a set of objectives to bring buyers and sellers together so that a sale can take place
 - Do it to increase potential for success
-

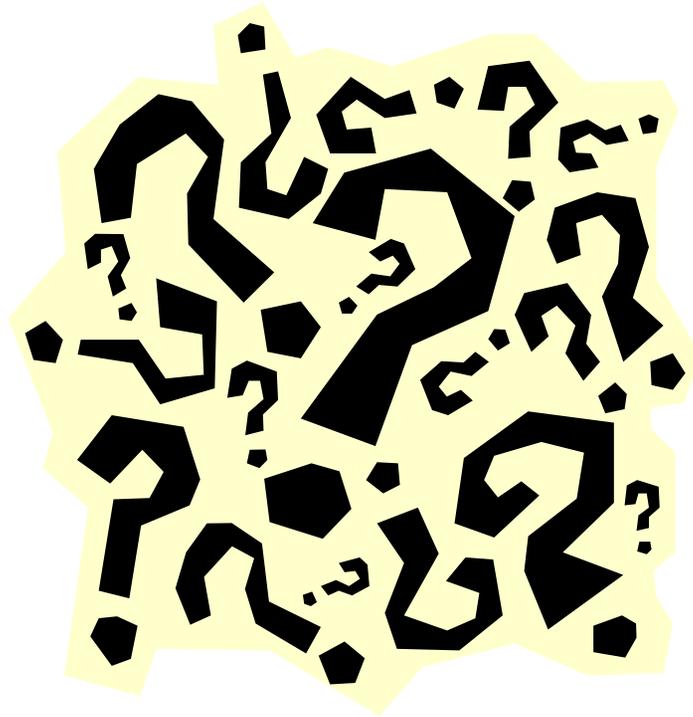


Summary

- Marketing begins with a plan
 - Identify and understand your customer's values
 - Define a unique selling proposition and consistent image for the product
 - Develop marketing mix strategies to match customer values
 - Evaluate your marketing strategies and make adjustments if needed
-



Questions



Developing Pieces of the Marketing Puzzle Exercise



Find worksheet packet in your folder.



The Pieces

- ◆ Product Description
- ◆ SWOT Analysis
- ◆ Identify Target Audience
- ◆ Describe Customer Values
- ◆ Identify Unique Selling Propositions
- ◆ Develop Positioning Statement



SWOT Analysis Worksheet

◆ Purpose

- To help identify strengths, weaknesses, opportunities and threats and use them to your advantage



Product Description(s)

Enterprise Name:

Product Descriptions:



Example Product Description

Enterprise Name: **Honeysuckle Hill Farm**

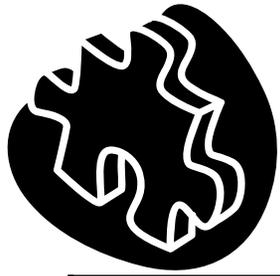
Product Descriptions:

- ◆ **Easter Egg Hunts**
- ◆ **Spring School Tours**
- ◆ **Orchard Tours**
- ◆ **Pumpkin Tours**
- ◆ **Weekend Fall Fun Activities**



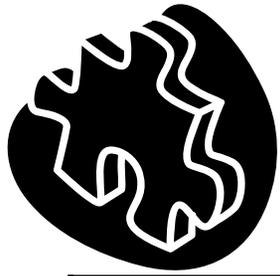
SWOT Analysis

Strengths	Weaknesses
Opportunities	Threats



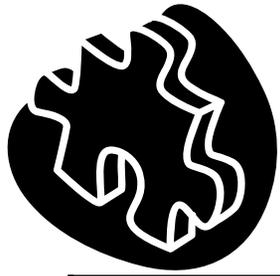
Example SWOT

Strengths	Weaknesses
<ul style="list-style-type: none">◆ Within 30 minutes of Nashville, Clarksville & Hendersonville◆ Former teacher on staff◆ Passion and commitment to enterprise◆ Positive word-of-mouth◆ Partnerships◆ Structures/Facilities	
Opportunities	Threats



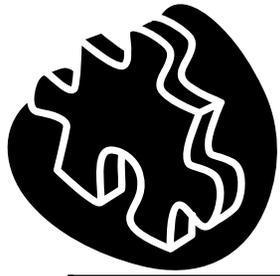
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Opportunities	Threats



Example SWOT

Strengths	Weaknesses
<ul style="list-style-type: none">◆ Within 30 minutes of Nashville, Clarksville & Hendersonville◆ Former teacher on staff Passion and commitment to enterprise◆ Positive word-of-mouth◆ Partnerships◆ Structures/Facilities	<ul style="list-style-type: none">◆ Location off the beaten path◆ Limited marketing knowledge & experience◆ Growth potentially limited by land resources◆ Labor needs, availability & skills
Opportunities	Threats
<ul style="list-style-type: none">◆ Demand for school tours and family activities in the area◆ Demand for farm products and relationships with farmers◆ Demand for experiences	



Example SWOT

Strengths	Weaknesses
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Opportunities	Threats
<ul style="list-style-type: none">◆ Demand for school tours and family activities in the area◆ Demand for farm products and relationships with farmers◆ Demand for experiences	<ul style="list-style-type: none">◆ Pressure from urban areas◆ Poor weather◆ School budgets◆ High fuel prices◆ Competition



Your Turn

- ◆ SWOT Analysis Worksheet



Target Audience Worksheet

Enterprise Name:

Product Name:

Primary Target Audience Descriptions:

Secondary Target Audience Descriptions:



Example Target Audiences

Enterprise Name: Honeysuckle Hill Farm

Product Name: Fall School Tours

Primary Target Audience Descriptions:

Elementary school teachers grades Pre-K to 2
in schools located within 35 miles

Secondary Target Audience Descriptions:

Home school group leaders



Your Turn

- ◆ Target Audience Worksheet



Customer Values Worksheet

Enterprise Name:

Product Name:

Primary Target Audience Descriptions:

Customer Benefit	
Cost	
Convenience	
Communication	



Example Customer Values

Enterprise Name: **Honeysuckle Hill Farm**

Product Name: **Fall School Tours**

Primary Target Audience: **Teachers PK-2**

Customer Benefit	
Cost	
Convenience	
Communication	



Example Customer Values

Customer Benefit	<ul style="list-style-type: none">◆ Education component related to curriculum◆ Hands-on experiences◆ Age-level appropriate◆ Fun, enjoyable, interesting, exciting
Cost	
Convenience	
Communication	



Example Customer Values

Customer Benefit	<ul style="list-style-type: none">◆ Education component related to curriculum◆ Hands-on experience◆ Age-level appropriate◆ Fun, enjoyable, interesting, exciting
Cost	◆ \$5-7
Convenience	
Communication	



Example Customer Values

Customer Benefit	<ul style="list-style-type: none">◆ Education component related to curriculum◆ Hands-on experience◆ Age-level appropriate◆ Fun, enjoyable, interesting, exciting
Cost	<ul style="list-style-type: none">◆ \$5-7
Convenience	<ul style="list-style-type: none">◆ Travel 35 miles (45 min.)◆ Restrooms◆ Eating area◆ Safe environment
Communication	



Example Customer Values

Customer Benefit	<ul style="list-style-type: none">◆ Education component related to curriculum◆ Hands-on experience◆ Age-level appropriate◆ Fun, enjoyable, interesting, exciting
Cost	<ul style="list-style-type: none">◆ \$5-7
Convenience	<ul style="list-style-type: none">◆ Travel 35 miles (45 min.)◆ Restrooms◆ Eating area◆ Safety
Communication	<ul style="list-style-type: none">◆ Plan trips beginning of the school year◆ Word-of-mouth◆ Brochures (direct mail or delivered)◆ Internet



Your Turn

- ◆ Customer Values Worksheet



Customer Values

- ◆ Use these customer values to develop your marketing mix
 - Positioning
 - Price
 - Place
 - Promotion
- ◆ Use these customer values to develop message



Positioning Worksheet

Enterprise Name:

Product Name:

List unique selling propositions:

Develop a positioning statement:



Example USP

Enterprise Name: **Honeysuckle Hill Farm**

Product Name: **Fall School Tours**

List unique selling propositions:

- ◆ Educational program designed by certified teacher
- ◆ Interactive learning and activity centers
- ◆ Covered lunch pavilion
- ◆ Manageable drive time from Nashville, Hendersonville and Clarksville areas
- ◆ Unique and fun playground area



Example Positioning Statement

Enterprise Name: **Honeysuckle Hill Farm**

Product Name: **Fall School Tours**

Positioning Statement:

Honeysuckle Hill Farm creates a quality on-farm, educational experience for elementary children through interactive activities while sharing traditions and making memories.



Your Turn

- ◆ Positioning Statement Worksheet



Review

- ◆ What is marketing?
- ◆ Why do it?
- ◆ How do you do it?
- ◆ What are common mistakes made in marketing?
- ◆ Questions
- ◆ “Developing Pieces of the Marketing Puzzle” Exercise



What's Next

- ◆ Learn how these marketing concepts assist in creating marketing materials
- ◆ Learn basics of
 - Brochure Design, Development & Distribution