

PROMOTE FOR SUCCESS

MARKETING YOUR SMALL BUSINESS IN ALBERTA    MARKETING YOUR SMALL BUSINESS IN ALBERTA    MARKETING A SMALL BU

# MARKETING YOUR SMALL BUSINESS IN ALBERTA

SMALL BUSINESS SUCCESS SERIES  
DEVELOPED BY:



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## Foreword

This guide introduces you to marketing concepts that will help you promote your product or service to optimize revenue in order to ensure the success of your business.

*Promote for Success, Marketing Your Small Business in Alberta* is part of a series of guides and bulletins published by **The Business Link** to address issues facing new businesspeople in Alberta. The other guides available in this series are:

- *Prepare for Success, Starting a Small Business in Alberta*
- *Manage for Success, Operating Your Alberta Business in its First Years*

Bulletins that complement the guides are:

- *Understanding Your E-business Options*
- *Developing Your Financial Forecasts*
- *Financing Your Business*
- *Managing Your Assets*

These guides and bulletins can be found at [www.cbsc.org/alberta/successseriesguides.cfm](http://www.cbsc.org/alberta/successseriesguides.cfm)

Tips are highlighted throughout this guide. Look for this icon for additional information:



## STEP 1: MARKETING MATTERS

Marketing is a way of managing your business so that every business decision achieves positive impact on customer relationships. Marketing creates connections between your business (your products and services) and potential customers. Effective marketing is a continuous process that involves identifying customers and their needs and promoting, selling and distributing your products or services.

### 1. Marketing is about knowing your customers

It is about discovering the needs and wants of your customers and responding with appropriate products and services. *Marketing is not about trying to sell to everyone.* It is about understanding who you can better serve than anyone else.

### 2. Marketing is about building good relationships with customers

You will retain the loyalty of your current customers and attract new ones if you:

- Treat them with respect as valued customers
- Ensure good value, good service and good follow-up
- Perform consistently better than anyone else

### 3. Marketing is about communicating with your customers

Economic, competitive and social environments are constantly changing; so are the needs of your customers. Staying in touch will help you stay current about their needs and wants thus enabling you to attract and keep customers.

### 4. Marketing is an ongoing process

Make marketing part of your regular business activities—connect every business process to marketing outcomes:

- product or service quality
- staff communication with potential or existing clients
- performance of sales, service and aftercare

You need to routinely review which markets to pursue and how to reach your customers. Also routinely monitor the effectiveness of your marketing program. This will help you to stay attuned to what your customers want, note changes that impact your marketing approach, identify business opportunities and resolve issues.

# MARKETING YOUR SMALL BUSINESS

Since consistent, repetitive marketing activities are required before customers act, don't expect quick results. Like all things important to your business, you need an action plan.

## *Get Ready to Market Your Business*

Your marketing plan provides a roadmap of how you plan to attract and keep your customers. You may have already gathered most of this information to prepare your business plan. To prepare your marketing plan, consider the following questions:

- a. What type of business are you in (manufacturing, merchandising or service)?
- b. What part of the market do you want to serve?
- c. What are the strengths and weaknesses of your business, products and services?
- d. Who is your competition and what is your competitive advantage (why customers will choose your business instead of your competitors)?
- e. What strategies and tactics will you use to attract and keep customers?
- f. What do you need to do to get and keep your share of the market?
- g. How much money will you budget for marketing?

As you work through this guide, you can refer to the Marketing Plan Outline in the Appendix, which outlines the elements of a marketing plan. By the end, you should be able to develop your own personalized plan. There are many resources that can help you. These include:

- **The Business Link's** web site, library and business officers
- the business sections of libraries and bookstores
- brochures and helpful web sites of financial institutions
- trusted business associates and advisors (including employees)
- business and marketing consultants, and other professionals



### **Business Tip**

Be flexible: Use your marketing plan as a guide, but be flexible. Adapt your plan based on results achieved, new market trends or opportunities, and activities of your competitors.

## TWO: IDENTIFY YOUR MARKET

There are two key components to look at as you identify your market: **your customers** and **your competitors**. To succeed, you need to understand both. This means doing some research about both customers and competitors as outlined in the information to follow.

### *Focus on Your Customers*

Customers are a group of people with wants and needs, values, expectations, money to spend and willingness to spend it. To satisfy their needs and wants, customers look for five key benefits from their selected service provider (you):

- to save time
- to save money
- to receive the best quality product or service
- to gain peace of mind (treated with respect by business with integrity, problem solved)
- to feel good (fun, adventure, enjoyment from a product or service)

No business can be all things to all people. The cost of promoting and advertising directed to everyone is cost prohibitive for small business. Focusing on a manageable number of people who might want or need your product or service is more reasonable. It is important for you to understand the **Overall Market** for your product or service and to choose a **Target Market**. The overall market is basically, all people with the ability to buy a product/service like yours. Your target market is a piece of the overall market that is **most likely** to buy **your** product or service.

### *Segment the Overall Market*

To identify your potential target market, divide the overall market according to selected characteristics. This is called market segmentation. Use one or more of the following methods to determine possible target markets.

## 1. Geography

Select based on location (i.e. where the customer lives, works, shops or travels). Within your overall market area, you can segment the market based on several geographic variables, such as:

- size of the neighbourhood, city, region, country
- urban, suburban or rural
- climate and terrain

## 2. Demographics

Divide the market based on population characteristics such as age, gender, education, income, occupation, marital status, number and age of children, ethnic or religious background, etc.

An example of this marketing segment is: *households with full-time working parents between the ages of 25 and 45 with children living at home, who own their own home and are middle to upper income earners.*

## 3. Psychographics

This is the use of personalities, lifestyles and attitudes in determining the behaviour profiles of different customers. Divide the market into segments based on the following:

- lifestyle (for example: conservative, exciting, trendy, economical)
- opinion (for example: followers or leaders)
- activities and interests (for example: sports, physical fitness, shopping, books)
- attitudes and beliefs (for example: environmentalists, security conscious)

## 4. Customer Benefits

In this approach, divide the market according to the benefits the customer is looking for from your product or service. Here are some examples of common benefits that customers seek:

- product quality: product features, brand name, warranties, durability, ease of use, image, prestige
- customer service quality: reliability, responsiveness, employee friendliness, empathy
- experience-based quality: Retail atmosphere/décor, in-store promotion, advertising, and publicity

## *Select Your Target Market*

Now that you have identified specific groups of potential customers, decide which ones are best matched to your product or service. These can then be your target market. Choose carefully. If you focus on too narrow a group of segments, you may fail to reach the volume of sales and profits needed to operate. If you select too broad a group of segments, it may spread your marketing efforts too thin to be effective.

Use the following criteria to choose the segments you should concentrate your marketing efforts on:

- a. **Size**—Is it worth going after?
- b. **Expected growth**—Will this segment grow or decline in the near future?
- c. **Competitive position**—Is there a lot of competition now or is there likely to be in the future?
- d. **Cost of reaching the segment**—A segment that is hard to market to should not be pursued.
- e. **Compatibility with your objectives and resources**—If a segment requires you to modify your product or service, it may not be economically feasible to pursue.



### **Business Tip**

Invest in marketing wisely: All your marketing efforts, including product or service design, pricing, delivery and advertising and promotions should be directed toward your target market.



## *Understand Your Market*

Selecting your target market is a good start. But before you launch into developing marketing strategies, you want to learn more about the potential of your market. Knowing more about who you can best serve will help you:

- a. tailor your product or service to the majority of your potential customers
- b. invest your marketing dollars wisely to maximize your return through increased sales

Market research is an organized approach to gathering information about your potential customers. A vital step in starting any new business, market research is also an important tool to help existing businesses solve problems and take advantage of opportunities. It will also help you learn about your competitors (more about them in the next section).

Market research enables you to:

- a. **Get the facts**—Gather information using a planned, objective process. This way, you will learn about what people want to buy, confirming whether what you want to sell them is the right product or service.
- b. **Make decisions**—Make more informed business decisions. Reduce your risk and increase your chance of success by identifying any challenges in or issues affecting your current market. Reliable information will help you identify and profit from sales opportunities.
- c. **Build a sound marketing plan**—Target your marketing plan to take advantage of opportunities or address specific problem areas.

## *Get Market Information*

How do you do market research? Consider using a variety of techniques to get information to determine potential market acceptance of your product or service. Consider using the following process.

### **Step One: Set Goals**

First establish goals for your market research:

- a. **Objectives:** What facts and information do you need?
- b. **Outcomes:** What business and marketing decisions do you want to make based on the results of your market research?

**c. Problems and opportunities:** What problem or opportunity do you want to address in your market research?

*Sample goal:*

I want to know where to locate my business. I need to find out where my customers live and work and where my competition is located.

## Step Two: Decide How to Gather Information

The market research method you choose should be based on what you need to find out, how much detail you need and how much time and money is available to complete the research. There are many sources of information available to you. Decide what will be of most use to you and where to find it.

### *Primary vs. Secondary Research*

There are two main ways to obtain market research information. **Primary research** involves acquiring first-hand information yourself. **Secondary research** means accessing existing information that has already been assembled and published by someone else. Secondary information may be easier, cheaper and less time consuming to acquire. Consider obtaining readily available information first and supplement it with direct (primary) information about your customers.



### **Business Tip:**

#### **About the Internet:**

The Internet provides quick access to extensive information. But ensure that the information is reliable, current and applicable to your market.

Examples of sources of **secondary information** include:

- a. **Libraries/print sources:** **The Business Link**, Government publications and web sites, public libraries and bookstores, trade magazines, newspapers and magazines, competitors' annual reports
- b. **Organizations:** Statistics Canada, industry associations, Chambers of Commerce
- c. **Web sites** e.g. [www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca) , [www.infocanada.ca](http://www.infocanada.ca) , [www.GDsourcing.ca](http://www.GDsourcing.ca)
- d. **Industry experts**
- e. **Trade shows**



### Business Tip

**Get good information:** Any approach is open to subjectivity. Questions asked impact the validity of conclusions drawn. Avoid questions that lead interviewees to answers you hope for. Consider using professional assistance with question writing and survey administration.

*Primary Research* is usually more expensive than secondary research but the value of current and specific data can outweigh the costs. Companies do not usually have staff with the specialized skills to carry out primary research. Unqualified researchers can introduce biases into the data thus making it inaccurate; to avoid this pitfall, many businesses hire a professional. Before undertaking any of the following research methods on your own, objectively evaluate your abilities, time and money.

Methods of obtaining **primary information** to survey the market include:

1. **Direct Observation** of consumers and competitors
2. **Personal interviews (phone or in-person)** give detailed results, but are time consuming. If you conduct the interviews yourself, people may not want to hurt your feelings and may respond the way they think you expect them to answer.
3. **Mail-out questionnaires** are less expensive than personal interviews, but the answers may not have as much depth. The **rate of return** of completed mail-out questionnaires can be as low as 3%.
4. **Web-based surveys** can be targeted to specific individuals. As with mail-out surveys, you have no control over the response rate.
5. **Focus groups** are in-depth group interviews with 6-10 people who have been invited to discuss your product or service. Focus groups last about two hours and are conducted by an experienced moderator who asks prepared questions and guides the discussion. Results of the discussions are recorded and analyzed. To generate reliable data, it is a good idea to use at least three focus groups.
6. **Test market surveys** are used to determine the market potential of new products. Depending on the results, the product may need to be changed or improved before going into full production.

If you are already in business, you also have **internal** sources of valuable market information:

1. **Company records**—Examine sales records, sales receipts and customer complaints to determine where your customers live and work, and how and what they buy.
2. **Employee input**—Ask your employees about customer preferences and concerns and about product or service requests your company has not been able to satisfy (lost sales opportunities) to date.
3. **Customer input**—Ask customers for feedback about your current service and how you can serve them better.

## Step Three: Collect Information

Once you have decided how you will conduct your market research, collect the information. Be flexible. If you are not getting the information you need, change your research methods and adjust your timelines and budget as needed.

## Step Four: Analyze the Information

Look at all the information you have collected and compare it to the questions you originally asked:

1. **Is the data complete?**—Do you have enough information to make thoughtful decisions? If not, what information is missing?
2. **Is the data compelling?**—Are there any contradictions or inconsistencies that need further clarification?
3. **What does the data mean?**—What conclusions can you draw from the results?
4. **Implications?**—What business decisions can you make based on these conclusions?

Analyzing the information you've gathered in your market research should give you a clearer understanding of your customers. Use your findings to help you select your promotional tools to communicate with your target market.



### Business Tip

When you are looking for lists of people to survey, be prepared to pay for the most comprehensive or customized listings. Some sources of information are:

- Info Canada – [www.infocanada.ca](http://www.infocanada.ca)
- Canadian Marketing Association – [www.the-cma.org](http://www.the-cma.org)
- [www.Albertafirst.com](http://www.Albertafirst.com) (free access to an on-line database)

If possible, compare results from primary and secondary research to verify your findings. If you get the same results using different techniques, you can be more confident in your findings. If your research tells you that your proposed product or service doesn't have market potential, pay attention. At the same time, information generated might identify other opportunities for you to pursue.

## *Understand Your Competition*

Knowing who your competitors are, as well as their strengths and weaknesses, is an essential part of assessing the market for your product or service. You'll also need to know what segments they are targeting and what promotional tools they use to reach their customers.

Understanding your competitors enables you to:

- a. Identify your strengths and weaknesses relative to those of your competitors
- b. Identify ways of improving your product or service
- c. Better understand your customers and potential customers
- d. Predict market trends including identifying a market niche not being served by your competitors
- e. Estimate your future market share
- f. Anticipate and effectively counter your competitor's moves
- g. Be aware of new threats or challenges to your business

You can acquire valuable information about your competitors by:

### **1. Direct contact**

Visit their locations and evaluate what you see. Pay attention to customer volumes, traffic patterns, hours of operation, peak periods, prices, quality of their goods and services and potential revenues. If an opportunity arises speak to their customers.

## 2. **Direct comparison**

Buy and test their products and services.

## 3. **Data scanning**

Read local newspaper ads and articles; scan their web site for product information and pricing and for any information about their corporate strategy; check your local telephone and business directories for basic information.

## 4. **Industry scanning**

Go to trade shows.

## 5. **Documentation**

Keep competitor files that include ads, articles, brochures, newsletters, annual reports and other information about them.

## *Determine Your Competitive Advantage*

Competitive advantage happens when people **perceive** your product or service is better than that of your competitors and you meet those expectations. Continuously measure your product or service against these criteria:

- a) Does it offer a benefit that my target market really wants?
- b) Does it separate me from my competition?

## **Identify Strengths and Weaknesses**

Part of assessing your competitive advantage in the marketplace includes identifying your strengths (what your business does best) and weaknesses (areas that require improvement). When identifying the strengths and weaknesses of your company, it's important to consider all aspects of your business, including:

- company image
- products and services offered, including cost of producing these products and services
- benefits to customers

- management skills, including your banker, bookkeeper, accountant, lawyer, consultant and employees
- business location
- facilities and equipment
- financial situation, including financing, cash flow, and net profit

## **a. Strengths**

This is your competitive advantage. Factors that give your business an edge in meeting the needs of your target market include:

- unique product or service
- good location
- first such business in the area
- positive reputation in the community
- strong financial and human resources

Strengths can lead to opportunities. Identify areas where your company can exploit a weakness of the competition.

## **b. Weaknesses**

These include lack of an ability or resource that may cause the business to have a weaker competitive position. Examine potential weaknesses from your customer's perspective and work at or develop a plan to eliminate them.



## THREE: Develop Your Marketing Plan

Once you know who your potential customers are, you can plan how to connect with them through marketing activities. Be strategic in your approach. Remember the four Ps of marketing: product, place, price and promotions.

### 1. Product

Does the *quality* product or service meet the needs of your target market? How does it compare to that of competitors? How do you package and present your product or service?

### 2. Place

Is your business location convenient and accessible to customers, suppliers and staff? Does it suit your company's image? Is it affordable and does it meet your business' needs? Do you have an on-line presence? The location you choose will greatly affect how you distribute your product or service to your customers.

### 3. Price

What does it cost to produce your product or service? What is your break-even point (when revenues equal expenses)? What are your profit goals; what kind of return do you want on your investment? What prices are your competitors charging? How does the quality of your product or service compare with the competition? Is there a high or low demand for your product or service? For further information about price, see **The Business Link's** documents *Setting the Right Price* and *Pricing for the Costing of a Service*.

## 4. Promotions

This is the way you become visible in the marketplace. How you promote your product or service to your customers is key to getting and keeping your market share. This includes the appearance of your business cards, brochures and stationery, as well as advertising campaigns, personal selling and customer service. These promotions strategies enable you to communicate your message directly to your target market.

Although all four Ps are important to your marketing plan, this guide focuses on promotions. For further information about the other three topics, see

### *Build a Promotions Program*

Your promotions should maintain a positive image with your current customers while reaching and attracting those most likely to become your future customers. To develop your promotions program, you need to:

- a. Determine your promotional **goals**—what message do you want to send
- b. Set a promotions **budget**
- c. Choose promotions **activities**
- d. **Implement** and **manage** your promotions

### *Determine Promotions Goals*

What do you want your promotions program to accomplish? Your goals might include:

- increase sales to current customers
- take advantage of a new market
- change your business image
- announce a new product, service, or location
- publicize your role in the community

## *Establish Your Promotions Budget*

Promotions, as part of your overall marketing strategy, are an essential cost of doing business. Once you have decided on a message to convey to your target market, you now have to decide how much money you will allocate to convey that message. Refer to the budget for marketing and promotions you developed for your business plan. Review this once you identify specific promotions activities. After you decide your promotions activities, you will be able to refine these projections in your business plan.

## *Choose Promotional Activities*

Once you know what your promotional goals are and how much money you are willing to spend, choose among promotional activities to help you achieve your goals. Your promotional mix can include: **advertising, the Internet, personal selling, sales promotion and public relations**. Reaching your market in different ways reinforces your message and enhances your company image. Optimum use of your promotional dollars is a challenging, ongoing process.

## *Advertising*

To achieve the greatest results for the least amount of money, your advertising must be effective. You want to make sure your ads appeal to your market. Depending upon the media you choose, the space or time allotted and the frequency of distribution, you may be able to communicate a number of messages to your target market. These can include:

- **Benefits**—why the customer will want your product or service
- **Location**—where they can buy your product or service
- **Positive image**—why customers feel good about your company

### **a. Decide your advertising strategy**

Decide ad copy, placement and frequency. Your ads should convey a clear message and be simple, uncluttered and original. They should include your business name, address, phone

number and logo. Also make sure that ads:

- grab the audience's attention with a strong headline
- interest the audience in the benefits of your product or service
- provide an incentive to buy
- set a deadline for the reader to act so you can track response to your promotion

Advertising is more effective when it is consistent and when it appears in more than one place. For example, you may decide to run both radio and newspaper ads for more complete coverage. All your advertising should be written and designed with the same message. Consider hiring professionals to help you with your ad campaign and placement.

## **b. Use cooperative advertising**

Investing in joint advertising with other businesses is an effective way of getting your message out to your target audience at a reduced cost. Joint advertising with other businesses in the same location or mall, or with your manufacturer, is an option.

## **c. Evaluate results**

Compare sales before, during and after your advertising campaigns. If the goal of your advertising is to sell more products or services, measure your success through increased sales. If it is to promote your corporate image, sales may increase more slowly over time. Don't expect massive results from one ad; it may take repetition to connect with customers.

## **d. Keep records**

Keep copies of all your advertisements and document details such as when you ran the ad (time of day, day of the week, weather conditions, economic conditions) sales results etc.

## **e. Evaluate competitors' ads**

Keep files on competitors and track what your present and potential customers see and hear from them.

## Media Options

Take the time to find out which medium or combination of media is best for you.

Evaluate which approach:

- reaches your customers in the most cost-effective way
- has proven track records in your area
- is flexible enough to meet your needs
- provides post-ad evaluation services

## Media Options

<b>Newspapers</b>				
• Daily newspapers	• Weekly newspapers	• Special interest newspapers		
<b>Magazines</b>				
• Consumer magazines	• Trade or business publications	• Professional association publications		
<b>Directories</b>				
• Telephone Directories	• Community directories	• Business directories		
<b>Radio</b>				
• Local stations	• Network radio			
<b>Television</b>				
• Local TV	• Network TV	• Cable TV		
<b>Internet</b>				
• Web site	• Ads	• E-mail	• E-newsletters	• Banner ads ( <i>others web sites</i> )
<b>Direct Mail</b>				
• Letters	• Catalogues	• Post cards	• Newsletters	• Brochures
<b>Outdoor Advertising</b>				
• Billboards	• Posters			
<b>Word of Mouth</b>				
<b>Specialty advertising</b>				



## Business Tip

### Want to use e-mail for promotions?

**Respect your customers:** if you use e-mail as a communication device, design an opt-in strategy for customers. Do not spam customers (unsolicited messages.)



## Business Tip

**The Internet is available 24/7**, which is very attractive to businesses and customers. Before designing a web site or advertising on the Internet, consider if it fits your promotions strategy. If you decide to use a web site, your budget should include funds for development and ongoing maintenance of the site.

## *Using Your Web site as a Promotions Tool*

The Internet has changed the way we communicate and conduct business. It enables users to search for information any time and to communicate instantly around the world through e-mail and electronic forms.

For the retail sector, the advent of on-line shopping has impacted business significantly. As well as inspiring a new generation of web-based companies, web site sales enable existing merchants to expand their client base. It is a cost-effective method of marketing products and services, including displaying a catalogue of products.

Traditionally, merchants set up show rooms or produced costly catalogues to showcase their products. Now, the Internet provides an electronic vehicle to present products to a customer anywhere in the world. Business owners use web pages to keep clients informed about products, services and developments and to respond immediately to client enquiries. Web sites can also be used to solicit market research information from clients or guests who visit their site.

The services sector is also increasingly using low-cost Internet to promote services to potential customers worldwide. The tourism industry, in particular, is a major beneficiary of this technology.

Thinking about using an electronic store in place of a physical one or using a web site to enhance your promotional efforts? Just as you would develop a plan for your physical business, so should you for your on-line venture. The decision to set up a web site, with or without on-line transactions capability, should be based on a solid plan, preparation and realistic expectations about investment and return.

*The Business Link's* E-Future Centre can help you better understand the potential of e-business. Call 1-800-272-9675 or visit the web site at [www.e-future.ca/alberta](http://www.e-future.ca/alberta) for more information.

## *Personal Selling*

Still a fundamental and significant element of promotion, personal selling occurs in retail, wholesale, industrial, door-to-door, telemarketing and manufacturer's representative environments. Successful personal selling depends on a combination of the quality of your sales force and the quality of your product or service.

Personal selling strategy involves three components:

## **1. Information**

Provide accurate, appropriate information about your company and its products or services to potential customers. Include positive features and benefits of your product or service.

## **2. Personal appearance and attitude**

Neat appearance and positive attitude are very important when meeting with your customers.

## **3. Sales technique**

Knowledgeable, trained sales people are a tremendous asset to your business. Besides representing your company while selling your product or service, they can help you collect and analyze market information to help develop new and innovative promotional strategies.

Make sure you and your staff are well trained and able to:

- acknowledge and greet the customer
- ask questions and determine needs
- negotiate and close the sale
- handle objections and complaints
- follow up with the customer



# MARKETING YOUR SMALL BUSINESS



## Business Tip

**Be prepared!** Selling is easier if you've done your homework. Remember what your market research tells you, and what your interactions with customers confirm.

- who are your customers?
- what do they need?
- why are they buying?
- where and when do they buy?



## Business Tip

**All your staff are salespeople** - Everyone involved in your organization is a marketer for your business. Their attitude and presentation of your business will have major impact on image and sales.

**Networking** is also a form of personal selling. It's about relationships, mutual business referrals and information sharing. Networking can be highly effective and usually is low cost. Word of mouth referrals are very powerful so try to incorporate this method of marketing in your plan.

Your network can include:

- Friends
- Family
- Current and past business associates
- Suppliers
- Clubs or associations
- Professional services - legal, financial, etc
- People you meet at conferences
- Teachers/ Classmates



## **Business Tip:**

**Remember** when networking, don't just look at what you can get out of the relationships. Note the ways you can help others. This will then give your contacts real experience to tell others about.

## *Public Relations*

Beyond selling products or services, public relations is about the **image** you and your business project within the community. Think about activities or potential activities of your business that might be newsworthy while enhancing your public image.

Activities that might contribute to a positive public perception include:

- donating to charity
- organizing a fundraiser
- awarding or receiving a prize
- marketing a unique product or service
- opening a new store or factory
- doing community work
- perception of an economic impact, creating employment
- environmentally conscience strategies

Positive publicity gives potential customers a favourable image of your company. Contact local editors and news directors to tell them what you're doing. Consider writing a news release or general interest article and submit it to various media who may become interested in

your company's activities in the community. But remember, you have no control over what gets published.

## *Sales Promotions*

Sales promotions are short-term offers, such as reduced prices or more value or product for the same price.

Examples are:

- two for the price of one
- 50% off everything in the store
- scratch for discount
- draw to win a prize (no purchase necessary)

Sales promotions are used to get a quick response from consumers, to promote impulse buying and to increase awareness of your company and its products and services.

There are many kinds of sales promotions.

1. **Samples** are gifts of product to encourage consumers to try new products. Giving free samples to business buyers can stimulate use of your product or service. Manufacturers may fund these.
2. **Coupons** are usually inserts or clip-outs offering discounts which are redeemed by consumers when they purchase your product or service. Coupons stimulate sales and encourage people to pay attention to your advertising.
3. **Contests** are designed to either increase the number of potential customers visiting your location or increase customer awareness of your product. Consumers will try new products or make repeat purchases if they have a chance to win cash, merchandise or free trips. Be sure to check with your lawyer for legal restrictions.



## **Business Tip**

**Legally, draws** must be:

- open to all and,
- require the contestant to do something (e.g. skill testing question)

## **FOUR: Implement Your Promotions Plan**

Once you've decided which activities you will use in your promotions mix, develop an action plan that includes timelines and who is responsible for which aspects. If you're assigning promotion and advertising responsibilities to other staff, make sure they share your vision. For your promotions action plan to be successful, manage and track every part of it. Buy a large calendar and block off key activities and key advertising times.

If you do not feel you have the time or the expertise to manage your promotions activities, hire professionals to do it for you.

To enable you to better plan future marketing and promotional activities, it's important to understand what worked, what didn't work and why. So ensure you have a method of measuring success for each component of your plan.

In times of market slowdown or drops in your sales and profits, resist the temptation to cut your promotions budget. Remember that advertising and promotion are essential if you want to maintain your market position.

## FIVE: Evaluate Marketing Results

As you carry out promotions activities, monitor results achieved. This data will help you determine their effectiveness and plan next year's promotions program.

Decide what measure of effectiveness will be most meaningful to your business. Consider the following:

1. **Sales results**—Compare sales before, during and after your promotions activities.  
Did your promotions activities produce the desired results identified in your marketing plan?
2. **Customer response**—How well did the activities contribute to customer satisfaction?
3. **Competitor response**—Did they react to your promotions activities? How?
4. **Media reaction**—Did the media cover your event?
5. **Supplier input**—Any feedback?
6. **Overall assessment**—What worked and what didn't work?

Be prepared to make changes to improve future results. Revise specific promotions activities and your overall marketing plan. Expect to learn from each experience.

## **SIX: Understand Legal Requirements**

Like other aspects of small business, your marketing initiatives must comply with laws and regulations designed to protect consumers and business. You need to be aware of how these legal requirements affect your advertising, promotions and market research. The following highlights several legal issues. For complete information, seek legal counsel.

### *Fair Business Practices*

It is a criminal offence to mislead or falsely represent yourself to the public. Price fixing, bid-rigging, pyramid schemes and telling a consumer that they have won a prize but must incur a cost are also criminal offences.

Certain activities may be considered deceptive and should be avoided. Examples include:

- advertising a product at a bargain price but not supplying reasonable quantities
- charging a price above the advertised price
- conducting a lottery, contest or game of chance without making adequate and fair disclosure of the facts that affect the chances of winning

Legislation designed to ensure that Canadians benefit from lower prices, product choices and quality services include the Competition Act, Consumer Packaging and Labelling Act, Textile Labelling Act and Precious Metals Marking Act. These laws are administered and enforced by the Competition Bureau. The Competition Bureau can also review if there is an abuse of a business' dominant position in the marketplace, refusal to deal, market restrictions and multi-level marketing plans.

### *Labelling*

All pre-packaged consumer products must bear accurate and meaningful labelling. Product name, net quantity and dealer identity are mandatory. Textile articles must include the generic name of each fibre in the article, the dealer's full name and postal address or a CA identification number. Description and quality markings for articles made with silver, gold, platinum or palladium are required.

For more information, contact the Competition Bureau 1-800-348-5358 or on-line at [www.cb-bc.gc.ca](http://www.cb-bc.gc.ca).

## *Privacy*

Federal and provincial legislation exists to ensure businesses practice information management in a manner that protects the privacy of citizens. These Acts cover the collection, use or disclosure of personal information in the course of commercial activities. Most businesses in Alberta must conform to the provincial Act except those that are known as federal works or businesses. These include transportation and telecommunication companies, banks and broadcasters.

The Acts require that organizations:

- have consent when collecting, using and disclosing personal information
- use the information only for original intended purpose
- allow individual to access their records and have errors corrected
- use reasonable safeguards to protect personal information from theft, modification, unauthorized access and destruction

More information can be obtained through Alberta's Information Management, Access and Privacy department, (780) 644-7472 or [www.psp.gov.ab.ca](http://www.psp.gov.ab.ca). Federally regulated businesses can get information through the Privacy Commissioner of Canada at 1-800-282-1376 or [www.privcom.gc.ca](http://www.privcom.gc.ca).

## *Conclusion*

With a good understanding of the marketing process, you will optimize the presentation of your products and services to your target market. You now have the knowledge to develop a plan to connect with your potential customers and present a positive image in the community. Use the outline in the Appendix as a guide. Your plan will help you invest an appropriate percentage of your overall budget to attract and retain customers using means and media that work for your business. Remember an effective marketing approach will help your business grow and prosper.

## APPENDIX: Marketing Plan Outline

### 1. The concept

- a. Describe the principal concept underlying your product or service.
- b. Describe what is unique about your product or service and how it is different from what is already available.
- c. Who are the primary customers for your concept?
- d. How innovative is your concept?
- e. Is your concept technically feasible and does it use the most appropriate technology?

### 2. Products and Services

- a. Describe the products or services you will sell.
- b. Describe customer services that you will provide.

### 3. Customers

- a. Define your target customers.
- b. How many target customers are there in your market area?
- c. Why will they buy your product or service?

### 4. Competition

- a. Describe your primary competitors; estimate their market share. Have their sales been increasing or decreasing?
- b. Acknowledge any proposed or rumoured competition.
- c. Outline how your concept will differ from the competition.

### 5. Location

- a. Where will you locate your business? Why?



## 6. Pricing

- a. Describe your pricing strategy.
- b. Discuss how your prices compare to your competition.

## 7. Promotion

- a. Outline your message to your customers.
- b. Prepare your promotion budget.
- c. Describe your promotion program.
- d. Outline the media you will use for your advertising program.
- e. Describe publicity, public relations or sales promotion programs you will have.

## 8. Distribution

- a. How will your product or service be distributed?
- b. Do you need a sales team or will you use agents and brokers to distribute your product or service?

## 9. Evaluation

How will you measure the success of your marketing strategies?

# MARKETING YOUR SMALL BUSINESS

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