

MARKETING ON A SHOESTRING BUDGET

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PRESENTER:

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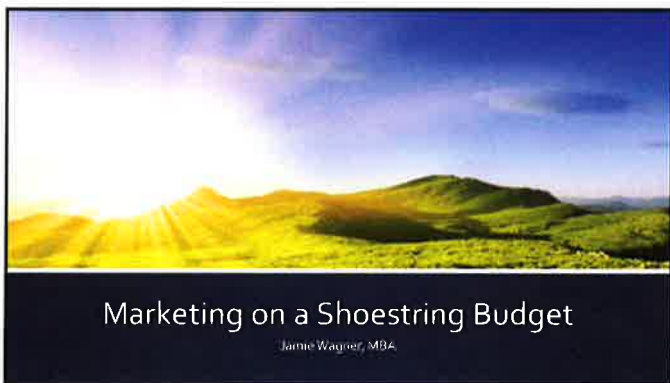
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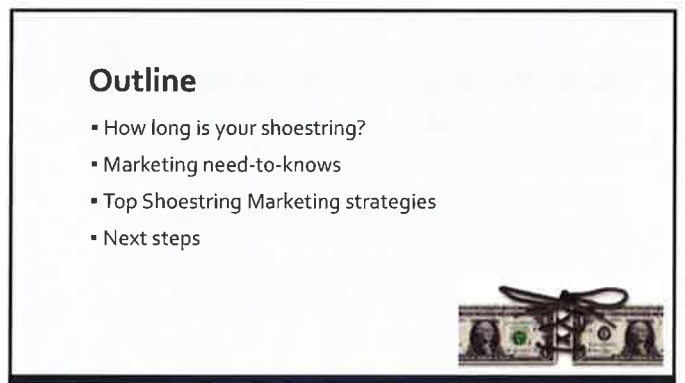
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What is your shoestring budget? Resources?

- Money s (cash on hand, cash flow, financing)
- Your time and capabilities – can you upgrade these? Can you get help from a friend or family member, part-time employee, contractor? Barter?
- Equipment, software, technology – can you upgrade by borrowing (library), renting, buying or contracting out?
- Vendor capabilities – can you ask for more, add vendors, haggle?
- Connections – networking groups, LinkedIn, etc.
- Others



Methods of Setting Your Marketing Budget

- 0 % / \$ Growth Plan
- All you can afford.
- Competitor Parity – match competitors' (estimated) marketing budgets
- % of sales (e.g. 1-3%)
- Objective and Task - Requirements to meet Objectives, give and take
- Combination

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Marketing need-to-know: Definition

- Identifying and anticipating the needs and wants of a targeted group of customers and potential customers (consumers, businesses, nonprofits, governments)
- Developing products and services that meet those needs and wants
- Selling to potential customer at prices and terms they are willing to pay in a place where they want to buy
- Persuasively communicating to potential customers how your products and services meet their needs and wants and where to buy them

What is the marketing concept?

- Production Concept – make the best product you can as efficiently as you can, sell it at the lowest price you can, and people will break down your door to buy it!
- Marketing Concept – Determine what your customers and prospects want and need and are willing to pay, and then create and market (communicate) it.



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Target Market



Group of potential customers that:

- can be grouped together based on similar needs and wants, geography, demographics, or urgency
- is large enough to be profitable to market to
- receives a unique marketing mix



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Marketing Mix: The 4 Ps

- Product (or service)
- Price
- Place (distribution)
- Promotion



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Marketing Mix: Product

1. Product idea
 - Physical good/service
 - Quality level
 - Installation
 - Instructions
 - Features vs. benefits
2. Warranty
3. Branding



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Marketing Mix: Product - Branding

- Reputation/perception of a company and product in the minds of current and potential customers and the public,
- based on communication by the marketer, customers, the press and the public, and by actual performance.
- Uses names, logos, colors, taglines, etc. to identify a product/service or company.



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Marketing Mix: Product – Branding (cont.)

Brand acceptance, familiarity:

1. Brand nonrecognition
2. Brand recognition/awareness
3. Brand rejection
4. Brand preference
5. Brand insistence



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Marketing Mix: Price

Why price is important?

1. Status Quo
2. Maximize profit
3. Introductory pricing
4. Skimming



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Marketing Mix: Price (cont.)

- Payment methods (Cash, Credit/debit card, PayPal, etc.)
- Payment Plans
- Credit
- Discounts (Coupons, Bundling, Volume, Seasonal, etc.)
- Net benefit?

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Marketing Mix: Place/Distribution (cont.)

How and where can customers get/receive a product or service

1. Your location (store, office)
2. Your website
3. 3rd Party website (Craig's List, eBay, Amazon, Etsy)
4. Yellow Pages
5. Phone # (800 #, local #)
6. Delivery
7. Vending



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Marketing Mix: Promotion

Promotion consists of:

1. Personal Selling -B2B, high ticket/order sales
2. Mass Selling
 - a. Advertising
 - b. Publicity
 - c. Sales Promotion

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Marketing Mix: Promotion (cont.)

Personal Selling – person to person

- Face-to-face (outside sales)
- Networking events
- LinkedIn
- Phone/chat sales
- Personal email



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Marketing Mix: Promotion (cont.)

Sales tools

- Brochures
- Testimonials
- Case Studies
- Spec sheets
- Presentations
- Proposals, RFPs



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Marketing Mix: Promotion (cont.) – Mass Selling: Advertising

Types of Media

1. Online - Internet, interactive, and mobile
2. Direct Mail
3. Point of Purchase
4. Print – newspapers, magazines
5. Broadcast – TV, Cable TV, radio
6. Outdoor – billboards, transit
7. Guerrilla marketing
8. Direct Marketing (some of the above)

Multichannel, integrated!



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Marketing Mix: Promotion (cont.) - Advertising

Internet and Interactive

1. Your website (including mobile optimized)
 - a) Fresh, relevant content – text, photos, graphics, audio, video, podcasts, etc.
 - b) Blog
 - c) Effective landing page
 - d) Search Engine Optimization (SEO)
 - e) Search Engine Marketing (SEM) e.g. Google AdWords
2. Your email blasts
3. Your newsletters



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Marketing Mix: Promotion (cont.) - Advertising

Internet and Interactive (cont.)

4. Others' newsletters – banner ads, button ads, sponsorships
5. Others' Websites
 - a) Banner, button, pop-up, etc.
 - b) Others' blogs - guest posts, repost, link backs, etc.
6. Social Media
 - a) Your company's account, channel
 - b) Boost your posts
 - c) Ads



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Marketing Mix: Promotion (cont.) - Advertising

Mobile Marketing

1. Text messaging
2. Responsive/mobile optimized web/email
3. Mobile ads



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Marketing Mix: Promotion – Advertising

Key Elements of Advertising

1. Target Audience
2. Advertising Objective
3. Budget
4. Message/Copy Thrust
5. Media Type
6. Media Vehicle - e.g. The Gazette
7. Media Scheduling
8. Measurement



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Marketing Mix: Promotion – Publicity/Communications

- Events
- Public speaking
- Media Relations/Press Releases - “Earned Media”

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Marketing Mix: Promotion – Sales Promotion

Purpose is to motivate immediate action

- Examples
 - Consumers, End users – contests, coupons, aisle displays, samples, trade shows, point-of-purchase materials, banners and streamers, frequent buyer programs, sponsored events
 - Wholesalers and retailers – price deals, promotion allowances, sales contests, calendars, gifts, trade shows, meetings, catalogs, merchandising aids, videos
 - Sales force, retail staff – contests, bonuses
- Risks



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Competition

- Types (same product or need/substitutes)
- Can be local (Colorado Springs, County, Denver metro), regional, national, and/or global



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Top Shoestring Marketing Strategies (IMHO)

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Top Shoestring Marketing Strategies

Learn about marketing like your future depends on it!

- Need to know vs. want to know.
- Actionable.
- Strategic topics, order, timing (Just in Time)
- Use it or lose it!

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Top Shoestring Marketing Strategies

Learn - Sources

- SBDC Workshops, coaching
- Seminars (SCORE, SBA, etc.)
- Free webinars (AMA, DMA, vendors, etc.)
- Lynda.com – free from PPLD
- Read marketing blogs, e/newsletters, e/magazines, e/books (658.8) (esp. Guerrilla Marketing series)

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Top Shoestring Marketing Strategies

Learn - Sources

- LinkedIn
- Ted Talks
- Association presentations, networking
- Vendors
- Mentor

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Top Shoestring Marketing Strategies

Study

- Need to know vs. want to know.
- Actionable.
- Should guide strategy.

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Top Shoestring Marketing Strategies

What do you need to study? Know about?

- Target market.
- Market.
- Competition.
- SWOT Analysis
- Marketing results.
- Other.

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SWOT Analysis



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Top Shoestring Marketing Strategies

Study - Sources

- Survey (online, paper, phone, focus groups, 1-1)
- Existing (Secondary) Marketing Research
- BusinessDecisions database, PPLD
- Other.

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Top Shoestring Marketing Strategies

Plan



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Top Shoestring Marketing Strategies

Marketing Plan

- Quarterly, with annual view.
- 1st plan is the hardest.
- Measurable, time-bound.
- Review your plan frequently. Update frequently.
- Frequently (monthly minimum) compare goals to actual results, make adjustments.

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Top Shoestring Marketing Strategies

Marketing Plan Outline

- Company Vision, Mission
- Business goals for the period
- Marketing goals
- Research
- 4 P's
- Marketing strategies and tactics (based on research)
- Budget
- Measurement

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Effective Marketing is:

- | | |
|----------------|----------------|
| 1. Strategic | 7. Persistent |
| 2. Planned | 8. Integrated |
| 3. Measurable | 9. Synergistic |
| 4. Tested | 10. Creative |
| 5. Consistent | • Others? |
| 6. Repetitious | |

Use these to evaluate your marketing.

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Top Shoestring Marketing Strategies

Adjust 4 Ps



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Top Shoestring Marketing Strategies Market Growth Matrix



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Marketing on a Shoestring Budget



Market Growth Matrix

		Products	
		Current	New
Markets	Current	Market penetration strategy	Product development strategy
	New	Market development strategy	Diversification strategy

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Marketing Penetration Strategy



1. Increase sales of existing products to **current customers** (volume per purchase, frequency of purchase, upsell, cross-sell).
2. Sell existing products to **current customers** through **additional channels**
3. Sell existing products to **new prospects in the current target market**. *Prospects like your current customers.*

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Marketing Penetration Strategy: Customer Retention

Coming soon!



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Product Development Strategy

Sell **new products** to existing customers.

- Ask customers what they need and want (Marketing Concept)
- Product line extension
- Brand extension



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Market Development Strategy

Sell **current products** to new markets.

- Market existing products to new geographic areas.
- Market existing products to new target markets.

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Top Shoestring Marketing Strategies

Customer Retention



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Top Shoestring Marketing Strategies

Customer Retention

- **Keep your customers coming back!**
- Importance of customer retention
 - If lose customers out the back door, never grow!
 - Cost of finding new customers is 5 times the cost of keeping a customer!
 - Increase customer loyalty so they aren't price/coupon sensitive = at risk
 - Customers have choices (competitors).
 - Satisfied customers tell 3 friends, dissatisfied customers tell 8-10 friends.

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Top Shoestring Marketing Strategies

- Improve products, service, experience/convenience with customer feedback, standards, incentives, etc.
- Measure Customer Satisfaction
 - What do customers expect?
 - What level of quality/service do customers expect?
 - What's important to them (weighting)?
 - Measure over time to see trends.
 - How? Online surveys, focus groups, 1-1

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Top Shoestring Marketing Strategies

- Know your customers
 - Capture name, contact info, and orders in a database, on website, etc.
 - Survey customers (with incentive?)
 - Research e.g. Reference USA
- Keep in touch with your customers – newsletter, social media
- Customer loyalty programs (e.g. airlines)

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Top Shoestring Marketing Strategies

Harness the benefits of satisfied, loyal customers

- Word of mouth – Missionaries/evangelists (including social media)
- Referrals
- Testimonials
- Case Studies

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Top Shoestring Marketing Strategies

Build Contact Lists



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Top Shoestring Marketing Strategies Improve Online Presence



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Top Shoestring Marketing Strategies Guerrilla Marketing



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Marketing on a Shoestring Budget: Guerrilla Marketing

- Guerrilla marketing - Out-of-the-box Marketing on a shoestring for start-ups and small businesses.
- Avoid cheesy, deceptive, "low-brow."
- Start with what fits your product, target market, objectives, etc.
- Do a Google search on "Guerrilla marketing tactics".



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Marketing on a Shoestring Budget: Guerrilla Marketing

Sample Guerrilla Marketing tactics:

- Flyers, take-ones, door hangers, car decals, community bulletin boards, fish bowl for business cards, flyers on cars, comarketing, guest blogging, bumper stickers, calendars, sponsor a local event, birthday and holiday cards, contests (check laws), t-shirts, customer appreciation event (e.g. picnic, BBQ, movie), how-to articles/videos, drawings, start a discussion, web/white board questions, start a meet-up, teach a class, etc.
- Brainstorm Guerrilla marketing ideas.

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Top Shoestring Marketing Strategies Public Relations



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Next Steps

1. Pick two ideas and run with them!
2. Put them on your calendar, with a due date.
3. Then celebrate!

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Wrap-up

- Want digital copy of slides and handouts? Email me.
- Questions, comments

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Source: Basic Marketing, Penzeval, Carmon and McCarthy

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