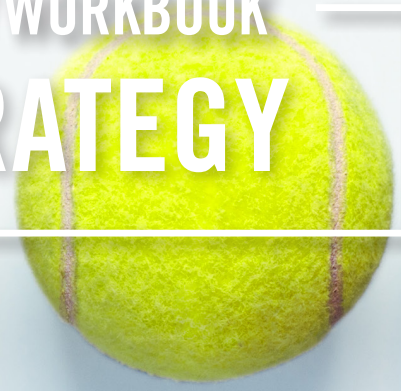




AN ENTREPRENEUR ACADEMY WORKBOOK
MARKETING STRATEGY



Lesson 7: Marketing

“The aim of marketing is to know and understand the customer so well the product or service sells itself.”

- Peter Drucker

In the old days, a new business meant a storefront. But now storefronts can be virtual, new business enterprises can be run out of a spare bedroom, or they can move into a makerspace or co-working space. We'll examine the many options and walk you through the good, the bad and the ugly of each.

As a small business owner, the chances are good that the ingredients in an effective marketing strategy are about as mysterious to you as a witch's brew of bat wings and eye of newt.

The truth is, marketing has many layers to it, and some are not only simple, but can be implemented on a reasonably low budget. And wherever you need additional help, it's easy to find.

The basics are straightforward. Having a great website is essential these days. It's the first place prospective customers will go. In the current pandemic, it's even more critical, since it serves as your virtual storefront since phased reopening and stay-at-home orders don't allow for a traditional shopping experience. You also need to have a great story. Customers are immune to conventional advertising techniques. They are tired of braggadocio and superlatives. What customers want is an honest story and a product or service that delivers on its promises and solves a vexing problem they have been dealing with.

You've already done some of the detailed work in your Business Model Canvas, articulating your customer segments, relationships, activities and value propositions.

As we talk about marketing in this part of the Entrepreneur Academy, we'll keep it pretty generalized. Every small business, every market and every customer segment, is different. The marketing needs of a restaurant are very different from that of a real estate broker or a computer repair shop. Also, marketing requires continual experimentation, in part because the world is changing at a breakneck pace. Yes, you want to come up

with some consistent key messaging that makes your story compelling and authentic. But how you deliver that message and when is and should remain situational and fluid.

The basics

Get educated. The startup phase for your business is an excellent time to get schooled on marketing, since marketing is essential to your long-term success. If you aren't interested in the nuts and bolts of getting your name out there, building relationships and engaging customers, find an expert who can help you. There are plenty of boutique agencies and gig workers out there who can devise, refine and share your message on a per-project or freelance basis.

Your customers come first, always.

Customers want to feel important. They want to build a long-term relationship with you. Make sure they come first in everything you do at all times. A repeat customer is far more profitable than a new one. Mine the gold and you won't have to prospect as much because your customers will do all the prospecting for you.

Know your target market. Before you ever come up with a single marketing campaign, business card or brochure, understand everything about your customers. A lot of this process was covered in the Business Model Canvas where we explored what the customers' pains are, what they need and what they are willing to pay for it.

Marketing is not advertising. Marketing is focused on accomplishing some sort of change in your customer whether that change is in knowledge, awareness or belief. Advertising is about paying to get your message in front of your audience in order

to bring that change about. Advertising, by definition, requires some form of financial transaction and is a subset of marketing.

Tell a story. Story-driven marketing has replaced advertising. A well-told story captures your imagination, holds your attention, keeps you in suspense and pays off with a meaningful emotional experience. Stories connect you to an audience in ways that mere words or pictures in a brochure or a web page could never do. Tell your unique story, make it stick, and you will connect with your customers for a lifetime.

Set targets and goals. The success of marketing is in the numbers: the number of leads generated, leads converted into sales and sales turned into repeat sales. It's easy to blow a fortune on a marketing campaign that goes absolutely nowhere in terms of sales because you never set goals and figured out how to move a customer through the funnel.

Master the four Ps. Positioning, Product, Pricing and Promotion are essential to making your business successful.

- *Positioning: This is the perception that your target customer has for your product or service. How does it solve the customers' problem? Is it a niche product or does it have broader appeal? What attributes does it have that your prospective customers will find attractive? Why would a customer want to buy it initially and subsequently?*
- *Product: This is what you're selling. Think in terms of the value it will bring to the customer: How is it packaged or presented and what warranties or guarantees come with it? Is it packaged with any other value-adds, such as a discount on a future purchase or a free trial? Where will it be available and how will it be distributed/delivered?*
- *Pricing: Low price doesn't guarantee a sale. It's all about the value your product offers for a specific price point. Part of this is determined by the market and your*

competitors' positioning. Pricing can also be determined by how you want to be perceived in the marketplace, i.e., Tesla vs. Ford.

- *Promotion. This is the messaging you plan to use plus the tools you're going to use to spread the word, including advertising, public relations, marketing, social media, events, collateral and your sales team.*

Toolbox essentials

Develop a scalable plan and budget. Your plan doesn't need to be extensive, but it does need to be effective. Build the plan so it fits your startup budget and then scale it so it can easily take advantage of those strategies that pay off near term and are extensible long term. Focus on your product or service and put your money there first. Without it, you'll have nothing to market. Remember, the plan isn't chiseled in stone. It needs to be flexible enough that you can update it easily as your business grows and customers change.

Have a great product or service. This is something of a "duh!" but the market is flooded with great campaigns for crummy products. To be authentic, your product or service needs to be aligned with and deliver on the promise you're making, the one that is going to solve the customers' problem.

Build a trustworthy brand. A brand is not your logo. It is the sum of the experience people have with your company, product, service and even you, the owner. Invest in developing a brand with an unparalleled customer experience. Being bland with your brand is a shortcut to failure. Invest in a strong, professional brand that is in line with who you are and what your customers aspire to be.

Get a website. In the old days, a website was a luxury. Now it is your 24-hour a day storefront. Make sure your website has the information your customers want and need to make a purchasing decision. Be honest and transparent. Customers can smell a phony miles away. Be sure to offer a customer support function. At the bare minimum, a

Frequently Asked Questions section and a contact form. Better yet, add real-time customer chat. If you are selling products, an online store is a must these days. Customers expect it.

Make a solid pitch. You should be able to answer the question “What do you do?” in a couple of short, powerful sentences. If you can’t explain your business using a traditional elevator pitch, you need to simplify it so that anyone can understand your unique place in the market. It needs to be punchy, memorable and serve as the core of the story you’re telling.

Get social. Social media is free. That said, don’t make it all about you. If all you do is pitch your business, product, or service in social media, you’re going to lose your audience, and worse, prospects. Use social media to share expertise or great ideas, demonstrate new ways customers are using your product or service, post videos of customer testimonials or share limited-time offers. Create added value whenever you can.

Data is your best friend. This goes back to knowing your customers. You should track every interaction with your customers so that you can market effectively to them over time. A prospect isn’t always ready to buy when they first come into contact with you, but mastering the data will help you stay top of mind as they go through the buying cycle as a prospect turns into a customer. A well-maintained customer database can help you effectively target emails, social media posts, offers and e-newsletters to specific segments of your audience at specific times.

Invest in sound design. Make sure your signs, sales materials, uniforms, tradeshow booth, etc. all match. This is not a time to cut corners or have your 12-year-old nephew design your business cards. If you want to be taken seriously, be serious about your marketing materials and spend the dollars to

make your business shine in the mind of your target audiences.

Low-cost marketing ideas

You don’t need to rob a bank to mount an effective marketing campaign. There are plenty of guerilla tactics you can use to build awareness of your company and your offerings. Some of them take a bit more sweat equity, but when you’re starting a business, there’s often more time than money available.

Networking. Relationships, particularly in some professions, are everything. Make sure you take advantage of networking opportunities, including local chamber or business development meetings, networking organizations and fundraisers. Get your face and name out there so people start to associate a product or service they need with you and your business.

Sponsor something. Supporting a local event, festival or charity is an excellent way to get your name out. As you look for opportunities, take a good look at their promotional package to see what you get for your money. Some levels offer above the title sponsorship (Presented by...) or advertising space in a program. Before you settle on one level, look at the one above it. Often the additional cost gives you way more bang for your buck.

Public relations. If your product or service is newsworthy, get to know a reporter first who may be interested in your business. See if you can get an interview or follow up on a press release you send them. This works well in smaller markets. If you’re in a metropolitan center, don’t waste your time unless you found a cure for cancer. Promoting that your business exists is not necessarily news, so think hard about what story you have to share and look at the media you’re targeting to see what kind of news they are interested in. You want to be strategic and not wear out the welcome wagon with superfluous “news.”

Blog up a storm. A blog on your website is a great place to share your expertise. Tie the blog into your social media channels and post links back to your website from Facebook, Twitter, LinkedIn, etc. You can also do a video blog, post it on YouTube and share it with your targets. Providing something for nothing is a great loss leader, especially if you're relatively unknown in the field. Get people to subscribe to your blog so you can build a targeted mailing list.

Host seminars and webinars. This is another excellent way to share your expertise. In a world where Zoom has become the norm, host your session online to attract a larger customer base than you could reach in a physical room. Invite others to be part of a panel so that it's not just about you and your products or services. Use your database to invite guests to your event.

Become a speaker. The current environment is a perfect time to create a presentation and become known for public speaking. There are a lot of events being held online right now that are desperate for new speakers with new perspectives rather than the same old same old. Perfecting your public speaking chops now will make it easier to transition to large-scale opportunities once stay-at-home orders are lifted. You could just be the next TED Talk star.

Other low cost suggestions:

- Provide electronic coupons. Research suggests that four out of five customers use coupons frequently, online and in-store.
- Provide giveaways and samples. Everybody loves to get something for free. You can send a free sample out to reviewers or influencers or offer a buy one/get one promotion for a limited period of time on a product or service.
- Conduct a raffle or a contest. This is a great way to generate qualified leads for

your business. Just make sure the contest is legitimate and that the prize is worth someone's time. Nothing is worse than running a rigged contest or offering up a prize that looks amazing but turns out to be cheap crap.

Telling your story

Spend time perfecting your story. If you can tell it over and over with ease, accuracy and authenticity, you have it made.

Robert McKee is the dean of storytelling (his course graduates have won 65 Oscars, 200 Emmys and 100 Writers Guild of America Awards). He also consults with corporations around the world, teaching what has come to be known as Storynomics, the art of using story as a corporate marketing strategy. As humans, we absorb millions of pieces of data every day. Our respective minds automatically sort through all this data and decide what is relevant and irrelevant. Almost 99% of this information is discarded; only 1% is tagged for further attention.

Your brain likes to turn this remaining 1% of data into stories. Humans are storytelling machines because stories help us understand the world around us and our place in this world. Recent MRI research has shown that our brains are hardwired this way. We love to tell stories, we love to share them and we love to hear them.

Let's run through storytelling in its purest form:

- As the story begins, the central character's life, as expressed by core values (happiness/sadness, for instance), is in balance.
- Then, something happens that upsets this balance and changes a core value one way or the other (happy to sad, love to hate, etc.).
- Balance must be restored, so the character acts in their own interest.
- Because of these actions, the core values

have been changed back to being in relative balance (sad becomes love again, or dissatisfaction becomes satisfaction).

- How does that work in story-driven marketing for a business?
- As the story begins, the new homeowner (central character) is so excited (core value) to host Thanksgiving for the first time.
- Then the dishwasher breaks (the inciting incident). The homeowner is freaked out because it's the day before Thanksgiving and 20 guests are expected.
- They dread doing all those dishes by hand. Then they remember that your company has a special holiday emergency service and gives you a call.
- Your repair person shows up, fixes the dishwasher and saves Thanksgiving.
- The customer doesn't have to do the dishes and tells all their dinner guests about your amazing emergency service. They also share the story with all their friends on social media, creating even more awareness about your company.

In the old days, you could simply advertise the lowest price in town or the best selection, but the brain doesn't process this information anymore. There are just too many messages bombarding our brains these days. Yes, price and selection are important, but it's the story of how you and your products or services fit into a customer's life and make it better that is remembered and acted upon.

If you want to geek out totally, Bob's book is available on Amazon and at local booksellers.

Wrapping up

Eventually, you may want to do a full-blown marketing plan, especially if you're seeking investment through traditional channels such as banks or VCs. These are pretty time-intensive, since a marketing plan requires deep dives into your target audience, competitors, budget, spending strategy, staffing assignments and metrics.

You could, of course, tackle this upfront, but the methods we outlined above should get you on your way. Eventually, putting all these ideas into action will make it easier for you to develop a more detailed plan once you have the staffing to support the larger body of work. In the early stages, however, it's best to maintain a flexible plan and experiment a lot to see what works and what doesn't. This will help you solidify your overarching marketing strategy, which will serve as the foundation for a year-to-year plan going forward.

Assignments

1. Become a customer. Visit your competitor and experience their brand first hand. See how they market the company, study their website and ads. What is their pricing strategy? Where are they positioned in the marketplace?
2. Do a brand survey. Think of all the brands with which you come into contact. Which ones stick out in your mind? Why? What do they promise and what do they deliver? What emotions do they invoke? Where are they positioned on the spectrum (luxury, price-conscious, quality service, best selection, etc.)?
3. Visit a lot of websites. Visit websites that are both within your industry and those that are not. See what you like and what you don't like about each one and make a note of these. Pay particular attention to their online shopping experience and customer service tools. Write your observations down so you can share them with your designer.
4. Create and master your elevator pitch. Spend some time crafting your elevator pitch. Share the draft with friends, colleagues and even complete strangers to get a sense of how well it captures your business and how what each person remembers about it so you can identify core truths that can be used to massage it further.
5. Write your story. Every story has a protagonist, and antagonist and an arc. The protagonist can be your company, your product or service, or it can be your customer. The antagonist is typically the pain point, the problem. The arc describes how your protagonist meets the problem head-on and vanquishes it, like the proverbial knight in shining armor riding in

on his steed. Write it up like the examples we provided. It doesn't have to be Tolstoy or even James Patterson.

6. Name it. If you haven't thought of a working title for your company, product or service, brainstorm for a bit. As you come up with ideas, be sure to see if they are already registered in the state or federally. Federal trademarks trump state ones, so it's always a good idea to start there. It's not that two names can't exist in the marketplace (think Pandora, the makeup retailer and Pandora, the music streaming service), but you do want to choose something that is hopefully descriptive, doesn't cause confusion, is easy to remember and won't trigger a lawsuit.
7. Clearly identify the following elements of your business.
 - Product - Include the features and attributes
 - Place - Where will customers find your product?
 - Price - What price points do you intend to set?

Now, using demographic and psychographic variables, identify two target markets for your business and/or products. Demographic variables can include age, gender, income, occupation, geography, marital status and education. Psychographic variables can include values, beliefs, hobbies, etc.

Here is an example:

Target Market 1:

- Women
- Ages 18-24
- Living in the Yakima Valley
- High school graduate
- Income range: \$24-36K/year
- Not married
- No children
- Value personal growth
- Enjoy yoga and meditation

Once you have two target markets identified, consider the final “P” of the Marketing Mix and decide how you will “Promote” to each target market. What will you say about your product/business to generate interest and create action (sales)? Which media and communication tools will you use to reach them?



