



B A 250: SMALL BUSINESS MANAGEMENT

Lesson 5: Building a Bootstrap Marketing Plan/Creative Use of Advertising and

Promotion

Introduction (1 of 10)

Building a Bootstrap Marketing Plan/Creative Use of Advertising and Promotion

A great idea is not enough to be successful. In order for a business to grow and thrive, marketing must be considered and strategically used. Creative uses of technology and social media are commonplace in today's businesses. This is especially advantageous for smaller businesses, because they do not have the deep pockets of a large corporation. This lesson will help you understand and implement marketing concepts and strategies to put your business on the fast track to success.

Learning Objectives

The readings and questions in the lesson should help you to do the following things:

- Describe marketing, marketing strategy, and the "four Ps" of marketing—product, price, placement, and promotion.
- Discuss why marketing research is the foundation of a marketing plan.
- Explain the differences between advertising, promotion, personal selling, and publicity.
- Define *target market* and explain how businesses can find and serve their target markets.
- Describe factors to consider when selecting advertising media.
- Describe the advantages and disadvantages of various advertising media.
- Outline various methods of stretching a small business advertising budget.

Key Terms/Concepts (2 of 10)

Key Terms/Concepts

advertising

non-personal sales messages that are paid for by a sponsor to inform and persuade customers

marketing

the process for determining customer wants and needs and delivering products and services to meet or exceed those wants and needs

marketing mix

the blending of product, price, promotion, and place into a coordinated marketing program

market research

the gathering, recording, and analyzing of data to learn about consumer wants and needs in order to select the most effective way to satisfy those wants and needs

market segmentation

identifying and evaluating various sections or levels within the market

marketing strategy

the blending of market research with a plan to obtain a competitive advantage and develop a successful marketing mix

personal selling

face-to-face presentation and promotion of products or services by a hired salesperson to potential customers

promotion

a broad term for any form of informative, persuasive communication

product life cycle

the major stages of product development: introduction, growth, maturity, and saturation, followed by decline

publicity

commercial media coverage of the business or its products for which the business does not pay

TQM

total quality management, an organizational approach for improving product quality

target market

the specific portion of the total market toward which promotional efforts are focused

sales promotion

a catch-all description for a number of marketing techniques designed to influence customer purchasing

USP

unique selling position; what sets you apart from the competition and encourages the customer to buy from you

Road Map

Readings:	<ul style="list-style-type: none"> • Complete the readings for Lesson 5 listed in the course syllabus. • Read the online commentary for Lesson 5.
Assignments:	<ol style="list-style-type: none"> 1. Participate in Discussion Forum 5 (graded). 2. Complete the team project: Starting a New Business Advice Presentation.

Marketing as Part of a Business Plan (4 of 10)

Marketing as Part of a Business Plan

The second major component of the business plan is the marketing plan. By no means is this component second in importance. Having a well-thought-out and well-written marketing plan provides the same type of guidance and focus as the financial plan, except that it communicates the primary purpose of the business. **Marketing** is the function of business that focuses on the ultimate goal of moving products and services into the hands of the customer for a return or profit.

From the outset, the entrepreneur's idea or goal is to sell products or services to consumers. Marketing organizes decisions around this focus—the customer. It includes decisions about product design and development, packaging, pricing, distribution, and promotion—but all from the point of view of communicating value to the customer. Rarely do small business owners have the finances to support a large-scale marketing effort. However, by thinking creatively, entrepreneurs can create bootstrap marketing plans (also known as guerilla marketing plans) that are inexpensive and highly effective.

So what is a bootstrap marketing plan? The video below (eHow, 2008) explains this well.

Video 5.1. Tutorial: Guerilla Marketing Plan



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No transcript available.

Marketing Research (5 of 10)



Source: emojoez/iStock/Thinkstock

Marketing Research

The concept of a marketing strategy begins with the development of **market research**, which evaluates consumers to determine their needs and wants. This is the basis of the marketing plan—bringing all aspects of marketing together to satisfy, and, more importantly, exceed those needs and wants. Research into market areas identifies buying patterns, likes and dislikes, and other consumer demographics so that decisions can be made on how to target certain segments.

For any business in today's economy, marketing mistakes can be very costly. However, for the small business, with its limited resources, marketing errors can be devastating. Many small business owners

believe they know their markets inside and out, which they probably do from certain perspectives. Marketing research provides information from the consumer's point of view, which can provide new ideas and additional perspectives for how best to market a product and/or service.

Businesses cannot be everything to everyone, so they need to develop a strategy for focusing and targeting marketing efforts. There are not many places left in the world where a business is a sole provider of a product or service to a community. With the emergence and expansion of global competition, each and every business, whether large or small, has a need to differentiate itself and its products/services to corner the desired portion of the market. Market strategy is very important for developing this competitive edge. Businesses find greater need to focus on the customer, quality, convenience, innovation, service, satisfaction, and speed in order to gain this edge. The development and maintenance of personalized long-term relationships with customers is an advantage upon which small businesses must capitalize.

Promotion (6 of 10)

Promotion

Many small businesses believe that promotional activities are a simple extra to be considered and funded after all other business expenses are paid. Although it is absolutely necessary for the product or service to be produced with quality, appropriately priced, and distributed through channels that are convenient for the customer, the entrepreneur must also take the necessary actions to attract, inform, and persuade customers to purchase.

With the competition facing most businesses today, it is not realistic to open your business with good products or services and just sit back and reap the benefits. Entrepreneurs must be proactive in reaching and attracting potential customers and must establish a uniqueness about their product or service that separates them from their competition. This is accomplished using promotion and advertising as part of an overall marketing plan that is focused and cost effective.

Promotion is the fourth element of the marketing mix and is needed in combination with the other three (product, price, and placement) for the business to be successful. Many entrepreneurs waste their limited resources by not allocating enough funds to promotional activities or misusing the funds that are allocated. Promotion should be planned, just like the other aspects of running a business. Spending all of the promotion budget on giveaways, such as key chains and ballpoint pens, may not be the most effective use of the funds for attracting potential customers. Doing an advertising blitz on the radio once a year during a slow period may not result in the desired boost in sales.

Promotion efforts should be deliberately designed to target the portion of the market that needs and wants your products and services. This effort should be ongoing to continuously remind your target customers of the value that your business can provide. By keeping the potential customer in mind and using some creativity when planning the promotion, a small business entrepreneur can reach his or her potential customers even on a limited budget.

The video below (Deluxe Corporation, 2011) highlights a few promotional techniques used to help today's entrepreneur promote his/her new small business.

Video 5.2. Tutorial: Promotional Techniques

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The Promotion Mix (7 of 10)

The Promotional Mix

When planning the mix of promotional tools, the business must focus on the customer market it wishes to target. Different target groups require different mixes to be most effective and economical. For example, groups of consumers that are similar in their needs, wants, and beliefs can best be reached through advertising. Business groups and organizations are best reached through personal selling. To achieve an immediate short-term sales boost, coupons, discounts, or other sales-promotion techniques can be used. Publicity is a way to promote a good business or product image.



Source: cacaroot/iStock/Thinkstock

One of the most useful forms of promotion is **word of mouth** (WOM). If a customer is encouraged to speak positively to others about your business, you have benefited from free, sincere promotion. To motivate your customers to speak favorably, your business must provide good products and services and keep them happy by providing that extra bit of satisfaction or delight.

Of course, the reverse is also true: Failure to keep your customers happy can result in negative comments and dissatisfaction being spread through the consumer grapevine like wildfire. Today's grapevine is more far reaching than ever before due to social media sites, such as Facebook, Instagram, and Twitter—so much so that this is yet another area that a small business must monitor and address. [The Online Reputation Management Guide](http://outspokenmedia.com/orm-guide/) (<http://outspokenmedia.com/orm-guide/>) offers more specifics on how a small business might manage its online reputation.

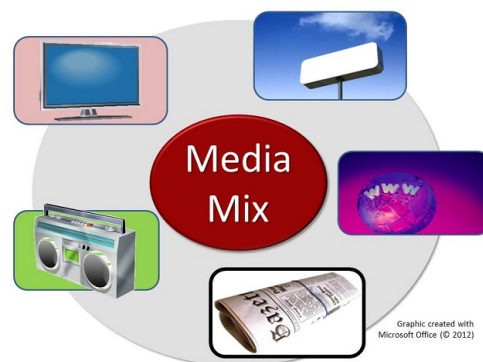
For this reason, all parts of the business should constantly focus on the customer. Remember that each and every interaction, whether via media, on the Internet, or in person with your employees, has a promotional impact on the business and must be used to its best advantage.

Advertising: One Part of Promotional Activities (8 of 10)

Advertising: One Part of Promotional Activities

One of the ways to inform potential customers is to advertise. Advertising and promotion have often been used interchangeably, but they are different. **Advertising** is just one of the pieces of the promotional mix. It is limited to the paid, non-personal messages communicated through various media.

Other promotional tools include personal selling, publicity, sales promotions, and even public relations and word-of-mouth customer communication. How the business chooses to mix and blend these various tools to persuade and inform potential customers constitutes **promotion**, a much broader concept than advertising. In summary, promotion should not be confused with advertising; it is used by the business to influence customers to purchase goods or services.



Source: The Pennsylvania State University

References (9 of 10)

References

Deluxe Corporation. (2011, February 17). Small business ideas: Tips for promoting your new business [Video file]. Retrieved from <https://www.youtube.com/watch?v=Xf3o2D54obE>

eHow. (2008, November 1). Marketing plans: How to develop a guerilla marketing plan [Video file]. Retrieved from <https://www.youtube.com/watch?v=KCC9Hrg1nxs>

Lesson Assignments (10 of 10)

Lesson 5 Assignments

Complete all the following tasks and readings by the due dates listed in the [course syllabus](#).

Discussion Forum

Following the [Discussion Forum Guidelines](#), participate in the following discussion forum topic. Your initial discussion post is due by Thursday at 6:00 p.m. (ET). Your responses to your classmates' initial posts are due by Sunday at 11:55 p.m. (ET), as outlined in the [course syllabus](#).

Discussion Forum 5: Sales Promotion (5 points)

Sales promotions are used to stimulate market demand to increase the traffic in a business. Describe and discuss two sales promotions that you would use in your own business. Create one original post for this discussion and respond to two of the posts from other students. Please post your responses to [Discussion Forum 5: Sales Promotion](https://cms.psu.edu/section/content/default.asp?WCI=Goto&WCU=CRSCNT&MATCH=Discussion+Forum+5:+Sales+Promotion) (https://cms.psu.edu/section/content/default.asp?WCI=Goto&WCU=CRSCNT&MATCH=Discussion+Forum+5:+Sales+Promotion) .



Team Project: Submit New Business Advice Presentation

Based on your collective experiences with the small business narrative interview assignment, your team should meet virtually to plan your presentation on offering advice to someone starting a new business. Use the [New Business Advice Presentation Rubric](#) to guide you as you develop the presentation. Remember that you will share a Collaborate recording of your presentation with the rest of the class.

This assignment is worth 10% of your grade. Your team leader should post the link to the Collaborate recording to [Discussion Forum 6: Team Presentation Link](https://cms.psu.edu/section/content/default.asp?WCI=Goto&WCU=CRSCNT&MATCH=Discussion+Forum+6:+Team+Presentation+Link) (https://cms.psu.edu/section/content/default.asp?WCI=Goto&WCU=CRSCNT&MATCH=Discussion+Forum+6:+Team+Presentation+Link) . All students are to then view each team's presentation and add constructive comments and reflections.

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