

Small Business Marketing Research & Plan for Veterans

Do Not Skip This Brief

Print this brief and read it with a pen or pencil in hand to take notes on it. Do this now.

This brief will orient you. Just like a food recipe you are meant to read this brief and *use it*. As with the Business Plan, use your military experience in planning (a convoy, training evolutions, a patrol, block of training, artillery fire plan, *whatever*) to do market research and make a marketing plan. Adapt what you know, the five-paragraph op order.

1. Situation
2. Mission
3. Execution
4. Support (or sustainment, or admin/logistics)
5. Command & Signal

What is market research? (Situation: What is happening now in your market?)

Market research is the gathering of any information necessary for you to sell something to a customer. In military terms, you must gather intelligence on your AO (your market).

- Who is the customer?
- Where and how do they buy?
- Why do they buy?
- What are they buying now?
- Who is selling to them now?
- How much are they selling?
- For what price are your competitors selling?

The SCORE Marketing Cookbook has useful links for beginning your market research. You can find it [here](#). Chapter 1 has good suggestions for starting your research.

What is marketing?

Marketing is the action of promoting products or services, including market research and advertising.

What is a marketing plan? (Execution)

A marketing plan is a specific, concrete, and well-defined series of actions **you** do to

1. Find your customers, and
2. Drive, push, or pull them to your business, and
3. Get them to *buy* something once they come to your location or website.

“If I build it, they will come” is NOT a marketing plan.

A Facebook page is NOT a marketing plan.

A fancy website is NOT a marketing plan.

Word-of-mouth is NOT a marketing plan.

Websites and social media can be *part* of your plan. But they are not the *entire* plan.

Why is a marketing plan necessary and how will it serve you?

If you are seeking financing, either a loan or investors, the **only** thing that matters to them is “how will this person pay me back?” or “How much return on investment (ROI) will I make?”

If you cannot convince lenders or investors that you can make money, then you will not get financing. Period.

What are the Four P's?

The Four P's are Product, Place, Price, and Promotion. You must define these for your business. The questions above are the beginning of that. Your market research will help you define these for your business.

- **PRODUCT (or SERVICE)**
 - What are you selling?
 - How will you package it?
- **PLACE:** Where will you sell it?
- **PRICE:** For how much will you sell your product?
 - Do your competitors sell for similar prices?
 - Is your customer price-sensitive? Will they pay more if they perceive you to have better quality?
- **PROMOTION:** How will you promote your product? This will be covered below in Step 4, Execution.

Step 1: SITUATION (a) - Review your AO (the Market and Competitors)

Introductory Section

You must answer two related basic questions:

- Does the market want or value your service or product? Why?
- What is your **Unique Selling Proposition**? Your USP is the reason that will make someone buy *your* product or service *instead* of a competitor's product or service.

If you can't answer these questions, then you are not ready to make a marketing plan. If you can, then continue writing the introductory section.

- A succinct description of your business (either here or elsewhere in your business plan) - What products or services do you offer?
- A description of your market or business environment:
 - Are there segments of your target market that are underserved?
 - Will your product or service fill that void? Describe how you will fill this void.
 - Is there enough money to be made with your product or service in your target market?
- Does your business benefit from any distinct marketing advantages?
 - Is your product or service already well known?
 - Do you have high customer loyalty?
 - Do the local trade organizations endorse your product?
- The marketing challenges you face:
 - Do you lack brand recognition?

- Budget limitations?
- The current location of your competition:
 - Does the competition within this market leave room for you to be competitive?
 - Is your geographic location a positive or a negative?

You must address **every** question that applies to your specific business.

Step 2: SITUATION (b) - Overview of Your Target Customer

Your plan must contain some information about your customers (either existing customers or prospective customers). Many first-time entrepreneurs think “everyone!” is a potential customer. That is false and believing everyone wants what you sell is a fast way to fail. Your overview should examine:

- Who are they?
- What do they want?
- What motivates them to buy?

Here, you can include a simple list of information about your customer, some basic demographic info and some more detailed information as it relates to your product, such as:

- Age
- Gender
- How does my customer normally purchase similar products?
- Who is the decision maker or primary buyer?
- What is your target customer’s motivation for buying (do they want to look good, learn to save money, increase health, etc.)?
- Where do your customers get their information (magazines, trade shows, newspapers, the web, etc.)?
- Do you have a niche that you are trying to target or appeal to?
- Are there any unifying criteria (your customers are all attorneys, accountants, hair dressers, gun owners, etc.)?
- Any specifics (i.e., only estate attorneys or stay-at-home moms or military spouses)?

Address every question.

Step 3: MISSION - Your Business Goals

This is discussed in the Startup Business Plan Template.

Step 4: EXECUTION – The marketing message and tactics

Market, Message, and Medium

You must use the correct blend of **market, message, and medium**. For instance, if you wish to market your Yoga Studio to competitive triathletes, you wouldn’t place an ad in a magazine for senior citizens.

- **Market** – To whom are you selling?
- **Message** – What are you saying to them?
- **Medium** – As in “the media” (television, radio, newspapers, magazines). How and where are you saying your message? For example, trade shows, direct mail, newspaper ads, etc.

Your marketing message determines how you want to communicate your message to the customer. What story about your business do you want to tell? What *features* does your product or service have and what are the *benefits*?

- **Features** – Measurable objective facts about your product.
Example: Thor Gym has padded rubber floors, Olympic weights, 1.5” climbing ropes with forty-foot

ceilings, and five-foot diameter truck tires.

- **Benefits** – What those features do for me as the customer.
- The rubber floors ensure I don't slip when I am deadlifting.
- The Olympic weights allow me to train at high intensity without damaging the equipment.
- The forty-foot ropes allow me to develop high grip strength and climbing endurance.
- The truck tire allows me to develop complex functional strength as I flip it across the lot.

Got the picture?

Differentiating features and benefits is easier for products than for services. Nevertheless you must try to do it.

Tactics

Your tactics are the methods that you will use to inform your customer about your business and your products. Your tactical plan will include all the steps you need to take to meet your goals.

- Are you planning to advertise in a particular way?
- Will you be attending trade shows?
- Do you plan to offer a special promotion?

Your tactics need to be explicitly described, with dates and actions associated with them, and what tools you'll use to reach your customer. We repeat this because it's important.

Your tactics must be explicitly described with dates and actions.

Examples:

- In the first two quarters we will attend two trade shows on date X and date Y.
- In the first year we will advertise in the local newspapers with a combined circulation of at least X thousand readers.
- In the first two quarters we will send direct mail advertising to X many Zip codes within twenty miles of our location.

Some of the tools you may choose to use are:

- | | | |
|---------------------|----------------------|------------------|
| • Flyers | • Newspaper ads | • Charity events |
| • Brochures | • Television ads | • Networking |
| • Business cards | • Infomercials | • Contests |
| • Gift certificates | • Radio ads | • Seminars |
| • Catalogs | • Magazine ads | • Sweepstakes |
| • Posters | • Movie ads | • Special events |
| • Postcards | • Articles | • Agents |
| • Door hangers | • Sales letters | • Classified ads |
| • Newsletters | • Media releases | • Yellow pages |
| • Banners | • Trade shows | • Door-to-door |
| • Signs | • Public speaking | • Website |
| • Window display | • Social Media | • Email |
| • Billboards | • Online Advertising | |

Step 5: SUPPORT OR SUSTAINMENT (Admin/Logistics) - Your Budget

This section includes any estimated expenses for the creation, development and distribution of your materials.

- Estimated purchase cost of raw materials, printing and postage.

- Travel costs, booth fees, setup costs plus any other particular expenses (e.g. for trade shows).

You develop a marketing budget initially by calculating your initial marketing expenses. Once you have that information down on paper, you can go back and either do more research or add more details to further refine your calculations.

Use your initial sales projections to estimate the cost of acquiring new customers. .

Estimate Your Cost of Acquiring Each New Customer, example calculation

This is only an example. The numbers for your business will be different. You *must* understand your costs.

1. Distribute 5000 postcards (quantity of promotional method) by direct mail (the medium).
2. At a total cost of \$1500.
3. Acquire 20 new customers as a result. (2% response rate = 100 responses. Suppose 20 sales from this.)
4. Divide the money spent by the number of new customers: \$5000 divided by 20 = \$250.
5. By using this media message to reach this target market, the cost to acquire 1 new customer is: \$250.
6. To get 50 (goal) customers the budget must be:
50 (number of customers) x \$ 250 (cost per customer) = \$12,500.

After you have an estimate of the cost to sell an item or acquire a customer, you'll have a good understanding of how much money you should budget to increase your sales and meet your sales goals.

Your plan should never be set in stone. If you make changes to a tactic you can always update your marketing plan to reflect those changes.

A well-made, well-researched plan will ensure you do not waste effort on fruitless work.

Step 6: SITUATION (a) Friendly Forces, and COMMAND & SIGNAL - Your Resources

Determine who on your team will handle your planned marketing efforts.

- Person A will do X by day Y.
- Person B will do U by day V.
- Person C will do S by day T.

In the beginning you might be A, B, and C. You might be doing it all yourself.

Below are some additional tools available from SCORE (Service Core of Retired Executives) on the web. The links will take you directly to the page on the SCORE web site where you can download them.

- [Marketing Calendar Template](#)
- [Product and Service Description Worksheet](#)
- [Target Market Data Worksheet](#)
- [Target Market Comparison Worksheet](#)
- [Competitive Data Collection Plan](#)
- [Competitive Analysis Worksheet](#)
- [Brand Message Worksheet](#)
- [Pricing Strategy Worksheet](#)
- [Marketing Expenses Strategy Chart](#)