

# ASBTDC

ARKANSAS SMALL BUSINESS AND  
TECHNOLOGY DEVELOPMENT CENTER

## Marketing for Small Businesses

Marketing is critical to the success of any small business. In some instances, effective marketing is vital to the survival of a small business. In all instances, good marketing is essential for any small business to achieve its full potential. It is easy to think of marketing as merely placing ads, however, marketing is broader than just advertising. Marketing involves all of the ways in which you communicate with customers. Essentially, marketing is presenting a message to customers and influencing customer perceptions. In fact, you are marketing whether you realize it or not. The question is: Are you communicating the right message?

Small businesses must take a more creative and coordinated approach to marketing since limited budgets don't permit spending large amounts on national TV commercials, aggressive ad campaigns, etc. In addition, most small businesses don't have excess resources to waste on ineffective marketing. Therefore, small business owners must work to understand their customers, their business, and its strengths in order to craft an effective marketing strategy.

### Why is marketing important?

All businesses need customers, and marketing involves communicating with customers. It is the process by which a business attracts customers and generates sales. Marketing involves many aspects of your business and is fundamental to retaining current customers and gaining exposure to new ones. It is important to understand that everything you do in your business relates to marketing.

### How do you market your small business to the "right" customer?

Knowing the customer is the foundation to all successful marketing efforts. Consider the customers you are trying to reach. You should be able to describe your "typical" target customer in terms of demographics (age, gender, income, location, etc.). In addition, it is important to understand what motivates them. Consider the following questions: Why would they need or desire your product or service? How do they make purchasing decisions? What are the factors that contribute to their purchasing decisions (price, quality, service, convenience, etc.)? What are their other options for meeting that need? Keep in mind that it is possible that your business may have more than one target customer group (or segment). If this is the case, it is important to develop a description of each segment since the needs and motivations of each group may vary.

Some information about your customer group(s) can be obtained by conducting market research. Market research is intended to help you find your customers, identify what products and/or services they need, and determine the best ways to sell them your product or service. The process of conducting market research means collecting information about potential customers, industry trends, and competitors. Market research can be time

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intensive, but it is a critical addition to your business or marketing plan. The ASBTDC can provide you with guidance throughout the market research process.

Once you have identified your target customer group(s), you can then begin to craft a message and marketing strategy that will effectively reach them. When developing your message, consider issues such as the benefits of purchasing your product or service as well as the advantages relative to the competition. Consider your strengths and market them. Keep in mind that customers have choices and they must have a reason to choose your business over the competition. Since customers respond differently to various marketing tactics, the message and the way it is communicated should be tailored to your target audience.

## **Where can you market your small business?**

Aside from the common marketing/advertising techniques (radio, TV, newspaper), there are effective techniques that often work well for a small business's limited marketing budget. Due to limited resources, a small business must think outside the traditional techniques and be creative. Successful marketing isn't always about how much money you spend; the key is to develop targeted strategies that generate customer interest. The following list of techniques is just a start for creative marketing ideas.

Referral Programs	Local Magazines
Brochures	Promotional Activities
Direct Mail	Sponsorships
Newsletter	Direct Contact with Potential Customers
Recognizable Slogan/Logo	Community Events
Television	Word of Mouth
Billboards	Business Card Placement
Excellent Customer Service for repeat business	Newspaper
Printed pens, refrigerator magnets, calendars	Trade Shows
Yellow Pages	Radio
Signage (Outside your Storefront)	Internet
Press Releases	Flyers
eNewsletters	Speaking Engagements

## **Is it necessary to create a "marketing plan"?**

Effective marketing doesn't happen by accident. Developing a coordinated, targeted, and systematic approach to marketing requires planning. A marketing plan can be formal or informal. A formal plan is one which can be used to communicate with potential lenders, employees, or other stakeholders. It could also be part of an overall business plan. A less formal plan could be used by the business owner for internal planning purposes. Whichever format your plan takes, it should include a written timeline identifying planned marketing activities. It should also go hand in hand with your business objectives and financial resources. For example, you cannot purchase an ad on television if you do not have adequate funds, nor would it be effective to advertise using that method if your target customer group spent little time watching television. Therefore, it is recommended that you create a marketing plan specifically tailored toward your customers, business objectives, and financial resources.

A marketing plan is important because the marketing process is ongoing. You cannot expect to market your business one time and achieve superior results. Your marketing

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efforts must be spread throughout each year. Additionally, you might not see immediate results from your marketing activities. For example, marketing in June may not produce higher sales until July or August. Additionally, the absence of marketing one month might not be felt in the business immediately but may result in lower sales the next month. When marketing activities are coordinated, those activities can have more impact on your targeted groups and the marketing budget can be used more efficiently.

## Are you avoiding the common marketing pitfalls?

Many business owners find that the results of their marketing efforts fall short of expectations. To minimize this possibility, it is important to avoid common marketing mistakes. Consider the following pitfalls:

**Communicating an Inconsistent Message:** Since marketing is about communicating with customers, avoid sending mixed messages about your business. For example, trying to promote an image of high quality through marketing materials and paid advertisements but allowing the business location or business to be dirty or cluttered may influence customer perceptions more than costly promotional activities.

**Haphazard Marketing (Hit or Miss):** Marketing on a sporadic basis does not produce good results. For marketing to be effective, it must be a continual and coordinated process. While marketing efforts may increase during certain times of the year due to the seasonality of a business, it should never stop completely.

**Basing Marketing Decisions on Advice from Sales Reps:** While ad sales reps may have valuable information to share, they are typically trying to push one form of paid advertising (i.e. radio ads, yellow page ads, magazine ads, etc.). As a business owner, you should be the expert in your customers and have developed a comprehensive marketing strategy that likely includes many different marketing tactics. It is usually best to avoid spending your entire budget on one type of ad.

**Underestimating Marketing Costs:** Once you've determined your planned marketing activities, you should determine the anticipated costs of those activities. Many business owners find that marketing and advertising are more costly than originally anticipated.

**Not Tailoring Your Marketing to Your Customers:** In order for marketing efforts to be effective, the marketing plan must be tailored to the audience. The foundation for developing effective marketing strategies is to thoroughly understand your customers. Marketing without keeping your target audience in mind will not have the desired impact.

**Assuming that Your Business is the Best. Therefore, Marketing is Unnecessary:** Many business owners erroneously assume that customers will automatically patronize their business because it is the "best". Attracting customers is never easy. Marketing is always necessary. For new businesses, it takes time to create awareness and bring in new customers. Existing businesses must constantly work to satisfy customers, attract new customers, and remain relevant in a changing marketplace.

**Relying Solely on Paid Advertisements:** For a small business owner, relying solely on placing paid advertisements is typically ineffective due to budgetary

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constraints. Since marketing is more than just placing ads, it is important to develop creative and cost effective ways to target your customer. This may include a combination of paid advertisements and other less costly tactics such as networking and/or direct communication with potential customers.

**Neglecting to Track Marketing Efforts:** It is important to track your marketing efforts when possible in order to see what techniques are working and which ones are not. This will allow you to make adjustments to your strategies. As you learn which techniques work well, adjust your marketing plan accordingly.

**Inadequate Time Devoted to Marketing Activities:** Not only does marketing require financial resources, it requires time. Devoting regularly scheduled time to marketing activities is often difficult for a small business owner who must wear various hats within the business. However, marketing is critical to business success, so it is important to take a disciplined approach and regularly schedule time for marketing, even when business is going well.

**Expecting Immediate Results from Marketing Efforts:** Marketing is a long term process. You will not always see immediate results from marketing efforts. Therefore, it is critical to market on a continual basis.

## Conclusion

Marketing is a very broad concept which involves influencing customer perceptions about your business. Customers' perceptions are influenced by planned promotional activities (ads, networking, brochures, direct mail, etc.). They are also influenced by other factors. Examples include the atmosphere in the business, cleanliness of the restroom, interactions with employees, hours of operation, the ease of web site navigation, post-purchase satisfaction or dissatisfaction, etc. All of these things can work together with your planned promotional efforts or can work to derail those efforts. Therefore, when developing and implementing a marketing strategy, it is important to address a wide range of issues.

Customer perceptions of your business, whether accurate or inaccurate, influence a customer's comfort level and trust in your business. Business owners who are successful marketers understand that marketing is about knowing and understanding the needs of the customer. Developing a coordinated and targeted marketing strategy provides the best opportunity for success.

The Arkansas Small Business and Technology Development Center offers training seminars on marketing, small business planning, social media and various other topics.

For more information contact Cass Capen-Housley at 479-356-2077.

Check out the ASBTDC on Facebook: [atu/asbt/dc](https://www.facebook.com/atu/asbt/dc)

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