

SESSION 9: PLACEMENT AND PROMOTION

SPICE IT UP!

Placement Strategies

Simply put, placement is how you deliver your product to your customer.

The **location** of your business should be compatible with your goals and strategies. The importance of the physical location depends on what kinds of products you provide, what kind and amount of space you need, and what effect the location has on reaching your target market.

Distribution is the process of moving a product from the manufacturer to the end user. The length of your distribution chain depends on where you're positioned within it. For example, if you're a retailer, you want to be positioned very near your end user. That means you want to be near populated areas, or places where your end-user gathers (e.g., downtown business areas, malls, and so on).

If you're a manufacturer located in New Mexico, and you use wholesalers and distributors to reach end users in New York, your distribution chain is very long. The goal for most businesses is to achieve the shortest and least complicated distribution chain at the most reasonable cost. For a manufacturer, location near transportation hubs may be critical, so that products change hands a minimum number of times before reaching the wholesaler or end user. If you're a service provider, perhaps the only real location issue is the availability of transportation to get you to the job site, or having the right base location for your business.

Location Worksheet

1. Describe the difference between placement and distribution.

2. Discuss the physical location of your business. What makes this a good or bad location for your business?

Placement Strategies—continued

3. **How will you deliver your products?** Be sure to discuss transportation costs related to your position in the distribution chain.

4. **What other challenges does this location present?**

Distribution Worksheet

Consider such options as selling direct; using sales reps, brokers, or agents; or selling online. Always be on the lookout for low-cost, nontraditional distribution options that don't require you to hire anyone. The following worksheet will help you sort out your distribution and selling options.

Distribution or Selling Strategy	Advantages	Limitations	Associated Costs
Selling Direct			
To Wholesalers			
To Retailers			
To The Customer			
Using Intermediaries			
Using Sales Reps			
Using Agents or Brokers			
Other Distribution Strategies			
Consignment sales			
Mail order			
Classified ads			
Internet			
Other:			

- 3. Explain how your placement strategy fits in with the other parts of the marketing mix. Why is it right for the product? How will it affect pricing and promotion?**

Promotional Strategies Worksheet

Promotion is everything you do to let people know that your product exists. Promotional strategies are built around advertising, public relations, networking, and other promotional tools discussed in this session. We'll start with some general promotional possibilities for your business. Then, we'll research specific advertising tools, and develop other promotional strategies.

Your Business:		Example: Small Restaurant	
Who is the target customer group (basic description)			
		Busy, working people	
What are the characteristics and needs of this group?			
		About 60% women, 40% men	
		Average income is \$25,000/year	
		They only have an hour for lunch	
		They work near the university	
		They're surrounded by fast food	
How will you satisfy their needs?			
		They need lunch for \$4 to \$8	
		They need fast service	
		They need to stay near the university	
What promotional methods can you use?			
		Signs on the outside of my building and by the road (they drive by on the way to work)	
		Radio ads during drive time (morning) and just before lunch (10:30 a.m. to 1:00 p.m.)	
		Weekly business card drawing for free lunch (to get repeat business)	
		Flyers at surrounding businesses and at the university (if they will allow)	
What features and benefits will you promote to attract customers?			
Features	Benefits	Features Healthy \$3.99 lunch special Served within 7 minutes Near university Made to order	Benefits Cheap, healthy food Customer won't be late Saves time Healthier than fast food

Promotional Tools Worksheet

Now that you've started thinking about how to promote your business, it's time to think about which tools you might want to use, and which you can afford! Use the *Promotional Tools Worksheet* to keep track of your research, and to help you decide which tools best fit your needs and your budget.

Tool	I want to use	Pros and cons	Things I need to re-search about this tool	Costs
Word of mouth	NA	Positive is very good, negative is very bad!	How to encourage the positive, and minimize the negative	Customer service training
Business cards				
Newspaper Ads				
Classified Ads				
Thrifty Shopper				
Magazines				
Direct Mail				
Brochures				
Flyers				
Yellow Pages				
Radio				
Network TV				
Cable TV				
Specialty Advertising (Caps, pens, etc.)				
Telemarketing				
Trade Shows				
Internet				
Other:				

Advertising Strategies Worksheet

Here are some basic considerations when choosing your advertising medium:

Quality. Does this medium reach target customers, and do they pay attention to it?

Cost. How much does it cost (per time used, or per contract) compared to other media?

Effectiveness. Does it increase customer traffic and sales?

Now let's try answering some questions about your advertising decisions.

1. What advertising tools do you plan to use? Explain why you chose these tools.

2. How will you track the effectiveness of these tools?

3. What does your industry research say you should be spending on advertising expenses per month or per year (what % of gross sales)? You'll need this information later, to build your advertising budget and see if the tools you choose fit with your budget.

4. After you've been in business for a year or two, are there other advertising tools you think you might want to use? Which ones, and why?

5. Explain what other low-cost or no-cost promotional tools you might use, and why.

Public Relations and Networking Strategies Worksheet

Public relations and networking are a great way to promote positive word of mouth about you and your business. Community involvement, sponsoring charitable events, and keeping the public informed about your business are all public relations activities that can improve your relationship with customers and the community.

Public relations is not something that just happens. It's a planned effort to influence public opinion through honest, unpaid publicity efforts. Your creativity is all that limits your public relations possibilities! Some common events around which you can build public relations opportunities include:

- Company anniversary
- New employee hired
- Employee promotion
- Change of location
- Introduction of new products
- Change of ownership
- Awards received
- Event sponsored
- Charitable activities
- Human interest stories

Once you choose an event, you can issue press releases, call the media, create brochures or other advertising tools, and talk about the activities in public. Here are a few low-cost or no-cost activities that can help promote public relations events:

- Community education seminars
- TV or radio talk shows
- Community bulletin boards
- Enclosures in monthly statements
- Sponsorship of community athletic events
- Meeting presentations
- Briefings with news editors
- Participation in fundraising events
- Articles in magazines/journals
- Displays

1. **List three possible public relations activities for your business. How can you make these activities newsworthy?** (For example, could a press release get you an interview on local radio/TV and enhance your exposure to the community?)

Public Relations and Networking Strategies Worksheet—continued

2. **What service or community clubs in your community offer good networking opportunities?**
(List the service organization or club name, and key contact person. Also explain why you chose these clubs.)

3. **How will you decide which charitable organizations to donate to and how much time or money to donate? Is this part of your networking strategy? Why?**

4. **Choose a public relations activity from the list on the previous page.**

Public relations activity for my business: _____

Now write a short press release to give to the media about the activity. Make sure it tells people “Who, What, When, Where, Why, and How.”

Press Release for _____ (your business)

Contact: _____ (your name)

For Immediate Release

(Your phone number) (____) _____

Today's Date _____

Your Worksheets Assignment Due for Session 10



Complete and review the worksheets before trying to write the business plan section. Be sure to take another look at the following:

- *Distribution Strategies Worksheet* (review or finish)
- *Promotional Tools Worksheet* (research costs and complete the columns)

You should review all answers to the other worksheet questions before starting the writing assignment. Write down any questions you have, so we can discuss them at the start of Session 10.

Writing Your Business Plan



Use the information you've gathered, and the worksheets in this session, to write the following sections of your business plan. Follow the headings and subheadings just as they are shown.

Section V. The Marketing Plan

C. Marketing Strategies

Placement Strategies

*Review the **Location and Distribution Worksheets**. Discuss the location of your business, the costs of transporting your product to the customer, and what makes your location good or not so good for your business.*

Then, discuss the distribution strategies you've chosen. Explain why you picked these strategies, how they fit with the other elements of the marketing mix, and how they will get your products to your customers.

Promotional Strategies

Advertising

Describe the advertising tools you'll use, and why you chose them. State the size of your advertising budget, and how you determined it. Explain how you plan to measure the effectiveness of the tools you chose. If you have specific advertising events in mind for the first year, explain them.

Public Relations and Networking

Discuss how public relations and networking will help your business. Explain the public relations events you will plan. Then, discuss your plans for community involvement and networking (clubs or organizations you may seek membership in, or participation in club/organization events).

Other Promotional Tools

*Look back at Question 5 under the **Advertising Strategies Worksheet**. What other promotional tools might you use besides advertising and public relations? You're limited only by your imagination, so get creative! Explain why you think these promotional ideas would be good for your business.*

