Building a Guerrilla Marketing Plan

Marketing

- The process of creating and delivering desired goods and services to customers and involves all of the activities associated with winning and retaining loyal customers
- "Secrets"
  - Understand target customers' needs, demands, and wants before competitors can
  - Offer them products and services to satisfy those needs, demands, and wants
  - Provide customers with quality, service, convenience, and value so they will keep coming back

A Winning Marketing Strategy

Three vital resources:

- People - the most important ingredient in a successful marketing strategy
- Information - the fuel that feeds the marketing engine; without it, the marketing engine sputters and stops
- Technology - a powerful marketing weapon, but what matters most is how a company integrates technology into its overall marketing strategy
A Guerrilla Marketing Plan

- Unconventional, low-cost, creative techniques that allow a company to wring a big "bang" from its marketing bucks
- Example: Jones Soda
  http://www.jonessoda.com/

Four Objectives of a Guerrilla Marketing Plan

- Pinpoint the target markets a company will serve
- Determine customer needs, wants, and characteristics through market research
- Analyze a company's competitive advantages and build a marketing strategy around them
- Create a marketing mix that meets customer needs and wants

Pinpointing the Target Market

- First step: Identify the company's target market, the group of customers at whom the company aims its products or services
- An effective marketing program depends on a clear, concise definition of the firm's targeted customers, not a "one-size-fits-all approach"
Chapter 7: Guerrilla Marketing Plan

Pinpointing the Target Market

- Key: Understanding target customers’ unique needs, wants, and preferences
- Opportunity: Increasing populations of multicultural customers
- Target customer must permeate the entire business

Market Research

Market research - the vehicle for gathering the information that serves as the foundation for the marketing plan.

How to Conduct Market Research:

- Define the objective
- Collect the data

Collect the Data

- Individualized (one-to-one) marketing - a system of gathering data on individual customers and then developing a marketing plan designed specifically to appeal to their needs, tastes, and preferences
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How to Become an Effective One-to-One Marketer

Identify your best customers, never passing up the opportunity to get their names.

Collect information on these customers, linking their identities to their transactions.

Calculate the long-term value of customers so you know which ones are most desirable (and most profitable).

Know what your customers’ buying cycle is and time your marketing efforts to coincide with it - “just-in-time marketing.”

Enhance your products and services by giving customers information about them and how to use them.

See customer complaints for what they are - a chance to improve service and quality. Encourage complaints and fix them.

Make sure your company’s product and service quality will astonish your customers.

Collect the Data - continued

Much valuable information about customers is already hidden inside companies; the key is mining it!

Collect the Data

Data Mining

A process in which computer software that uses statistical analysis, database technology, and artificial intelligence finds hidden patterns, trends, and connections in data so business owners can make better marketing decisions and predictions about customers’ behavior.

Example: Henry Singer Fashion Group
Market Research

Market research is the vehicle for gathering the information that serves as the foundation for the marketing plan.

How to Conduct Market Research:
- Define the objective
- Collect the data
- Analyze and interpret the data
- Put the information to work

Relationship Marketing

Involves developing, maintaining, and managing long-term relationships with customers so that they will keep coming back to make repeat purchases.

Steps:
- Build database of customer information
- Identify best and most profitable customers
- Develop lasting relationships with these customers
- Attract more customers like them

FISH! Principles

1. FISH Principle 1. Choose your attitude
2. FISH Principle 2. Play
3. FISH Principle 3. Make their day
4. FISH Principle 4. Be present
Guerrilla Marketing Principles

- Find a niche and fill it
- Don't just sell; entertain - "entertailing"
- Connect with customers on an emotional level
- Build a consistent branding strategy
- Strive to be unique

Guerrilla Marketing Principles (continued)

Focus on the Customer

- Average American companies lose about 50% of its customer base every five years
- 94% of dissatisfied customers never complain about rude or discourteous service, but...

Focus on the Customer (continued)

- 91% will not buy from that business again
- 31% will tell others about their negative experience
- 48% have avoided a store because of someone else's negative experience with it
Focus on the Customer (continued)

- Customers are 5x more likely to leave because of poor service than for quality or price
- The typical business loses 1/3 of its customers each year
- A retention of just 5% more customers would raise profits 25%

Guerrilla Marketing Principles (continued)

Retain Existing Customers

- Because 20% of a typical company's customers account for about 80% of its sales, no business can afford to alienate its best and most profitable customers and survive!
- Replacing lost customers is expensive; it costs 7 to 9 times as much to attract a new customer as it does to sell to an existing one!

Retain Existing Customers (continued)

- About 70% of a company's sales come from existing customers
- Allowing shoppers to customize their products has the power to increase customer retention, satisfaction, and profits
How to Focus on the Customer

- When you create a dissatisfied customer, fix the problem fast
- Encourage customer complaints
- Ask employees for feedback on improving customer service
- Get total commitment to superior customer service from top managers - and allocate resources appropriately

How to Focus on the Customer (Continued)

- Allow managers to wait on customers occasionally
- Develop a service theme that communicates your attitude toward customers
- Reward employees “caught” providing exceptional service to customers
- Carefully select and train everyone who will deal with customers

Guerrilla Marketing Principles (continued)

- Start a blog
- Use social networks
- Devotion to quality
Devotion to Quality

- World-class companies treat quality as a strategic objective, an integral part of the company culture.
- Total Quality Management (TQM) - quality not just in the product or service itself, but in every aspect of the business and its relationship with the customer and continuous improvement in the quality delivered to customers.

The Quality DMAIC Process

1. Define: Define the problem.
2. Measure: Measure important outcomes.
3. Analyze: Use statistical tools to find causes of quality problems.
4. Improve: Make changes to the process and measure improvements.
5. Control: Sustain quality improvements.


How Do Americans Define “Quality?”

- Reliability (average time between breakdowns)
- Durability (how long an item lasts)
- Ease of use
- Known or trusted brand name
- Low price

World-class companies treat quality as a strategic objective, an integral part of the company culture.
Quality Guidelines
- Build quality into the process; don't rely on inspection to obtain quality
- Emphasize simplicity in design
- Foster teamwork
- Establish long-term ties with select suppliers
- Provide managers and employees with the training needed to produce quality
- Empower workers at all levels of the organization

Quality Guidelines (Continued)
- Get managers’ commitment to the quality philosophy
- Rethink the processes the company uses now. Is there a better way?
- Reward employees for quality work
- Develop a company-wide strategy for continuous improvement of product and service quality

Guerrilla Marketing Principles (continued)
- Attention to convenience
- Concentration on Innovation
- Dedication to Service and Customer Satisfaction
- Emphasis on Speed
**Attention to Convenience**

- Is your business conveniently located near customers?
- Are your business hours suitable to your customers?
- Would customers appreciate pickup and delivery services?
- Does your company make it easy for customers to buy on credit or with credit cards?

**Attention to Convenience**

- Are you using technology to enhance customer convenience?
- Are your employees trained to handle business transactions quickly, efficiently, and politely?
- Do your employees use common courtesy when dealing with customers?

**Attention to Convenience**

- Does your company offer “extras” to make customers’ lives easier?
- Can you adapt existing products to make them more convenient for customers?
- Does your company handle telephone calls well?
Concentration on Innovation

- Innovation - the key to future success
- Innovation - one of the greatest strengths of the entrepreneur, showing up in the new products, techniques, and unusual approaches they introduce

Concentration on Innovation

- Product Development and Management Association Study of top performing companies across 400 industries: New products accounted for 49% of profits, more than twice as much as their less innovative competitors

Stimulating Innovation

- Make innovation a priority in the company
- Measure the company's innovative ability
- Set goals and objectives for innovation
- Encourage new product or service ideas among employees
- Listen to customers
- Always be on the lookout for new product and service ideas
- Keep a steady stream of new products and services coming
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**Guerrilla Marketing Principles**

- Attention to convenience
- Concentration on innovation
- Dedication to service and customer satisfaction

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**Dedication to Service**

**Goal:** to achieve customer astonishment!

**How can you improve your service?**

- Listen to customers
- Define “superior service”
- Set standards and measure performance
- Examine your company’s service cycle
- Hire the right employees

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**Dedication to Service**

- Train employees to deliver superior service
- Empower employees to offer superior service
- Use technology to provide improved service
- Reward superior service
- Get top managers’ support
- Give customers an unexpected surprise
Guerrilla Marketing Principles

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- Emphasis on speed

Emphasis on Speed

Three aspects of TCM - Time Compression Management:
1. Speeding new products to market
2. Shortening customer response time in manufacturing and delivery
3. Reducing the administrative time required to fill an order

Companies using TCM have discovered that manufacturing takes only 5% - 10% of total lead time

- Re-engineer the process rather than try to do the same things - only faster
- Study every phase of the business process, looking for ways to shorten it
- Create cross-functional teams of workers and empower them to attack and solve problems
- Share information and ideas across the company
- Set aggressive goals for production and stick to the schedule
- Instill speed in the company culture
- Use technology to find shortcuts wherever possible
Chapter 7: Guerrilla Marketing Plan

Marketing on the World Wide Web

- With an attractive Web site, even the smallest companies can market their products and services around the globe
- The Web can be the “Great Equalizer” in a small company’s marketing strategy

Marketing on the World Wide Web

- 2010: E-commerce accounts for 13% of total retail sales
- Do it right!
  - Empirix study: 20% of online shoppers say that a negative online experience caused them to stop doing business – both online and offline – with a company

Marketing on the World Wide Web

Well-designed Web sites include:
- Interactive features that allow customers to access information about a company.
- Its products and services.
- Its history.
- Question-and-answer sessions with experts.
- Ability to conduct e-mail or on-line conversations with company officials.
The Marketing Mix

- Product
- Place
- Price
- Promotion

Stages in the Product Life Cycle

- Introductory stage
- Growth and acceptance stage
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Stages in the Product Life Cycle

- Introductory stage
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- Maturity and competition stage
- Market saturation stage

Stages in the Product Life Cycle

- Introductory stage
- Growth and acceptance stage
- Maturity and competition stage
- Market saturation stage
- Product decline stage
Chapter 7: Guerrilla Marketing Plan

Channels of Distribution
Consumer Goods

Channels of Distribution
Industrial Goods