

Small Business Management ^{19e}

LAUNCHING AND GROWING ENTREPRENEURIAL VENTURES

Longenecker • Petty • Palich • Hoy



CHAPTER

17

Promotional Planning

Promotional Communications

Communication Process Components

- **Source**—the message sender
- **Channel**—the path the message travels
- **Receiver**—the recipient of the message

Promotional Mix

- **A blend of nonpersonal, personal, combined and special forms for communication techniques aimed at a target market.**
- Makeup of the mix is determined by:
 - **Geographical** nature of target market
 - Size of promotional **budget**
 - **Product's** characteristics



Promotional Messages

Put the “right message”, in front of the “right person” at the “right time”
2 Types of messages (simplified)

“We Exist” (give them a **“WHY”**) or **“Buy Now”** (give them **“ACTION”**)

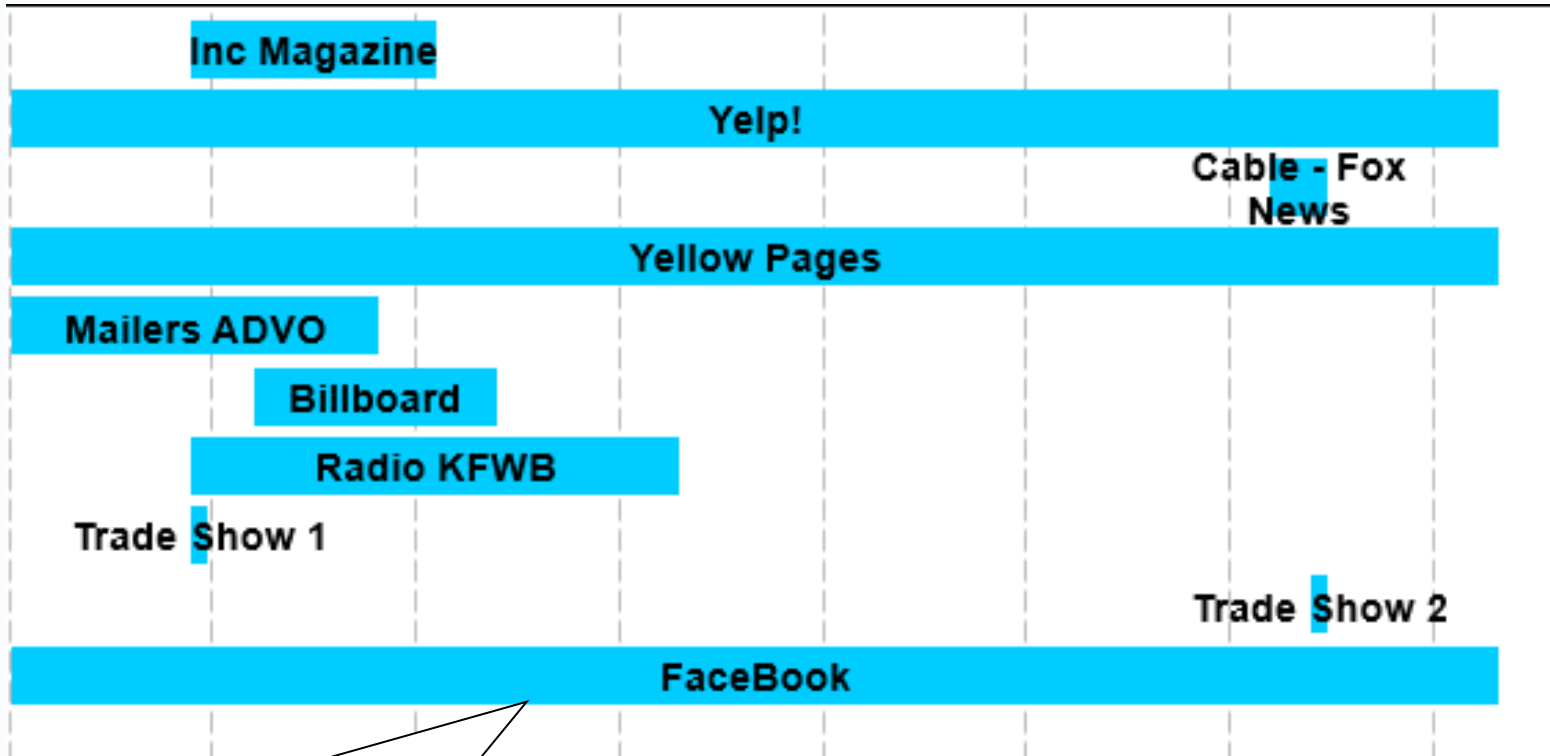
TASK	TIMING	FREQUENCY	MESSAGE	\$ COST
INC. Magazine	Spring	Monthly – 2 months	“We Exist”	2,500/mth
	Year round	Ad-based (Friday 4 weeks)	“Buy Now”	1,200/week
	Year round	Ad-based	“We Exist” AND “Buy Now” (promo items)	\$7.19 CPM
Etc.		<u>EXAMPLE</u>	“We Exist” AND “Buy Now”	

Gantt Chart for Promotion

	Activity	Start Day	# of days
1	Inc Magazine	45	60
2	Yelp!	1	365
3	Cable - Fox News	310	14
4	Yellow Pages	1	365
5	Mailers ADVO	1	90
6	Billboard	60	60
7	Radio KFWB	45	120
8	Trade Show 1	45	4
9	Trade Show 2	320	4
10	FaceBook	1	365

Shows time layout with tasks listed - helpful to determine coverage over time and consistency of message

Gantt Chart for Promotion

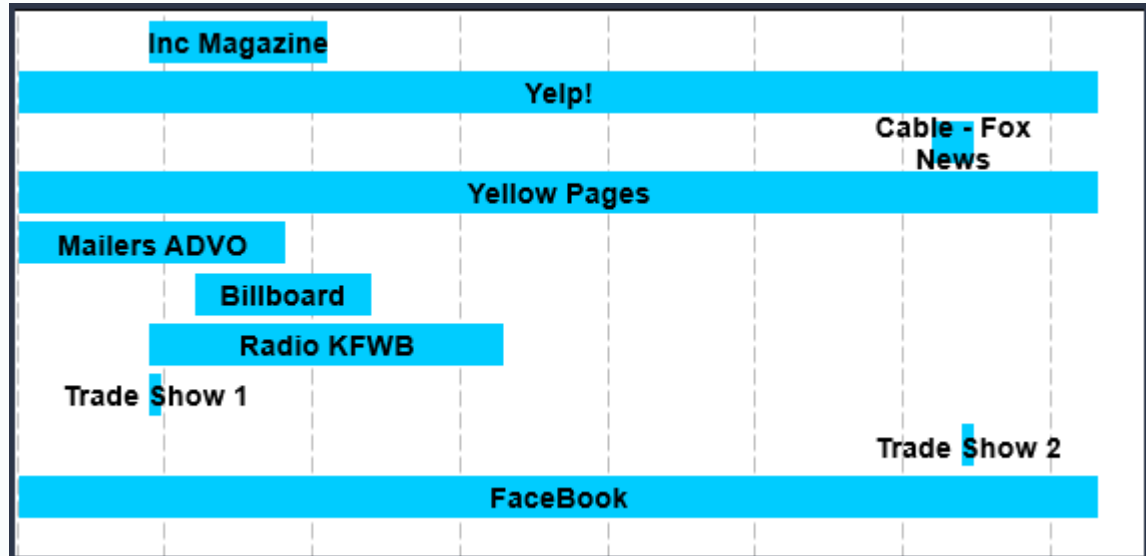


Shows time layout with tasks listed - helpful to determine coverage over time and consistency of message

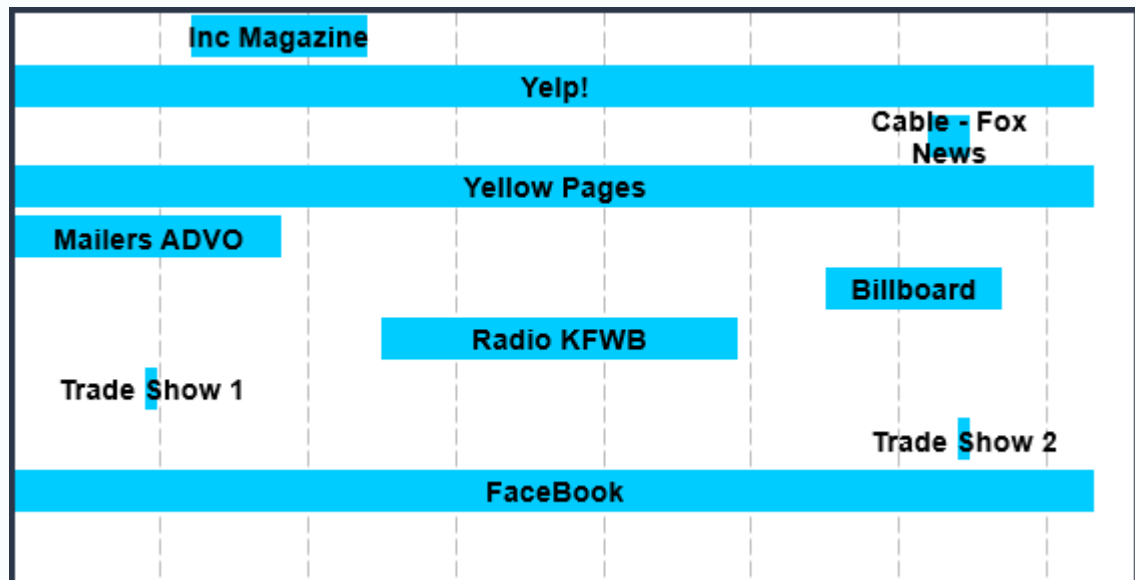
Download from my web page (in MS Excel) – Go to “Entrepreneurship Resources”
<http://instruction2.mtsac.edu/rjagodka/Spreadsheets/free-gantt-chart-template.xls>

Gantt Chart – Visually Shift

Before analysis: Go FROM:



After analysis: Change TO:



Determining the Promotional Budget

Budgeting
a fixed
percentage
of sales

Deciding how
much is left
over after other
expenses are
covered

Spending at
the same level
as competitors

Determining
how much is
needed to
achieve
objectives

Preferred Method

What it will take to do the job (4th Method)

Promotion Using the Internet and Social Media

- Developing a Small Business Web Site
 - Creating and registering a site name
 - Building a user-friendly Web site
 - Promoting the Web site
 - Search Engine Optimization (SEO)
- Reasons for Website Failures
 - Slow site page downloads
 - Not meeting visitors' information needs
 - Lack of integration with social media networks



Social Media

Share this video

Embed

Email



Social Media

- Social networking and microblogging websites, and other means of online communication, where users share personal messages, information, videos, and other content.

Social Networking

- Interacting online with other users who share common interests.

Microblogging

- Posting short messages or photos on a blog or social networking site.

Which have you used? Which do you like best?
Which would your customers use?

Tips for Promoting Your Business on Smartphones

- Website **mobile-friendly**?
- Found **where mobile device users look**?
- **Started social networking communities**?
- **Chat** with your customers and prospects?
- **Customers reviewing** your business?
- **Giving what they want** to your audience?

“Advertising That Works”

1. How to Promote a restaurant in tough times?

Perhaps give free wine to customers with dinner

- On slow days of the month
- Surprise them ...

2. Promote your focus



3. FREE stuff

- Do you EXPECT free food at Costco?
- Magnets on refrigerator, T-shirts

Creative Advertising - BAGS





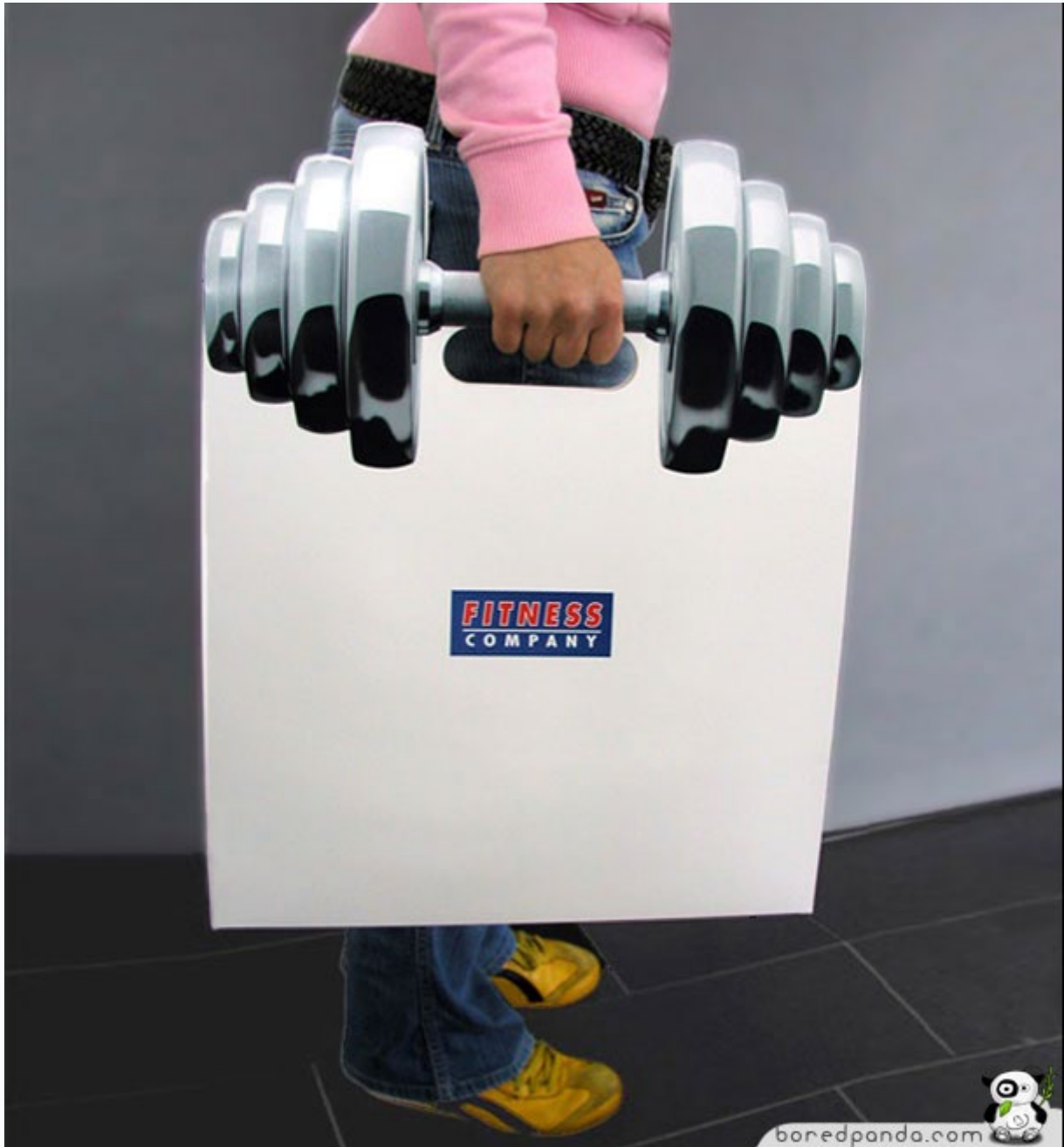


GIVE
ME
YOUR
HAND
GREENPEACE

GIVE
ME
YOUR
HAND
GREENPEACE

boredpanda.com







boredpanda.com



Creative Advertising







If you could create your own bag (for a mall retail store of your choice) – what would it be?

Creative Advertising



Creative Advertising



Old Ads The DON'T Work

According to repeated nationwide surveys,
More Doctors
Smoke CAMELS
 than any other
 cigarette!

Doctors in every branch of medicine were asked, "What cigarette do you smoke?" The brand named most was Camel!

You'll enjoy Camels for the same reasons so many doctors enjoy them. Camels have steel, lead resistant, pack after pack, and a flavor unmatched by any other cigarette. Make this sensible man. Smoke only Camels for 30 days and see how well Camels please your taste. Just wait they will give throat as your steady smoke. You'll see how enjoyable a cigarette can be!

THE DOCTORS' CHOICE IS AMERICA'S CHOICE!



For 30 days, test Camels in your "T-Zone" (T for Throat, T for Taste)



Before you scold me, Mom... maybe you'd better light up a

Marlboro



COCAINE
TOOTHACHE DROPS
 Instantaneous Cure!
 PRICE 15 CENTS.
 Prepared by the
LLOYD MANUFACTURING CO.
 219 HUDSON AVE., ALBANY, N. Y.
 For sale by all Druggists.
 (Registered March 1885.) See other side.

Gee, Mommy you sure enjoy your **Marlboro**

Yes, you need never feel over-smoked... that's the Miracle of Marlboro!

YOUR CHOICE OF EVERY TYPE & FLAVOR BRINGS REALITY TO THE REAL.

Types of Advertising

Product Advertising

- The presentation of a business idea designed to make potential customers **aware of a specific product or service** and create a desire for it.

Institutional Advertising

- The presentation of information about a particular firm, designed to **enhance the firm's image** in order to make its product advertising more credible and effective..



Compensating Salespeople

- Financial Rewards
 - Commissions
 - Compensation paid as percentage of sales productivity.
 - Strong sales motivator
 - Straight salary
 - Compensation paid regardless of sales made.
 - Combination of commissions and salary
 - Balance of two compensation forms is adjusted to provide an increasing proportion of commission as salesperson gains experience – **start with larger salary**
Most attractive for new salesperson



Develop Sales Battlecards ...

Battlecard Template

COMPANY OVERVIEW

Brief description of the company, what they sell (product) and who they sell it to (market). Keep it short and sweet, two sentences max.

PRODUCT

Add a more thorough description of their product and list its key features.

- Key feature
- Key feature
- Key feature
- Key feature

PRICING

Include tiers and what is included in each (Highlight if they have any free trials or offerings)

- Tier
- Tier
- Tier

INTEGRATIONS

List the integrations they have with other software

- Integration
- Integration
- Integration

COMPETITOR'S CLAIMS

HOW TO ADDRESS THEM

Claim #1	How to respond
Claim #2	How to respond
Claim #3	How to respond
Claim #4	How to respond

COSTS OF NOT BUYING FROM US

- Data point
- Data point
- Data point

COMPETITOR'S KEY STRENGTHS

HOW TO ADDRESS THEM

Key strength #1	Highlight why current customers chose our solution over competitors
Key strength #2	Highlight why current customers chose our solution over competitors
Key strength #3	Highlight why current customers chose our solution over competitors

COMPETITOR'S WEAKNESSES

HOW TO ADDRESS THEM

Competitor's weakness #1	Highlight a feature of our software that presents a solution to that weakness
Competitor's weakness #2	Highlight a feature of our software that presents a solution to that weakness
Competitor's weakness #3	Highlight a feature of our software that presents a solution to that weakness

Should be ONE page – easy to scan to assist sales team:

- Keep it conversational
- Use bullet points
- Using case studies, customer quotes, and performance metrics

Sales Promotion Tools

- Trade Show Exhibits
 - Provide hands-on experience with products at less cost than personal selling.
- Making Trade Show Exhibits Effective
 - Check out the trade show's history.
 - Apply for a speaking opportunity.
 - Pick a good location for the booth.
 - Prepare a professional-looking display.
 - Have plenty of literature on hand.
 - Bring the right staff.
 - Have the right giveaways and/or coupons.
 - Follow up!



Project Extra Credit

Consider completing Extra Credit

- Present your project (interview results) to class
Should be about 5 minutes (no PPT needed)

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Global Opportunities
for Small Business

Small Businesses as Global Enterprises

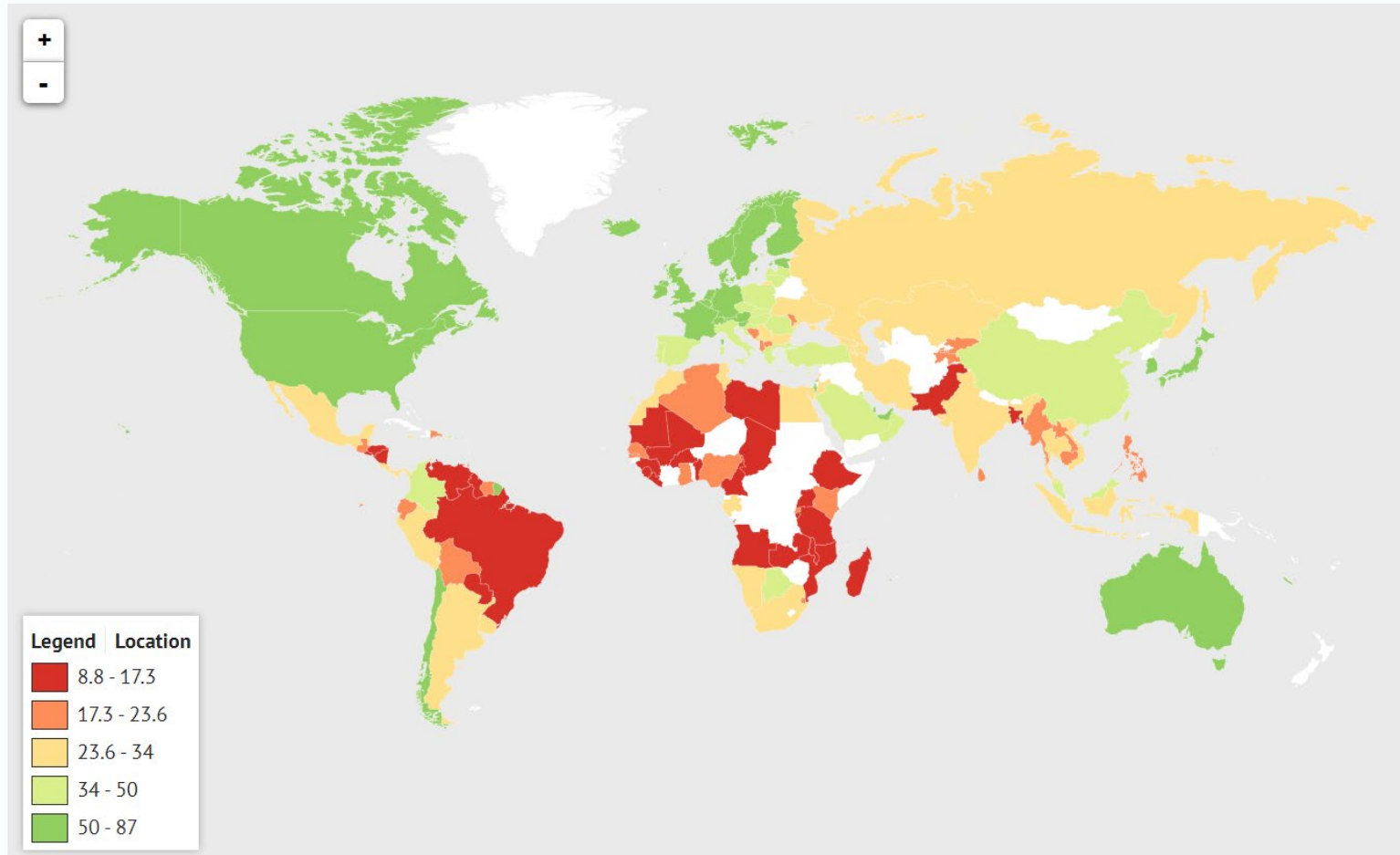
- Globalization
 - The expansion of international business:
 - Converging market preferences
 - Falling trade barriers
 - Integration of national economies.

- Born-Global Firms

- Small companies **launched with cross-border business activities in mind**
 - Size does not necessarily limit a firm's international activity—small companies can build upon their unique resources to become global competitors.



18.4 Ease of Doing Business in Different Countries



2020 – Source: <https://knoema.com/atlas/topics/World-Rankings>

Strategy Options for Global

—



Film: Expanding Internationally (20 min)

Open a [McDonald's in Russia](#)

Historic Video (1990s vintage)

Opening of 1st McDonald's in Russia

Answer these questions while watching:

1. What challenges did they face?
2. What were the keys to success?
3. What is your “take-away”?