



Follow along with "Claire",
as Matt and Michael take
her from

USP >>> to >>> PSU

**“In business, the
competition will bite you if
you keep running;
if you stand still, they will
swallow you.”**

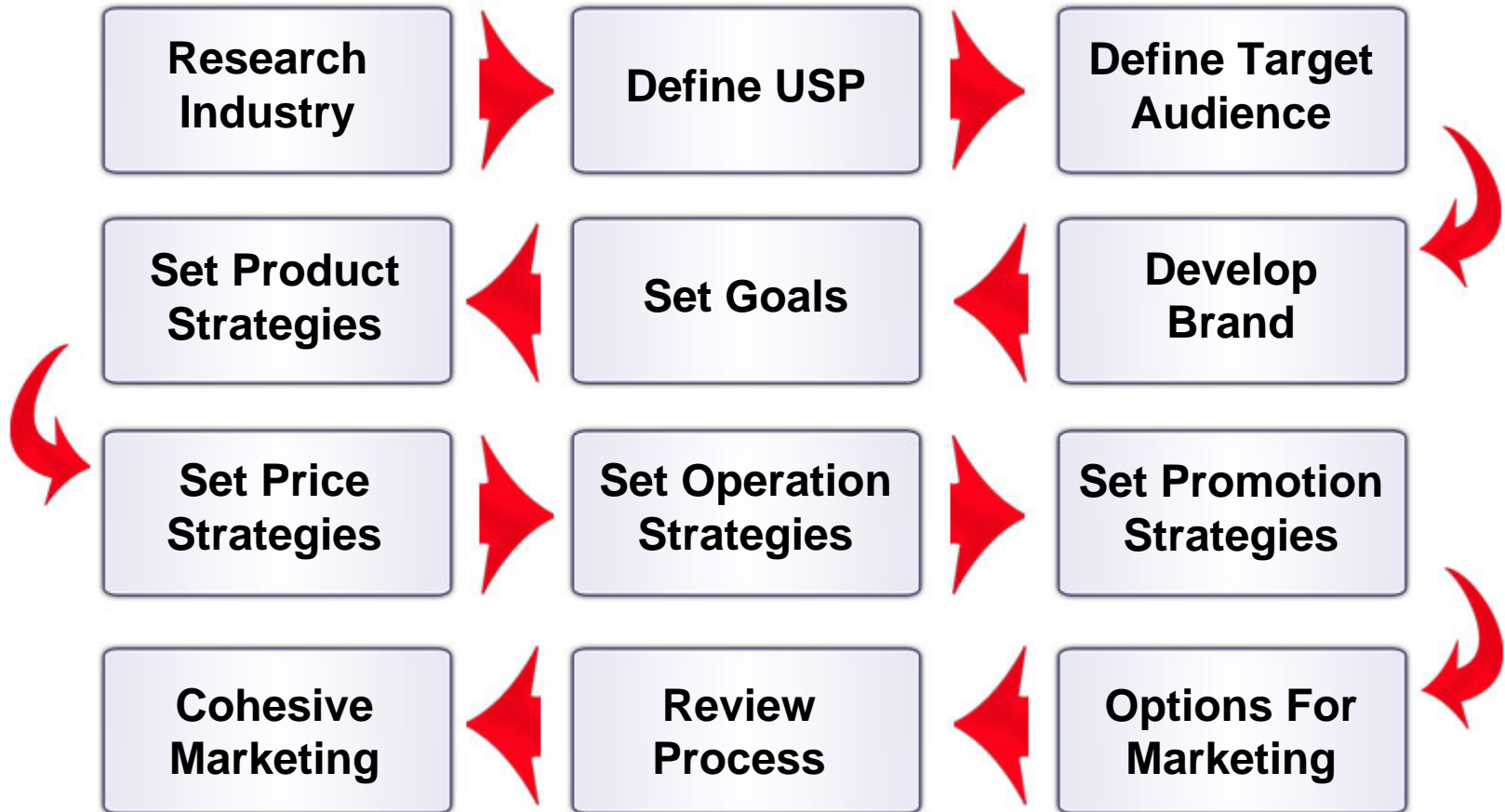
- William Knudsen Jr

Meet Zesty Lifestyles

- ❑ Is a business that operates in the local community
- ❑ It provides personal training and health-related services, and sells related health products to its clients
- ❑ Claire has had experience in the industry as a personal trainer, and is very passionate about helping others develop a healthy lifestyle



The 12 Step Plan - Getting Ready to go to Market



Step 1 - Research The Industry

- ❑ Understand the broader industry – its influences and trends
- ❑ Review industry characteristics - how many competitors, expected growth, etc
- ❑ Discover the **Demand Vs Supply** factors
- ❑ By understanding the trends, you are better prepared for growing your business

Where to search for the data:

- State Government – <http://www.business.vic.gov.au/>
- ABS - <http://www.abs.gov.au/>
- Google

Step 1 – Claire’s Example

- ❑ Industry Characteristics:
 - ❑ A growing demand in lifestyle and health choices
 - ❑ Health consciousness is increasing
 - ❑ The lifecycle or the trend in her industry is set for growth in the next 5-10 years
 - ❑ There are 12 other competitors within her industry, including gyms and other fitness professionals



Step 2 - Defining Your USP

- ❑ USP stands for **Unique Selling Proposition** - it represents what sets you apart from your competitor
- ❑ It is your competitive advantage, a marketable difference
- ❑ You can discover your USP by:
 - ❑ Looking at your services and products to see if there is a difference between you and your competitor
 - ❑ Looking at your experience
 - ❑ Looking at your business – is there a difference in price, quality etc to others in the market?

Step 2 – Claire’s Example

- ❑ Claire has 14 years experience within the industry
- ❑ Zesty Lifestyles provides a value-added service with the complimentary products to her services
- ❑ Her passion for healthy lifestyles and helping others achieve this comes across in her energy. Zesty Lifestyles in an energetic business, and her chosen tag line is:

“Putting the Bounce Back In”



Step 3 - Defining Your Target Audience

- ❑ **WHO** your customers are will influence **HOW** you market your business
- ❑ Marketing is about matching a product to a need, so you **MUST** understand what the needs are of your target audience
- ❑ Methods to gather this information:
 - ❑ Survey your customers or potential customers – understand what they want and how they find the solutions to this need
 - ❑ Review any secondary research gathered already

Step 3 – Claire’s Example

- ❑ Claire’s customer survey showed that her target audience have a desire to have a healthy and fit life
- ❑ The research also indicated that her customers preferred a local service
- ❑ Claire discovered that a personal and encouraging attitude was wanted from a personal trainer
 - ❑ Claire used this information in her preparation for marketing her business:
 - ✓ What advertising message she would use
 - ✓ How she would promote her business
 - ✓ How to develop her products and services to suit these needs.

Step 4 - Developing a Brand, Personality, etc

- ❑ This is the perception that you want the market to receive of your business
- ❑ Your image is how your customer sees your business.
- ❑ Your brand is the link between your business and the customer – the representation of your perceived image
- ❑ Your brand is used in all promotional activities you do – web, print, etc
- ❑ It must be memorable, and your activities (customer service, place of business, product quality, etc) must be in keeping with your brand image.
 - ❑ Value based brand = value based customer experience

Step 4 – Claire’s Example

- ❑ Zesty Lifestyles captures the personality of Claire and her business
- ❑ The experience her customer has with Zesty Lifestyles is a fun and energetic one, and the logo carries this message in its image



Step 5 - Setting Tangible Business Goals

- ❑ This is a vital part of marketing your business
 - ❑ **WHAT** do you want to achieve and **WHEN** do you want it
- ❑ Two points are known – your starting point and your end point.
 - ❑ **GOALS** are the steps you will take to bridge the two
- ❑ Without knowing what you plan on achieving, you will not know if you are successful in your marketing, or if it needs improving
- ❑ Goals are not set in concrete. They give you direction as you grow your business, but are flexible to the changing nature of business and your industry



Step 5 – Claire’s Example

Claire set herself some realistic goals and timeframes for Zesty Lifestyles:

- ❑ To have 5 Personal Health Consultants providing services to her customers by 2011
- ❑ To work with large companies in helping them introduce a “healthy lifestyle” culture into their workforce by 2012
- ❑ To employ a product manager to maintain the product sales and distribution side of the business, by 2009
- ❑ To have an active database of 750 clients by 2008
- ❑ To achieve revenue targets of \$250 000 by December 2008

Step 6 - Defining the Product Strategies

- ❑ This is understanding and detailed what you sell to your customer that derives your income:
 - Products
 - Services
- ❑ It is important to understand **what % of revenue** comes form each of these product lines
- ❑ This component identifies what you will provide as part of your core business.
- ❑ Helps to clarify **which products or services need developing** to meet the needs of your customer (based on the customer research)

Step 6 – Claire’s Example

- ❑ Documented the personal training and product sales part of the business, and stated what % of sales are derived from each area
- ❑ Listed those product lines that her customer research indicated:
 - ❑ Gym equipment
 - ❑ Diet advice
 - ❑ Naturopath
 - ❑ Spiritual healing
- ❑ Reviewed her product strategy to ensure that it matched the needs of her customers.



Step 7 - Defining the Pricing Strategies

- Decide on what price position you want to adopt
 - value added
 - price competitive
 - premium
- Understand the margins you need on your product or service
 - Fixed costs
 - Variable costs
 - Desired profit margin

Step 7 – Claire’s Example

- ❑ Claire chose to adopt a value-added price position, which meant:
 - ❑ Her prices were not the highest or the lowest for her services
 - ❑ Claire ensured that her service had a greater perceived value than those of her competitors
- ❑ Claire understood what her fixed and variable costs were
- ❑ Her desired profit margin is 15%. Claire thought this reasonable based on industry benchmarks and her research.

Step 8 - Defining the Operational Strategies

- Knowing what steps and systems you need in place to manage the business:
 - Product provision
 - Service delivery
 - Assessing suppliers and sub-contractors
- Stating what your OH&S procedures are
- Documenting staff manuals and Goods handling
- It is documenting the **WHAT** that you need to do to deliver your products and services to the market

Step 8 – Claire’s Example

- ❑ Claire documented the following:
 - ❑ How she will deliver her products to her customers – which freight company, the packaging used, etc
 - ❑ What her staff procedures are with respect to personal training and consulting services
 - ❑ Her process of assessing any potential supplier of product
- ❑ An issue that affects Claire is maintaining the quality of her products, making sure they are received in the manner her customer expects.
- ❑ Claire also instigated a customer service system and documented how she wanted this carried out by representatives of the business

Step 9 - Defining the Promotional Strategies

- ❑ A prospective customer will need to see your marketing message 5-6 times before their awareness is triggered to trial your product or service.
- ❑ Your goal is to encourage this trial, and after the initial purchase, to encourage a repeat purchase.
- ❑ The strategies used will incorporate those methods your customer uses to gather information about your business.
 - ❑ TV, radio, newspaper, Yellow Pages, etc



Step 9 – Claire’s Example

Claire’s promotional strategy included a number of elements:

- Word of mouth
- Local classified advertising
- Direct mail in the letterbox
- Website – for information and product sales

Her promotional strategy was developed by reviewing how her target audience gathers information about the need that Claire meets – providing a healthy lifestyle solution.

Step 10 - Options For Traditional Marketing

- ❑ This depends on the impression you want your customers to perceive of you
 - ❑ Premium
 - ❑ value-added
 - ❑ price competitive
- ❑ Print advertising – colour, black and white, magazine or newspaper
- ❑ Call to Action – Different call to actions for different messages or promotional campaigns
- ❑ Get 1-2 strategies working well if your marketing budget is low, **BEFORE** venturing into other strategies

Step 10 – Claire’s Example

- ❑ Claire opted for 2 variations of her Call to Action in her advertising:
 - ❑ A free 30 minute session for evaluating the personal training product
 - ❑ A free sample for her products

With the direct mail promotions that she did, Claire chose to have her message printed in a 4 colour option on slightly heavier paper. She wanted her potential customer to perceive value in her service, and felt that her promotional material needed to reflect this brand image.

Step 11 - Reviewing The Process

- ❑ Adjust your approach to suit the changing needs of your customer
 - ❑ Be flexible to the customer
 - ❑ Be flexible to the market
 - ❑ Adapt to new competition
- ❑ Be prepared to try something new



Step 12 – The Cohesive Marketing Approach

- Integrated marketing message and brand
- The same message about your business **MUST** be repeated in the various promotional elements you use
 - Offline
 - Online

