

Building a Strategic Marketing Plan

INTRODUCTION

It's safe to say that the graphic communications industry thrives on change. Some of the changes have been terrific, such as new technology that leads to services and applications that were not even on the radar screen a few years ago. And because of the changing dynamics of how companies are conducting business today, their requirements and needs for communications have also changed radically.

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The printing industry has always adapted well to changes in technology and customer needs. Shrewd printers have always taken advantage of the opportunities presented to them and offer products and services that enable them to prosper, even in difficult economic times. A common trait of successful companies is that they put a plan into place to describe who they are, who they sell to, what they sell, and how they get the word out to their customers.

Every company has a business plan that outlines their cash position and their future financial and operational goals. If a business plan can be thought of as where a company wants to be, a marketing plan can be thought of as the roadmap on how they are going to get there.

Most companies follow an informal marketing strategy that has limited concrete information on markets, products, and most importantly, measurable goals. A formal strategic marketing plan that includes digital services acts as a detailed action plan to achieve the goals of the business plan and also provides a focus for every member of the company to follow.

Time and resources are needed to author a marketing plan. A thorough plan requires not only self examination of your company, but also assessing the outside forces that are influencing your business. Many times a marketing plan is out of date and irrelevant before it is completed! For this reason, it may be advisable to only concentrate on a specific aspect of your business. A marketing plan or strategy can be constructed that addresses your plan to increase business in a particular



vertical market or to penetrate into a new one. Or, you may put together a strategy for a new application or service that you want to offer.

Tackling a specific area of your business gives you the opportunity to execute the plan successfully and not be drowning in the details of a company-wide plan.

FOUR COMPONENTS OF A SUCCESSFUL MARKETING PLAN

A successful marketing plan includes four simple components:

- Who do you sell to?
- What do you sell?
- What differentiates you from competitors?
- How do you market your services?

The answers to each of these questions may, at first blush, seem easy to answer but will probably initiate some strong discussion among your employees! A huge benefit to having a marketing plan in place is that it allows every person in your company to have crystal clear directions in exactly what your company offers to its customers. Your marketing plan defines critical aspects and the direction of your business and gives everyone a focus.



WHO DO YOU SELL TO?

Traditionally, a printing company receives the bulk of its business from a relatively small number of customers. These customers may be long standing companies that have been cultivated over the years with very good relationships established. They may be sending just about all of their printing needs to your company and historically can be counted on to continue.

And what makes this relationship very strong is that there is an understanding of each other's capabilities and business practices. Another huge consideration is that the printer understands the actual nature of the customer's business, the trends affecting them, their purchasing methods, and what types of products and services they offer. The printer uses this knowledge to counsel them about new applications and how to help them in their unique marketplace.

Having a thorough understanding of a particular vertical market has always been one of the strengths of a printing company. For example, there are many companies that specialize in the education marketplace or in the health care industry. The first step in authoring a marketing plan is to analyze who exactly your customers are and what industry are they in. The easiest way to do this is to assign a vertical industry designation to your customer list. Sample vertical markets:

- Automotive
- Banking
- Direct to Consumer
- Education
- Energy
- Financial
- Health care
- Hospitality
- Government
- Insurance
- Manufacturing
- Media
- Real estate
- Religion
- Retail
- Technology
- Telecommunications

During the course of this investigation, it may become apparent that most of your work is being performed for just a few vertical industries, and this presents a decision point. Should you direct your plans to grow your expertise and revenue in a particular vertical market or expand into others? Each direction has its merits and risks. When the decision is made to grow an existing vertical market, some of the work is already done. There is already an understanding of the business practices of that market in place.

For example, consider how much familiarity your company already has in the following areas about a particular vertical market:

- Size of industry and individual companies
- What products or services they provide to their customers
- Sales and distribution channels
- What types of customers they serve (consumer, business-oriented)
- How do they differentiate themselves from their competitors
- The dynamics that are affecting their business (compliance issues, green sensitivity, etc.)
- Financial strength of the industry
- Who are dominant companies in their vertical marketplace
- Unique document needs (size, frequency, compliance issues, etc.)
- Buying and procurement process
- Organizational structure and decision makers
- Production processes and abilities (design, proofing, etc.)

Capitalizing on your strengths and presence in an existing vertical industry is usually the easiest way to increase sales and requires the least amount of investment of time and resources.

When the desire to expand into new vertical markets is chosen, more work will be needed. First and foremost is to decide if there is enough potential revenue to make it worthwhile. Some vertical industries have much more potential than others depending on the competitive landscape, price sensitivity, barriers to entry and if the vertical is growing, stagnant or in a state of decline.

Detailed information about vertical markets is available from Printing Industries of America. A good clue to the health and viability of a vertical industry is to visit their industry trade association website. There are approximately 7,600 trade associations and their charter is to help their particular industry by supplying business information to their members.

An example of this strategy is to visit the American Gaming Association's website (www.americangaming.org). This trade association for the casino industry has financial and operational statistics on the gaming industry and provides a tremendous amount of information on the unique business practices of the industry. By interpreting this information, an informed decision can be reached about whether this is a marketplace you would like to expand into.



WHAT DO YOU SELL?

This is another one of those deceptively simple questions to answer. Categorizing and keeping track of the different types of products and services you offer can be an enlightening exercise. Parallel to what you sell is what types of profit margins the different products and services deliver to your company. Just because you can produce something doesn't mean that you should! The earnings goals that are spelled out in your business plan are only achievable by offering and selling profitable products and services.



Two benefits of analyzing what you sell within a marketing plan will be to determine which products obtain your profit goals, and by defining these, it will give your sales staff a clear focus on the profitability of particular applications and services.

As we have all become painfully aware during these difficult economic times, competition and overcapacity is driving down the price for commodity types of printing. And as hard as it may be to accept, pricing levels will not return to where they were just a few years ago. Again, this is for commodity types of work. Contrast that scenario to the new applications and services that are being driven by digital printing services. It has been proven by many research studies that digital printing and related services deliver higher profit margins than traditional litho printing services.

Marketing plans have become instrumental in strategically introducing or growing new applications and services that are enabled by digital printing. If your company is new to digital printing, the range of new applications and capabilities can be overwhelming! Many printers that are new to digital printing, or now have full production level capabilities, narrow their focus to a few new applications to start out with—such as short-run color printing. The marketing plan will also act as a guide to progressing to the more sophisticated (and profitable) applications, such as variable-data printing and limited-quantity book production.

As mentioned previously, it can be very difficult to author a marketing plan that encompasses your present offerings and all the new services you would like to offer. An effective marketing plan must have goals that are obtainable. For instance, a marketing plan may be put together with the goal of offering a single application such as color variable-data postcards. A target market may also be outlined, such as the real estate vertical market.

In this example, this is an obtainable goal with a very explicit roadmap to success.

Some examples of focus areas:

- Short-run color digital brochures
- Color customer loyalty postcards
- School sports calendars
- Fulfillment services
- Car lease renewal flyers
- Self-published books
- Design services
- Personalized landing pages
- Online ordering of business stationary

Each of these examples has a focus. Many can be targeted to specific vertical markets or can be sold across many different verticals. But the important consideration is that the goals of offering a specific product or service are specific and measurable.

WHAT DIFFERENTIATES YOU FROM COMPETITORS?

Competitors come in many different forms today. It may be the superstore down the street, the commercial printer across town, or the online company on the other side of the continent. For many traditional printers, competition is also surfacing that has nothing to do with printing at all ... email marketing and electronic presentation of information have become commonplace in many industries.

A customer or prospect will do business with you if they feel you offer a unique value to them. For many years in the graphic communications industry, that differentiator was built on either relationships or capabilities. It was (and is) typical to have several long-standing customers who are serviced by senior management. These types of customers are coveted not only because of recurring revenues, but also the relationship that has built over the years has resulted in an intimate knowledge of each other's business practices and processes.

There are many reasons that a customer may be lost. The typical objection when a customer is threatening to leave is price, and the main reason is that this is the easiest explanation to give. Research shows that price is often used when the objection is actually something else, such as delivery timeframes not being met, quality issues, or lack of perceived value.

A common complaint that is heard from printing companies today is "there is no loyalty anymore." In many cases, loyalty disappears when a customer is absorbed into another company or your principal contact is transferred into a different position or is downsized. These situations, while unfortunate, are becoming more and more commonplace.

A marketing plan addresses the steps that can help ensure a deeper relationship with a customer that will weather any personnel changes that may occur within their company.

Perhaps the most difficult lesson in business is losing an account to a competitor, especially when it is because you didn't prepare an adequate offense against them.

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A marketing plan examines who your competitors are and what makes your value as a company stand out. It details what you do well while charging a fair price, any specialized services that you offer and any unique knowledge of specific vertical marketplaces. Gathering this information has both an internal focus from your sales and CSR staff coupled with surveying your customer base.

Often, when talking to your customers about your company, there is an opportunity to discuss not only what they are presently buying from you, but also what they would like to buy from you. Many times during the course of a customer survey conversation, potential objections can also be recognized and addressed proactively.

The second part of analyzing why customers buy from you is also finding out why they aren't buying from your competitors. Customers can give you very specific reasons why your competitors can't match the value you are providing them. But it's also a prudent part of a marketing plan to understand who your competitors are and what they are offering.

Just as you analyzed your own company, your competitors should also be analyzed for how you compare to them. Areas that can be compared:

- Size
- Financial condition
- Customer base
- Vertical market concentration
- Specific and unique applications or services
- Pricing levels
- Quality
- Sales force strengths/weaknesses
- Customer service process
- Online presence

Also important is a direct comparison of your competitor to yourself in areas that are highlighted in your marketing plan. For example, if your marketing plan's goal is for your company to offer customized book publishing, how do your competitors rate performing this service? Or does your competitor have a heavy presence in the education market?

HOW DO YOU MARKET YOUR SERVICES?

When authoring a marketing plan, it's important not to rush and put together how you're going to get the word out about your new product or service. Only after you have specific goals can the fun process of marketing actions such as an open house actually begin. There are many outlets to market your company, and just as you counsel your customers in the most effective techniques and vehicles, you must do the same for yourself.

In other words, practice what you preach to your customers. You don't want to hear the words, "If you want me to start using personalized landing pages, why don't you use them yourself?" Having an overall, unified, company-branded presence is something that you help your customers with everyday and your own marketing materials should reflect this same philosophy. Do all of your printed materials have design and color consistency, especially your logo? Does this consistency carry over to your website and to the emails that you send to your customers? Are you providing your customers different mediums to hear about your company depending on their likes and dislikes?

Before you can think about the product or service that is highlighted in your marketing plan, it is critical that your overall marketing effort be examined for consistency in look and messaging. This can be a huge undertaking in itself, since there can be many different marketing components.

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The traditional marketing components include:

- Capability brochure
- Postcard mailings
- Signage around plant location
- Newsletters
- Emails
- Press releases
- Sponsorships
- Television
- Radio
- Yellow pages
- Newspapers
- Magazine or trade journal ads

While these have worked well throughout the years, there are several new marketing vehicles that are being employed.

Social networking sites have turned the corner and have become more business oriented. Having a company or sales staff profile on www.linkedin.com can help create awareness about your company and its unique offerings. There are several specialized groups where members have common interests. Many of these groups are print related, but the value is participating in groups that are unique to a targeted vertical industry. Several of the benefits include the trends that are affecting the marketplace, news on product or company announcements, and relationship building with individuals.

Facebook is still overwhelmingly a personal networking site. However, it is a great way to stay in touch with your customers and others with similar interests by either having a company page or following others.

Twitter can be compelling to report on the progress of a really tough or fun project going on in your shop. If the content is interesting enough, people will follow!

YouTube can be used for sharing entertaining videos of your shop or educating your customers about your services or how to prepare files. There are several clever videos produced by printing companies that have “gone viral” and are reaching a huge audience.

Each of these social networking vehicles can be used to gain attention by being funny or by being helpful. Either way, the main benefit is gaining that elusive attention to your business. The actual dollar cost is very low, but to be truly effective the content must be fresh and continually updated. A person on staff must be assigned this responsibility and taken seriously as helping market your company!

All of these different marketing channels are important and a cohesive overall marketing strategy should be in place before individual marketing efforts are introduced for a specific new product or service.

When introducing a new product or service to customers or prospects, many printers turn to the open house. These types of venues are falling out of favor if they do not provide some benefit to the participant. A well-thought-out open house is more of a learning event that will help the participant to do their job better. Some companies provide such valuable content that they can charge a small fee to the participants.

Topics can range from preparing files correctly to helping the participants with marketing tips to their customers. In lieu of a physical open house, which can become very expensive for the printer and not yield the desired results, many printers are now offering online webinar sessions to their customers. These sessions can either be held for a group or be delivered one-to-one. They allow interaction and can be highly customized to an individual or company while being very cost effective.

When planning either a physical open house or an online webinar session, time is the biggest enemy! Proper open house planning requires eight weeks or more to prepare invitations, decide on the venue, organize the topics and speakers, and entice customers and prospects to attend.

SUMMARY

A marketing plan is vital to the success of your business. It offers a strategic, step-by-step roadmap to effectively sell your existing and new products and services to specific customers. And because of the changing business conditions that are accelerating every day, completing your marketing plan is not an event, but a continuing process that will need to be refreshed to respond to not only your business, but your customer’s business.



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