

Start with your Marketing Planning

Creating a basic but well thought through marketing plan should be one of the first steps undertaken by a new business. Marketing is about more than just where to advertise, it is about understanding the internal and external forces that are going to contribute to the success of your business.

Define your brand identity

With a multitude of choices in the market, countless new products being launched each day, and a growing number of media channels, it is critical that a new business understands where their company fits in the market. This is how you begin to define your brand identity.

- What does your company do?
- What do you stand for?
- How does this relate to the product or service you are selling?

After you look at your company as a whole, individual products and services should be evaluated as well. In order to avoid confusion in your positioning, it is critical that the products align with the over arching company's brand.

Evaluate the competition

In order to understand the value that your company and your product or service can bring to customers, you must also understand the competition. For some companies, this may seem like a fairly simple exercise to identify the key players selling like products already. Your competition is not limited to similar products or services. Take this process one step further and consider the need or want that you are fulfilling for your customer.

- What is your industry?
- What geographic territory does/will your business service? (Local, provincial, national, North America, International)
- Who are the key players in this geographic region?
- Are there completely different products that fulfill the same need?
- What percentage of the market do they occupy?

Whether you are in the ideas stage, have recently launched your business or have been in the market for while, it is important to review your competition on a regular basis. New companies and new solutions may present themselves at any time.

Determine your competitive advantage

Once you have an understanding of the competition, it is important to determine where your company's offerings will fit into the market place relative to your competitors. Your competitive advantage is the defining elements or qualities that separate you from the competition. How do you compare to the competition regarding the following factors:

- Price - Luxury/high end or good value?
- Customization - Standard or tailored?
- Customer-service level
- Innovation
- Quality
- Speed of availability
- Level of customization

Once you have answered these questions individually, compare them to one another. Your competitive advantage may consist of one of these elements or a combination, however it should be clear, specific and most importantly it must be consistent. For example: a product that you want to position as a luxury item, needs to have a higher price point, be placed in higher end retail markets and have higher quality packaging.



Know your target market

With a new and innovative product is it easy to believe that anyone in the world would want to buy from your company. As a new business, it is important to narrow your focus when targeting customers. Think about your most ideal customer relationship, someone who:

- Benefits from your product
- Relates to your brand identity
- Is available in the geographic market you identified
- Aligns with your competitive advantage (versus the competition)

You should be able to identify 1-3 groups of customers who would be best served by your company; this represents your target market(s). Don't think of your target market as a faceless group of wallets, lining up to make purchases. Think about your customer, one single person:

- What needs/wants does your offering fulfill?
- How do they find out about this type of product/service?
- Where do they make their purchases?
- Who influences their purchases?
- How do they research?

Consider conducting market research to gain a better understanding of your potential customer base. Whether this is inhouse, by observing the success of similar products in the market or you could hire an external vendor to conduct surveys or product testing. The more you know about your customer, the better you can relate to them. This will not only help you sell to new customers, but most importantly this will put your business in a position to retain customers.

Reaching your market

Understanding your target market is the key to effectively reaching them through marketing channels. All of your communications should concisely express your competitive advantage in a way that relates to your target market. This is your value proposition. It is the gateway for a customer to understand what your brand stands for, what they can expect in dealing with your company and why they should choose your company over the competition.

Once you have gone through this exercise, it is important that you review each element and how it relates to the others. Remember, marketing is a fluid process and your marketing plan should be a document that evolves as your company grows.

If you're considering starting a new business speak to a CIBC business advisor about the CIBC Start Strong Program for Business. Visit your nearest banking center to talk to a CIBC business advisor, call 1 877 248-4029 or visit www.cibc.com/startstrong.



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