

TOOLKIT

to develop your
STRATEGIC MARKETING PLAN

10 STEPS TO PREPARING YOUR ANNUAL ADVERTISING STRATEGIES

This toolkit will help you construct your competitive marketing strategy. Follow the ten steps in these materials, and use the numerous tools provided to assist you in preparing your plan.

Based on the products and services you offer, you may need unique approaches for different aspects of your business.

Review **The Complete Guide to Effective Marketing** for detailed information and guidance to help you customize your program.

- 1.** Determine the overall transactions and revenue needed to accomplish your annual and incremental sales goals.
- 2.** Identify your most profitable customers by gender, age, geography and income level.
- 3.** Chart your sales trends to determine the type of marketing to employ and when you should increase your advertising efforts to maximize your return on investment.
- 4.** Establish your annual and monthly budget.
- 5.** Determine the type of advertising you intend to implement, the stages of the Consumer Purchase Funnel you are targeting and the media mix you intend to use.
- 6.** Prepare an overview of your annual plan and specific strategies for each quarter.
- 7.** Determine your return on investment, as well as the annual and lifetime value of each new customer.
- 8.** Implement internal marketing strategies to ensure each campaign accomplishes the four goals of advertising.
- 9.** Track key information each month to evaluate the success of your marketing campaigns.
- 10.** Evaluate your success at the end of the year and adjust your plans for the next year.

YOUR MARKETING PLAN

- ▶ Organizes your goals and objectives and helps you develop competitive tactics.
- ▶ Identifies when to advertise to maximize results, and what media will help you achieve your goals.
- ▶ Establishes more proactive and consistent advertising strategies, resulting in greater performance and results.

ESTABLISH YOUR GOALS ~ REVENUE & TRANSACTIONS

1

Determine the overall transactions and revenue needed to accomplish your annual and incremental sales goals.

Previous Year Gross Sales	+	Current Year Sales Increase Goal	=	Current Year Annual Revenue Goal	÷	AVG Sale (or AVG Gross Sale)	=	Annual Transactions Goal	Monthly Transactions Goal (÷ 12 months)	Weekly Transactions Goal (÷ 52 weeks)	Daily Transactions Goal (÷ number of days open per year*)
\$	+	%	=	\$	÷	\$	=				

Formula to estimate previous year's gross sales

Current Year Annual Revenue Goal	Monthly Revenue Goal (÷ 12 months)	Weekly Revenue Goal (÷ 52 weeks)	Daily Revenue Goal (÷ number of days open per year*)
\$	\$	\$	\$

AVG sale X AVG # of transactions per month X 12

Determine the incremental transactions and revenue needed to accomplish your goals.

*NUMBER OF DAYS OPEN PER YEAR	
# Days Open Per Week	# Days Open Per Year
7	365
6	312
5	260
4	208
3	156
2	104
1	52

Revenue Goal Annual Increase	÷	AVG Sale (or AVG Gross Sale)	=	Annual Transaction Goal	Monthly Transactions Goal (÷ 12 months)	Weekly Transactions Goal (÷ 52 weeks)	Daily Transactions Goal (÷ number of days open per year*)
\$	÷	\$	=				

Current Year Annual Revenue Goal - Previous Year Gross Sales

Revenue Goal Annual Increase	Monthly Revenue Goal (÷ 12 months)	Weekly Revenue Goal (÷ 52 weeks)	Daily Revenue Goal (÷ number of days open per year*)
\$	\$	\$	\$

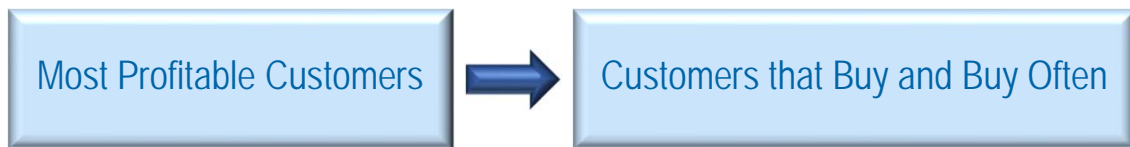
DETERMINE YOUR MOST PROFITABLE CUSTOMERS

2

Identify your most profitable customers by gender, age, geography and income level.

GENDER	Men	Women	AGE	18-24	25-34	35-54	55-64	65+
% Gender			% Age					

INCOME	\$30K-49K	\$49K-75K	\$75K-100K	\$100K+	GEO	1-2 Mile	3-9 Miles	10-20 Miles	20+ Miles
% Gender			% Age		%GEO				



Additional Target Market Considerations

DETERMINE YOUR SALES TRENDS & MARKETING BUDGET

3

Chart your sales trends to determine the type of marketing to employ and when you should increase your advertising efforts to maximize your return on investment.

10												
9												
8												
7												
6												
5												
4												
3												
2												
1												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

4

Establish your annual and monthly budget.

Allocate your annual budget by either reallocating a percent of your gross sales into advertising or setting an average monthly ad investment level. Once you establish your yearly budget, allocate it monthly based on your sales trends.

Busier Months* = Increase Advertising
Slower Months = Reduce Advertising

Busier Months* = Direct Response Advertising**
Slower Months = Image Advertising
All Year = Image or Loyalty Campaigns

*And slightly before busy months.

**Sales or promotions

When determining the weeks to advertise each month consider:

- Holidays and dates that offer heightened sales opportunities
 - Heavy-traffic days and hours
 - Payroll days of local major companies
 - Social Security paydays
- ▶ Ask your media advisor for your industry's average percent of gross sales reallocated to advertising.

MONTH	Sales Rank (1-10) or % of Sales	BUDGET
JAN		\$
FEB		\$
MAR		\$
APR		\$
MAY		\$
JUN		\$
JUL		\$
AUG		\$
SEP		\$
OCT		\$
NOV		\$
DEC		\$
ANNUAL BUDGET		\$

DEVELOP YOUR ADVERTISING GOALS & MEDIA GOALS

5 Determine the type of advertising you intend to implement, the stages of the Consumer Purchase Funnel you are targeting and the media mix you intend to use. These strategies will be adjusted each month or quarter based on your advertising goals.

ADVERTISING	Q1	Q2	Q3	Q4
Image				
Direct Response*				
Educate				
Awareness				
Loyalty				



CONSUMER PURCHASE FUNNEL	Q1	Q2	Q3	Q4
Awareness				
Consideration				
Purchase				
Loyalty				

*Sales and promotions

TRADITIONAL	SUCCESSFUL**	
	Yes	No
<input type="checkbox"/> Broadcast TV - On Air / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Business Publications - Print / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Cable TV - On Air / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Direct Mail	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Magazines - Print / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Newspaper - Print / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Out-of-Home / Billboards	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Radio - On Air / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Shoppers / Weeklies	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Yellow Pages - Print / Digital	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Other: _____	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Other: _____	<input type="radio"/>	<input type="radio"/>

Percent of Annual Budget ~ Traditional Media _____%

DIGITAL	SUCCESSFUL**	
	Yes	No
<input type="checkbox"/> Content Marketing	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Display Ads	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Email Marketing	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Paid Search	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Paid Social / Social Media	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Promotions	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Search Engine Optimization	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Site Retargeting	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Video	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Website / Landing Pages	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Other: _____	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Other: _____	<input type="radio"/>	<input type="radio"/>

Percent of Annual Budget ~ Digital Media _____%

**As you review your plan throughout the year, determine the media that was most successful in achieving your goals.

6

Prepare an overview of your annual plan and specific strategies for the upcoming quarter.

Month _____

Budget \$ _____

Ad Goals	Purchase Funnel Goals
<input type="checkbox"/> Image	<input type="checkbox"/> Awareness
<input type="checkbox"/> Direct Response	<input type="checkbox"/> Consideration
<input type="checkbox"/> Educate	<input type="checkbox"/> Purchase
<input type="checkbox"/> Awareness	<input type="checkbox"/> Loyalty
<input type="checkbox"/> Loyalty	

Strategies & Media Mix

Month _____

Budget \$ _____

Ad Goals	Purchase Funnel Goals
<input type="checkbox"/> Image	<input type="checkbox"/> Awareness
<input type="checkbox"/> Direct Response	<input type="checkbox"/> Consideration
<input type="checkbox"/> Educate	<input type="checkbox"/> Purchase
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<input type="checkbox"/> Educate	<input type="checkbox"/> Purchase
<input type="checkbox"/> Awareness	<input type="checkbox"/> Loyalty
<input type="checkbox"/> Loyalty	

Strategies & Media Mix

Include promotions based on peak seasons, holidays, events, as well as co-op opportunities and branding strategies.

Month _____
Budget \$ _____

Ad Goals	Purchase Funnel Goals
<input type="checkbox"/> Image	<input type="checkbox"/> Awareness
<input type="checkbox"/> Direct Response	<input type="checkbox"/> Consideration
<input type="checkbox"/> Educate	<input type="checkbox"/> Purchase
<input type="checkbox"/> Awareness	<input type="checkbox"/> Loyalty
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Strategies & Media Mix

Month _____
Budget \$ _____

Ad Goals	Purchase Funnel Goals
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<input type="checkbox"/> Awareness	<input type="checkbox"/> Loyalty
<input type="checkbox"/> Loyalty	

Strategies & Media Mix

Month _____
Budget \$ _____

Ad Goals	Purchase Funnel Goals
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<input type="checkbox"/> Direct Response	<input type="checkbox"/> Consideration
<input type="checkbox"/> Educate	<input type="checkbox"/> Purchase
<input type="checkbox"/> Awareness	<input type="checkbox"/> Loyalty
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Month _____
Budget \$ _____

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<input type="checkbox"/> Image	<input type="checkbox"/> Awareness
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<input type="checkbox"/> Loyalty	

Strategies & Media Mix

DETERMINE RETURN ON INVESTMENT PLUS ANNUAL & LIFETIME VALUE OF CUSTOMERS



Select and complete one of the ROI calculators each month to determine the number of transactions needed to begin turning a profit. Also, compute the annual and lifetime value of each new customer.

MONTHLY ROI CALCULATOR								
\$ Monthly Ad Investment	÷	\$ Average Sale or Gross Profit Per Sale	=	# Monthly Transactions Needed to Begin Turning Profit	÷	4 or 5 (# weeks in month)	=	# Weekly Transactions Needed to Begin Turning Profit
\$	÷	\$	=		÷		=	

GOAL ROI CALCULATOR								
# New Buyers	X	\$ Average Sale or Gross Profit Per Sale	=	Increased Additional \$ Per Month	-	\$ Monthly Ad Investment	=	Increased Additional \$ Monthly Profit
	X	\$	=	\$	-	\$	=	\$

CONVERSION TO SALES CALCULATOR												
# New Shoppers, Callers or Visitors	X	% Conversion Rate*	=	# New Buyers	X	\$ Average Sale or Gross Profit Per Sale	=	Increased Additional \$ Per Month	-	\$ Monthly Ad Investment	=	Increased Additional \$ Monthly Profit
	X	%	=		X	\$	=	\$	-	\$	=	\$

*Caller / Shopper conversion rate % of callers / shoppers at your business that become customers = Customers ÷ Shoppers or Callers	*Digital Visitor to Lead conversion rate % of leads resulting from website visits = Leads ÷ Visits	*Digital Lead to Customer conversion rate % of customers resulting from leads = Customers ÷ Leads
---------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------

ANNUAL & LIFETIME VALUE OF EACH NEW CUSTOMER								
\$ Average Sale or Gross Profit Per Sale	X	# Average Times Customer Buys Per Year	=	\$ Average Annual Value of New Customer	X	# Average Number of Years Customer Buys	=	\$ Average Lifetime Value of a Customer
\$	X		=	\$	X		=	\$

When evaluating the success of each marketing campaign, review the value of each new customer. These new clients will also be referring your business, creating even more value.

IMPLEMENT INTERNAL MARKETING STRATEGIES



Implement internal marketing strategies to ensure each campaign accomplishes the four goals of advertising. Below find several recommendations.

1. INCREASE THE NUMBER OF SHOPPERS TO YOUR BUSINESS OR WEBSITE

- Consistently advertise your unique product or service offerings to a significant number of potential customers with adequate frequency to stimulate action.
- Select "hot" selling products or services to include in your advertising.
- Include a full assortment and variety of products or services and ensure sufficient inventory and personnel to assist all customer requests.
- Make sure the message, offer or price is competitive and compelling, and the terms easily understood.
- Coordinate your online efforts to mirror your traditional advertising campaign.

2. ENCOURAGE SHOPPERS TO INCREASE THEIR SPENDING

Offer Assistance and Recommendations to Each Shopper

- Provide guidance and suggestions for additional purchases based on personal experience, popular items and customer feedback.
- Share product and service information, as well as compare and contrast options.

Display Items to Maximize Sales

- Prominently display advertised products in a desirable manner with easy access.
- Display accompanying products together to encourage multiple and add-on sales.

Create Signs to Guide Buyers

- Use signs to describe and identify advertised products to peak interest and to ensure they are easily located.
- Make sure signs communicate the price and savings of the products or services offered and their unique features and benefits.
- Ensure all advertising and signage is consistent in theme and color incorporating your business's style and promotional theme.
- Print many generic "sale" and "as advertised" signs so they can be recycled for future promotions.

3. INVITE SHOPPERS TO RETURN TO YOUR BUSINESS AND BUY

- Include an incentive at the end of each transaction (coupon, discount card, frequent purchase incentive, etc.) to encourage future purchases.
- Collect information about your customers: names, street and email addresses, preferred products, as well as phone numbers to use for future marketing efforts.
- Stay in touch with customers to keep them aware of new or special products or services and regularly invite them to shop your business.
- Thank every customer within two days of their purchase with a phone call, note or email. Include an offer for them to purchase again and/or encourage them to refer others to you.
- Promote your brand by displaying your logo and brand benefits throughout the store, on bags, employee shirts, cards, racks, signs and automobiles.

4. ENCOURAGE SHOPPERS TO RECOMMEND YOUR BUSINESS TO OTHER

- Encourage customers ~ at your store, in your invoices or online ~ to post positive comments on your website, a review site or on social media.
- Incorporate ongoing referral programs as a part of your marketing strategy.

TRACK, MEASURE, EVALUATE & ADJUST



Track key information each month to evaluate the success of your marketing campaigns.

Month	# Total Shoppers	# Total Buyers	% Conversion (# Buyers ÷ # Shoppers)	Average # Items Purchased	\$ Average Sale Per Buyer	\$ Total Sales	Media Used and Promotional Message or Offer
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
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			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	

TRACK, MEASURE, EVALUATE & ADJUST

Month	# Total Shoppers	# Total Buyers	% Conversion (# Buyers ÷ # Shoppers)	Average # of Items Purchased	\$ Average Sale Per Buyer	\$ Total Sales	Media Used and Promotional Message or Offer
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	
			%		\$	\$	

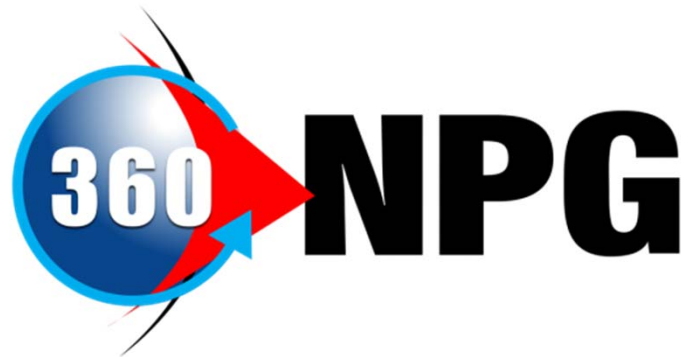
CALCULATE YOUR MARKET SHARE

\$ Gross Sales	÷	\$ Total Market Sales in Industry	=	% Market Share
\$	÷	\$	=	%

- ▶ Each year, evaluate your market share to determine your company's success compared to your competitors.
- ▶ Ask your media advisor for your industry's total sales in the market.

10

Evaluate your success at the end of the year. Determine necessary modifications and prepare your plans for the next year using the same process.



OUR GOAL IS YOUR SUCCESS

For more information about developing
a customized strategy to achieve your
business goals, contact us at:

760.773.0342 / sales@kesq.com