



TRADE SERVICES MARKETING PLAN

2017-2020

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THE MARKETING PLAN

The following marketing plan is designed to deliver against the identified objectives over a three year period. Success will come by sticking to the broad strategy whilst developing the nuances of the campaigns.

SITUATION

Rugby Borough Council has a number of services that support businesses. Some of these have been operating commercially for a number of years, others are new services. RBC is looking to increase the income it generates and a package of services to trade businesses have the potential to create a significant income stream.

RBC is operating in an environment of increasing cuts to core funding. The overarching aim of this marketing plan is to deliver a financial return which contributes to the Council's efficiencies and additional income targets, helping to safeguard and develop frontline services that the Council currently provides.

Given the scale of funding cuts further efficiencies and additional income of c£2m will need to be made by 2020 in order to achieve the target of financial self-sufficiency.

Some of the areas within the suggested 'Trade Services' have been operating commercially for a while. The Trade Waste Service has around 2000 customers and Pest Control has also been run commercially for a number of years, however neither of these services have ever had the benefit of a concerted marketing effort.

Other services such as Food Hygiene audits are new, but potentially delivered to a mature customer base who already have direct contact with the council through food hygiene inspections.

RBC also has internal capability that potentially has a commercial application that hasn't been fully realised yet. This is in areas such as gritting, sweeping and property maintenance.

The following section summarises the market research undertaken into the main areas of service:

Trade Waste - RBC already has a relatively strong market share. The competition comes largely from large national contractors with a potential emerging threat of Norse who are opening up a depot in Daventry. Opportunity will largely come from independent businesses who aren't part of a large national group that has a national waste contract. There is also opportunity beyond the

boundaries of RBC.

Pest Control - Competition for commercial pest control comes from a mixture of small independent businesses and large nationals. The opportunity is similar to Trade Waste and cuts across all sectors although there is a specific imperative with food retailers.

Gritting and Sweeping - There are many industrial estates in the RBC and surrounding areas as well as commercial and light industrial businesses that have yards that need to be maintained. Large housing developers are also a potential market for sweeping as are housing associations for gritting. Market analysis suggest competition largely comes in the form of internal substitution, organisations find a way to do it themselves, or on an ad hoc basis other than for the very large industrial estates.

Food hygiene audits - There is no direct competition in the Rugby area that has been identified in the desk based research. Some food retailers buy in consultancy support and many rely on self taught methods and the internet. Other local authorities have found a niche market by providing this service in the right way.

Property maintenance - There is a market for commercial property maintenance in the area that the RBC values and brand gives a competitive advantage in. The competition currently comes from small building firms and one man bands. They are able to keep their cost base low, but don't have the benefit of the 'tried and trusted' element of RBC.

Other services could easily be added to the 'brand' if deemed appropriate following market research. These could include Planning Consultancy, Pre-application Advice and Building Control

OBJECTIVES

The objective for the service is to increase market penetration and share in all of the areas that make up this package. The baseline for some of these areas isn't clear in terms of current income or existing customer base. Therefore the following objectives by 2020 are seen as reasonable:

- Increase Trade Waste customers by 30%
- Sell other services within the package to 25% of Trade Waste customers
- Increase number of commercial Pest Control contracts by 100%
- Develop Food Hygiene Audit and sell 100 / year
- Gain 10 Gritting / Sweeping and Building Maintenance contracts

The costs of these services must also be known to understand the profit margins generated through the traded activity.

This marketing plan is designed to achieve these financial objectives through a comprehensive approach to marketing.

STRATEGY

The package of services approach is designed to make the most of the unique feature RBC has - its breadth of services. Currently these services are run separately by different teams, but often to the same customers. These means opportunities are lost for cross selling and adding value to the customer relationship.

Unlike the resident packages, it is suggested there isn't an actual package offer, rather there is a common brand that delivers all of these services with a single point of contact for all of them. This will enable a flexible approach to customer segmentation, recognising that different commercial customers will be interested in very different things.

There are two parts to this strategy:

- to develop a customer focused approach based around customer segments
- to focus effort and resources in the areas that deliver the best results

CUSTOMER SEGMENTATION

The customers for Trade Services are not all the same and therefore they shouldn't be treated in the same way. What different groups of customers are looking for from the service is different. Therefore treating these customer groups separately and having differentiated messages will more clearly communicate that the service understands their needs and can meet them.

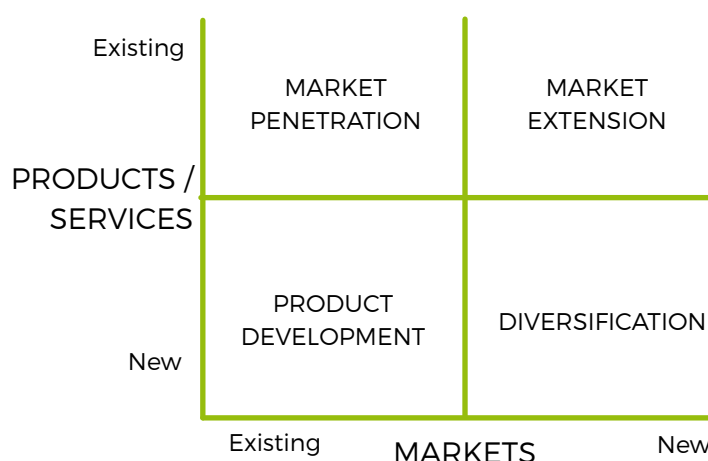
The right customer segments to focus on will need some further thought and investigation. However the following segments are a useful starting point:

- Industrial estates
- Food retailers
- larger developers
- schools
- landlords
- lettings agents

Possibly some of these segments need breaking down further. However these segments have obviously different requirements from the service, will see value in different elements of the service and therefore will respond to different messages from the service.

The strategy must be intentional and focused on the areas that are most likely to bring success. The danger is the opportunity that the service has. It has opportunities to:

- Increase market share in the commercial market in Rugby (market extension)
- Sell additional services to the core market in Rugby (product development)
- Expand geographically with the core service (market extension)
- Expand geographically with the new add on services (diversification)



Without focus, 'a bit of everything' will be tried and this will lead to poor results as there won't be the resources or the focus to do everything well.

Due to the high market share currently experienced by the Trade Waste service the strategy should be one of market penetration and market extension with product development seen as an additional value added service rather than core business for the next few years. For newer services that don't have a high existing market share, the focus should be entirely on market penetration. That is increasing market share within the Rugby area. This will be explained more in the tactics section of this plan.

TACTICS

The general ethos that sits behind the tactics for all areas will be the same. There is no 'magic' formula or message that will create market demand and increase business, but a planned and continual campaign will result in meeting the business objectives.

For all areas it is likely that a combination of direct marketing and follow on sales will give the best long term results.

The thinking behind this approach is that people don't buy when they first hear a message. They buy when they need the service and when they remember the message. This leads to three golden rules of marketing:

- **RECENCY** – people buy when they've heard the message recently
- **FREQUENCY** – people buy when they have frequently heard the message
- **POTENCY** – people buy when the message matches their need and values

The resulting tactics are:

- A segmented continuous direct marketing campaign
- A focus on cross selling to existing customers
- A focus on market extension for Trade Waste and market penetration for other services

A SEGMENTED CONTINUOUS DIRECT MARKETING CAMPAIGN

A continuous direct marketing campaign should be developed for both the local market and the geographical areas the business is looking to move into. This should use the following steps as a guide:

1. Determine which are the main customer segments for the service (this will involve interrogation of the databases and trial and error)
2. Through research identify the most important needs the segments have (e.g. low cost, fast service, trusted brand etc.)
3. Develop compelling messages for each of the segments based on their need
4. Develop marketing material that focuses on the key needs of the target segments
5. Send marketing materials to them on a monthly basis

6. Use marketing material to gain sign ups for a newsletter
7. Send monthly newsletter – tracking interest in particular features (make it useful and interesting)
8. Follow up leads with sales force

There are a few key points that underpin this process:

- RBC already has many business contacts and it should be possible to develop a database very quickly. These currently exist in different databases for the different services. They must be combined to create a single CRM.
- The database should continually be updated and improved
- Key decision makers' names should be sought rather than generic enquiry addresses – this may require work on the telephone to develop the best database in the first instance
- The marketing materials could be sent via post or email. Both should be tried and the results recorded.
- The message of the marketing material is vitally important. It must focus on what is important to the particular customer group. The success of different messages should be recorded so the impact of the messages is understood.
- The newsletter should be genuinely news worthy offering advice and tips to make people want to read it. Using a platform like MailChimp it is possible to get them looking good and to track opens and clicks to determine interest and qualify leads.

CROSS SELLING TO EXISTING CUSTOMERS

The existing customer base of Trade Waste should be a key customer segment to focus on. They already have an existing relationship with an element of the new combined service. Effective marketing usually starts with finding ways to get more from existing customers. These existing customers should be segmented and approached in a way that strengthens the relationship. You are able to add value to them as an existing customer by now being able to solve other problems they have as well.

A personal approach to these customers should be taken:

- Send a letter or email introducing the new opportunities for them
- Call to arrange a visit in person
- Follow up at regular intervals with email or letter

A FOCUS ON MARKET PENETRATION

Most of the services do not have a large market share in the local area. Therefore the focus for these services should be growth in the local area through the two methods highlighted previously

A FOCUS ON MARKET EXTENSION for Trade Waste

It is thought that the service already has a relatively high market share of the Rugby market, however this isn't known for sure and an exercise to identify the market share would be worthwhile. If the market share is relatively high then to achieve the marketing objectives a larger market is needed. The focus should be on extending geographically into neighbouring districts, following the same process segmented continuous approach described above.

ACTION

The following are the main actions that must be undertaken to implement the plan. An indicative costing is included in the 'control' section of the report for each action.

1. Development of a clear 'Trade Services' brand
2. Development of a standalone website for the Trade Services business
3. A concerted SEO strategy that includes development of the website to increase organic search results.
4. The enhancement of the existing databases to create a CRM system. This doesn't have to be a bought CRM system. It could just be the existing databases with new fields to enable segmentation and record keeping
5. Account management campaign with Trade Waste customers to cross sell other services
6. Segmentation of other possible markets before regular monthly campaigns to target segments
7. Identification of desirable high value customers followed by account management approach

Many of these elements are one off tasks to develop the tools needed for effective marketing. The management of them is then a maintenance task that follows.

CONTROL

There is always risk in marketing as the customer cannot be controlled. Therefore general good practice is to do a few things, monitor and measure them really well and do more of what works and less of what doesn't. Therefore the control of the marketing plan is very important.

As the focus of the marketing plan is market penetration, the following indicators are recommended as key:

- income generated
- profit generated
- market share
- level of cross selling between services
- penetration into new markets

Profit must be included as increased turnover could be gained through an increased cost base and this wouldn't result in any material benefit.

On top of these measures the success of individual campaigns and messages should be assessed to determine more accurately what is working and generating results and what doesn't have the same impact. This will enable quick decisions to be made which will impact on results.