How to Create a Marketing Plan and Budget for Your Business

MINDBODY®

Why is a marketing plan important?

As a small business owner, you know marketing is key to gaining new customers and increasing revenue. You also know marketing is important for engaging and retaining existing customers. But how do you put your ideas into action and, more importantly, fit them into your budget? You start with a marketing plan.

A marketing plan helps define your target customer, how to reach them, and how to measure the effectiveness of your strategies. While a business plan helps get the ball rolling, a marketing plan serves as an actionable extension that will evolve alongside your business.

The good news—creating your first marketing plan and budget is simpler than you think. Plus, MINDBODY's here to help you every step of the way.

To get started, download a copy of our free Marketing Plan Template and fill it out as you read along.

Defining your goals

When drafting your marketing plan, the first thing you'll want to consider is what you aim to accomplish. Do you want to attract new customers to your business? Grow a specific service category? Improve retention? Your overarching goals are important; they'll guide your marketing plan.

Start with three S.M.A.R.T. (specific, measurable, attainable, relevant, time-bound) goals. For example: "Grow new clients by 5% each month by the end of the first quarter."

Business summary: Who are you?

With goals in mind, write a brief summary of your business to guide your marketing strategy. Consider the following questions:

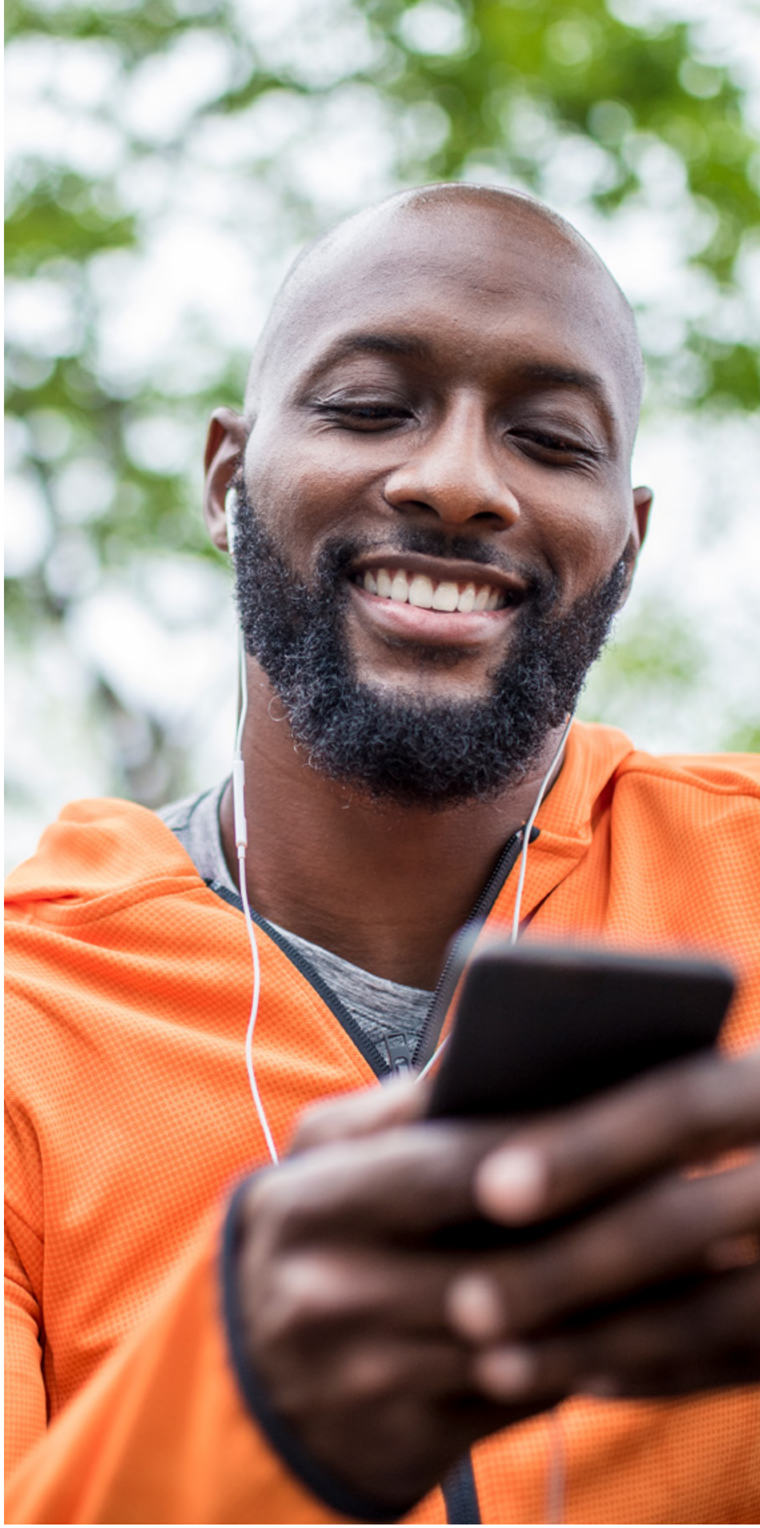
- Where are you located?
- What services do you provide?
- How do you stand out from the competition in your area?
- How can you improve?

Target market: Who's your ideal customer?

Now that you have a good overview of your business, you'll want to focus on what matters most: your customers.

Start by defining them. Who are they? What motivates them? How can you best serve them? By knowing who you want to attract to your business, you'll be able to tailor your services and determine the most effective marketing efforts. Answer the following questions:

- How old are they?
- Where do they live?
- Where do they work?
- What do they value?
- What problems do they have?
- How can I help them fix their problems?



Strategy: How will you reach your target customer?

Once you've defined your target audience, you're ready to outline how you'll attract and convert them. This includes four segments of marketing—Awareness, Action, Loyalty, and Advocacy—and includes targeting techniques for each step of their customer journey. This will likely be the bulk of your plan.

Awareness: Help new customers find your business

How will prospective customers discover your business? From your website to in-person events, there are a variety of ways to catch their attention. Depending on your target customer(s) and budget, you'll want to use a combination of the following:

Traditional advertising: Many businesses use flyers, billboards, radio, or print ads to drive awareness in their local communities. If you're thinking about placing a print ad, confirm the publication's demographic to ensure its readership aligns with your target customer. Consider offering a unique promotion in your ads to entice customers and help track your results. If you're a MINDBODY customer, setting up a promo code in the software is simple, and helps you immediately tap into a network of people looking to book their next service or class.

Events: Pop-up events and open houses are unique and interactive ways to spread the word about your business. Pop-up events hosted in booth spaces, kiosks, or vacant retail spaces help get your name out there to customers who haven't heard of your business. Open houses invite potential customers into your location with free services or classes, discounts, raffles, and the like.

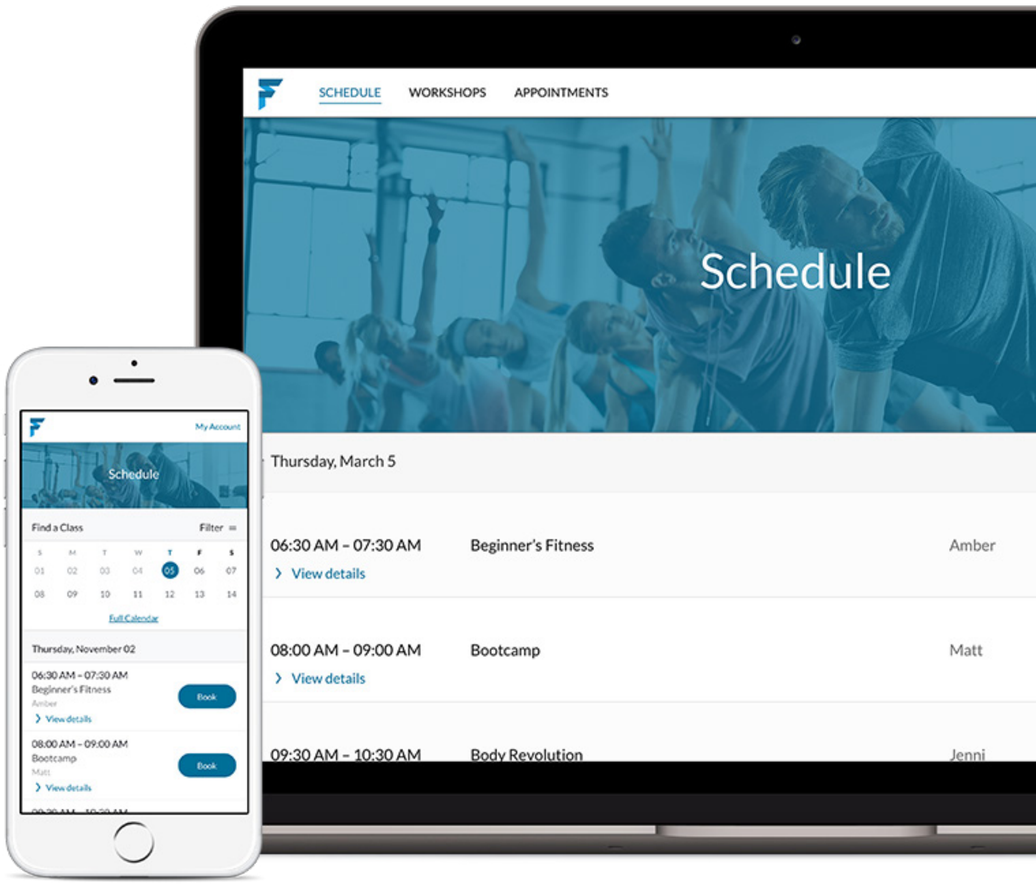
Website: As the online "home" of your business, building a user-friendly website is essential. In fact, in a recent study, 63% of consumers used websites to find or engage with businesses. When building your site, make sure your business management software easily integrates so customers can seamlessly book and pay for services online. If you're a MINDBODY customer, our branded web tools do just that.

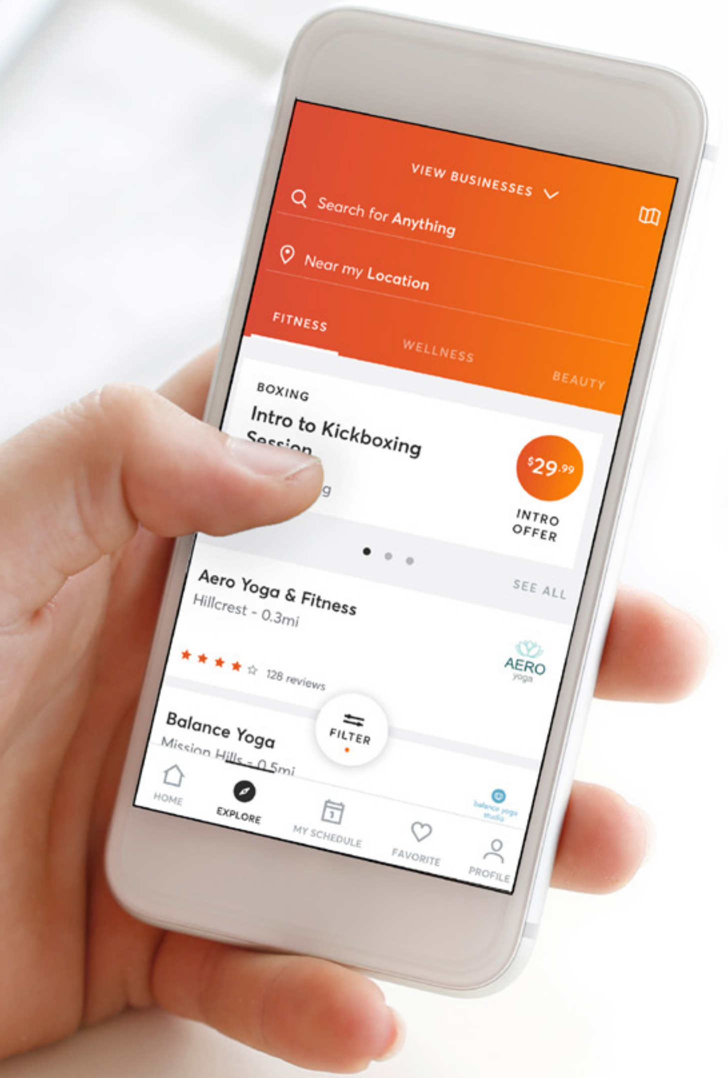
SEO: Search Engine Optimization, or SEO, is the process of optimizing your website and online profiles to rank higher in search results. While there are a variety of ways to spruce up your SEO you can start with optimized profiles on sites like Yelp, Bing, and Google.

Pay-Per-Click: Pay-Per-Click advertising, or PPC, is an effective way to drive traffic to your website. The most popular PPC ads are ran on major search engine sites like Google, Bing, and Yahoo. Google Ads, for example, prominently display ads in search results, depending on the quality and relevance of selected keywords.

Social media: From Facebook and Instagram to Twitter and YouTube, there are a variety of social platforms to market to customers. This also includes targeted social ads, which can achieve significant reach with relatively inexpensive investment.

Social Buying: Local deals and sites like Groupon and LivingSocial are effective marketing strategies to get new clients through the door. That being said, you'll need to really consider if social buying is a good fit for your business and ensure you have a strong conversion process in place (we'll cover this in the upcoming sections). Keep in mind: Your offer should be about 50% of the normal price or value of your service.





Action: Convert prospects to customers

Once you've introduced a customer to your business at an event, through a Google search, on social media, or through social buying, their next step is to book a service or class. Make it easy, and affordable, for them to take a chance on your business. Here's how:

Create an introductory offer: An effective introductory offer converts customers and increases the likelihood they'll stick around. It also encourages multiple visits, is priced attractively, and provides enough time to develop a relationship with the customer. Here's everything you need to know to create your intro offer.

Promote your introductory offer: Having an irresistible intro offer doesn't mean much if it's not seen by the right people. You'll want to promote it through all of your marketing efforts. With millions of customers looking for fitness, beauty, and wellness services on the MINDBODY app, it's the perfect place to start. Plus, with Promoted Intro Offers, your offer will be prominently displayed. Easy to find and easy to book? Yes, please.

Use dynamic pricing: For class-based services, Dynamic Pricing brings in new customers by automatically shifting prices on demand. Prices will fluctuate between the minimum and . maximum prices you set. For example, you can promote classes with open slots in the app's Last Minute Offers. Customers receive discounted prices and you fill your classes—it's a win-win. Plus, once they're at your business, you'll have a better chance of upselling your intro offer.

Loyalty: Keep your customers coming back

As soon as a customer books a class or service (or your intro offer), you'll want to transition them into a loyal customer.

Customer retention is directly related to the experience you provide. The key? Creating touch points at every stage of the customer lifecycle. Of course, you'll want to provide ample in-person attention during each visit to your business. However, the ways in which you interact with customers outside of your business are what really set you apart.

Stay in touch: Keep customers in the know with emails and texts to win-back lost customers and promote upcoming events and specials. Your business software should enable you to both automate and customize your messages for a more personalized experience—without the extra work.

Provide personalized offers and promotions: Keep existing customers coming through the door by reminding them to book again with personalized promotions. For example, send a customer an email with an exclusive promo code for 25% off their next service. MINDBODY automates the process without sacrificing personalization. The software analyzes customer booking patterns and sends customizable emails at just the right time to increase repeat business.

Advocacy: Get your happiest customers to share the love

Retaining and turning customers into advocates can be one of the most trying business challenges. However, it's well worth the effort. How can you leverage existing customers to encourage new business and reward them for their continued loyalty?

Ask for reviews

Customer reviews matter. So much so that 85% of consumers trust online reviews as much as personal recommendations. Encourage your loyal customers to leave positive feedback on review sites like Google, Facebook, and Yelp. Customer review software can automate the process and increase optimized reviews to help you be discovered and attract new customers.

Receive a particularly heartfelt review? Highlight it on your website, in an email newsletter, or with a social post to reinforce your gratitude (and encourage others to share their experiences, too).

Reward for referrals

Do you have a referral program? By encouraging—and rewarding—customers to spread the word about your business, you draw them back in and expand your customer base at the same time. Plus, it's much more likely a new customer will return if they have a friend or family member who's just as excited about your services.

Implementing a referral program doesn't have to be time-consuming. Instead, use an automated marketing software to promote your program and track and reward customers.

Keep 'em happy

The best marketing is a happy customer. Keep your loyal customers excited about your business with social media contests, workshops, and customer appreciation events. If you're a fitness business, check out our list of proven ideas to keep customers engaged.

Budget: How much will you spend?

Marketing is key to profitability and growth, which means it should also be a key component of your budget. Your marketing spend shouldn't be determined by what's left over after other expenses. Instead, you should allocate a percentage of your revenue each month towards marketing efforts that'll both attract and engage customers.

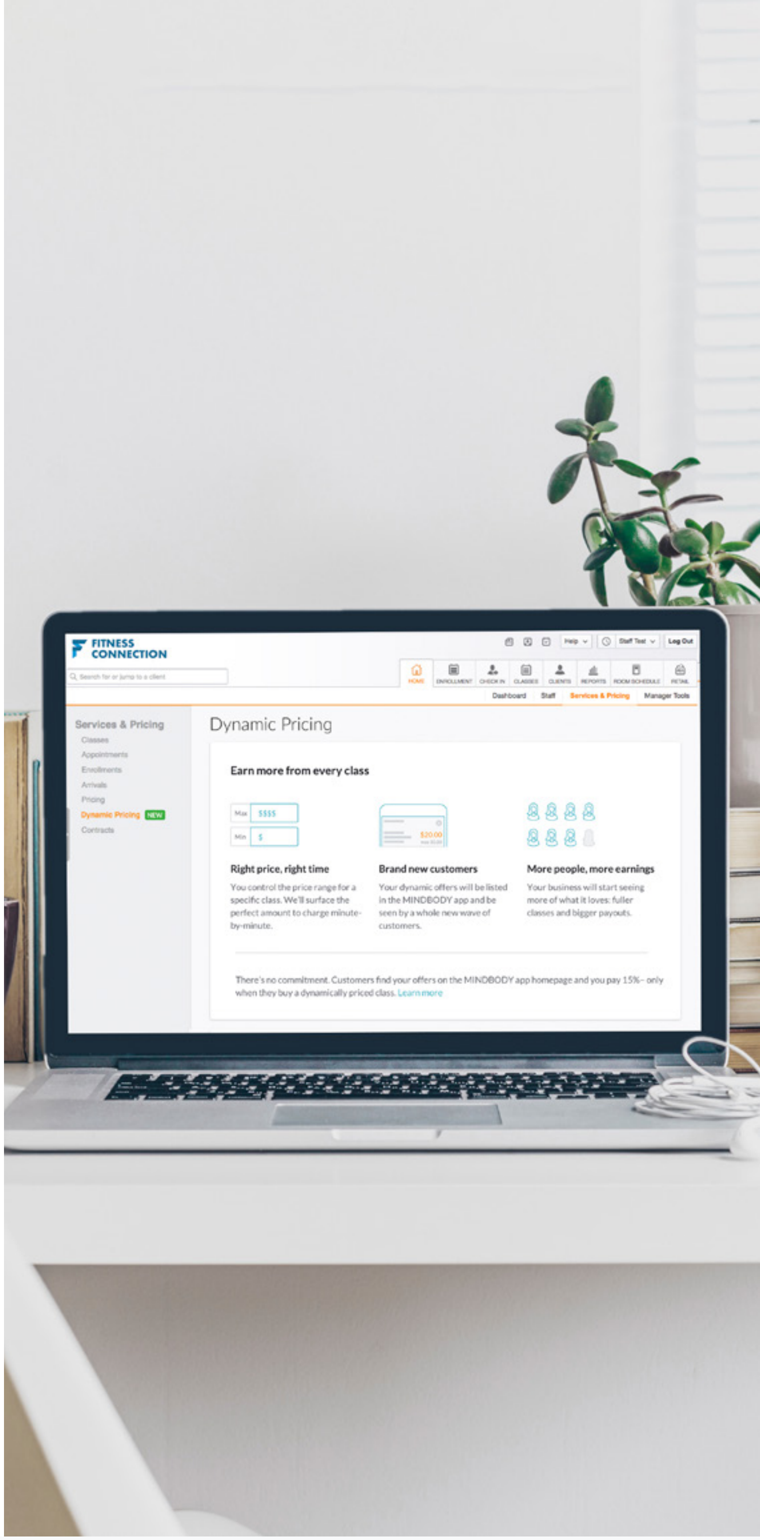
How much should you budget? It depends on a few factors, including your goals and the size and stage of your business. Businesses with revenues less than $5 million should generally allocate 7-8% of revenue to marketing. However, businesses just getting started (within the first six months) will probably want to spend more, at least in the beginning, to drive awareness and jump-start sales.

KPIs: How will you track results?

Marketing without data is like driving with your eyes closed. The only way to see if your efforts are effective is to determine and consistently reference a set of Key Performance Indicators (KPIs). KPIs are the specific metrics that help you track the success of your efforts. Data helps you find what's working and what's not, and revamp as needed.

Setting your KPIs

When figuring out your KPIs, be sure they are quantifiable, measurable, and actionable. They should also directly tie to your S.M.A.R.T. business goals (outlined in the beginning of your plan).



Measuring your results

In general, a marketing strategy is successful if revenue increases every year, intro offers are consistently sold, and new customers successfully convert into recurring customers.

Keep in mind it takes six months to a year of consistent marketing to see results, so be patient—and don't stop when your efforts start to work.

Start by tracking your:

- Total revenue
- New clients
- Intro offers sold
- Referral types

If you're a MINDBODY customer, you can easily pull these reports each month to see how your marketing strategy is paying off.

Remember to download a copy of our free Marketing Plan Template to start tracking your results.

Revisiting your plan: The 80/20 rule

Marketing is a constant process of improvement, but with a plan in place, you can always stay one step ahead. When updating your plan, invest 80% of your effort and budget in proven promotions (pay attention to your reports!) and 20% in testing new variations. By following the 80/20 rule, you'll keep your marketing fresh and grow your business every year.

To learn more about how MINDBODY Marketing attracts new customers and keeps them coming back, visit the MINDBODY Marketing page.

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To learn first-hand how MINDBODY can position your business for success, schedule a guided tour today.