



MARKETING STRATEGY

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 (RBC) has been developing commercially for a number of years. There are already a number of income streams across the authority of varying sizes and with varying degrees of maturity. Business plans have been developed for some of the areas, such as Trade Waste, whilst other services are not yet that advanced in planning.

There is currently no real thread linking the traded services together, and therefore the commercial services and assets of RBC are not communicated as effectively as is possible. This means there is further commercial opportunity for these services that will be gained through an effective approach to marketing. The purpose of this marketing plan is to develop a number of 'packages' that will aid the effective communication of the commercial offer. The plan will develop an overall approach to marketing and will provide a template for further commercial services in the future. It will also provide greater detail for marketing two specific package offers. This will create a vibrant environment for income generating activities and develop synergy between different traded areas. This approach will enable effective performance management of sales and income generation activity.

The two packages identified through this project as viable commercial offers are:

- Commercial Services
- Resident Services

These will be defined in more detail later on in this marketing plan.

PURPOSE

Create a vibrant environment for income generating activities through the development of a RBC approach to marketing. Develop synergy between traded areas through the development of package offers and generating higher levels of income through the effective marketing

OBJECTIVES

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.

There are a number of commercial opportunities already identified by RBC. These two package offers are part of the potential commercial portfolio going forwards but have been chosen to be the focus of this marketing plan due to the opportunity they have to both generate additional income, but also to provide learning that can be applied in other areas.

The objective set for these two package areas is that they will increase the existing income of the constituent parts by over 100% by 2020.

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 across the authority.

OBJECTIVES

To deliver a 200% increase on income by 2020 on the existing constituent parts of the package offers

STRATEGY

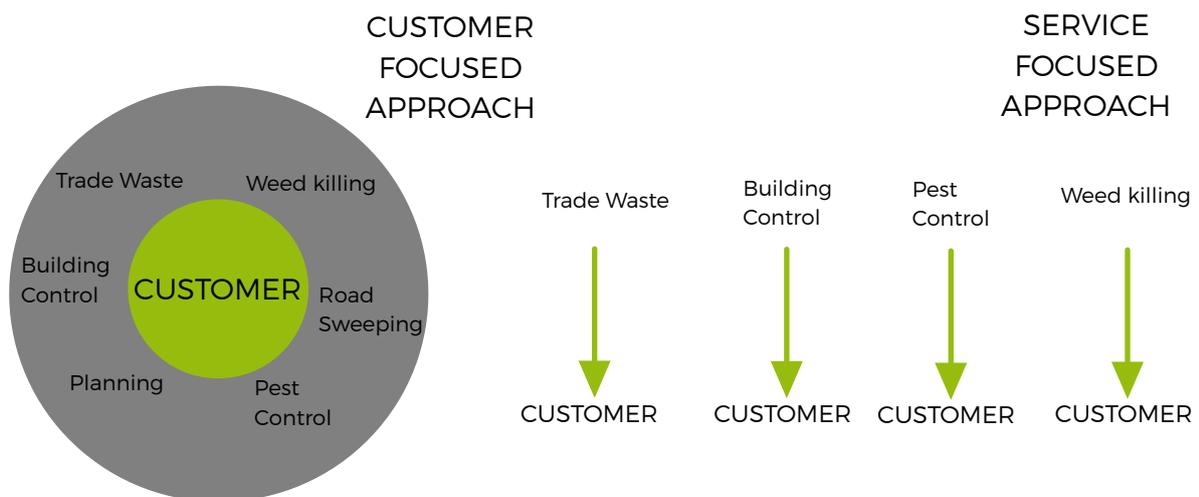
There are two parts to this strategy: firstly an overall strategy for the marketing of the traded services of the authority and secondly an approach to marketing the two particular packages identified.

The aim of the first part of the strategy is to maximise the potential the traded services have by looking at the synergy between them, their customer segments and the leverage that comes from being part of the council.

The second part of the strategy recognises that not all of the services will benefit from being treated in the same way. Therefore to maximise the potential they have they may need to communicate with their target markets in a different manner. However there needs to be a common approach to developing a marketing plan, analysing the market, positioning and targeting the service. A common approach, whatever the service and audience of the service, will enable rigorous management of the commercial portfolio of the council. It will also enable those with specific areas of expertise to support services outside of their service area and develop a consolidated approach to marketing and commercial development across the local authority. This second part of the plan is for the two specific packages and is found in the separate document.

1. an overall strategy
2. a marketing approach for all services

The overall strategy is to focus around customers and their needs rather than service areas. This will ensure customers receive a streamlined and focused service that puts them at the centre of everything they receive. It will develop synergy between services, thereby identifying cross selling opportunities as a normal part of operation. It will draw on the strength of the reputation of the council and enable dynamic relationships to develop with customers that look beyond one area of need or support.



The work should draw on the strong corporate identity of the local authority and develop in line with the visual identity of this report; creating a series of strong brands that give identity, show differences where necessary but demonstrate they are part of the same family.

There are two suggested main package offers but with scope within each to buy more or less services. Some of the services within the packages are suggested below, but this is not an exhaustive list and if customer insight identifies other services that fit within the packages they should be included:

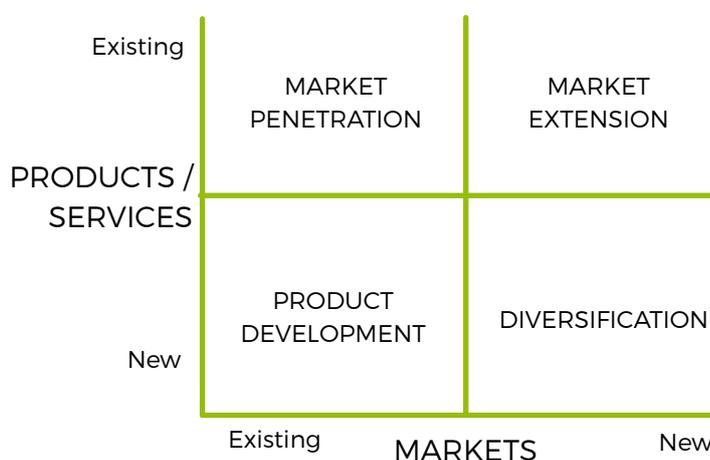
<p>Trade Services</p> <ul style="list-style-type: none"> Trade Waste Weed killing Road Sweeping Food Hygiene Licensing support 	<p>Resident Services</p> <ul style="list-style-type: none"> Gardening Services Handyman Services Green Waste Bin Cleaning 	<p>Resident Care</p> <p>as with the Resident Services plus Lifeline Service</p>
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The strategy for these areas will be different as they operate in different markets, the detail of which is provided in a separate marketing plan.

Whilst this isn't a branding strategy, positioning the services correctly in the market through the use of the brand is very important. All of the services listed under the packages benefit from being closely associated to RBC and its reputation of being safe, tried and tested and trusted. Therefore it is recommended the package services are branded in a way that closely associates them with RBC. A possible approach is shown below. However, as has already been stated, this is not a brand strategy and the name and branding approach should be carefully considered.



The overall approach to marketing should be one of market penetration with a small and increasing amount of market extension over time.



This means the strategy should be to focus on the main areas of commercial opportunity and look to increase market share in these areas. Secondly the strategy should be to look to expand geographically in these areas of strength. For the Trade Services the focus should be on the larger opportunities which will make it possible to scale up against the backdrop of a contract rather than use resources up by attempting to trade in areas without a real track record and without the resources to do it successfully.

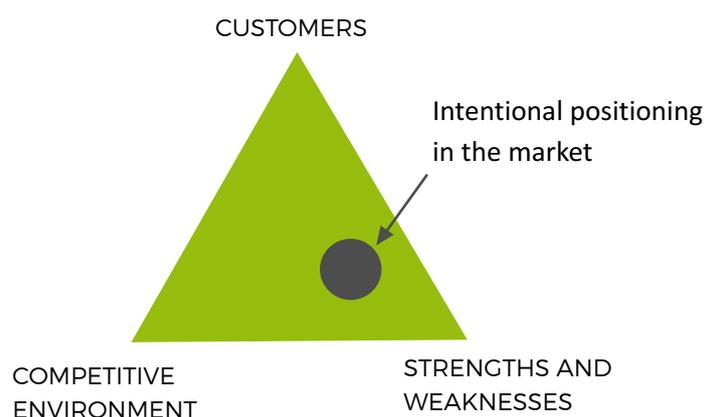
Customer segmentation should be embedded in all marketing – that is understanding customers aren't all the same and distinct products and/or services and messages should be tailored for key customer segments.

To achieve the financial objectives set out the geographical areas targeted must be considered. A strategy for operating outside of RBC should be part of the future for the trade services.

The access route of customers to these services is also important. The strategy should be that of a single point of contact where knowledgeable customer service representatives can make bookings and deal with the majority of customer enquiries through a CRM system. This is again then focused on the customer and on communicating the wide range of opportunities RBC commercial services have to help that customer. It is also more efficient than every service having its own 'front door'.

POSITIONING

Positioning is the intentional approach to occupy a place in the market and the mind's eye of potential customers. Positioning is determined through an in depth understanding of customer needs and how they vary by customer segments, the competitive environment and the organisations strengths and weaknesses.



Positioning is affected by price and brand. The majority of the traded services will benefit from being closely aligned to the council and the reputation the council has of being tried, tested and trusted. To achieve this purposeful approach to positioning, services should look to price in line with the middle of the market across all services.

For the services that will benefit from being linked to the council, a brand should be developed that demonstrates a strong association with the council but also slightly separates them from other statutory council functions as suggested in the previous section.

However for some of the services not included in these package offers, being too closely positioned to the council is likely to be detrimental. The desires of the main customers groups should be assessed against the main perceptions they have of what the council stands for. Where there is a match the positioning should reinforce the link to the council. Where there isn't a strong link, greater success will be generated by positioning the service away from the council through the brand that is used and the price point that is charged.

TACTICS

The general ethos that sits behind the tactics for all areas is the same. That is 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 concerted focus on identifying and winning large contracts
- Development of a strong database to use in the marketing

A SEGMENTED CONTINUOUS DIRECT MARKETING CAMPAIGN

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

1. Develop commercial services databases for the two main package offers. These can initially be based on existing databases (Garden Waste list of 22,000 names for the Residents Package and Trade Waste, Pest Control and Food Hygiene lists for Trade Services)
2. Segment the database into key customer segments which have similar characteristics (food retailers, schools, part of a larger national company etc.)
3. Develop marketing material that focuses on the key needs of the target segments
4. Send marketing materials to them on a monthly basis
5. Follow up leads with sales force

There are a few key points that underpin this process:

- RBC already has many business and resident contacts through existing commercial services and it should be possible to develop a combined database very quickly
- 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. Social media campaigns should also be used and the results monitored.

- 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.

A CONCERTED EFFORT ON WINNING LARGE CONTRACTS

Winning large contracts enables resources to be scaled up while linked to known income levels. To win the larger contracts a relationship management approach should be taken as people buy from people. The process adopted should be as follows:

1. Develop a list of the businesses that you would like to work with
2. Identify the key decision makers in the business through desk based research and telephone work
3. Contact them to arrange a meeting or to send marketing collateral through to
4. Follow up on a monthly to bi-monthly basis

A key point to note is the need for realism when it comes to identifying the business you would like to work with. Most businesses are likely to ask for examples of delivering similar types of work to the work they are looking to commission. Therefore the initial list should be for contracts likely to be bigger than they ones currently undertaken, but of a similar scale. As these are won then the next size up can be chased. This will ensure an efficient approach to this element of the work rather than spending time chasing work that is very unlikely to be won in the near future. This approach will enable the services to upscale and meet business plan objectives.

CROSS SELLING THROUGH REFERRALS

A competitive advantage held by many of the traded services is the link to other council services that also provide support to that customer group. This is something that should be utilised.

Offering existing customers preferential rates with other traded services demonstrates added value and utilises the links across similar council services. It also puts the customer first rather than the service.

The processes adopted should be simple for the customer. Therefore direct debits and card payments should be possible and a website dedicated to the business services should also be developed to make it easy for customers to find the information they are looking for. The main council website should maintain information about the service, but should link to a new dedicated website for each of the areas: trade services and residents services. There should also be a dedicated phone number for the each of the packages services.

ACTION

A detailed action plan should be developed for the packages. More detail is included in the separate marketing plans for the packages. These action plans are not based on the reality of the available resource within RBC so will need to be refined. The following elements should be included in the plan:

- Development of clear branding that moves away from products or services to groups of services that focus on the customer
- Development of marketing materials that reinforces the positioning
- Development of comprehensive databases
- An ongoing segmented marketing campaign where each key customer segment is contacted every month. This can include social media must not rely on it for the business to business services
- Targeted relationship management to win large contracts
- A CRM approach developed for all customers
- Ongoing market research to identify customer needs and to refine customer segments

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

Profit must be included as increased turnover could be gained through an increased cost base and this wouldn't result in any material benefit. The current business plan figures only have income not profit.

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.