



RESIDENT 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 supports residents and generates income at the same time. 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 residents has 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 'Residents Services' have been operating commercially for a while. The Handyman and Repairs services are both in existence. Repairs has a budget of £1.8million and currently looks after around 2800 properties with around 30 staff employees. The Handyman service is currently one person and is subsidised by RBC. The Garden Waste service is growing and is currently used by around 22,000 households and there is internal capability to also provide a domestic gardening service.

RBC also has a lifeline service and this service has the potential to develop further.

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

Repairs Service - The competition for this service is thought to be largely independent builders and property maintenance companies. The market includes private residential premises, but more lucrative and consistent work would be found from landlords, lettings agents, housing associations and industrial estates (already mentioned on the Trade services marketing plan). The market is price sensitive, but price isn't the only factor; speed and trust are also important considerations when

purchasing decisions are made.

Handyman Service- The service is currently provided to the elderly and vulnerable. It is a very competitive market with competition mainly coming from independent builders and internal substitution (DIY from friends and family). The market is very price sensitive, but trust and quality are also important factors.

Garden Waste- There is a captive market for garden waste as no other suppliers are in the market. The market is price sensitive and growth will always be capped by the the number of households in the borough. Garden Waste also provides a potential front door to other services.

Gardening services - Gardening is a very competitive market place with the competition for domestic work largely coming from micro-businesses. The market is again price sensitive

Lifeline alarms- This is a market of increasing competition from private care providers and other local authorities. RBC currently has a number of customers and there needs to be a specific plan for this area to develop in the future and differentiate from the competition. One such existing area of differentiation is that staff will go out to the property when the alarm is triggered. The staff come from the local area and the service isn't managed by a call centre somewhere else in the country.

OBJECTIVES

The objective is for the service 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:

- Develop a suite of packages and gain 3000 customers sign ups to the packages

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 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. This means opportunities are lost for cross selling and adding value to the customer relationship.

Unlike the trade packages, it is suggested there is a series of actual package offers, but with built in flexibility for customers to buy particular services from the package rather than the whole thing.

The packages must be developed in a way that allows for customers to want different things due to their differing needs and desires. The strategy is to strike a balance between enough packages to give choice, but not too many that communicating the packages becomes complicated. This will largely be achieved through a segmented approach to marketing whilst leaving a small number of packages.

THE PACKAGES

It is suggested that the following four packages are the starting point for the service. Other packages can be developed at a later date, but keeping it to four will aid communication. It should also be made clear from the communication that other services can be added by separate negotiation or individual services can be bought outside of purchasing a package.

Resident Services	Resident Services +	Assisted Living Service	Assisted Living +
Green Waste (annual service)	Green Waste (annual service)	Lifeline Service (24 hour call centre, basic pendant and watch)	Lifeline Service (24 hour call centre, pendant and watch, fall detector, bogus call alert)
Bin cleaning (every two months)	Bin cleaning (every month)	Green Waste (annual service)	Green Waste (annual service)
Gardening service (10 hours/year)	Gardening service (15 hours/year)	Bin cleaning (every two months)	Bin cleaning (every month)
Handyman service (8 hours / year)	Handyman service (12 hours / year)	Gardening service (10 hours/year)	Gardening service (15 hours/year)
	Patio and drive clean (once a year)	Handyman service (8 hours / year)	Handyman service (12hours / year)
			Patio and drive clean (once a year)

There are three key elements 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
- a pragmatic approach to marketing that makes the most of existing resources as far as possible and communicates with the market through low cost ways.

CUSTOMER SEGMENTATION

The customers for Residents 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 will be 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:

- Busy professionals
- Older, relatively wealthy
- Retired and need some support
- In need of higher levels of support to maintain independence

Some of these segments need breaking down further and others will be identified as well. 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. Therefore, whilst there are only four packages, there should be different messages and approaches to marketing used for the different segments identified.

The strategy must be intentional and focused on the areas that are most likely to bring success.

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.

The service must also be intentionally positioned in the market to create the right perception of it. The existing handyman service is priced too low to be commercially viable, but is also priced below market expectations, therefore will not be adding to the brand values of 'trusted' and 'expert'. It could be the handyman service continues for its existing customers and this new service is something different.

The cost of providing the service needs to be worked out, however from a market perspective, the pricing should position the service in the middle of the market - slightly more than a one man band but still good value.

TACTICS

The general ethos that sits behind the tactics for all areas will be 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 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. This should use the following steps as a guide:

1. Segment the market using the garden waste, supported living and handyman service databases. The databases should be cross referenced to other information held on the electoral roll and ward information from the census.
2. Develop compelling messages for each of the segments based on their need (basis this on research with the segments not just assumption)
3. Develop marketing material that focuses on the key needs of the target segments
4. Send marketing materials to them on a monthly or bi-monthly basis (the frequency needs testing to balance good communication with over communication)
5. Follow up leads with telephone call and/or visit

There are a few key points that underpin this process:

- RBC already has many 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. Probably the most useful database is the one for green waste. This has 22,000 households on it who already receive a commercial service from RBC.
- The database should continually be updated and improved
- 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.
- For the domestic market social media should also be used. Different targeted campaigns should be used and focused around different aspects of the service. The results should be measured to gain a better idea of which messages align best to customer needs. Social media generates feedback and this should be actively managed. Experience from other local authorities suggests negative feedback could come from social media as services such as this can be portrayed as 'another way the council is trying to get our money'. This presents an opportunity to clearly communicate the values behind the scheme.

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.

ACTION

The following are the main actions that must be undertaken to implement the plan.

1. Development of a clear 'Resident Services' brand
2. Development of a standalone website for the Resident 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 files to enable segmentation and record keeping
5. Segmented regular marketing campaigns

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
- enquiries

- hits on the website following campaigns
- sign ups to the different packages

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.