



NEIGHBOURHOOD MARKETING

Report No 4

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Neighbourhood Marketing Strategies

Become an expert in neighbourhood marketing, research, and planning. Enhance your own business. Sell your expertise to other local businesses

Key Principles of Neighbourhood Marketing

Proximity

Concentrate your marketing strategy on customers who live within a 1-3 mile radius or, a 5-10 minute drive from your location. That's where the overwhelming majority of your best customers' are most likely to come from.

If you use the mass media you will pay to cover a large geographical area, most of which is not in your immediate neighbourhood, and is irrelevant for your new marketing strategy. So why reach out to those who will never drive the distance to see you? Understanding the make-up of your own area will present new opportunities to increase your profits.

Customer Focus

Satisfy the needs of customers at the highest level you can - so that your business will always be the first one they think of. Because you are operating in a limited geographical area they will always be local conditions you can exploit, for example, if a particular area has a greater than average percentage of older people and low rates of car ownership-home visits or free transport to your location could be a good incentive offer that will get your business noticed locally. Moreover, focusing on specific customer needs within your neighbourhood will help you to define distinct customer groups.

Customer focus begins with profiling and categorising your customer base. Profiling will help you to divide your market into segments and spot those areas that are the most profitable, and fastest growing. Once identified you can focus your resources on those segments that will yield the greatest opportunities.

This information is critical to the success of your business; it will help you to gain greater understanding of the different groups within your neighbourhood, and how you can satisfy their requirements.

Key Benefit

Select a core activity that your business can excel at. Consider providing a local incentive as outlined above, or some service that provides added value, or greater customer satisfaction.

Because you are operating in your own local area, it might be possible for you to provide a first-rate local incentive that a big outside competitor could not match.

So, provide a key benefit to local customers for using your product or service. Make it the best you can. Make it available only within your neighbourhood to those who can have the greatest impact on your business.

Give this proposition some serious thought. By making it available only in a limited geographical area, to a selected number, it becomes less costly for you to provide, while at the same time being perceived by the customer as an exclusive, tangible benefit. This will again enhance your business reputation in your area.

Incentives come in many shapes and forms. The golden rule is to identify the number 'one' benefit your business can provide, and link this to relevant needs in your local market.

To take an obvious example, a hairdresser with premises in a busy commercial area surrounded by other shops and offices might offer the employees of neighbouring businesses concessionary appointment making opportunities, perhaps early morning, or late evening appointments to fit in with their working day, or even provide a mobile service visiting their work places, or homes.

Think hard and come up with an effective incentive. This does require imagination and an understanding of the relevant needs in your neighbourhood target base, but once you have identified a need your business can fulfil claim it, and make it your very own, turn it into your "Unique Selling Proposition" (USP) and use it as a blueprint in all your marketing activities. Your USP is so important - because it's the hook that will bring people to your door, rather than to the door of a competitor.

Don't slavishly follow your competitors: just because they do things a certain way doesn't mean you have to follow them. Strive to be different. And the difference will get you noticed.

I wish I could simply provide you with a list of incentives, but that's impossible: I don't know your business or the sort of environment it operates in. But, I can provide some generic pointers and ask you to think long and hard about how you could apply these to your particular circumstances and offer a first-rate incentive to potential customers in your local area.

Keep in mind you are operating in a strictly limited geographical area. So the exclusivity motivator is already present in that: only selected prospects will receive your message.

Because you can carefully manage the number of new customers you want to attract you might be able to offer something really special and unique because you are not trying to appeal to everyone, and the incentive need not be a strain on your resources. Maybe you could provide a heavily discounted, or even freebie incentive to attract new customers or clients.

Providing a good incentive is the key, but this does not mean the incentive has to carry a high monetary value it's the perceived value and exclusivity that's important. Depending on the nature of your business it might be possible to offer free delivery, home visits, provide free samples, demonstrations, concessionary appointments etc, try to think of an incentive that provides a real benefit one that - adds value, quality, saves time, is more convenient, less stressful.

As you plan your neighbourhood marketing efforts, look for inventive ways to reach out to potential customers right on your own doorstep.