

## University of Missouri Extension

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# Home-Based Business — Market Your Product

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**Extension and Agricultural Information**

To be successful at a home-based business, you not only have to be good at what you do, but you have to be good at letting others know how good you are at what you do. You have to come up with a plan to get your product or service in the market place. You have to come up with a marketing plan.

This marketing plan involves two parts:

- You have to figure out who the market is
- You have to make the product or service known to that market. These two work together.

## Define your market

It is a rare case in marketing when a product has appeal to everyone regardless of sex, age, income level or special interests. The more typical case is that a product will appeal to a limited group of people who are willing to put down their hard-earned dollars to buy what you have to sell.

The basic question to keep in mind as you develop your marketing plan is: Who would want to buy the type of product I make and how can I develop it to be saleable to these special people? Once you define your market, you often have to modify your product to fit that market.

Sometimes the answer to this question is clear and logical. Often, however, a business person has to do some research and experimentation to find the answer. Many a business has failed because people didn't consider this obvious but critical question: Who is the market?

## Review the competition

Competition is critical to marketing. Competition is defined as any other product or brand that a customer may buy instead of the one you are selling. Competition for the manufacturer of breakfast cereals, for example, may come not only from other cereal makers but from the sellers of bacon and eggs as well.

Understanding what other products are on the market can help you develop a more effective position for your product. By analyzing the competition, you can gain valuable tips on the characteristics of products that will sell, the appropriate price level and the necessary promotions or price breaks you must periodically offer your customers to keep them interested in what you have to offer.

You must view competition as not only a force to be overcome but an aid in your marketing efforts.

## Find your niche

There's an old saying: "To lead, find out where people want to go and then hustle yourself around in front of them."

The man who started the McDonald's restaurant chain did this. So did the woman who founded Mary Kay Cosmetics. You can do this, too. But you have to keep your eyes and ears open, and a little luck now and then won't hurt.

In marketing their products, managers in the corporate world realize one important truth — to get the edge on the competition, one must have a product that is perceived as different from all the others and one that fulfills the wants and needs of customers better than any other product.

In technical terms this is called product differentiation. If you build a better mousetrap, the world will beat a path to your door. But if you build the same one everybody else does, you'll be locked into a nonproductive battle with your competition. You must give customers a reason to buy your product over any others. You have to find ways to make them as enthusiastic about the product as you are.

There are several ways to make your product distinctive. Common strategies are lower price, superior quality, greater convenience or faster service. What techniques you use depend on your product and your market.

Trends play a role in this too. If your product is a craft, you have to be extremely conscious of trends. One craft person said it's important to read the craft magazines. But by the time a craft or style of craft hits the magazines, it may already be on its way out. So you have to go to shows, talk to people, look and listen to figure out what will be "in" this year. One potter said she prefers earth tones for her jars. But products with blue in them sell better. So she now does more blue pieces.

## Promote your product

Promotion involves advertising, publicity and personal contact. But keep in mind that you are not selling a product, you are selling what this product will do for people. A toothpaste company doesn't sell toothpaste so much as it sells sex appeal or lower dentist bills. A car company doesn't sell cars so much as it sells an image that a car will help provide its owner. Decide what your product will do for people. Then use this theme in your promotion.

Decide what form of promotion you need. The form you choose should project the kind of image you want your business to have. Professionally printed business cards may suggest a quality product, whereas a handwritten note tacked on a bulletin board may suggest less than professional work. Choose several forms of promotion from the following list depending on their appropriateness to your business.

### Word-of-mouth

This type of promotion is particularly valuable for a home-based business because it's free. Be sure the word passed is favorable. Be professional, prompt, meet deadlines, keep appointments and do not accept more work than you can deliver. One seamstress relies on this as her only means of advertising. To do more would get her more business than she could handle well.

### Business cards

A professionally printed card is an asset to almost any business. Include your name, address, phone number and products or services you provide. An attractive logo can also enhance the professional image you want to project. It's ideal to have a professional designer work with you in the design of your card. If this is too expensive or not possible, at least look at a wide array and model yours after one you find appealing.

### Letterhead and envelopes

Printed letterheads show your customers that you are a professional business person. Use the same logo and design as is on your business card.

### Brochures

A brochure can be well done and still relatively inexpensive, depending on the size, number of colors used and whether or not there are photographs. Get help from your printer and a professional designer/editor regarding layout text and lettering.

### Direct mail

This technique can be valuable if you have the right mailing list. You have to know your market. At the start of a business, you may have to purchase mailing lists. This can be costly. Develop and systematize your own method for

maintaining a mailing list. Keep track of customers' addresses. You will find this invaluable and you may even be able to sell the list to others as an additional source of income.

### **Newspapers**

Contact your local editors about the possibility of doing a news story and feature story on your new business. Pay attention to the types of stories carried in the newspaper. A news story would be pegged on the fact that it's a new business. A feature story on the other hand needs some kind of human interest angle. Give this some thought. Depending on your business, this may or may not be an option for you. But if there's something unique about your business, be sure to think of these unusual angles before talking with the editors.

### **Radio and television news**

Your local radio and television stations may also be interested in a news or feature angle. Also try to get yourself on any talk shows.

### **Newspaper ads**

There are two types — display and classified. Display ads involve some design and artwork. Your newspaper advertising representative can help you with this. Or you may want to pay for the service of a professional advertising firm. Classified ads appear in the classified section and are much cheaper. Both types can be effective depending on your product.

### **Magazine ads**

Many magazines reach specialized audiences. Placing an ad, though expensive, in the right magazine may be all the advertising you ever need to do. There are local, regional and national magazines. Many offer both classified and display ads as with newspapers

### **Portfolio**

Put together a collection of your best work. Many people take photographs of every project. Include letters from satisfied customers.

### **Display at shows**

If you're in the craft business, this may be a must. Only attend the shows that will bring you the type of business you want. One quilter uses this as her only means of advertising. She loves the one-on-one contact with potential customers. She learns what designs and colors people like. She keeps up on the trends. Over the years she has grown selective about which shows she attends.

### **Other businesses**

You may want to advertise at a business that is complementary to yours. For example a fabric store for alterations or a gourmet shop for cooking classes. This type of advertising can be beneficial to both businesses.

### **Telephone book**

You may want to do this in the yellow pages as well as the white pages. There may be other directories in your locale you want to be listed in. For example, if you do refinishing you may want an ad in an antique shop directory.

### **Specialties**

You may want to offer matchbooks, pens, calendars, balloons, hats or other tokens of appreciation for doing business. Many of these items have long-term use and make good seasonal gifts. Consider the cost and advantages to your particular business.

### **Chamber of commerce**

Joining the local chamber of commerce and other professional organizations is a good opportunity to make valuable contacts and participate in community activities. It also makes your business visible.

Make sure you keep track of all ads you place as well as promotional work you do. Do more of what gets results and less of what doesn't.

## References

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**This publication was reviewed by Wanda Eubank, Department of Environmental Design, and is one of a series of publications on home-based business and part of a project called "Alternatives for the 80s" to help generate more income for Missourians.**

## Related MU Extension publications

- MP592, Home-Based Business — Will it Work for Me?  
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