

**Marketing in
Small
Businesses in
Simi Valley**

Questions

1. How does marketing affect the success of a small business in terms of profitability?
2. Which forms of marketing tend to be the most successful for various forms of businesses?

Procedure

- Identify small business owners in Simi Valley of various types of businesses.
- Interview business owners about marketing and affects profitability. (16 Business Owners Interviewed)
- Acquire Southern California Association of Governments report of Simi Valley.
- Determine which strategies of marketing worked most and least effectively.
- Analyze whether marketing played a role in business's revenue and if the economic trends of Simi Valley had an effect.

What is Marketing?

- Marketing in a business is the focus and management of exchange relationships, in which advertising, public relations, and promotions all fall under its umbrella.
- Marketing serves as a relationship between the material wants and needs of society and the effects on the business's economic status as a result.

Why Market?

- The purpose of marketing is to isolate the target audience and create an advertisement or message to make the orientation of the product most desirable and beneficial to the given audience, persuading the target to purchase the product.
- Long-term goal: to create a sense of brand loyalty, causing an increase in profitability of the business down the road. Marketing has a direct effect on the profitability of businesses.

What is a Small Business?

- Small Businesses are privately owned corporations that have fewer than one hundred employees and have less annual revenue than a normal sized business.

What is Simi Valley?

Basic Info

- Population: Roughly 124,000
- Approximately 42 square miles
- Predominantly Conservative
- 44th safest city in California

Economy

- Median Income: \$94,438
- Median Home Value: \$512,900
- Sales Tax: 7.50%
- Income Tax: 8.00%
- Unemployment Level: 4.8%
- Recession: 2006-2011

What is Simi Valley? (Cont.)

Schools

- 21 Elementary Schools
- 3 Middle Schools
- 4 High Schools
- 1 Continuation High School
- 1 Adult School
- 1 Independent Study School
(K-12)

Transportation

- Railroad/Train Stop
- Bus System
- Highway/Streets

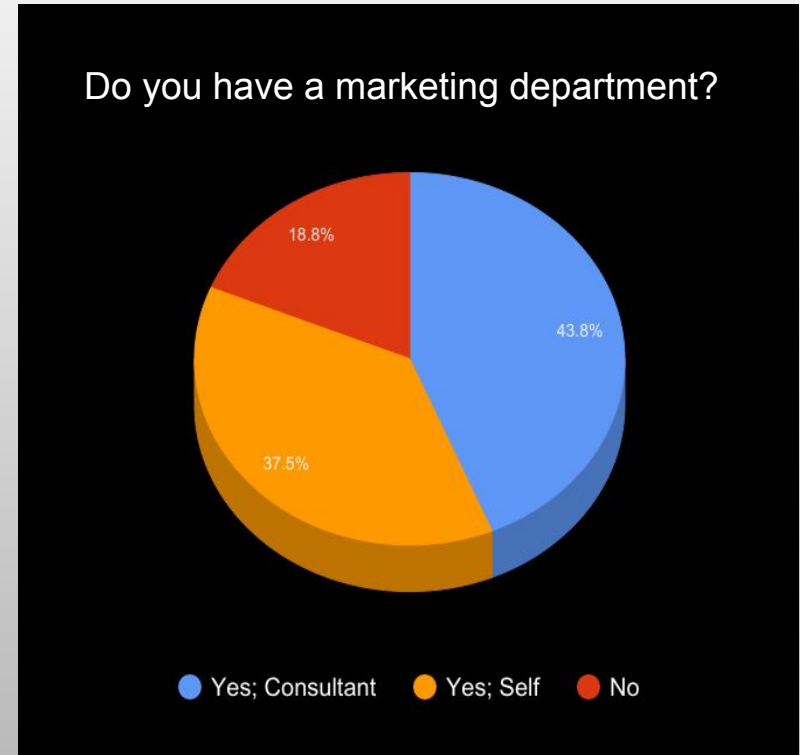
Previous Studies

- John C. Narver, Professor Emeritus of Marketing at the University of Washington's Foster School of Business, and Stanley F. Slater, Professor of Strategic Management at the University of Colorado at Colorado Springs College of Business and Administration find in their study of 140 businesses, a common trend between the most profitable businesses was their strong foundation in market orientation.
- In his article "Prescription for Cutting Costs," from Bain and Company, a leading business management company, Fred Reichheld, researcher and New York Times Best-Selling author shows that while marketing for attracting new customers is important, more focus should be diverted to marketing that will keep customers returning.
- Previous studies do not research implications for specific city templates.

Interviews (Question 1 of 3)

Does your business have a specific marketing department or strategy?

- 7 of the 16 replied saying their business did have a specific marketing department, that consisted of a special consultant to some degree.
- 6 of the 16 replied saying their business did not have a marketing department and made all marketing decisions by themselves.
- 3 of the 16 replied saying their business had no specific marketing department.



Interview (Question 2 of 3)

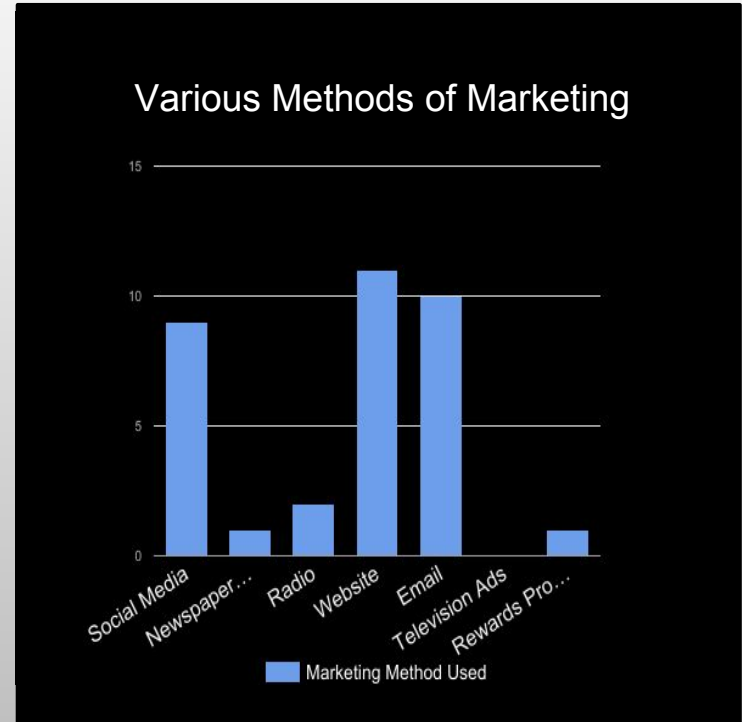
If so how does your business approach marketing?

- 2 of 16 business owners replied saying they identified their target consumer and identified their strengths against their competitors before marketing and promoted those.
- 5 of 16 business owners replied saying they identified their target consumer before marketing.
- 2 of 16 business owners replied saying they identified their strengths against their competitors before marketing and promoted those.
- 3 of 16 business owners replied saying they market to as wide of an audience as possible to spread the word.
- 3 of 16 business owners replied saying they do not do any marketing.
- 1 of 16 business owners replied by saying they put an ad in the newspaper and on the radio.
- 1 of the 16 business owners also said they focus on consumer retention.

Interview (Question 3 of 3)

Which of the following methods does your business use? (Social Media, Newspaper Ads, Radio, Website, Email, and Television Ads)

- 1 of the 16 use social media, website, emails, and a rewards program.
- 6 of the 16 use social media, website, and emails.
- 3 of the 16 use website and emails.
- 1 of the 16 use social media and website.
- 1 of the 16 use social media and local radio.
- 1 of the 16 use newspaper ads and local radio.
- 3 of the 16 use none of these methods.



75% of the businesses interviewed use some form of technological marketing.

Findings

After discussing the year to year revenue of each business with its owner, I was able to determine the most and least successful marketing strategies by tracking which businesses had the most success and looking at what marketing strategies used. I also analyzed whether or not the status of the economy contributed to success and struggle.

- Most successful: Having a special consultant for marketing.
- Most successful: Identifying your target consumer and identifying your strengths versus competitors.
- Most successful: Social Media, Website, and Emails.
- Least successful: Doing marketing yourself.
- Least successful: Not marketing
- Least successful: Newspaper Ad

Interpretation

- Technology has become the main and most effective strategy for marketing in small businesses.
- Technology can also be harmful for small businesses through reviews.
- The common trend between the most profitable businesses was their focus on marketing.
- The three businesses that don't market are all mom and pop type shops whose revenue remains fairly level from year to year.
- Agrees with Narver and Slater, and pushes idea forward through identifying the most successful format for a strong market orientation.
- Strongly agrees with Reichheld because the businesses who don't market succeed through customer loyalty and retention.

Limitations

- There were business owners who didn't respond, and this may be a result of unsuccessful marketing. Meaning only successful businesses were willing to respond.
- Some of the business owners were not comfortable giving me access to their actual revenue numbers.
- When given the option, all business owners unfortunately elected to remain anonymous when the research was presented.

Importance

- Consumer: Important to know how you are being marketed.
- Business Owner: Important to know and understand what marketing works and how to make your own strategies more effective.
- City/Community: Important for bringing growth and innovation to the community, generates 64 percent of new jobs, and helps schools and local governments.
- My results and findings can be applied not only in Simi Valley, but in other cities with similar layouts.

References

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