1. Executive Summary

River City Tile Company has experienced a successful first three years in business and shows potential for even more growth. An area of focus that has been identified by the owners and staff to expedite this growth is a marketing campaign. The overarching goal of the marketing campaign is to increase monthly sales.

The objectives underlying this goal are:

1. Increase awareness of River City Tile Company to the end user (those actually having the tile installed in their homes).
2. Increase awareness of the kind of products River City Tile Company carries to industry members and end users alike.
3. Make sure that key members in the industry not only know about River City Tile Company's products, but also feel comfortable using them in their projects.

Through a careful analysis of the current state of the company’s external communications, and a review of current research, and audience demographics, a marketing strategy has been developed. This plan outlines the audience segments River City Tile Company should target, their needs and concerns, and appropriate messaging. Two specific tactics are outlined for initial implementation of River City Tile Company’s external communication strategy, with recommendations for future focuses.

1. Direct mail to a target demographic of end-users based on income level.
2. Outside sales plan targeting key industry members.

For the purpose of this plan, the focus has been limited to a specific marketing campaign in order to provide a tangible and easily implemented option for a company that must work within the parameters of its budget and staff. Further external communication strategies regarding the company’s public relations activities, as well as an internal communication audit, and client-specific psychographics would provide a more comprehensive communication strategy, but is outside the scope of this project and should be addressed in the coming months.

2. Company Overview

In order to properly assess the best way forward, it is important to recognize the history of the company and its existing culture. The following provides an overview of River City Tile Company from an internal perspective. This point of view represents the image the company hopes to convey through a cohesive external communication plan.
2.1. Company History
River City Tile Company was founded by Aaron Brown in 2011, and is the first tile company of its kind in Edmonton. Focusing on high quality artisan tile products, River City Tile Company was created to provide the Edmonton building and design community access to the top brand names in art tile as well as the experience and expertise to make their design visions become a reality.

The lines carried by River City Tile Company are often featured in magazines and can be found in all the major cities in North America. These lines often require an expert knowledge of design and installation in order to reach their full potential. Aaron has installed custom tile for over 17 years and has a background in manufacturing hand-made tile. His expertise in tile installation and his passion for quality design offers clients of River City Tile Company a unique opportunity to explore options with their tile selections that they may otherwise be discouraged from due to lack of knowledge.

2.2. Vision & Mission
During the initial development of a business, a vision and mission are often created in order to help direct the development of specific business strategies. Findings show that while many business owners know what vision and mission statements are, and have a general concept of their own, they do not actively use them in strategy implementation (van der Walt, Kroon & Fourie, 2004). The vision and mission statement are an important aspect of corporate identity management and help to clarify the core values and underlying character of a business internally to its employees and externally to its market (Ingenhoff & Fuhrer, 2010).

Recognizing at the outset of this project that River City Tile Company lacked a clear and explicit vision and mission statement and this could hinder a cohesive external communication plan, we worked with the owners and staff to develop the following two statements:

Vision: Design based on quality and function over price and availability.
Mission: To provide the Edmonton area with artisan quality tile products and the knowledge and experience to carry out any design.

Due to the small size of the company – the office staff consists of two sales staff, and the owners, Aaron and Chelsea Brown – the entire staff was able to collaborate on the development of these statements. This provided a good jumping off point for communicating the core values to the existing staff. In order to maintain consistency as the company grows, it is suggested that time be taken to create a training program that includes a thorough discussion of the company’s vision and mission statements. These statements should also be publicly accessible on the website, and internally emphasized through the use of work-place posters and inclusion in pre-set e-mail signatures.
The hope is that by clearly stating these values, communication strategies can be developed internally and externally that remain true to the core identity of River City Tile Company.

2.3. Position in the Market
River City Tile Company has many opportunities, but also many threats in regards to their position in the market. Because it is the first of its kind in Edmonton, there is very little direct competition. No other company carries the same lines, or provides the same kind of service. While this offers a clear unique selling point to potential customers, and an opportunity to monopolize a niche market in Edmonton, there is also a struggle to define their role within the industry.

2.4. Current Issues
The pathway that customers take to select their tile products and installers is dictated by industry norms in Edmonton. The past three years, that River City Tile Company has been operational, have offered some insights into these pathways and has made the owners aware of certain issues with reaching the target market. The most prevalent issue seems to be confusion in the building and design industry over the role River City Tile Company plays in the tile selection and installation process.

The confusion exists due to the industry norms in Edmonton between the following players:
1. Typical entry contacts for the end user: builders, designers, and contractors.
2. Flooring companies who retail tile products and offer installation services.
3. Tile distributors who typically do not sell directly to the public.

Most builders and designers work with one flooring company exclusively who acts as a retailer of tile products as well as an installation service. These flooring companies work with tile distributors, who in most cases, do not sell directly to the public. A more comprehensive chart of the pathways that the end user typically follows when selecting tile can be found in Figure 1.
Figure 1. Market Pathways. This figure demonstrates how end users select and purchase tile in Edmonton. The end user must select their point of entry to purchasing tile from the given options: Flooring Company, Builder, Designer, Independent Contractor, or direct from a Tile Retailer. Each of these “points of entry” players will follow the shown pathways to purchase the tile and provide it to the end user.

River City Tile Company’s unique business model means that it actually fits into a number of areas of this chart:
1. Tile distributor: River City Tile Company is the exclusive local distributor for a number of brand name tile lines, such as Artistic Tile and Sonoma Tilemakers. Contractors, retailers, and designers must purchase these lines from River City Tile Company.
2. Tile Retailer: River City Tile Company sells tile from local distributors to the public. The end user can purchase these tiles from many stores in Edmonton. Customer service, ability to install, and technical knowledge are deciding factors in where the end users end up purchasing these readily available lines.
3. Independent Contractor: River City Tile Company offers installation services to their clients, and also bids on jobs sent from local custom builders. River City Tile Company is sometimes the distributor of the tile for a specific job, as well as the competing contractor, which is cause for friction among industry members.
4. Designer: Part of River City Tile Company’s mission is to assist in designing detailed and beautiful tile work. In order to make this possible, the River City Tile staff often take on design roles that far over reach any other tile showroom in the city. In this way they also take on the role of designer on certain projects.

The variety of roles that River City Tile Company plays in the design, purchase, and installation of a given tile product causes confusion among flooring companies and contractors who represent a large potential market for sales for
River City Tile Company. By eliminating this confusion, River City Tile Company could drastically increase their market reach.

3. Research & Analysis
For the purpose of this plan, research regarding branding and promotion campaigns was the focus. The psychographics of River City Tile Company’s audience is touched upon, but primary research focusing on their specific consumer is suggested for future campaigns. The identification of two key audiences, general end-users/homeowners and industry members, was also key to the development of a two-pronged campaign that would address not only general awareness of River City Tile Company’s products, but also eliminate barriers to purchasing that may exist in the industry.

3.1. Audience Psychographics
Traditionally, psychographics are used to profile consumers into stereotypical characters. These characters represent a portion of the audience with similar interests, opinions, and attitudes and market campaigns are developed in order to address these identified segment’s needs and concerns (Senise, 2007). For the purpose of this proposal, data regarding the consumer behaviour of Canadians supplied by the Print Measurement Bureau (“PMB,” n.d.) was used to form a preliminary profile of the End User/Home Owner audience segment. While psychographic information that is more tailored to our specific industry and location would be more accurate, primary research is beyond the scope of this proposal; however, allocating funds towards focus groups that would provide more product-specific consumer psychographics is suggested for future campaign revisions.

Through consultation with the owners of River City Tile Company, two segments from the PMB document were identified as closely resembling River City Tile Company’s target audience:

1. **Finance Cluster: “Buy Now Pay Later” segment.**
   Characterized as 25-34 and 35-49 couples with children, Alberta is outlined as a high-density zone for this segment. Their house hold income is over $60 000, and their personal income is over $40 000. They are extravagant spenders; they recognize that they are not careful with their money but they are highly educated and unconcerned with their finances.

2. **Societal Cluster: “Get-Set” segment.**
   Characterized as 35-49 and 50-64 couples with children, Edmonton is specifically outlined as a high-density zone for this segment. Their house hold income is over $75 000, and their personal income is over $40 000. These consumers place a large importance on service, and are concerned with social issues.
These segments were used as a jumping off point to profile our target audiences.

### 3.2. Audience Segments

Two major audience segments have been identified for this communication plan:

1. End-user/homeowner
2. Industry members

Industry members are made up of several audience segments, which are further broken down in Figure 2. as: Designers, Builders, Independent Contractors, and Flooring Companies. The primary audience for our direct mail campaign is referred to as: End-User/Home Owner. This table addresses the needs and concerns of each segment of the audience. In almost every audience segment, price and availability are a concern. For industry members specifically, the technical knowledge of the product or lack thereof, is also present in all segments.

These needs and concerns highlight the ideas that should be addressed throughout the promotion campaign. The research reviewed highlights specific message types that achieve varying goals in a promotional campaign (Gherasim, A., Gherasim, D., Vasiloaia, 2012, p. 298). For the industry audience, a functional message (focuses on product performance) would be recommended.

<table>
<thead>
<tr>
<th>Audience</th>
<th>Needs</th>
<th>Concerns</th>
</tr>
</thead>
</table>
| End-user/Home owner  | • Unique tile selection  
                        | • Design services  
                        | • Technical advice  
                        | • Easy-to-understand ordering process | • Price  
                        | • Timeliness  
                        | • Quality of install |
| Designers            | • Unique tile selection  
                        | • Comprehensive catalog of options  
                        | • Technical advice  
                        | • Easy-to-understand ordering process | • Fear of unknown products  
                        | • Fear of seeming unknowledgeable to client  
                        | • Budget-conscious even when client is not |
| Builders             | • Timeline guarantee  
                        | • Price at industry standards  
                        | • Information quickly and easily accessible for clients | • Delays due to custom nature  
                        | • Price too high for clients  
                        | • Technical know-how needed for install |
| Independent contractors | • Timeline guarantee  
                           | • Design services  
                           | • Technical advice | • Delays due to custom nature  
                           | • Price too high for clients  
                           | • Technical know-how needed for install |
| Flooring Companies   | • Timeline guarantee  
                        | • Design services  
                        | • Technical advice | • Fear of losing business to our installers  
                        | • Technical know-how needed for install  
                        | • Delays due to custom nature |

**Figure 2.** River City Tile Company Audience Segments. This figure outlines the needs and concerns of each audience segment.
while for the end-users an explanatory messages (illustrates every-day behaviors to be modeled by the audience), or a narcissistic message (cultivates tendency to associate personal status with product) would be more effective.

3.3. Current Research

**Imagined Audiences**

Current theoretical research points to the need to understand how “imagined audiences” are constructed by the communicators and the drawbacks of incorrectly identifying an imagined audience (Litt, 2012). As outlined previously in Figure 1, Market Pathways, there are many access points that the end user may use in reaching their tile-product selection. This means that River City Tile Company may be faced with having to conceive of an imagined audience when constructing their external communications. With this in mind, it must also be recognized that the interpretation of messages used in marketing is a complex social process, largely dependent on the interpretation of the consumer (Bortun & Purcarea, p.103, 2013). For this reason it is suggested that the key messages are refined throughout the campaign based on feedback from customers. This feedback will be informally sought by River City Tile staff when interacting with customers, and also more formally via a client survey after each sale. The managerial staff will be encouraged to review client feedback on a monthly basis to address recurring concerns and to document needed changes to promotional messaging.

While feedback from existing customers is helpful, the main focus should be on those that did not become clients of River City Tile Company, as this is clearly where the campaign has failed and may need tweaking. While the general public may be hard to reach, industry members should be re-contacted and feedback sought through face-to-face outside sales meetings to review any issues they had in using River City Tile Company’s products or services.

**Promotional Campaign Basics**

In order to practically apply the messaging developed through our audience analysis current practices for promotional campaigning were used as our basic structure.
<table>
<thead>
<tr>
<th>Promotional Campaign Tactics</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Initial Information</td>
<td>Introduce a new company, offer, product or capability of known product/service</td>
</tr>
<tr>
<td>2. Systematic re-information</td>
<td>Systematically remind customer of product</td>
</tr>
</tbody>
</table>
| 3. Individualization of supply | Target specific customers through the use of external elements:  
  • Design/packaging  
  • Ways/places of exposure |
| 4. Awareness of need         | Show how offer/product addresses a need for the customer |
| 5. Arousing public curiosity | Focus on comparative advantages |
| 6. Influencing the public    | Specialized PR activities to induce a favorable attitude towards the company |
| 7. Stimulation of demand     | Convince buyer the company’s offer has the greatest comparative advantage for them; change customer’s preferences |
| 8. Weakening of competition  | Through maintaining old customers and gaining new ones |
| 9. Annihilation of unfavorable information | Seek out and combat negative conceptions created by competitors and dissatisfied customers |

**Figure 3.** Promotional Campaign Tactics. Adapted from Gherasim et al., p. 293, 2012.
For this purpose, promotion was defined as “a set of communication activities through which one has in view the gradual transformation of non-buyers into buyers” (Gherasim et al., p. 293, 2012). Figure 3 outlines the various tactics a promotional campaign should address to be effective. While every tactic listed here may not always be used in one campaign, all should be considered at some point in the planning process. For River City Tile Company, the main tactics focused on are:

1. Information
2. Strategic re-information
3. Awareness of need
4. Stimulation of demand

4. Marketing Plan Overview

4.1. Current Marketing Strategies
Currently, River City Tile Company has relied on less-formal forms of marketing due to the cost of traditional print campaigns, and other paid-advertisements.

Online
Social media tools such as Facebook, Instagram, Twitter, Pinterest, blogging on Wordpress, and Tumblr have offered a low-cost way to optimize SEO and drive traffic to their recently updated website. River City Tile Company is quite active on all the mentioned sites as well as an industry-specific social media site called Houzz, which is popular with not only industry members but homeowners looking for design ideas as well. Through informal feedback from clients, River City Tile Company’s online presence has played a strong role in obtaining new customers.

Trade shows
River City Tile Company participated in the Edmonton Home and Garden Show in 2013 for the first time, but did not attend this year. While the feedback from the general public and the design community was very positive, the return on investment was hard to track, and the amount of direct sales generated from the exposure was not enough to offset the costs.

Strategic Displays
River City Tile Company has installed tile backsplashes and feature walls in three other industry-related showrooms. These displays create a partnership between boundary spanners (members that link informal networks) in the industry such as: custom cabinetry, high-end lighting, and designer hardware/appliances.
4.2. Suggested Goals & Objectives

The main goal of the proposed external communication plan is to increase revenue by increasing sales. The specific objectives identified to achieve this goal are the following:

1. Establishing our place in the market: “We exist”
2. Increasing public awareness of our products: “You can get that here”
3. Integrating our service with distributors in Edmonton: “We are here to help not hinder you”

These goals outline the three main issues that River City Tile Company faces when beginning any external communications plan. Not only must River City Tile Company consider how to reach the audience and promote their products, they must also be careful to align themselves with industry partners in order to avoid negative backlash from the design and building community. Because River City Tile Company’s products have not been widely available in Edmonton before, they cannot just simply state that “we exist”; they must also promote and explain their specific products and the value they offer to both end users and industry members.

4.3. New Marketing Strategies

Based on the insights gathered through our audience analysis, and keeping in mind our objective of increasing sales, the following strategies will be focused on:

1. Maintaining relationships with current customers
2. Reaching new end-user customers
3. Maintaining relationships with current industry members
4. Reaching new industry members
5. Easing the fears of industry members who see us as a competing brand

4.4. Specific Plan Tactics

The following chart is an overview of tactics that could be implemented to achieve the various strategies outlined. For the purpose of this plan, only two tactics are focused on for immediate implementation, but this chart can be used as a reference to guide future strategic communications.
<table>
<thead>
<tr>
<th>Marketing Strategies</th>
<th>Tactics Being Implemented</th>
<th>Future Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain relationship with current customers</td>
<td>Develop e-mail follow-ups with customers after first purchase</td>
<td>- Create promotion campaigns specifically for current customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Create satisfaction survey to address strengths and weaknesses of service</td>
</tr>
<tr>
<td>Reach new end-user customers</td>
<td>Direct mail campaign, targeted to those who fit our customer demographic</td>
<td>- Drop-off promotional postcards to key sites</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Partner with industry boundary spanners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Strategic event marketing</td>
</tr>
<tr>
<td>Maintain relationships with current industry members</td>
<td>Create an e-newsletter updating industry members on current products</td>
<td>- Targeted promotion aimed at existing partners</td>
</tr>
<tr>
<td>Reach new industry members</td>
<td>Develop an outside sales plan for new prospects</td>
<td>- Industry-specific event marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Partnering</td>
</tr>
<tr>
<td>Ease the fears of industry members who see us as a competing brand</td>
<td>Dedicate a section of the company website to clarifying our role to other businesses</td>
<td>- Industry-specific external communication:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Industry-specific events</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- External communication focused on education</td>
</tr>
</tbody>
</table>

Figure 4. Suggested Marketing Strategies and Tactics. This figure provides an overview of potential future tactics to address marketing strategies.

The implementation of this specific marketing plan will focus on two main tactics:
1. Direct mail and drop-off to a target demographic of end-users based on Income level of postal code

<table>
<thead>
<tr>
<th></th>
<th>Direct Mail</th>
<th>Strategic Drop-Off</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What</strong></td>
<td>Postcard design aimed at eliciting an emotional response</td>
<td>Postcard design aimed at eliciting an emotional response</td>
</tr>
<tr>
<td><strong>Where</strong></td>
<td>Specific neighborhoods that house a high volume of our target income level</td>
<td>Time will be spent by owners and staff members identifying in-fill housing construction, houses for sale, and associated retail industries for a targeted drop-off of postcard</td>
</tr>
</tbody>
</table>

Figure 5. Direct Mail Tactics. This figure outlines two modes of distributing a direct mail marketing campaign.
2. Outside sales plan target key industry members, focused on:

<table>
<thead>
<tr>
<th>Tactic</th>
<th>Establishing Trust</th>
<th>Creating a Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Keep constant open channel of communication with potential local distributors of our tile</td>
<td>Meet with and explain our role with key members</td>
</tr>
<tr>
<td>Tactic</td>
<td>Seek out feedback and address issues</td>
<td>Present ourselves as an extension of their own business</td>
</tr>
<tr>
<td>Tactic</td>
<td>Provide timely and appropriate information regarding pricing, availability, and order status</td>
<td>Assure them that we will handle brunt of work associated with ordering specialty tile, and will take responsibility for the process from start to finish</td>
</tr>
</tbody>
</table>

**Figure 6.** Outside Sales Plan Tactics. This figure outlines the strategy behind an outside sales campaign.

5. Schedule & Budget

5.1. Schedule

The implementation of this plan is designed to be a six-month process, with most of the activity taking place in the first month. This timeline takes into account the need to assess campaign success and refine the strategy based on feedback.

1 month:

<table>
<thead>
<tr>
<th>Direct Mail Campaign</th>
<th>Outside Sales</th>
<th>Maintain Existing Customers</th>
</tr>
</thead>
</table>
| • Design and print direct mail postcard  
• Select direct mail areas and send  
• Identify key drop-off locations & begin drop-off  
• Train staff to enquire how new customers found River City Tile Company and record daily | • Identify priorities for new industry contacts (e.g. Flooring companies, builders, design firms, independent contractors)  
• Make initial contact with new industry members  
• Compile record of opportunities and threats for each | • Design satisfaction survey to be emailed after key points in service  
• Train staff on survey and implement use |
2-3 months:

<table>
<thead>
<tr>
<th>Direct Mail Campaign</th>
<th>Outside Sales</th>
<th>Maintain Existing Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Asses how customers found River City Tile Company</td>
<td>• Make second visit to initial wave of contacts in first month</td>
<td>• Set up monthly reviews of satisfaction surveys by managerial staff</td>
</tr>
<tr>
<td>• Check in with key drop-off locations if possible (re-visit associate retail industries dropped off to)</td>
<td>• Enquire on response to product</td>
<td>• Set aside time in one meeting a month to pull out key findings in surveys. Review how staff can address issues and capitalize on strengths</td>
</tr>
<tr>
<td></td>
<td>• Set up training date for an overview of products</td>
<td></td>
</tr>
</tbody>
</table>

3-6 months:

<table>
<thead>
<tr>
<th>Direct Mail Campaign</th>
<th>Outside Sales</th>
<th>Maintain Existing Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Asses how customers found River City Tile Company</td>
<td>• Plan second wave of new industry contacts</td>
<td>• Review effectiveness of survey by interviewing a small selection of customers for response</td>
</tr>
<tr>
<td></td>
<td>• Create plan to regularly visit established contacts from first wave – identify priorities by sale volume potential</td>
<td>• Continue to use survey to note strengths and weaknesses</td>
</tr>
</tbody>
</table>

5.2. Budget

Our budget is divided into two segments: the outside sales campaign and the direct marketing campaign. Most of the totals are flexible, and instead of a total cost, a ‘price per unit’ format allows for budget to be determined and controlled by management.

Direct Mail Budget Recommendations

A direct mail by target demographic through Canada Post identified over 200,000 households with an income of over $100,000, and occupants aging 40-49 years old. It is understood that this far exceeds the existing budget and therefore it is suggested that neighborhoods that have been identified by River City Tile Company owners should be focused on.

Mailing to 1000 addresses would only reach a very small portion of our audience, however would be enough to evaluate the effectiveness of this initial strategy. Using a benchmark of 1000 direct mail addresses, an overall budget of approximately $1700 for the direct mail portion is a reasonable estimate.
Outside Sales Budget Recommendations

Due to the availability of staff to carry out the outside sales portion of our plan, it is estimated that 25 new industry members could be reached for the initial wave of contact. Given this estimate the overall cost of the outside sales plan is approximately $500.

6. Conclusion

The proposed external communication plan highlights some key strengths and weaknesses that River City Tile Company faces when communicating with potential customers. The barrier presented by a somewhat resistant industry could make any end-user-only based promotional campaign unsuccessful. By focusing not only on creating demand in the end user but also easing the industry into a relationship with River City Tile Company, we can capitalize on the full return on investment of the marketing campaign.

Keeping in mind the limited budget of a small business, our plan focuses on two easily implemented tactics. These tactics are also designed to allow for cost-control, as their overall cost is dependent on the number of addresses mailed to and number of industry members contacted. This means that the plan can grow with River City Tile Company and can be customized to suit the ever-changing marketing budget of a small business.

While most new businesses must simply focus on being recognized. River City Tile Company has the unique position of also having to create a new place in the market that has not previously existed. With this in mind, resistance to change from the industry is to be expected and must be considered in order for River City Tile Company to move forward successfully.
Most importantly, River City Tile Company must realize that communicating to their market is not an option. Whether a strategic plan is in place to reach our audience and seek out feedback, messages about the company are being distributed. It is in the best interest of River City Tile Company to dictate how the company is portrayed to audience members and attempt to proactively influence positive relationships with industry members in order to combat negative conceptions.

References