

Coming Up with a Guerrilla Approach for Mateo

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Rare Earth Bike Rentals is an on-demand bike rental company owned by Mateo, a low income entrepreneur living in Albuquerque, New Mexico. Customers can make reservations and pay online (Mateo built his own simple website) or in person. The company delivers bikes on request and retrieves them at the end of the contract (hourly, daily, weekly). Mateo has acquired 35 bikes over the past three years and fixed them up, and is now ready to formally launch the business. While they are all in good running shape, Mateo distinguishes premium from standard bikes based on how new they are and the quality of the original bike. The business is based in the garage behind Mateo's house, and is near two bike trails. Mateo is planning to acquire baskets to attach to the bikes. The plan is to charge a daily rate of \$22, and efforts are being made to register the company.

Mateo is struggling with how to market the business. He has hardly any money for marketing purposes. One thought is to put up posters announcing his business, but Mateo is unsure where the best place would be to place the posters. He is also considering listing his business with Trip Advisor or other travel sites, and using social media to get the message out. Another thought is to work with local hotels, where Mateo would make sales calls to the concierges at these hotels, and try to convince them to refer guests to his bike rental business. He also wonders if he should try to advertise on the bicycles themselves.

For entrepreneurs such as Mateo, lack of money means they need to engage in guerrilla marketing. The name comes from guerrilla warfare. The history of warfare is replete with examples of smaller, weaker, under-resourced combatants who manage to defeat more powerful foes by engaging in clever, unconventional tactics, utilizing the unexpected ambush, taking advantage of surroundings or environmental conditions, employing stealth, and relying on mobility, speed and the element of surprise. In a new venture, guerrilla behavior refers to novel system of tactics that relies on time, energy and imagination rather than a large budget. The efforts are creative and unconventional, potentially interactive, can surprise customers, and consumers are targeted in unexpected places.

By thinking as a guerrilla, the low income entrepreneur finds alternative ways to communicate with customers, create visibility, and build a brand. Guerrilla methods enable the entrepreneur to reach markets and customers that would seem unattainable without large marketing budgets and extensive distribution channels. They can also convey an image of an entrepreneur who is clever, different, fun, and is working hard to get the customer's business. While the possibilities are limitless, we have identified thirteen general categories of guerrilla approaches:

Bartering: Trading out goods or services for a marketing resource. Example: printing company gives free services to radio station in exchange for on-air promotions.

Co-marketing and reciprocity: Different companies directly helping one another. Example: two marketers mention one another in their advertising.

Sharing: Different companies going in together to acquire a resource that one could not afford and then share it. Example: two companies share a salesperson.

Using opinion leaders: Placing products with opinion leaders and incentivizing them to use the products in public contexts. Example: fashion clothing company has popular high school students wear their clothing at school.

Taking advantage of surroundings: Turning things surrounding around the business into resources. Example: pizza restaurant uses homeless people to market its pizza.

Discovering underutilized resources that you don't own: Placing promotional messages in public venues where they do not typically appear (e.g., advertising on floors, bathroom stalls or elevator doors as they close).

Making use of underutilized resources you do own: Examining assets or things you own or control that are not being fully utilized. Example: car rental agency at an unbusy time uses the cars and employees to deliver donuts to car repair shops to generate referrals; plumber paints toilet on side door of his truck so he looks like he is sitting on it when driving.

Stealth/Disguising agents: Having people pretend to not work for you and have them effectively endorse your product. Example: maker of cameras has employees pretend to be tourists asking other tourists to take pictures of them using the company's product.

Placing products: Having products featured in movies, songs, video games or at events. Example: Harley Davidson offers motorcycles at no cost to the organizers of the Super Bowl halftime show.

Creating news: Doing something newsworthy and getting media coverage. Example: local computer store offers free training courses to disadvantaged or at-risk individuals from the inner city and gets local newspaper to publish story on the program.

Creating buzz by being provocative: Engaging in an activity in your business that is highly provocative and gets people talking. Example: Honest Tea runs "The most honest city in America" campaign and sets up unmanned displays with bottles of their tea in city centers to see who pays versus just takes one; or a jewelry store will give back 75% of the price of any diamonds purchased during the Christmas season if there is a white Christmas.

Leveraging networks: By belonging to various groups or organizations, the entrepreneur is able to effectively promote his/her business (e.g., membership or sponsorship by an entrepreneur of organization that supports stopping spousal abuse, which results in other supporters using the entrepreneur's services).

Co-creating: Using customers to help produce products or services. Example: You Tube does not create the content that is the essence of its value proposition; Vespa Scooters has a contest where customers create videos about why they love their Vespa.

Your assignment is to put together a guerrilla plan of attack for Mateo and his bike rental business. You should first think about who his target audiences should be. Also, be sure to include a budget for any costs that he would incur. Assume Mateo cannot afford to spend more than \$150 a month for marketing.