



Effective marketing

"Marketing is the management process responsible for identifying, anticipating and satisfying the customer's requirements profitably"

Chartered Institute of Marketing



My marketing objectives are: to establish brand awareness, to launch my products in new markets, to win x more customers, to launch a social media campaign

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Marketing is all the ingredients connected with ensuring you get the **RIGHT PRODUCT** or **SERVICE** to the **RIGHT PEOPLE**, at the **RIGHT PLACE** at the **RIGHT PRICE**, **profitably.**"

N.b: Getting customers & keeping them are the only aspects of your business which create revenue. All other activities create costs!

Market Segmentation

Market segmentation is a method of defining and targeting specific groups of customers with particular distinct needs/profiles. Dividing a market into distinct groups of buyers enables the planning of specific products/services with fine-tuned promotion strategies.

Markets can be segmented by:-

- Geography - local/regional/national
- Specific need groups solving particular problems
- Industry sector construction companies
- Interest groups women/children
- Age of customer
- Method of selling - retail/wholesale/mail order

Niche Marketing

This is a very specific marketing slice within a broader segment. A niche market involves specialist goods or services with relatively few or no competitors.

Niche consumers often look for exclusiveness or some differentiating factor such as high status i.e. bespoke furniture. Alternatively, they may have a specific requirement, I.e. allergy sufferers may require specially formulated toiletries or food products. Niche markets are often targeted by small companies that are able to provide specialist goods or services.



Marketing Mix: the 4 Ps

The control of those 'INGREDIENTS' your business can use to influence customers to buy from you rather than the competition.



Consider all of the following to ensure that you have the correct mix

<p>Product</p> <ul style="list-style-type: none"> Features Design & Style Range Quality Performance Reliability Back up Image Reputation Visual impressions Customer service Packaging, Uniqueness Technology Warranties 	<p>Price</p> <ul style="list-style-type: none"> Perceived value Discounts Payment Terms Credit Cards Cash Only
<p>Place</p> <ul style="list-style-type: none"> Physical Location Quality of Premises Parking Facilities Accessibility Opening Hours Displays Lead Times Selling Methods Web site 	<p>Promotion</p> <ul style="list-style-type: none"> Advertisements P.R. Price Lists Letterheads Stationery Exhibitions Trade Fairs Logos Business Cards Leaflets Image Referrals Sales approach Social media



Market Research A Story!

Two people walk down the average British High Street. One notices that there isn't a clothes boutique. Being passionate about fashion she opens up a flashy and stylish fashion shop. The other person walking down the same street notices there are two newsagents. This person opens up a third newsagent.

Which one has made the correct decision?

The new newsagent owner knows that there is a need for a newsagent as two have already survived. They also know that if they can give better service than the other two newsagents, one possibly even both would have to close with the new newsagent picking up the business.

The moral is - do your research. Just because you think there is, or isn't, a gap in the market do not assume this to be the case. Make sure you know your facts. Understanding what makes you and your market tick can be far more useful in making your business a success. Past experience is not enough. The greatest salesman who could sell ice to an Eskimo could not necessarily sell ice cream in his local town.

Knowledge is power - Research your Market

Researching the viability of your idea by finding out about your potential customers and probable competitors can be time consuming, however with a thorough and reasoned knowledge of the market you will be better able to make decisions relating to your position in the market and how you will reach that position. Carrying out Market Research is most certainly the best tool you can have to make a difference to your chances of success or failure.

So, you need to decide:

- How to conduct market research
- What you need to know
- How to exploit existing information sources
- How to analyse and act on results



How to do Market Research...

The research techniques you use will depend on whether you need numerical information about people's attitudes or a deep understanding of their views and motivation.

Quantitative research is a type of survey in which every participant is asked an identical set of questions – the answers provided give statistical information.

For example a potential restaurateur may find that 30% of local adults eat out once a month, 20% would like to but have children and don't feel there are adequate facilities locally, 5% can't afford to eat out regularly but go occasionally for special occasions and 2% eat out every week. Using this information the entrepreneur can decide where to open his restaurant and how large it should be.

Qualitative research explores people's feelings and attitudes by letting them discuss things (e.g. what sort of food do you enjoy?)

Focus groups (i.e. a group of 6 - 8 independent objective individuals, with an interest in your research topic) or one to one interviews with people can help determine this type of knowledge.

The restaurateur may find that amongst the local people there is a high percentage of vegetarians and therefore decide to offer half his menu as veggie options. Insights like this can give you significant advantage over your competitors.

Testing the market before you officially launch your business can be a useful way of trying it out for size and checking your target customers' point of view. You could try contacting relevant businesses and arranging a short event for them to drop in and discuss your product or service or you could try attending a local gift, trade or business to business fair with the same purpose. You will find that if you explain that you are just trying out an idea rather than selling you will receive a far better response to your questions.

"The aim of marketing is to make selling superfluous." ~ Peter Drucker

However please remember that as soon as you start selling or advertising your product or service for sale you are required to register with HMRC as self-employed within three months. If you are only gauging opinion and not advertising or selling you are not classed as trading.

Always think of your customers as suppliers first. Work closely with them, so they can supply you with the information you need to supply them with the right products and services.

What you should include in a questionnaire.

Postal/web based Introduction to questionnaire, including the Business name or your name: any Contact details, business address, telephone, e-mail, and web address.

Purpose or aim of questionnaire: up to two sentences to explain why you would like them to participate.

Confidentiality: a sentence/statement to assure the participant that whatever is sent to you will not be passed on to any 3rd parties.

Telephone based

- Prepare ahead of time for your conversations.
- Introduce yourself and your business and give your name – this personalizes the whole process.
- Have your short paragraph ready to explain the purpose of the questionnaire, and why it is important to you.
- Ask if they have 'x' minutes to complete the few questions, and if not, try to make another appointment to speak with them - if they will not commit to another time, thank them and move on.

All questionnaires

- Thank the participants (even if you did so at the start).
- Assure them that you/your company are available to answer queries, directing them to the contact details at the start of the questionnaire.



Your Customers: Who, What, When, Where, Why, How Much, How Often?

You will probably have a natural instinct about who your customers are likely to be, but do you really know?

If you don't, then your research will need to be more in depth. A potential business without a clearly defined customer base will find it much harder to succeed.

You need to be aware of who you will be selling to. Will you categorise your customers by gender, age, marital status, occupation, income or lifestyle? If you are going to sell to businesses you will need to know their size, industry type, product buying patterns and service requirements. You also need to know what your customers have in common and what influences their buying decisions.

If you don't know the answers to these questions - do not assume! Spend some time finding out. Go to a place which conducts a business similar to yours and observe the customers...

What did you notice about them? What did they wear? Does that give a clue to their personality type and the sort of place they would shop? How old were they, how much did they spend and how much time did they spend there?



Market Research – What do you know?

Having completed your initial market research identify what you know about your customers and market and what you still need to find out:

What is my market proposition?	
What growth/decline has there been in my industry?	
What are the current trends in this industry?	
What is the current market saturation level?	
Who is my customer?	
What does he/ she spend her time doing?	
What does my customer earn?	
Where does my customer live?	
What is the geographical stretch of my market?	
What does my customer read?	
What does my customer aspire to?	
Is my customer more likely to buy at any particular time of year?	
How does my customer shop? Online/face to face	



Common Mistakes:

- Failing to do any market research.
- Carrying out market research once and not finding out how things have changed.
- Being unclear about what you are trying to find out and asking questions in the wrong way – and getting the wrong information.
- Cutting costs by using small samples or just asking a couple of friends – and getting misleading results.
- Interpreting statistical information wrongly and failing to see when one or two opinions distort the overall picture.
- Analysing information too optimistically – and then kidding yourself it supports your preconceptions.

Competitor Analysis: Know your friends well but your competitors better!

You will encounter no competition in your business either direct or indirect - do not be intimidated!

You need to know how you are different from your competitor so that you can differentiate yourself from your competitors in your customer's eyes.

Spend some time identifying your main competitors. 'Google' your business idea with a variety of search terms and look up that category of business in the local phone books, local information guides etc.

A good way to familiarise yourself with your competitors is to Mystery Shop them.

Decide what you want to find out, create a scenario and phone them up.

Be objective and consistent asking each one the same questions so that you can make a like for like comparison.

Analyse everything from how they answer the phone, to what they say, whether they send you information to whether they follow up the call.



Strengths	Weaknesses
Ask yourself why do you like this company?	Ask yourself what is poor about this company?
<ul style="list-style-type: none"> ○ What do they do that you think is really good? ○ What do they do that you could do AND improve on? 	<ul style="list-style-type: none"> ○ What would you never do that they do? ○ What would you complain about if you were one of their customers?

Market Positioning

Positioning yourself in the market involves using the customers perceptions of price and quality of your brand in such a way that you occupy an advantageous 'me too' position in your customers mind relative to their perception of the competition.

Your Unique Selling Point

Unique selling points (USP) are the ethics, values, products that make you different. You need to clarify how your products, service, process, etc. are different, better, longer lasting, healthier, stronger, more refined than your competitor – essentially what makes your product or service unique? An effective USP is not merely a "tag-line", it is an idea that stands alone and defines the business, allowing you to clearly stand head and shoulders above any competition.

Products with a clear USP:

- FedEx: "When your package absolutely, positively has to get there overnight"
- Domino's Pizza: "Delivered fresh, hot and tasty in 30 minutes – or it's free"
- Milky Way "The sweet you can eat between meals without ruining your appetite"
- Automobile Association "To our members, we're the fourth emergency service"

Marketing experts argue that the Domino Pizza is a perfect example of a direct and specific: the customer knows exactly what they are getting in terms of product and service while the competition is eliminated, they can't meet all those benefits.

- Delivered to your door (benefit)
- Fresh (benefit)
- Hot (benefit)
- Pizza (product)
- In 30 minutes or less (benefit)
- Or it's free (guarantee)

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Try writing just a word or two in answer to the questions, see if they make a USP.

My business is different from my competitors because...	
My product/service is better than my competitors because...	
My customers will be happier/more satisfied because...	
My Unique Selling Point will be...	



Branding

The traditional meaning of a brand is a mark that delivers the personality of a business, typically a logo; however it is more appropriate to think of branding as the experiential summary of a business which may include thoughts and feelings, perceptions, attitudes as well as images.

Creating a brand can differentiate your business from your competitors and drive customer loyalty. Branding isn't just for multi-nationals with huge budgets; small and medium firms can create an effective brand by examining how the business works, what it means to its customers and acting on the results.

Effective branding is based on consistently rewarding the confidence shown in a product/service and delivering the expected emotional response. It is therefore important to think about the five senses and feelings of your customers when developing your brand; sight, sound, touch (feelings), taste, and smell.

For example, a clothing retailer can create a brand based around making its customers feel good about what they wear, how they feel about buying clothes from that shop and what it says about them to their peers.



Before you start work on developing your brand identity, you have to assess your business, how it will operate and the messages that you want to (and are able to) deliver consistently to your customers. You must be realistic right from the start.

List words that you feel sum up your business values i.e. caring, ethical, value for money, Integrity	
List words that describe how you would like your customers to perceive you i.e. Friendly, approachable, reliable	
Describe images that may illustrate these words	

So what are they buying? Sell the sizzle - not the sausage

It's a fact that when you run a business you will have to sell something to somebody. Many people feel uncomfortable in a sales role. Try to think of the sales process as solving the customers' problems with a product or service.

Successful sales people listen much more than they talk. You will need to identify what the customers' problems are so that you can solve them with your product or service. Once you understand their needs you can then offer a relevant and ideal proposal. You will find if you focus on the benefits of using your product or service rather than the features it offers you will sell more.

Another way of looking at this is to understand that only a small part of the decision making process is based on what you are buying. 70% of a purchasing decision is based on other influencing factors. For instance, if you need to buy something to help you do the washing you buy a washing machine. The make and model of the machine you buy will depend on a whole range of other influencing factors.

Customers very rarely buy features - they always buy benefits.



Identify the features and benefits of your product/service:

Feature	Mine will be Benefit	Benefit (which means that...)
<i>Example</i>	<i>Costa Coffee shop fascia</i>	<i>A perceived quality of coffee and a trusted brand.</i>
Brand recognition		
Ethics		
Guarantees		
Colour/design/flavour		
Availability (Limited?)		
Environmental credentials		
Fashion/trend Ingredients/components		
People/service level agreement		
Price		
Your personality		
Add ons		
Delivery		

Writing a Simple Marketing Plan



"The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself." ~ Peter F. Drucker (Grandfather of modern marketing)



A marketing plan is a document that shows your understanding of your market and a detailed action plan of how you are going to approach and reach your customers. As a standalone document it should contain an analysis of the product, the customer profile, the competitors, your usp, and a detailed plan outlining what marketing strategies you intend to implement, when, frequency and expected return on each activity.

Mission, Why? Satisfaction, Compassion, Aspiration The Coca Cola mission is:

- To refresh the world - in mind, body and spirit
- To inspire moments of optimism - through our brands and actions
- To create value and make a difference everywhere we engage

Where are you now? (What is your offer? Products & Services)

Where do you want to get to? (Aims & objectives)

Market research: Identifying gaps in the market: Knowing your competition?

Who are your customers? Where are your markets?

Selling at the right price?

Using marketing techniques to write your plan. "In today's markets, marketing is financially driven" ROI?

- **SWOT your business**
- **The 4 'Ps'**
- **Branding**

Getting your message across: Communication methods



Marketing methods:

List the types of marketing methods can you use? Website / Social media / Flyers



Create a tactical marketing plan:

"Remember to budget and stay within budget!"

What	Why	How & by when	Measure
Flyer	Promote offer	Insert, Crowborough Times	2,000 voucher codes

Here are some of the more common pitfalls in marketing:

- Lack of knowledge about markets, based on the false assumption that the information is not available.
- Competing on price rather than developing a unique selling proposition.
- Pitching prices too low, leaving inadequate margins for the cost of sales promotion.
- Expanding sales of the least profitable products or services.
- Expanding sales with insufficient working capital.
- Launching new products or services with inadequate prior research of the market.
- Using salespeople who may have good technical knowledge but who have not been trained to sell.
- Allowing over-generous credit to customers and continuing to supply slow payers.
- Staying too long in declining and unprofitable markets.
- Becoming complacent when all seems to be going well.