

Marketing

Marketing is much more than simply advertising, there are a raft of activities which make it possible for you to maximise the earning potential of your business. Marketing is about identifying who will buy from you, as well as what, when, why and how.

Marketing Research

Doing market research is crucial to the success of any business. In the earliest stages of business planning it is one of the keys to ensuring that business has a realistic prospect of survival. Market research is an ongoing process, market demands, products specifications etc change over time, regular research keeps businesses up with, or ahead of the trends. Sometimes you need to get out there and ask the questions – Google doesn't know it all!

- Basic research can be done at a desk, size of market, market trends etc.
- The internet is an obvious source, additionally there are specialist market reports, Mintel or Keynote. These can often be accessed through the Central Business Library in Chelmsford.
- Primary research is conducted face to face or over the phone and provides answers to specific questions.
- It can be done using structured questionnaires or informal conversations.
- Keep the number of questions low.
- Make the answers easy to analyse.
- Consider the external factors which can affect your business, these are known as the S.L.E.P.T. factors, Social, Legislative, Economic, Political & Technical

Market Planning

Planning your marketing will make it much more cost effective. Market plans are usually developed using the principle of the 3C's and 4 P's :- Customers, Competition, Consumer Reaction, and Product, Price, Place, Promotion:

Customers

- Who are your customers and who do you want them to be?
- Are you selling to other businesses or to the public?
- Which type of customer is most likely to want to buy your product or service first?
- Where are they located?
- How can you communicate with them?
- What are their most important reasons for buying?
- Who makes the decisions?

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- How often and when do they buy?
- Where do they buy from now?
- Why should they buy from you?

Competition

- Who are your competitors?
- Are they expanding, developing new products and services, new markets, new ways of servicing their customers i.e. internet sales?
- What do they do well, how can you improve on it?
- What do they do badly, how can you improve it?
- What do they charge, how complex is their pricing structure?
- How do they communicate with their customers ?

Consumer Reaction

- In an established market is there a demand for another provider
- If the product is new, is there a need and demand, if not can it be created

Product (Including Services)

- What features and benefits does your product have?
- Is it differentiated from competitive products?
- What secondary features add value to the product, ie guarantee, post sale follow up, choice of models, etc.?
- Quality, where does it need to be pitched, is it important in the buying decision?

Price

- Getting the price right is crucial to the successful marketing of the product and survival of the business. Too high and sales will struggle, too low and the profit margin will be diminished, possibly to the point where the business fails.
- Avoid price wars, the only time to be the cheapest is when you are the lowest cost supplier.
- Discounts can be dangerous, a 10% discount with a 35% gross margin requires an increase in sales of 40% just to stand still.

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- With a new business the prices you charge at the outset position the company in the market place. It is very difficult to reposition a company upwards once its place is set. If price is to be used to gain entry into the market place use target discounts which can be cancelled at will but leave the impression of a higher market position and excellent value for money.
- Usually prices are either set by examination of the market place, or on a cost plus basis, shaded by the scarcity of the product. New consumer products start at high prices which tend to reduce over time as other products and suppliers crowd into the market .

Place (Market Place)

- What is the target market?
- Is it local, nation, international, virtual (internet)?
- Is it growing, stable or contracting?
- Does it have niches which can be exploited?
- Is it populated by established, branded goods?
- Do two or three major suppliers dominate the market?
- What is your target market share?

Promotion

- There are many ways of promoting a business apart from advertising, in its many forms.
- A clear identification of who the target customer is, is very powerful.
- It defines what their reason for buying is likely to be.
- It clarifies the best possible method of communicating, of getting the message to the customer.
- It indicates what should the message be.
- Conventional advertising, newspapers, magazines, radio, TV etc can be very expensive.
- New methods of communication, web sites, email to existing customers, text messaging is very powerful and highly cost effective. Social media is growing in importance but you really need to keep at it and you need to choose the most appropriate medium. Be prepared for constant flux.
- In some circumstances networking is very suitable.
- Sometimes the simplest solutions, especially for local service based businesses are the best, i.e. leaflet drops, adverts in Parish Magazines, even cards in shop windows

Sales Techniques

- Marketing puts your business in front of the customer, but unless you can close the deal it is a pointless exercise.
- So it is best to invest in sales training - or in someone who can.