

Guide: Marketing

Marketing is the art of 'getting yourself out there'.

It is the way you let your customers and prospective customers know what you do, how you do it and where you are.

Marketing can be broken into three general areas: branding and promotion, advertising, and direct marketing.

If done well, these steps will naturally lead the customer into the sales process.

What is Marketing?

Branding

Your 'brand' is more than a clever name, logo and colour scheme.

Although these things are crucial to your brand, you must also think about the culture of your business where your clients are concerned.

Your customer service is a large part of your brand — this includes how that phone is answered, how you treat customers and how you meet their needs and wants.

Promotion

Promotion is how you communicate your brand.

Promotion can include simple networking and word of mouth, sponsorship opportunities, and events.

Promotion often includes sales collateral like brochures, pens, pads and any material that you create simply for the purpose of keeping your brand in the customer's line of sight.

Advertising

Advertising is specialist promotion for your business which entices the customer to contact you.

Advertising is how you let your customers know that you are running an event or opportunity and generally has the sole aim of getting them through your door.

This can include print media, TV, online ads and radio.

Direct marketing

Direct marketing is putting yourself in front of your customer and telling them about your product or service and promoting directly.

This can include telemarketing, e-marketing and sending good old-fashioned letters.

Marketing vs Customer Service vs Sales

Marketing is how you attract new customers or remind existing customers that you are still around.

Customer service is how you keep customers happy and make them feel valued, once you have convinced them to engage you — whether they have simply made an enquiry or have bought your top-level product or service.

Sales is the process you endeavour to funnel them into, to purchase your products or services or encourage them to purchase more.

Statistics

Always remember that it costs six times as much to attract a new customer as it does to retain an existing one.

Another important principle is the Pareto Principle, which is that 20% of your customer base provides 80% of your business.

Another very informal statistic is that a happy customer will tell three or four people about their experience, whereas an unhappy customer will tell *everyone they know!*

The customer is King

It is imperative that your customers enjoy their experience with your business.

They must feel valued, cared for and also have an affinity with you that keeps them coming back.

In this day and age of cheap overseas labour and cost-cutting, it may well be your excellent customer service that keeps your clients coming back for more.

There will always be the customers who prefer a good deal over a good experience, but most of the time these will not be the customers who fall in your 20% (see Pareto Principle above).

Nurture your clients, get to know what they want and provide it to them. This is what will keep your business going through the good times and the bad.

Never ever underestimate people. The person who emails you with a basic query may come back in a year's time and engage your full services. Or they may have friends who will become your customers.

Don't be afraid to go the extra mile either, even if you don't make any money from it directly. Again the client may come back in future and bring friends with them.

Sales

Sales is the process that a customer becomes engaged in once they step through your door and decide (whether consciously or not) to buy something from you.

The sales process involves letting the customer know what you can provide to them and how it will benefit them. This may start with a quote or a proposal, or may go straight into an order or purchase. It may also include follow-up.

Balance

The customer experience is a delicate balance between marketing, branding, selling and customer service. Sometimes these can barely be divided.

Your brand image includes the layout and cleanliness of your premises, the friendliness and helpfulness of your team, the end product and the way in which queries, and even complaints, are handled.

Everything from staff uniforms to company vehicles to salespeople will reinforce your brand and image, so always ensure that your customer service is up to scratch, and that you are selling the right things to the right people, or no amount of marketing will keep customers coming back time and time again.

E-marketing

Marketing in the 21st century

It is a lot harder to effectively market yourself now than it was 30 years ago. We live in a world where we are so constantly bombarded with images and advertising that we tend to tune out.

On the upside, marketing and advertising can be done far more cheaply, and without wastage, when done online.

E-marketing (electronic marketing) is suitable for most businesses and it is as simple as asking for your customers' email addresses.

E-newsletters

An e-newsletter is a great way to keep your customers up to date with what's going on in your world.

Consider having regular features that inform your customers of things outside of your business, so that it's not just about sales.

Your e-newsletter should be easy to read, easy to follow and beneficial for your customers.

NB: Your customers must give you their email addresses and have the ability to unsubscribe, or you risk violating the Unsolicited Electronic Messages Act 2007 (Spam Act).

E-marketing software

If you already have a website it is highly likely that you have access to an e-marketing module even if you're not aware of it.

You may have to pay extra for an add-on to your website but it's worth it.

If you have a CRM (Customer Relationship Management) system or another client database system, this also may include the ability to send e-newsletters.

There are also many professional-looking low-cost options available online.

Most email marketing programmes will enable you to see how many people have opened your newsletter, so you can get an idea of how popular it is. If over 25% of your subscribers open your email you are doing well.

Collecting email addresses

It is against the Spam Act to use software that harvests email addresses, or to buy lists of email addresses for marketing use, or provide your list to a third party without express permission.

The best way to build up your database is simply by asking customers if they would like to join your mailing list and obtaining their email addresses.

This is called 'opt-in'.

If they have already done business with you, and you have their email address, you may email them. But only about business related to them.

It is illegal to use an opt-in list for a purpose your customers didn't opt in for, unless you made it clear when they signed up.

Points to consider for new businesses

If you have not yet set up your business, there are a number of things you can do to make your marketing easier down the track.

If you set these things up right, they will pay for themselves.

Location — retail

If your business relies on walk-in customers, location is one of your most important assets.

If you're in a great location, the extra cost of rent may be offset by a drop in the necessary marketing budget, so the total costs even out.

Do your homework: if you're on the main shopping drag, ask your local retailers' group if they have a survey of foot traffic in the area. But watch out — high foot traffic does not necessarily mean that people will stop.

Check out the building's tenant history — what businesses previously occupied it, and how long did they last? Why did the previous tenant move out?

Wait for a good retail space to come up. Build up stock and work on your business plan at nights while you stick to your day-job and wait for someone to move out of your ideal area.

Layout and decorating — retail

Remember that people naturally turn left when they walk into a store or showroom, so put this to your advantage.

Racks, shelves and hanging systems that can be easily moved and altered will make it easy for you to cater to your changing needs. If you have small items, design shelving 'islands' that can be moved depending on stock and your needs.

Utilise all available space, but keep things simple. If you have high ceilings, hang posters and promotional

material and ensure you do it properly. A couple of sheets of Perspex and some chain will look far more professional than fishing line and blu-tack.

Racks in front of counters and extra counter display space will also pay dividends down the track for displaying promotions.

Ideally you want your customers to navigate the entire store to get to the front counter, so put the counter at the back of the store, along with the most popular items.

Location — service provider

If you provide a service, especially where customers make appointments to see you, you may need to consider things like parking and accessibility as well as road frontage.

Off-street parking can be a real bonus for your customers, especially if you are in an area with limited or paid parking.

If you have road frontage you may be able to put up effective signage and even billboards which will help with long-term marketing efforts.

Keep in mind that a busy road with lots of exposure to traffic doesn't just mean great opportunities for marketing, it can mean customers not wanting to stop for fear of being in a vehicle accident, so it may be a trade-off.

Layout and decorating — service provider

Your waiting room and offices can be a real asset in terms of making your clients feel at home and encouraging repeat business.

Make sure your waiting room and reception area are clean, comfortable and look great.

A simple colour scheme and some living plants will go a long way, as will decent quality (commercial grade) furniture and a practical and nice looking reception desk.

If you have bathroom facilities available, ensure these are clearly signposted and wheel-chair friendly.

Consider having some furniture custom-made such as a wall rack to hold extra marketing and promotional material, and set up permanent well-lit locations for posters and artwork.

Always have a meeting space available separate to the rest of the office. Especially if you are in an open-plan space. This also should be clean and comfortable.

Location — manufacturer

If you are in the manufacturing game, you may find it is better to invest in a great online catalogue and website than premises in a perfect location.

With the current glut of commercial premises, it may be worth considering buying premises rather than leasing, but ensure you have room to expand if business takes off. You can always start by leasing or sub-leasing part of your premises.

Rather than going for location, ensure the premises have everything you need:

- Office space
- Manufacturing space
- Yard space
- Storage space
- Infrastructure
- Room to expand

Layout and decorating — manufacturer

You may think that a manufacturer does not need to take layout and decorating into account, but it is still every inch as relevant as for a service provider.

You will still need a decent reception/waiting room for any walk-in clients or associates, and a meeting room. And don't forget to devote some space to your team. Happy employees = happy customers, so give them somewhere to have a quiet cup of tea and a real break.

Marketing Plans

What is a marketing plan?

A marketing plan is a guide you write yourself for what marketing you will need to undertake in future.

Marketing plans generally cover a long time frame (1–2 years) and are constant moving targets which need to be reviewed and redefined every few months.

A marketing plan will help you maintain a steady flow of communications with the world, and the mere act of writing one will help you wrap your head around what you need to do.

Marketing mix

Your marketing mix is the combination of activities you have decided to use to promote your business.

For an example, a manufacturing company may use:

- Annual sales event/expo
- Online advertising
- Specialist magazine advertising
- Promotional pens
- Calendars

Structure

A marketing plan ideally has the following structure:

- Executive summary
- Marketing research
- Promotion plan

Executive summary

The executive summary is the description in plain English of what you are currently doing, what you plan to do and how you will get there.

Marketing research and analysis

Your marketing research and analysis should cover:

- The market itself
- Target market
- Competition
- Distribution
- Your competitive edge

Promotion plan

Your promotion plan details the marketing mix you have decided on and an action plan for what you intend to do and when.

For each promotion and advertising activity you will need to identify:

- Target market

- Objectives
- Activity
- Person in charge
- Timing
- Budget

Marketing Research and Analysis

The market

Start by identifying what the market itself is and the gap you are filling.

Let's say our product is a new iPhone app for school students in your area:

- How big is the market? Eg all secondary school students in your geographical area — 10,000
- What is the history of the market? Eg only one other business tried this before and they failed
- At what stage of its lifecycle is it? (Establishment, Growth, Maturity, Decline?) Eg growth
- What is the projected growth rate for the future? Eg one new app every six months
- What trends, legislation or environmental factors might have an influence on your market? Eg iPhones may be banned in schools or they may be encouraged
- How will you keep informed of market regulations and trends (what ongoing market research do you do, or plan to do?) Eg social media, Tearaway magazine, online surveys with prizes
- What are the key factors for your success in the market? Eg low cost app: 99 cents, iPhone trend for young people, support from local teachers
- What, if any, are the barriers to entry? Eg only 50% of staff believe in the app, bank manager has yet to be convinced
- What is your current market share? Express this as a percentage: Eg 1%
- What is your targeted market share? Eg 20%, we think we can realistically get 1 in 5 students
- Other potential markets: Eg if this works we'll open it up to the rest of NZ and then go international
- What other opportunities or threats might there be for your business in the future? Eg if another company masters what we are doing before we do

Your target market

- Gender
- Age group
- Occupation
- Income
- Marital/family status
- Geographic location
- Special interests
- Sensitivity to price, quality, service

Another business

If your target market is another business, consider:

- Annual turnover
- Team size

- Time in the market
- Market share
- Geographic location
- Sensitivity to price, quality, service

Include any statistics or relevant information:

- What market share are you aiming for?
- What level of demand exists for your product at the current time?

Competition

Know your enemy. Make an objective assessment of your competitors...

Include:

- Target markets
- Market share
- Product or service function and features
- Product or service quality
- Price
- Location
- Distribution networks
- Marketing strategies

Also think about their strengths and weaknesses:

- Finances
- Technology
- Market share
- Time in the market
- Key team members
- General experience and expertise

How will you differentiate?

- What do you do that is different or better?
- What is their likely response to your presence in the market place?
- How easy will it be for new competitors to enter the market?

Distribution

Consider how you are going to actually deliver your product or service. Will you go to them or will they come to you?

Will you use:

- Agents or distributors?
- Sales reps?
- Mail order?
- Online ordering/quoting?
- Retail/Wholesale?

- Party plans?

Your competitive edge

Analyse what you have learned by asking the questions above and try to determine your competitive edge.

- Maybe your product is unique
- Is your service of better quality than others?
- Do you offer a more complete package than your competitors do?

Writing a Promotion Plan

What is a promotion plan?

Your promotion plan is the part of your marketing plan which helps you determine where you go next.

This is the plan of actions you need to undertake in your marketing mix, and includes your budgeting and also who is responsible.

Each activity should include:

- Target market
- Objectives
- Activity
- Person in charge
- Timing
- Budget

Target market

Be very clear before you start, about who this promotional activity is aimed at.

For example:

- Existing clients who have used X service
- New customers who have never bought your products
- Women aged 25-40

Making your promotional efforts too general can be a waste of your promotional and advertising budget.

If you focus your efforts on a certain group, you will get more bang for your buck. If you keep it broad you may miss the mark altogether.

Once you are in the swing of marketing and promoting you may wish to consider running more than one campaign at once, each with a different focus. Think of large corporations, eg Vodafone.

Vodafone have truly mastered the art of running simultaneous ad campaigns aimed at completely different target markets.

Objectives

Identify your objectives and quantify them. It will be hard to measure your success if your objective is too general.

Instead of saying 'get more business from existing clients' think in terms of 'increase revenue from existing customers by 25%, by offering them new service X'.

Activity

Plan exactly what you are going to do. List each activity as a new promotion, even if they are related — it may be worth listing each activity per campaign.

Eg One campaign may include:

- Advertising via a two-page spread in Magazine X
- Signwriting the front window
- Google Adwords
- E-marketing
- Sale items

Person in charge

Although many hands make light work, you need to assign one person to manage the process.

This person may need to co-ordinate with a printing house and designer and liaise with the business owner for sign-off.

If you retain control by signing off the finished article, you can delegate the phone calls, administration and running around that the process may involve.

Timing

It's very important that you get your timing right.

There's no point in marketing a Christmas special the week before Christmas, unless of course your target market is busy people who have not yet done their shopping.

Think about maximum impact and what else may be occurring in your customers' lives.

An excellent example of this is New Zealand album releases during the 2011 Rugby World Cup: many record companies delayed album releases at this time, assuming that most New Zealanders' minds (and wallets) would be tied up with rugby. And they were probably right.

Budget

Set a realistic budget for each activity and make sure you do your homework so that you have a realistic figure.

Don't forget to weigh up the benefits and the cost. If the exercise costs \$10,000 to attract \$8,000 worth of business, it may not be worth it.

Remember to include any discounts in the budget if you are promoting a sale or special.

Outcome

Don't forget to do your final sums and work out how much you spent and how much you made.

Ask your sales team to enquire as to how your customers knew about your product/service/event.

This way you can immediately see what works and what doesn't.

Example Promotion Plan

Campaign	Summer
Target Market	Existing customers
Objectives	Increase sales to existing client base by \$50,000 over November — February using a two part campaign with pre-Xmas preview and post-Xmas sales.

Action Plan:

Activity	Description	Responsibility Of	Timing	Budget	Actual Cost (to be updated later)
E-marketing	E-newsletter to existing clients re a	Sarah	Early	\$0	<i>nothing</i>

	pre-Xmas stock preview party.		November		
Direct marketing	Postcard style invitation to 300 existing clients to preview party. Bring a friend.	Sarah	Early November	\$350	\$300
Sales event/client Xmas party	Preview party for new Xmas stock, catered with band. Max 150 people.	Rebecca	Late November	\$3000	\$3500
Signwriting	Signwriting on front window for post-Xmas sale on 29 December.	Tony	December 26	\$300	\$200
Newspaper advertising	Newspaper ad for post-Xmas sale	Sarah	December 23	\$300	\$400
E-marketing	E-newsletter to entire client base re sale	Sarah	December 20	\$0	nothing
Direct Marketing	Mailbox drop to entire suburban area	Rebecca	December 27	\$1000	Scrapped!
Radio advertising	Radio ad for big sale	Sarah	December 26-29	\$2000	\$2500

Outcome:

Total cost of campaign	\$ 6,900	Total increase in revenue	\$ 35,000
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