



UNIT-6 Effective Marketing Strategies

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Explain how marketing decisions are influenced by various forces in the external business environment including trends and developments that affect current and future marketing practices.
- ✓ Identify, describe, and examine major types of measurement techniques and data collection methods
- ✓ Analyze markets and customers utilizing primary and secondary sources of information
- ✓ Develop a comprehensive marketing plan for a business.

Unit 6

Effective Marketing Strategies

Marketing is about identifying and understanding the customer. As opposed to common understanding, marketing is not just about advertising and business promotion. It includes giving customers what they want and meeting their expectations.

Effective Marketing is a result of examining every aspect of your business and how it affects the consumer's end experience. It covers everything needed to do in order to deliver your products and services to the consumer including research, planning, pricing, packaging, promotion, selling, and distribution.

Amongst all the company's functions, marketing is closest to the customer. Its job is to identify customer needs (latent or manifest) and translate them back to the firm for its reaction. Its role in supporting the operations management system is therefore critical.

Operations managers must then restate what marketing has communicated in terms that will bring about the needed response from the production mechanism. To support its efforts, marketing works with advertising to state the company's offerings in terms that are attractive to the buyer.

Sales is the part of the marketing function also; salespeople being those who take action to sell within an identified market. This is the Frontline, the place where information about customer needs and desires penetrates and gains the attention of the company.

A story told in sales circles is about the ABC Company (a shoe manufacturer), whose marketing head visited a remote area of the world to assess the market. He returned to report to his boss, "There's no market; they don't wear shoes."

The marketing head of the competitor EFG Company made the same trip for the same purpose, reporting to his boss: "It's a terrific market! They've got no shoes!" Marketing's response to a circumstance can take a firm into new areas.

The Marketing Plan

The marketing plan is a product of market research. A market research is a collection of information that provides an insight of a customer's mind so that you understand what they want. It includes how they gather information and where they come from. It is also a source of the marketing trends in the business industries.

All your strategies, tactics, and processes are included within this plan in order to create a strong customer base. This also highlights how you will cope with recession, with competition and with increased trends in customer needs and requirements.

The following six areas, the "6Ps" or the 'marketing mix', provide a comprehensive framework for formulating an effective marketing plan:

- **Product-** This covers the combination of goods and services that your business offers. This forms the main aspect of marketing. The product has to answer to the demand of the customers in order to have a high demand.
- **Place-** The place of business is crucial because one has to have an accessible location to be easily exposed to his or her clientele.
- **Price-** The price of the product agrees with the item on sale. Ensure that the product matches with its value. It is important to realize that the price influences customer's demand.
- **Promotion-** As mentioned above, promotions are fundamental in business management. It is beneficial for one to engage in promotion strategy as a means of attracting customers especially for new products in the market.
- **People-** One has to ensure that he or she has dedicated staff (always on call). The staffs-contribute significantly in establishing a business and meeting primary goals of a company.
- **Process-** All business processes must be geared towards attaining the primary goals of the business. As a result, it is beneficial for the business person to tune the minds of his or her workers to practice in one accord and to always win the clients favour at all times.

Your best bet is to make sure your marketing plan evolves with your business. You must develop new plans based on your current business environment.

The best way to formulate an outstanding marketing plan is to request feedback from your customers. Let them know that their feedback is important to the planning of your business.

There are a number of ways to get started. Here are some guidelines to get you started:

1. Come up with a list of strategies and tactics for effective marketing.
2. Try to think like a customer. Think in their perspective to see whether those decisions are appropriate.
3. Know your competitors. Make sure that the competition you recognize is relevant to your company.

Prioritize your goals and objectives and organize your strategies accordingly.

Once you've accomplished these steps, make sure you meet on a regular basis with your team to evaluate progress before moving on to the next crucial step.

Creating a Marketing Plan

A successful entrepreneur understands the products and services they are offering to the customer and its comparative advantage. Creating a marketing plan will help the business understand the features and essence of its products and how to channel it to the different target sectors.

The ultimate aim of a marketing plan is to set the direction for business in promoting its products and services, to build a customer base, and to determine its market positioning.

An effective marketing plan has the following key points professionally articulated within. These points help them identify the purpose of their business.

1. Purpose

What should the marketing plan help in achieving?

2. Benefits

How will your products and/or services benefit the customer and exactly how will they satisfy their needs and requirements?

3. Customers

Identify your target customer market and devise a system or strategy about how you will build long-term relationships with them.

4. Company Profile

In order to position yourself in the market, you must carefully analyze how your customers will see your company. Therefore, be sure that your company has a terrific profile to set out with.

5. Niche

What is the niche that your company has defined and is willing to serve?

6. Tactics

There are many tactics that you can use to reach out to your customers. In this plan, list out your preferred method or tactic that you will use to attract more customers.

7. Budget

This is one crucial step in preparing. You must have a budget allocated specifically for marketing purposes. Remember, you can spend a large amount of money doing your marketing or perhaps a dime for just the same purpose.

Marketing has truly no limit when it comes to money, therefore, make sure you have a budget in place for effective marketing. It does not have to be expensive, remember what matters is the effectiveness; not otherwise.

Below is a sample general framework of a marketing plan:

Executive Summary

The executive summary is an overview of your marketing plan. As you go through the process of writing your plan you will refine your ideas and develop new strategies. By writing the executive summary, you will be able to provide a holistic overview of your marketing plan.

It is recommended that you include the following points in your executive summary:

- Brief description of products or services
- Define target market
- Competitive advantage
- Positioning statement
- Anticipated sales, profits and market share

I. Market and Situation Analysis

- Economic environment
- Social environment
- Technical environment
- Industry environment
- Competitive environment
- SWOT Analysis

- Political environment

II. Market Segmentation and Customer Analysis

- Market segmentation
- Target market/segment characteristics
- Market research findings

III. Objectives and Goals or “Where the business needs to be”

- Mission Statement
- Objectives for volumes, sales, market shares, gross margins, net profit, return on investment
- Goals that are time-bound.

IV. Strategies and Tactics or "How to get there"

- Mission Statement
- Objectives for volumes, sales, market shares, gross margins, net profit, return on investment
 - Goals that are time-bound.

Set the timeline of milestones so that everyone knows when action points need to be achieved and the point person for each responsibility.

V. Budgets and Controls

- Sales, expenses and marketing budgets
- Contingency plans and risk management

Defining your Target Market

Target Marketing, also known as market segmentation, involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments.

The beauty of target marketing is that it makes the promotion, pricing, and distribution of the products and/or services simpler, directed, and more cost-effective. Target marketing provides a clear direction to all of the marketing activities. For example, if you are selling electronic calculators your market could be segmented by how consumers use it: e.g. scientific, office, student and general use.

Each of these segments will have different requirements and may vary in the price they are willing to pay. Understanding the needs of each segment allows for refinement of the marketing plan to be able to deliver the customer values. Each segment will offer growth and profit opportunities so the catch is to deliver the best offer to the best segment.

You can profile your target market/segments using four categories:

- ✓ Geographic: e.g. location, population size or climate
- ✓ Demographic: e.g. age, gender, family size, family life cycle or income
- ✓ Psychographic: e.g. social class, lifestyle, motivation or personality
- ✓ Behavioural: e.g. product benefits, frequency of use or brand loyalty

Targeting your First Customer

It is important to attract the right segments of customers as they will be the first judges of the business' goods and services. They can make or break the business' reputation at the very beginning. Following are the guiding questions that an entrepreneur identifies for his first customers and a business in creating new markets:

- ▣ Are your target customers male or female?
- ▣ How old are they?
- ▣ Where do they live? Is geography a limiting factor for any reason?
- ▣ What do they do for a living?
- ▣ How much money do they make?
- ▣ How much are they willing to pay?
- ▣ How is the product or service value-adding to them?

Research your Customer

Often, a businessman becomes so focused on brainstorming new ideas, producing new products, looking at team performance and setting up incentives, paying bills, and doing seminars and presentations that they forget the very important reasons as to why their businesses run in the first place; a customer.

The customer is the heart and soul of a business. However, again many businessmen think they know everything about a customer. What they want, how they want it, when they want it. They become so confident that it curtains the real need of a customer and thence they don't even ask!

Marketing research is the process of linking the consumers, customers, and the public to the marketer through information. The goal of marketing research is to identify and assess how changing elements of the marketing plan impacts customer behaviour.

Marketing research is commonly interchanged with market research; however, expert practitioners may wish to draw a distinction, in that market research is concerned specifically with markets, while marketing research is concerned specifically about marketing processes. Market research findings may include:

- ▣ Products and services and their customer fit;
- ▣ Customer profiles;
- ▣ Customer characteristics; and
- ▣ Customer needs and wants.

You can provide customer service 24/7, but how will you do your best when you don't know the "real" need of a customer? Whenever you feel the same thing, be sure to ask yourself these questions:

- Who is the most important person in your business?
- Where does the money come from that you use to pay your employees?
- Who designs your products and services?
- Who determines your company's growth?

The answer to all these questions are; a customer. Without knowing your target market, it is impossible to go out there to sell your product or service.

The whole concept of a successful business relies on how you meet the needs of your customers and, therefore, you must know who your target market is and what their needs are.

Therefore, it is fundamental that you interact with your customers, find out what they need and supply those needs accordingly.

Although, most businesses fail at doing so or are perhaps very bad at interacting because of two main reasons:

- They assume that since they have a growing business, they know everything a customer would want.

- They assume that since their products and services are available on time, they've achieved customer satisfaction.

Both assumptions are wrong to the core. In today's high-tech era, customer satisfaction is not enough. You have to maintain long term relationships with them to know their needs, as they evolve and to know when they require them.

But again, let's take into account the price factor. There may be millions of other businesses offering the same product and service. Hence the customer gets confused as to where he should turn.

Their decisions are based on cheap price, excellent quality, excellent customer relation and support, and continuous flow of products. Therefore you have a challenging situation to try to stand out from the crowd.

You must ensure that you show your customers how effective your company is and the number of benefits they will receive in collaborating with you. This leads us back to one important point.

You must know your customers to know what their needs and requirements are and thus plan your products and services accordingly.

Remember that customers want benefits not only products. Customers are very smart people which means that products you offer may be offered by many other businesses, however, it is the benefits that you provide that sets you apart from the crowd.

There are a number ways in which you can gain information about your customer, however, in order to understand and define your customers. It is a wise idea to interact with them directly to find out what they require from your business. Here are a few guidelines as to how you can begin:

- ❑ What do your potential customers usually buy?
- ❑ How do they hear about the products or services that they buy?
- ❑ How do they want to buy your product or service?
- ❑ How often do they buy?
- ❑ How can your company meet their needs?

Together with this information, make sure you collect the data that gives you a sense of trends particularly present in the market as well as the demand of products and services that you're offering. You can find this information simply by:

- ❑ Interviews by phone or in person
- ❑ Focus groups / Group Discussions
- ❑ Email and Online Questionnaires or Surveys
- ❑ Phone Surveys

Do your Own Marketing

Nearly everyone knows how to advertise their creativity on social media sites such as Facebook, Twitter, YouTube, etc. and anyone with a bit of creativity can instantly become a celebrity.

Businesses can gain on customs if they utilize the power of these social media sites for the benefit of their businesses with the aim of successful growth.

This also means that businesses no longer need to invest in expensive marketing firms to handle their marketing campaigns because nearly all potential customers frequently visit these social media sites. Hence if you do your marketing correctly, you are sure to benefit from your hard work in terms of customers and their satisfaction.

Further Reading:

- ✓ *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance (2nd Edition) by David J. Reibstein*