



Marketing

Marketing is more than just selling and advertising. It is about finding out who your customers are and how many of them there are, working out how to reach them and let them know about your product or service. This means that marketing covers every aspect of your product or service from inception, design, pricing, distribution, selling and promotion through to after sales service and customer satisfaction.

Getting the right marketing strategy to suit your business and customers is the key to a profitable business. So here are some tips for developing and putting in place a marketing strategy.

The first key to marketing is to clearly define what you do. Ask yourself: "who is my company and why am I in business?"

Once you understand the answer to this question, you are on the way to undertaking the marketing activity.

Step 1 - Make Time to Plan

It is important to make marketing part of your ongoing business planning. You need to regularly ask yourself who are your competitors, their strengths and weaknesses, who your customers are and what they want, and whether there are any gaps in the market (your market niche). So the first step is to make time to plan your marketing strategy.

Step 2 - The Benefits Come First

Once you have made the time to plan, it is important to define your customers' needs and how this fits with the benefits of your product or service. Marketing is all about needs and benefits. It does not matter what you have to offer - it is what the customer wants that is important. All your marketing should be directed towards answering the customer's question: "What's in it for me?" This means distinguishing between features and benefits.

Step 3 - Build a Framework

Take the time to sit down and examine what you are about. You need to be aware of your product or service, your potential or existing customers and how you are going to reach them, and the competition.

Put simply, you will need to know:

1. your product or service - what you can offer;
2. your customers, present or potential;
3. the competition, price levels and performance;
4. distribution;

5. area - geographical.

A good question to ask yourself is: "Why should a client/customer come to my business?" If you cannot list the reason clearly and concisely, you can be assured that neither can your potential customers.

Step 4 - Look for the Gaps: Niche Marketing

Unique products are rare and there is competition everywhere. It is a question of evaluating the strengths and weaknesses of the existing competition and yourself. Where do you fit in the marketplace? What can you offer that is a little bit different? As a small business, do not try and take on the whole market and every product. Find a niche and service it well. Matching customer needs with the benefits of your product or service will help you define your market niche.

Step 5 - SWOT Analysis

Once you have collected all the information, sit down and be totally honest with yourself and do a SWOT analysis.

SWOT is short for Strengths, Weaknesses, Opportunities and Threats. Doing an analysis of these will help you define areas that you can promote as strengths, areas that need to be worked on and opportunities that may be identified to market new customers or products/services.

Under each heading put in point form your honest comments regarding your business and the market in which it will participate.

Step 6 - Goals and Objectives

Once you have a clear focus on where you are going, it is important to establish your marketing objectives for the business.

Objectives are, for example:

- I will make \$1M in turnover during 200x-200x;
- I will obtain a market share of Z;
- my margins will be X%;
- profitability will be Y%;
- I will spend 5% of sales on advertising/promotional activities.

It is useful to divide objectives into those that are a must and those that are desirable.

Where to Now?

The establishing of your marketing strategy is based upon what goals and objectives you have for your business.

The research and ideas stage is complete, so let's put it into action.

Step 7 - The Marketing Mix

Once you have a clear picture and focus of your business, it is now time to sit with 'pen and paper' and write a plan for your marketing activity. The marketing mix is made up of price, promotion, product and place.

1. **Price** - decide what pricing policy you will have and stick to it. For example, list your price, discount, allowance and credit policies.
2. **Promotion** - there are many good books on promotion for small business. Ask at your local bookshop or library. Big and expensive promotion is not always the best strategy for a small business. Examples of types of promotion can include selling, public relations, networking, word of mouth and advertising. Pick up the Advertising & Promotion fact sheet from your local Business Advisory Service.
3. **Product** - what product or service are you offering and can you differentiate it by offering additional functions or services? Look at quality, features, benefits, packaging, guarantees, etc.
4. **Place** - this deals with how you should distribute your product. Consider locations, retailers, inventory, transport and warehousing.

This is the start to putting together a marketing strategy. But is the marketing effort complete? No. Now you must do two equally important tasks.

Step 8 - Budget

Marketing is a cost to the business and must be budgeted for. All small businesses should work with their accountants and develop a cash flow budget.

You can also access benchmarking software at your local Business Advisory Service to get an idea of marketing costs in similar business sectors.

Step 9 - Controls

You must remember that marketing is planning for the future. Regularly monitor the progress of your business to ensure you are on track.

Always measure advertising/promotional activities to see which activity gives the greatest growth in sales at an economical cost.

Take control on a monthly basis. Do not wait until the end of the quarter to hear from your accountant. Liaise with your accountant, marketing consultant or Business Advisory Service regularly to see how your plans are working.

Remember

Marketing is a continuous evolving activity and requires constant research, monitoring and control of the strategy to ensure long term success.

Want to Know More?

Want to know more about marketing, or where you can get help with marketing planning?

All Business Advisory Services deliver short, low-cost workshops which will help you.

Ask about:

- "Developing Your Business Plan" which deals with the strategic business and marketing planning approach; and
- "Marketing and Sales: You Are Your Business", a 'how to do' practical workshop which assists you in developing a marketing plan.

For More Information:

Contact your local Business Advisory Service on 1300 650 058 to talk over business management issues or visit the Department of State and Regional Development's Small Business Website at www.smallbiz.nsw.gov.au.