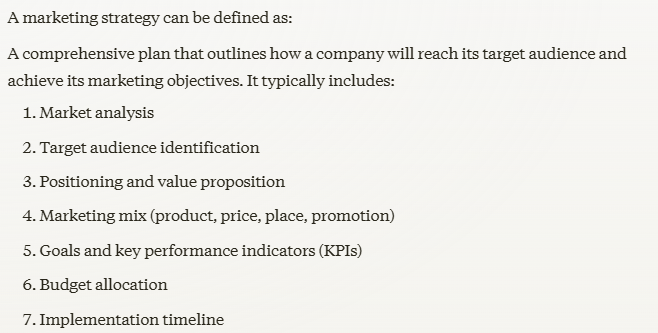
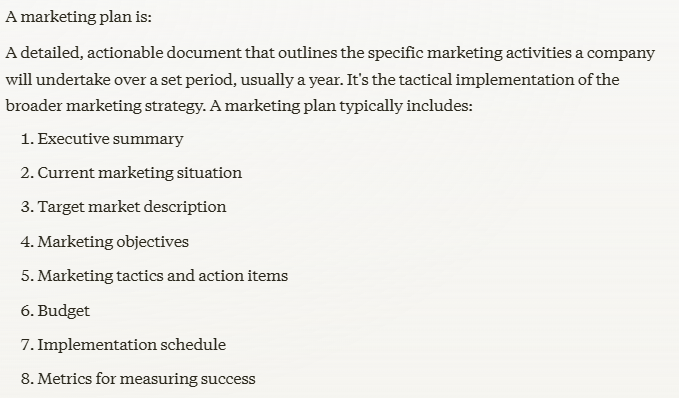
**Marketing Notes:**

Marketing activity: at its most basic, is everything about your business that makes a difference to your customers.



In order to make your marketing strategy happen, you need to work out how you’re going to achieve it, which involves writing up a marketing plan.



One important thing to remember is that you need to find out what customers want from you and then create a product to meet those needs. This view is the difference between being what the experts call product-orientated and customer-orientated.

Much like where successful writers know the audience and produce writing at that level, in marketing it is vital to know who your audience is. You need to understand your customer on two levels: the rational, functional dimension of making a purchase decision, and the irrational, emotional dimension. Often, this means addressing two questions:

1. How do they feel about the product?
2. What do they think about the product?

There are three fundamental approaches toward selling to the customer:

1. The informational approach in marketing is a strategy that focuses on providing consumers with detailed, factual information about a product or service to influence their purchasing decisions. This is very often the approach with business-to-business (B2B).
2. The emotional approach in marketing focuses on appealing to consumers' feelings, desires, and psychological needs rather than relying solely on logical or factual information.
3. The balanced mix approach in marketing combines elements of both the informational and emotional approaches to create a more comprehensive and effective marketing strategy. This approach recognizes that consumers often make decisions based on a combination of rational thinking and emotional factors. This is the recommended approach to use if you are unsure about the other two options.

Some formal elements that might comprise marketing are include: marketing may include sales, service, product design and packaging, all marketing and media communications and anything else that helps win loyal customers. There can be hundreds of aspects involved. The best thing to do is to write out a detailed profile on your customer to get a focus on what elements will need to be utilized in marketing to that customer. Segmentation is the term used to describe the process of identifying distinct groups of customers, and the products and services that may appeal to them.

Be aware of whether a customer emphasizes attracting new customers, or retaining and growing an existing user base.

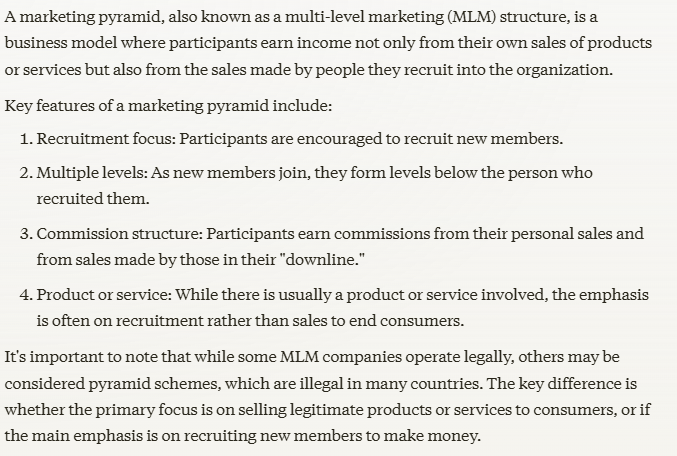
For a company to successfully market a product or service, they must explicitly define what their special strength or advantage is. Trying to meet a competitor on their turf otherwise results merely in being second place. Take a minute to think about what makes your firm or product special and different, and why customers have been attracted to that excellence in the past. Then make sure your marketing leverages that strength wherever possible.

Another careful consideration to make is to consider what the best way is to attract new customers. Some options may include:

* Referrals
* Trade shows and professional association meetings
* Sales calls
* TV, Radio, or print ads
* Product demonstrations, trail coupons, or free samples
* Websites, social media, or newsletters

Usually, only one or two ways are most effective in attracting customers. Once a business knows what these are, they can put one third or two thirds of resources into those methods, leveraging the most effective means.

More often than not, effective marketing actions take on only three labels- works best, helpful, or doesn’t work. By answering many of the elements discussed above, a company can decide if they are budgeting in a way that focuses resources where they will have the most effect. This is often the basis of a marketing pyramid:



In marketing, each customer interaction, exposure or contact is what we call a touchpoint, where good marketing can help build customer interest and loyalty. It can be very useful to list out the touchpoints that may be experienced by customers so that you can be mindful of these areas. The “7 Ps” of marketing comprises seven common aspects that help in making those determinations. Some of the elements in the “7 Ps” also make up a marketing mix, areas that comprise a marketing plan.



Some businesses use customer feedback or industry experts for their input about which of the “7 Ps” have the most impact on their customers and purchasing decisions.

Don’t be tempted to make price the main focus of your marketing. Many marketers emphasize discounts and low prices to attract customers. But price is a dangerous emphasis for any marketing activity; you’re buying customers instead of winning them.

By realizing weak spots, or uncontrolled aspects of the “7 Ps” in a business, the business is able to address those areas with more consideration and how they may be increased at vital touchpoints.

Base sales are what you can reasonably count on if you maintain the status quo in your marketing.

Your base, if you don’t change your marketing, may even be a negative growth rate, because competitors and customers tend to change even if you don’t. When you have a good handle on what your base may be for a status quo sales projection, you can begin to adjust it upward to reflect any improvements you introduce. If you’re trying something that is quite new to you, be very cautious and conservative about your projections at first, until you have your own hard numbers and real-world experience to go on.

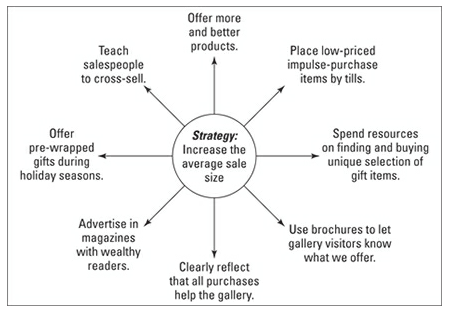
Don’t expect to solve all your company’s problems through your marketing. If the product is flawed from the customer’s perspective, the best thing you can do as a marketer is to present the evidence and encourage your company to improve the product.

Some ways to improve on marketing include:

* Get feedback from customers
* Thank customers for their business with small gestures
* Narrow marketing regions or customer type for a region
* Get more referrals
* Work to make your marketing more attractive by honing your materials
* Be pleasant to do business with
* Devise some way to make it memorable for your clients to do business with you
* Determine what you want to be best at, and put your energy in that direction
* Try cross-selling products or services
* Talk to customers that no longer use your product or services to see where it went wrong

Strategies are the big-picture insights that guide your marketing activity and make sure all its elements add up to success. A good strategy gives a special kind of high-level direction and purpose to all you do.

Your Core Strategy is literally the pillar of your business. It gives you focused direction and helps you make informed decisions for the future. This is the pillar upon which all other business revolves. Looking at the below example, you can see how a strategy provides an organizing central point to a range of marketing activities.



As you create your own core strategy, make sure you can draw a solid arrow from your chosen strategy to each of the activities on the rim. Also try to explain in simple words how the activity helps implement your strategy and achieve your strategic goal.

Market expansion is the most common strategy in marketing and the idea is disarmingly simple. Just pick some new territory and head out into it. The market expansion strategy has two variants: you can expand your market by finding new customers for your current products or you can try to sell new products to your existing customers and market. The faster you get through the transition and achieve your growth goal, the better, because extra costs are usually associated with any expansion.

Risk increases if you experiment with new products – defined as anything you’re not accustomed to making and marketing. So, you need to discount your first year’s sales projections for a new market by some factor to reflect the degree of risk. A good general rule is to cut back the sales projection by 20 to 50 per cent, depending upon your judgement of how new and risky the product is to you and your team.

Risk also increases if you enter any new market – defined as new kinds of customers at any stage of your distribution channel. You should also discount those sales projections by 20 to 50 per cent if you’re entering a new market to reflect your lack of familiarity with the customers.

What if you’re introducing a new product into a new market? Start-up firms – those just setting out in business – often run both these risks at once, and need to discount sales projections even further to reflect them.

Sometimes a market expansion strategy is so risky that you really shouldn’t count on any revenues in the first year. Better to be conservative and last long enough to work out how to correctly handle the marketing than to over-promise and have your marketing die before it succeeds.

A market segmentation strategy is a specialization strategy in which you target and cater to (specialize in) just one narrow type or group of customers. A segmentation strategy has the advantage of allowing you to tailor your product and your entire marketing effort to a clearly defined group with uniform, specific characteristics.

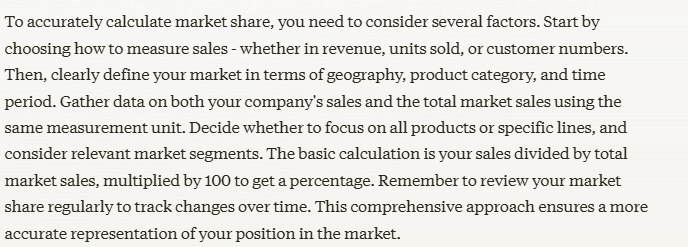
Use the segmentation strategy if you think your business can be more profitable by specializing in a more narrowly defined segment than you currently service. This strategy works well when you face too many competitors in your broader market and you can’t seem to carve out a stable, profitable customer base of your own. Also use the specialization strategy if it takes better advantage of things you’re good at.

Expanding is an option where a company runs out of customers and market, targeting a new segment to grow into.

Another common and powerful strategy is to increase your market share through your marketing activities. In essence, this means taking some business from your competitors.

Market share is how much of an industry's sales a company gets. To calculate market share, divide your company's sales by the total industry sales.

To accurately identify your market share, you need to consider what units to use to measure sales, the total sales in your market, your product category and more.



Defining your market category is crucial for accurately measuring market share. It ensures you're comparing yourself to the right competitors and products, giving you a true picture of where you stand. A well-defined category helps you understand your real competition, target audience, and potential opportunities. It also prevents the mistake of comparing yourself to an irrelevant or too-broad market, which could lead to wrong conclusions. By clearly outlining your specific market, you can set realistic goals, allocate resources effectively, and make better strategic decisions for your business.

Customer perception is crucial to market share because it shapes how people view and value a company's products or services compared to competitors. A positive perception can boost sales, attract new customers, and foster loyalty, all of which contribute to a larger market share. Conversely, negative perceptions can decrease sales and shrink market share. Customer opinions influence purchasing decisions and word-of-mouth recommendations, directly impacting a company's ability to capture and maintain its portion of the market. Therefore, businesses often focus on improving their image and customer satisfaction to enhance their market position and grow their share of the industry.

To determine total sales in a market, try obtaining it from an industry trade association or marketing research firm, many of which track sales by year in different product categories.

A down-and-dirty way to determine market size is to:

* Estimate the number of customers in your market
* Estimate how much each person buys in a year
* Multiply those two figures to get the total size of the annual market
* Divide that figure by your sales units to determine your share

Market share gives you a simple way of comparing your progress with that of your competitors from period to period. If your share drops, you’re losing; if your share grows, you’re winning.

A strategic market share goal is a target percentage of industry sales a company aims to achieve. It guides business strategies and resource allocation, helping the company grow or maintain its competitive position. This goal focuses efforts on increasing the company's portion of the market over time, driving growth and measuring performance against competitors.

A market share post-mortem is a thorough analysis conducted after a specific period or campaign to understand why a company's market share changed. It's crucial because it identifies successful and unsuccessful strategies, reveals market trends and competitor actions, and provides insights into customer behavior. This analysis helps companies learn from their experiences, adapt their approaches, and make informed decisions for future strategies. By conducting post-mortems, businesses can improve their performance and make more effective plans to maintain or increase their market share.

Many experts believe that market share is a good long-term predictor of profitability, arguing that market-share leaders are more profitable and successful than other competitors.

Business units in marketing are distinct divisions within a company that focus on specific products, services, or customer groups. They're important because they allow large organizations to be more agile and responsive to different market needs. This structure enables better targeting of customer segments, quicker adaptation to market changes, and more efficient resource allocation. It also facilitates clearer performance measurement and accountability. By fostering specialization and innovation, business units help companies manage diverse product lines or markets more effectively, potentially boosting market share and profitability across various segments of the business.

Return on Investment (ROI) in marketing measures the profitability of marketing efforts by comparing the revenue generated to the amount spent, helping evaluate strategy effectiveness and justify budgets.

PIMS (Profit Impact of Market Strategy) in marketing is a research program that analyzes how business strategies affect financial performance across industries. It's important because it provides data-driven insights to guide strategic decisions on market share, product quality, and pricing, helping companies improve profitability and market position. Some PIMS data suggesting that a gain in market share seems to lead to a corresponding gain in ROI.

Loss of market share more often than not leads to loss of ROI.

If you’re a small firm with a narrow market niche, trying to grow your share by expanding aggressively can get you in trouble. Balance share growth with the need to avoid excessive risks.

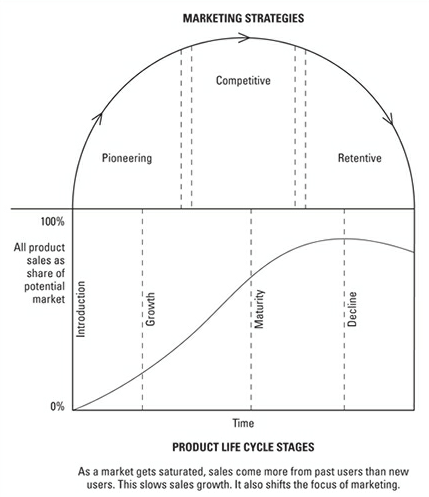
A distributor needs retail shelf space, so you may need to push to win a larger share of shelf space from retailers, especially if you’re dealing with large supermarkets. To earn the right to this shelf space, you may need to produce some consumer advertising or publicity, provide the stores with good point-of-purchase displays or signs, improve your product packaging or do other things to help ensure that consumers take a stronger interest in buying your products.

A sales projection is a forecast of expected sales revenue for a future period. It's crucial in marketing as it guides budget decisions, goal-setting, and resource planning, allowing marketers to align strategies with business objectives and measure campaign success against predictions.

Try collecting information about your competitors: current news, announcements, website changes, etc. This information can help you make strategic decisions about your own products and services.

Product category – the general grouping of competitive products to which your product belongs, be it merchandise or a service. Product categories have a limited lifespan due to the constant introduction of new products.

Over time, sales for a product follow a sigmoid, or “S” shaped growth curve. Typically, it levels off when the customer base grows. These fall off when replacement products enter the market.



There are three stages to the advertising life cycle:

1. Pioneering- when the majority of prospects are unfamiliar with the product
2. Competitive - when the majority of prospects have tried at least one competitor’s product
3. Retentive- when attracting new customers costs more than keeping old customers

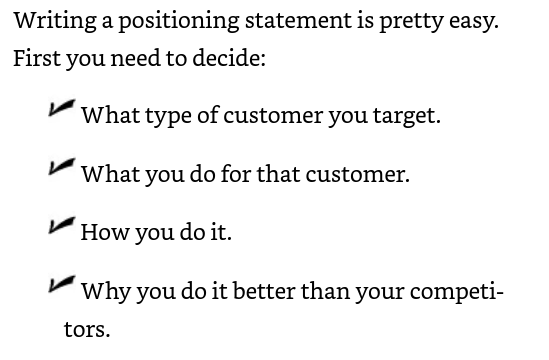
In the upper half of the above illustration, is the advertiser’s version of the life cycle with its helpful emphasis on what to do to win sales. It has been redrawn it slightly to make it tie into the product life-cycle drawing. Put the two together, and you have that finest of combinations: situation diagnosis plus practical prescription.

When a market is saturated, you can no longer grow just by finding new customers. Your ambitions are limited by the rate at which customers replace the product and your ability to steal customers from your competitors. Competitive, share-orientated marketing is the way to go, and you need to focus on refining your points of difference from competitors and communicating them clearly to customers.

A positioning strategy takes a psychological approach to marketing. This strategy focuses on getting customers or prospects to see your product in a favorable light. The positioning goal you articulate for this kind of strategy is the position your product holds in the customer’s mind.

Some options for positional strategy include:

* Take a position against your competitor
* Emphasize a distinct benefit
* Affiliate yourself with something the customers value



Simplicity marketing is a marketing approach that values clarity and concision, communicating complex ideas in a straightforward and easy-to-understand way. By using clear messaging, simple language, concise storytelling, and visual clarity, simplicity marketing helps customers quickly grasp the value and benefits of a product or service. This approach increases clarity, engagement, and credibility, ultimately building a competitive advantage in a crowded market. By stripping away unnecessary complexity, simplicity marketing makes it easier for customers to understand and do business with a brand, leading to stronger connections and a more effective marketing strategy.

All else being anywhere near equal, a majority of customers choose the higher-quality option. You can’t just say you’re better than the competition; you really have to deliver. But if customers see you as superior on even one dimension of quality, by all means emphasize this in your marketing.

A reminder strategy is good when you think people would buy your product if they thought of it – but might not without a reminder.

Point-of-purchase marketing (POP) is often an effective way to implement the reminder strategy. POP marketing simply means doing whatever advertising is necessary to sway the consumer your way at the time and place of their purchase. For retail products, this strategy often means a clever in-store display or sign to remind the consumer.

Take some time to write your marketing strategy down clearly and thoughtfully. Put your strategy in summary form in a single sentence.

After you develop a marketing strategy, make sure you follow it. You may need to write your strategy down and display it so that you- and others- can’t forget it. In fact, we highly recommend that you do some formal planning to figure out exactly how you’ll implement your strategy in all aspects of your marketing.

Most successful businesses– small or large, new or old – write a careful marketing plan at least once a year. Every successful business needs a marketing plan.

Marketing plans usually have these components:

* Current market position
* Results accomplished in previous marketing period
* Current marketing strategy
* Details of the marketing activity
* Numbers: sales projections and costs
* Determining results to new plans that need to happen before committing to a higher level of action

Economies of scale refer to the cost advantages a business achieves by increasing production and operating at a larger volume. As a company grows, it can reduce fixed costs, negotiate better prices, improve efficiency, and lower marketing costs, leading to lower average costs and increased competitiveness. This can create barriers to entry for new companies, making it harder for them to match the efficiency and cost structure of larger businesses.

Aim for an 80% match in marketing means targeting a sweet spot where your product or service meets about 80% of the target audience's needs, wants, or expectations. This realistic goal acknowledges that perfect matches are rare and allows for flexibility and compromise. By focusing on the essential 80%, you can develop a product or service that meets critical needs, craft effective marketing messages, and make adjustments based on customer feedback, resulting in a more efficient and effective marketing strategy.