

Marketing is one of those areas of business which appear simple and easy to understand. Unlike accounting, for instance, there is no mystery attached to it. Entrepreneurs feel quite confident about having a go at doing their own marketing based on their (often mistaken) view that after all, it is really just advertising and selling. At its heart, marketing is based on a very simple idea but that simple idea has very profound and far-reaching implications for the way in which businesses should be run. Since the 1950s, the Marketing Concept has been recognised as the key to success in business. Everyone starting or developing a business should therefore ensure that they fully understand what marketing is really about and implement the concept fully in their business. So, if marketing is not simply advertising and selling, what does it consist of? The answer to that question is that marketing should be viewed and defined at three levels:

Marketing - a Concept

At its simplest, marketing is basically a concept or an attitude of mind towards business - a philosophy if you like. That concept can be very simply stated as follows 'customers are at the heart of business and businesses can only survive by knowing what their customers need and satisfying those needs better than anybody else'. Therefore, absolutely everything that a business does must be driven by the quest to anticipate, meet and exceed customer expectations.

Marketing - a Strategy

Moving up from the conceptual level to the strategic level, marketing is also a series of decisions in four key areas. These decisions are made in answer to the following questions;

- What **PRODUCT** (and/or service) will we offer to the market ?
- What **PRICE** will we sell our product (and/or service) at ?
- How will we **PROMOTE** our product (and/or service) ?
- What **PLACES** will we make our product (and/or service) available to our customers ?

These four areas are referred to as the Marketing Mix or the Four P's.

Marketing - a Skill

Finally, at the practical level, Marketing is a series of management processes, techniques and skills which build on the knowledge and experience built up by practitioners since marketing became a recognised profession in the 1950s. These skills cover all of the functional areas of marketing such as:

- Market Research
- New Product Development
- Pricing
- Advertising
- Promotion
- PR
- Sales
- Distribution

The Competition

When any Great Athlete lines up for the start of an important race, they know everything about each of their opponents. They know who they are, their coaches, their personal best, their style- whether they go out fast and hang on, or to save something for a sprint finish. They also know how they react to a variety of situations that can arise during a race. If this is true for a sport, then how much more so should it apply to running a business. Looked at in this light, there are three parties involved in marketing, the Customer, the Competition and ourselves. Every marketing decision we take should take both the customer and the competition into account. The competition should be studied very carefully, respecting them for their strengths while looking for their weaknesses and learning from them.

The Marketing Cycle

Successful businesses repeat the marketing cycle continually. Nonetheless, there is a logical order to these phases: Understand the Market

We have already established that satisfying customer needs better than our competitors is the source of business success. It follows therefore that we need to begin by making a careful study of the market so that we have a full understanding of issues such as:

- Motives for buying this product or service, Customers preferences, Customer profile, Market size and trend
- Market channel structure (how the goods or services make their way from the originator to the user)
- Market structure (how it can be broken down into Segments which each have slightly different needs)
- Competitive strengths and weaknesses

Our understanding of these issues is built up by developing and using a Marketing Information System. This system is comprised of a series of formal and informal methods of gathering information. Some methods are used continuously while others are used occasionally or on an ad hoc basis, examples are:

- Market research,
- Analysis of sales results,
- Customers Service
- Sales Visits.

Market research is the most formal of these methods. An informal trawl through one or two libraries with out clear objectives in mind is not market research and is just as likely

to confuse as to come up with useful information. Here are the steps involved in a well thought out market research project :

Write a clear statement of the exact questions to be answered by this particular research project.

List each item of information required to fully answer the questions, identify any published sources that can provide any items on the list and collect the information. This is called desk-research. The analysis is done by simply sifting and organising the information collected and deciding what it means for our business. Interview people or organisations who are likely to be able to provide other qualitative items of information. These interviews are likely to be Unstructured or loosely structured in that you can not prepare all of the questions beforehand.

Conduct a questionnaire survey to collect any quantitative information which cannot be gathered in any other way. This is the most difficult and costly part of market research and is not done until other methods and sources have been exhausted. Samples must be large if the results are to be worthwhile. The survey can be administered by post, phone or by personal visit. Questionnaires must be very carefully worded to ensure there is no ambiguity or bias.

Develop a product which meets the needs of the market.

Every aspect of the product or service should be determined by the customers requirements. Clearly, therefore, the information received through the market information system is the only reliable basis for designing a product. The danger is that entrepreneurs are sometimes beguiled by the brilliance of their own designs, are determined to sell it just as they would like it themselves and simply look for customers who feel the same way about it. If they use market research at all, they subconsciously record only information which is favourable to their ideas. This problem was referred to by Theodore Levitt, in a very famous Harvard Business Review article as Marketing myopia. It is true that such entrepreneurs can be lucky and find that a lot of people agree with them but the chance they take is like buying a raffle ticket. Developing the product refers to the total Offering, not just the technical aspect of the product. It encompasses, the styling and packaging of the product or service, the design of associated services, the product image, its price and the way in which it is promoted and distributed. In an increasingly crowded marketplace, it is vital that your product or service has some unique feature or benefit which customers can easily recognise and remember and which relates to their needs. This is called the Unique Selling Proposition or USP and the process of developing it is called Product Differentiation. It need not necessarily relate to a feature of the product or service. It can also relate to the image, the pricing or distribution of the product/service - as long as it is clear.

Promote and Sell the product

Even if your product is exactly what huge numbers of customers have been crying out for, you will not sell even one of them unless you ensure that they know about it and understand its benefits for them. Customers are lazy. Unless a particular unfulfilled need is causing them some difficulty, they are usually content to struggle on with what they are using now. It is up to the businessman to ensure that every potential customer is aware of his product or service and understands how its unique benefits apply to them in a way that makes their lives easier, simpler, cheaper or more interesting than it was before - without involving too much effort on their part, this is done in two main ways:

Advertise and promote the product as widely as possible in an attempt to reach people who are interested and get them to seek out the product (the Pull strategy).

Seek out individuals who are likely to need the product or service and sell it to them in person (the Push strategy). This applies also to people whose business it is to sell the product or service on to others - wholesalers and retailers.

If the pull strategy is very successful, it will not be necessary to do any pushing because customers will be coming to ask for the product or service of their own accord. However, in practice, most companies need to use both push and pull strategies at the same time.

The Marketing Plan

Every business should have a marketing plan which it uses to guide its everyday marketing operations. Without such a plan a business can only react to events and will lack direction and focus. The marketing plan is part of the Business Plan which will also be required to attract funding. However, it is a wasted opportunity if it is used only for this purpose and is left on a shelf thereafter. Properly used, the marketing plan never leaves the owner/ managers desk and is a constant guide to the most important things to be done at any particular moment. Essentially, the marketing plan is a presentation of the business marketing strategy and information on the market opportunity on which it is based. The format would therefore include sections on:

- The Market Opportunity
- Product/service design
- Pricing
- Promotion (including Sales)
- Distribution (or location in the case of a retailer or direct service provider)
- Marketing Costs