

Marketing 101 - What Is It and How Do You Do It?

If you own a van (or vans) there is a good chance that you are closely involved with, or running a business. Marketing is one of the most misunderstood business terms and yet some knowledge is essential if you are going to give your business the best chance of success. Here, our design partners Bluemoon Creative Design give you the inside view in plain terms that everyone can get a handle on.



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"Thinking differently from the outset often leads to the most original and effective results"

Henrik Ibsen

Presented with our friends at

Definition

Let's start with a definition - what exactly is marketing? In its simplest form marketing means.... "bringing a product or service to market". A more involved description from a book might be...."to effectively communicate a business to its customers in order to sell more product, launch new product to the market, maximise revenues, lower production costs and increase profits". Neither of these descriptions is wrong but both miss the essential point in terms of what marketing really does when it works very well for a company. A more insightful description would be;

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"the satisfaction of customers needs through your products and services".

The concept of marketing is a grey area to around 90% of the population.... and that includes business people, because it cannot be put into black and white terms like a production cycle or a set of accounts. Most people know that it has something to do with sales and customers but in reality it has a much deeper connection to virtually all aspects of the business. This is because marketing is a constantly evolving 'process' within the business rather than a specific routine or function, and this process both responds to the business and feeds back valuable insight about customers and the market place. Bear with me and I'll explain.

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Approach - traditional v contemporary

The traditional standpoint goes something like this. We have interests in these markets and we can produce this product pretty well with a good profit margin... now how do we sell more of it?

Example: Union Carbide produced a range of consumer goods as a by-product of their pharmaceuticals business in the 80's, such as plastic carrier bags. They had a large marketing department dedicated to re-creating new uses for the products and a large sales team to sell them. The new products (and marketing) were all driven by manufacturing (the companies output). By 2005, despite their scale and market dominance, UC no longer have a consumer products division.

Most companies, including your competitors, approach the market this way, from the point of view of "I've got a product now how do I flog it?" But this isn't necessarily the best way to approach marketing.



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Contemporary marketing suggests that you should listen more to your customers and the market place, adapting existing product and services to fit them better or by developing new products to meet the demand.

Example: Proctor and Gamble, another company who produce pharmaceuticals were relatively unknown in the 80's. With limited production resources and little money available for marketing and sales they decided to put their budget into field work through chemists and retailers in order to sell the product directly. P&G provided support at store level which was much more effective as it was based on the actual needs of the retailer. The bonus was that they also received a great deal of feedback from the front line - customers - about issues with product and other things they would like included. This allowed them to develop new lines to meet a specific demand with little wastage or risk. As they grew, they retained this model on a national scale, supporting channels that would provide them with feedback whilst also communicating the benefits of using their products directly to consumers. P&G are enormously successful in 2007.

Marketing is a process

Marketing has to work within the physical realities of a business i.e. producing and supplying a product with all the incumbent issues of cost, efficiency and logistics. However, it also has to work in the market place where there is a constant ebb and flow. At its most effective, marketing is more of a creative process unique to every business, because a good plan is based on analysis (of both your individual company and the market place), strategy and tactics. This is why a text book approach rarely works... even for companies with the same products.

For companies such as Virgin, BMW and Apple, who compete fantastically well against giants like British Airways, General Motors and Microsoft respectively, marketing becomes an 'attitude', or a belief that runs through the whole company. The marketing process that these companies subscribe to is relatively simple to follow;

- decide who your core customers are and find out everything about them
- discover how to communicate with them
- listen to what they want (their needs and desires)... or you can ask them of course
- decide how to give through to them.... better (quality), faster (distribution), and with cheaper (production).

Existing product / new product

This is all well and good for new product that will be developed to answer a demand, but what about your existing products? Well, you can still apply the same principles. Find things in your product and services that satisfy customer needs and promote these attributes as benefits (features don't actually sell products... they just qualify a purchase in customers minds). Look at improving production - make your products more attractive, cheaper to make (improve profit margin) and easier to distribute if possible. In terms of advertising, for example, a small focussed mailing to a closely targeted audience is much more effective than a massive sweep aimed at netting anybody and everything... it rarely works unless you just happen to strike a cord.



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Needs and desires

What exactly do we mean by this? Well, 'needs' are basic e.g. - I need transport for work as it's too far to walk. A desire would be 'I'd like a car because I don't want to go on the bus'. Core needs are actually very few; food, warmth, shelter, safety. On a less critical scale they include good health, a sense of belonging, a feeling of well being and maybe self esteem. 'Wants' or 'desires' however, are a natural and emotional expansion of these. I need food - I want a cheeseburger // I need clothing to keep me warm - I want an Armani suit // I need shelter - I want a home with two acres by the ocean.

Marketers do not create needs and we are not talking about any form of deception here. Needs exist and it is human nature to extend them into desires. Good marketers however, can highlight a desire and even create a demand with consumers. They will point out a human need and then satisfy the 'want' with their own product extending the 'desire' by making them attractive, affordable and readily available.

The focal points will be different for every business but they are fairly easy to work out... start by asking your customers.

Create an attachment to customers

Discoveries made in the 80's and 90's through (scientific) observation of human nature and psychology have helped us to understand the whole process of buying and selling much more. For example, it's handy to know that people ALWAYS have an emotional response to something FIRST and then rationalise the experience later. This is why your visual appeal, logo and a headline statement are critically important as they are generally the first things seen by a customer. It is also why benefits are a much better approach to selling than listing your product's features.

The correct words will create an immediate attachment to your customer - "these people understand my situation, these people have what I want, these people are like me". This is much more far reaching and effective than "This product has 18 fantastic new features". In fact, it is so powerful that the customer may even disregard areas that don't work for them in order to shoehorn the buying decision towards you instead. Just think about men and cars - "I know it is too expensive, I know I don't need 200 BHP and it drinks fuel... but I want it because it will make me look and feel good"

Although we know that all men act irrationally from time to time, human nature is one constant we can rely on every time.

Knowing your customers - 'Customer Care' should not be just 'After Care'.

Most companies believe that they know the market and their customers pretty well... just ask them. But to be really effective you need to understand them intimately - demographically and psychographically. This means in plain language not just who and where they are but what interests them, what provokes them, what inspires them, what motivates them.

Demographics are statistical characteristics which help you to create a profile - age, gender, religion, income, education etc. Psychographics are the psychological issues and factors which separate people such as lifestyle and personality and these are just as important to marketing.



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It's fairly clear looking at this objectively, that people can share the same demographics but have different psychographics - two teachers, the same age, live in the same area but one likes classical music and the other likes pop. Likewise the demographics can be very different but an emotional response can span the two. An example is the Brut aftershave campaign in the 80's featuring Henry Cooper (old, Southerner, limited education) and Kevin Keegan (young, Northerner, relatively well educated) was a clever advert with a broad target demographic (young through to older men) but a singular psychographic - this product will make you masculine, virile, fit.... an action man who will attract women. Psychographics tend to be easier to target across groups and they help us to target the emotional response we want.

The bottom line is that if you take the time to get to know your customers at this level, you will be much more effective when you try to communicate with them. It sounds obvious but this leg work is often waived on the basis that it is not needed. Leave this type of complacency to your competitors and get to know your customers as well as you can... it will pay dividends to your business.

Conclusion

The key to all this and the secret of effective marketing, is to 'Know Your Customer'. It sounds easy doesn't it? The simplest way to do this is to get involved with them, ask them questions and of course to listen. Identify things in your products or services which 'match' to your customers and promote these as benefits not simply features.

The majority of business owners won't make this connection or realise the true significance of this advice. They will continue to approach the market from a product sale point of view. This single adjustment to your outlook will provide you with a major new advantage in business over your competitors.

If you'd like more help with marketing or design from a simple logo and stationery through to a comprehensive campaign please contact Julie at Bluemoon for a confidential chat. t (+44) 0113 2531451

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