

Marketing Basics



<https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/marketing-basics>

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of your ideas, goods or services to satisfy the needs of individual consumers or organizations.

Today's customers are spoilt for choice. Marketing uses communication and advertising tactics to persuade customers that your brand, including your products and services, are exactly what they need. Even though you are marketing your brand, every aspect of your marketing strategy should focus on satisfying the current and future needs of your customers.

Marketing is a crucial aspect of your business and requires research, time, planning, and appropriate budget allocations.

The 7 Ps of marketing

The 7 Ps are a set of recognized marketing tactics, which you can use in any combination to satisfy customers in your target market. The 7 Ps are controllable, but subject to your internal and external marketing environments. Combining these different marketing tactics to meet your customers' needs and wants is known as using a 'tactical marketing mix'.

1. Product

Product refers to what you are selling, including all of the features, advantages and benefits that your customers can enjoy from buying your goods or services. When marketing your product, you need to think about the key features and benefits your customers want or need, including (but not limited to) styling, quality, repairs, and accessories.

You can use research and development to inform the development of new products in your business. Research and development (R&D) is a valuable tool for growing and improving your business. R&D involves researching your market and your customer needs and developing new

and improved products and services to fit these needs. Businesses that have an R&D strategy have a greater chance of success than businesses that don't. An R&D strategy can lead to innovation and increased productivity and can boost your business's competitive advantage.

Your R&D strategy depends on the size of your business. In small businesses, R&D tends to focus more on product improvement because of budget and cost limitations. Larger businesses may be able to dedicate more time and resources to R&D to introduce new products as well as improve existing ones. The benefits of R&D are often long-term, so it's important to remember that your investment in it may not result in short-term profits. As well as product development and improvement, R&D can help you develop more efficient processes and new ways of delivering services.

Spending more time and money on R&D does not guarantee it will be successful. The key to successful R&D is extensive market research to identify the needs and desires of your customers. You will need to revisit this research regularly as customer preferences frequently change.

2. Price

This refers to your pricing strategy for your products and services and how it will affect your customers. You should identify how much your customers are prepared to pay, how much mark-up you need to cater for overheads, your profit margins and payment methods, and other costs. To attract customers and retain your competitive advantage, you may also wish to consider the possibility of discounts and seasonal pricing.

3. Promotion

These are the promotional activities you use to make your customers aware of your products and services, including advertising, sales tactics, promotions and direct marketing. Generally these are referred to as marketing tactics.

The goal of marketing is to stand out and be noticed. Good marketing keeps drawing your customers' attention to your products and services. Your clearly defined, well-packaged, competitively-priced products and services are the foundation of your marketing.

The newer you are in your market, the harder you have to work to attract and retain new customers. Many of your marketing activities will focus on communicating to customers the features and benefits of your products (i.e. compared to your competitors). Consider which promotional activities will best meet your marketing needs.

Types of promotional activities

Product and service promotion is the most common form of marketing. Promotional activities can include:

- **advertising** - you can advertise your product, service or brand in newspapers, radio, television, magazines, outdoor signage and online.
- **personal selling or telemarketing** - effective personal selling relies on good interpersonal and communication skills, excellent product and service knowledge and the ability to sell product benefits to prospective customers.
- **publicity** - created by sending media releases to print and broadcasting media, giving interviews to the media and from word-of-mouth. **short-term sales promotions** - market your product or service using coupons, competitions and contests.
- **direct marketing** - involves sending letters, emails, pamphlets and brochures to individual target clients, often followed by personal selling or telemarketing. You can use any combination of these methods to target your customers. The right promotional mix will help you satisfy your customers' needs, increase sales, improve your results and increase your ability to reach multiple customers within your target market.

Online marketing

Online marketing is often cost-effective and is becoming increasingly important to businesses. Developing a separate online marketing plan to evaluate your options and help implement your strategy is vital in the modern marketplace.

Be aware that your online marketing may require different training to other forms of marketing. Depending on the type of business you run and your own particular marketing strategy, you and your staff may need to prioritize learning how to run or edit a website or effectively use social media, before learning how to communicate over the phone, or face-to-face.

Many online marketing tools of the past - such as pop-up advertising - are no longer acceptable to internet users.

4. Place

Place is where your products and services are seen, made, sold or distributed. Access for customers to your products is key and it is important to ensure that customers can find you.

You can set yourself apart from your competition through the design of your retail space and by using effective visual merchandising techniques. If you are not a retail business, place is still an important part of your marketing. Your customers may need a quick delivery turnaround, or want to buy locally manufactured products.

If you are starting a new business, finding the right business location will be a key marketing tactic.

5. People

People refer to the staff and salespeople who work for your business, including yourself.

When you provide excellent customer service, you create a positive experience for your customers, and in doing so market your brand to them. In turn, existing customers may spread the word about your excellent service and you can win referrals.

Give your business a competitive advantage by recruiting the right people, training your staff to develop their skills, and retaining good staff.

6. Process

Process refers to the processes involved in delivering your products and services to the customer. It is also about being 'easy to do business with'.

Having good process in place ensures that you:

- repeatedly deliver the same standard of service to your customers
- Save time and money by increasing efficiency.

7. Physical evidence

Physical evidence refers to everything your customers see when interacting with your business. This includes:

- the physical environment where you provide the product or service
- the layout or interior design
- your packaging
- your branding.

Physical evidence can also refer to your staff and how they dress and act.

Consider how your store's layout, fixtures and signage can build your brand and increase your sales.

Shop layout and fixtures

Your shop's layout and fittings create promotional spaces where you can feature your products and engage with your customers. Getting your shop design right now will help you attract customers and increase product sales in the future.

The type of products you stock will determine the kind of store design you choose. These tips will help you make the most of your layout and your fixtures (such as shelves, cabinets and lights).

Choosing a shop layout

Position shelves and racks to optimize your customer traffic flow through the store. Popular layout patterns include:

- **grids** - using the outer walls of the shop to create small proportional display spaces within the store
- **geometrics** - combining display racks and fixtures at irregular angles to keep customers surprised and engaged
- **diagonals** - using diagonal lanes and display walls to encourage traffic flow throughout the store and improve cashier and customer visibility
- **angles** - using angles in store fixtures and walls to improve traffic flow and create a high-end retail space.

Choose a layout your budget can support, considering your target market and the type of stock you display. For example:

- prioritize functionality and easy customer movement if you display consumable products such as groceries or convenience items
- increase visual impact and browsing customer movement if you display high-end products such as jewelry or gifts
- Use displays as storage (e.g. pallets of products on the shop floor rather than in the stock room) and cater for easy customer movement if you display hardware items.

Use appropriate fixtures and lighting. Choose fixtures to suit the products you sell. For example, you might choose:

- glass shelving to profile high-end products
- wooden shelving to present traditional, 'cottage' products
- Plastic or metal shelving to profile utility products.

Use fixtures and lighting to increase the appeal of your products. For example:

- use 'focusing' fixtures such as spotlights and glass-front display cabinets to highlight premium products
- erect shelves at equal but well-spaced heights to create a symmetrical, orderly arrangement your customer can easily follow
- Make sure your fixtures are suited to your target market - for example, if you sell products for children, design displays at children's eye levels.

Considering functional requirements

Make sure your store design considers the functional requirements of your business and customers. For example:

- Keep your shop space clean, ordered and well organized. Don't clutter your fixtures or crowd your products
- change your fixtures regularly and rotate your stock - rearranging your store regularly helps you keep your store clean, organized and fresh
- ensure you can see your products clearly from the cash register to reduce shoplifting
- prevent slips, trips and falls by considering work health and safety requirements in your shop layout
- Cater for people with disabilities or prams by providing ramps, handrails, lifts, wide aisles and hearing loops for sound systems.