

Caron Beesley

Marketing 101



In order to successfully grow your business, you'll need to attract and then work to retain a large base of satisfied customers.

Marketing emphasizes the value of the customer to the business, and has two guiding principles:

- All company policies and activities should be directed toward satisfying customer needs.
- Profitable sales volume is more important than maximum sales volume.

To best use these principles, a small business should:

- Determine the needs of their customers through **market research**
- Analyse their competitive advantages to develop a market strategy
- Select specific markets to serve by target marketing
- Determine how to satisfy customer needs by identifying a market mix

Marketing programmes, though widely varied, are all aimed at convincing people to try out or keep using particular products or services. Business owners should carefully plan their marketing strategies and performance to keep their market presence strong.

Conducting Market Research

Successful marketing requires timely and relevant market information. An inexpensive research programme, based on questionnaires given to current or prospective customers, can often uncover dissatisfaction or possible new products or services.

Market research will also identify trends that affect sales and profitability. Population shifts, legal developments, and the local economic situation should be monitored to quickly identify problems and opportunities. It is also important to keep up with competitors' market strategies.

Creating a Marketing Strategy

A marketing strategy identifies customer groups which a particular business can better serve than its target competitors, and tailors product offerings, prices, distribution, promotional efforts and services toward those segments. Ideally, the strategy should address unmet customer needs that offer adequate potential profitability. A good strategy helps a business focus on the target markets it can serve best.

Target Marketing

Most small businesses don't have unlimited resources to devote to marketing; however, you can still see excellent returns while sticking to your budget if you

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focus on target marketing. By concentrating your efforts on one or a few key market segments, you'll reap the most from small investments. There are two methods used to segment a market:

- **Geographical segmentation:** Specializing in serving the needs of customers in a particular geographical area.
- **Customer segmentation:** Identifying those people most likely to buy the product or service and targeting those groups.

Managing the Market Mix

Every marketing programme contains four key components:

- **Products and Services:** Product strategies include concentrating on a narrow product line, developing a highly specialized product or service or providing a product-service package containing unusually high-quality service.
- **Promotion:** Promotion strategies focus on advertising and direct customer interaction. Good salesmanship is essential for small businesses because of their limited advertising budgets. Online marketing is a cheap, quick, and easy way to ensure that your business and product receive high visibility.
- **Price:** When it comes to maximising total revenue, the right price is crucial.

Generally, higher prices mean lower volume and vice-versa; however, small businesses can often command higher prices because of their personalized service.

- **Distribution:** The manufacturer and wholesaler must decide how to distribute their products. Working through established distributors or manufacturers' agents is generally easiest for small manufacturers. Small retailers should consider cost and traffic flow in site selection, especially since advertising and rent can be reciprocal: a low-cost, low-traffic location means spending more on advertising to build traffic.

The above steps combine to form a holistic marketing programme. The nature of the product or service is also important in citing decisions. If purchases are based largely on impulse, then high-traffic and visibility are critical. On the other hand, location is less of a concern for products or services that customers are willing to go out of their way to find.

The Internet makes it easy for people to obtain goods from anywhere in the world, so if you're worried about reaching a certain market, selling your product online may do wonders for your business.



Ideas for Growing Your Business

For those of you who have already successfully started a business and are ready to take the next step, you may be wondering what you can do to help your business grow.

There are many ways to do this, 10 of which are outlined below. Choosing the proper one (or ones) for your business will depend on the type of business you have, your available resources, and how much money, time and resources you're willing to invest all over again.

If you're ready to grow, take a look at these tips:

1. **Open another location:** This is often the first way business owners approach growth. If you feel confident that your current business location is under control, consider expanding by opening a new location.
2. **Offer your business as a franchise or business opportunity:** Franchising your business will allow for growth without requiring you to manage the new location. This will help to maximize the time you spend improving your business in other ways, too.
3. **License your product:** This can be an effective, low-cost growth medium, particularly if you have a service product or branded product. Licensing also minimises your risk and is low cost in comparison to the price of starting your own company to produce and sell your brand or product. To find a licensing partner, start by researching companies that provide products or services similar to yours.
4. **Form an alliance:** Aligning yourself with a similar type of business can be a powerful way to expand quickly.
5. **Diversify:** Diversifying is an excellent strategy for growth, because it allows you to have multiple streams of income that can often fill seasonal voids and, of course, increase sales and profit margins. Here are a few of the most common ways to diversify:
 - Sell complementary products or services
 - Teach adult education or other types of classes
 - Import or export yours or others' products
 - Become a paid speaker or columnist
6. **Target other markets:** Your current market is serving you well. Are there others? Probably. Use your imagination to determine what other markets could use your product.
7. **Win a Government contract:** One of the best ways to grow your business is to win business from the Government. In the US, work

with your local SBA and Small Business Development Center to help you determine the types of contracts available to you. **

8. **Merge with or acquire another business:** Two is always bigger than one. Investigate companies that are similar to yours, or that have offerings that are complementary to yours, and consider the benefits of combining forces or acquiring the company.
9. **Expand globally:** To do this, you'll need a foreign distributor who can carry your product and resell it in their domestic markets.
10. **Expand to the Internet:** Very often, customers discover a business through an online search engine. Be sure that your business has an online presence in order to maximise your exposure.

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About the Author

Caron Beesley is the founding partner of April Marketing, a writer, and marketing communications consultant.

Caron works with the US SBA.gov team to promote essential US government resources that help entrepreneurs and small business owners to start-up, to grow and to succeed. She has been in the marketing business for 15 years, starting her career as an assistant with a London graphic studio. Caron progressed to hold senior marketing roles with several global and US-based corporations with a particular emphasis on information technology and Internet services marketing.

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** There's an interesting slant on *How to win a public procurement contract in the UK* on the Real Business website, at:

<http://realbusiness.co.uk/article/30867-how-to-win-a-public-procurement-contract>]



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