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Marketing

Marketing is the planning and execution of the production, pricing, promotion and distribution of goods and services to create exchanges that achieve individual and business objectives.

Put simply, marketing is about matching every part of your business with your customers so that:

- You meet their needs.
- They are aware that you meet their needs.
- They are motivated to buy from you.
- They are motivated to keep buying from you.

If you don't achieve these outcomes, customers won't buy from you and you will go out of business. It won't matter if you make the best product in the world or if you are very good at bookkeeping and administration - poor marketers go out of business.

Sell the Benefits

Customers won't buy from you if they can't receive benefits from doing so. Customers always ask: "what's in it for me?" when deciding whether to buy. For example, when a customer buys an 8mm drill bit, they are not really interested in buying *just* a drill bit. More importantly, they are interested in buying the ability to drill 8mm holes. Customers are also interested in buying different levels of quality, capability (eg some drill bits can only drill timber whereas some can drill bricks and concrete) and price.

When producing goods or services, make sure that you provide customers with more benefits than your competitors. When pricing, make sure that customers are getting good value (in view of the benefits and the price) and you are making a good profit. When promoting, sell the benefits – make sure the benefits are prominent in your message and are clearly explained. Distribution should make it easy for your customers to buy the product and enjoy the benefits.

Clarify the questions:

- Who are my customers?
- What do I want them to know about my business?
- What are my customers looking for?
- How can I get their attention when they don't know about my business?
- Where do my customers collect their information?
- Where do I need to promote my business?
- What motivates my customers to buy?
- What is important to my customers?
- How easy is it for my customers to buy from my business?

Items to consider

- Advertising.
- Product range and mix of products.
- Price points.
- How products and services are sourced.
- Website.
- Brochure.
- Promotions.
- Events.
- Capability statements.
- Personal relations.
- Press releases.
- Create a logo.
- Stationery – business cards, letterheads.
- Networking.
- Referrals.
- Databases.

The Marketing Process

1. Research your Market Environment



3. Review and Improve

2. Develop and Implement your Marketing Plan

1. Research your Market Environment

Research your industry and your competitors and establish who your target customers (or target market) are for your goods or services. Only once you know:

- Who your customers are, what their needs are and how much they are prepared to pay.
- Who your competitors are, what they sell and at what price/s.

...can you decide how to position your goods or services in your target market/s and develop a marketing plan to achieve your goals.

2. Develop and Implement your Marketing Plan

Marketing covers much more than just advertising goods or services. When developing your Marketing Plan, consider how you will use the elements of your marketing mix to attract customers, meet their needs and keep them coming back for more.



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The elements of the **Marketing Mix** are the four Ps:

Product
Price
Promotion
Place (distribution)

Product

To your customer, your product is all of the features, advantages and benefits that they can enjoy from buying your goods or services (like the previous example about buying an 8mm drill bit). Your Product is not only the goods or services that your business offers but also includes:

- the people within your business and the service they give,
- the packaging of the product or service, and
- the processes that you have to make buying easier and more enjoyable.

The product element is the customer's entire experience of dealing with your business from the quality of customer service that you give to the image, environment and facilities of your business premises.

Price

Price relates to your pricing strategy which includes the setting of prices for your products or services. Pricing should take into consideration how much the market is prepared to pay (market demand pricing) and mark-ups that are needed to cater for overheads, other costs and profit margins. The provision of credit to customers, the costs of credit and volume discounting are also aspects of pricing.

Promotion

Promotion relates to how you make your customers aware of your goods or services and the benefits that they can receive by buying them. Promotional activities include:

- **Advertising** - where you pay for your message to be sent to your target customers through newspaper, radio, television, magazine, outdoor signage, web sites and telephone directories (eg- Yellow Pages®).
- **Publicity** comes from sending media releases to print and broadcasting media, giving interviews to the media and from favourable word of mouth. From these activities, information reaches your target customers through articles that are published in newspapers, magazines and television shows at no charge.
- **Sales Promotions** are short-term non-routine incentives that a business offers to encourage purchase of products or services which include coupons, competitions and contests.
- **Personal Selling** is the use of personal presentations and meetings to sell goods or services. Effective personal selling requires the use of good interpersonal and communication skills, excellent product/service knowledge and the ability to sell the benefits of the goods or services to the prospective customer.
- **Direct Marketing** includes sending letters, emails, pamphlets and brochures to individual target customers. Often followed by personal selling or telemarketing, direct marketing activities



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normally use a customer database to identify and contact target customers and to record details about interactions with these customers.

Please note: The option of promoting your business through 'Direct Marketing' may be subject to the *Privacy Act 1998 (Cwlth)*. Please contact your legal adviser for more information.

Place

Place relates to the distribution element of marketing and covers issues such as methods of distribution, distribution channels (eg- manufacturer, wholesaler, retailer) and the location of the business.

3. Review and Improve

After you have implemented your marketing plan, determine how well it has increased your sales and profits (review) and make any necessary improvements (improve).

If your marketing plan is written down, it will be easier for you to see how your plan has performed and where improvements can be made. Where possible, establish goals and benchmarks so that you can identify more clearly how well your plan has worked and where improvements are necessary.

Further information

The following fact sheets provide further information on these issues:

- Marketing plan