

MARKETING - ARE YOU PROVIDING WHAT I WANT

"Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives".

(American Marketing Association)

The Chartered Institute of Marketing (CIM) has a shorter definition that states marketing is a management process for identifying, anticipating and satisfying consumer's requirements profitably. And, there is yet another definition, associated with non-profit making organizations, that suggests the task is to determine the needs, wants and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors. But, on balance, I am of the opinion that the one from the American Marketing Association (AMA) is more comprehensive because it includes ideas and in an increasingly knowledge-based society it is knowledge that sells and ideas that create revenue. And, as I understand it, the fundamental principle of business is to find out what customers want; to provide goods or services to meet their demands; to refine the products or services that you offer through research and development; and, make a profit.

However, for me, marketing has always been one of those activities, analogous to sales, that is carried out by a group of people within an organization who tend to use yet another set of acronyms, terminology and phraseology in order to remain, possibly, detached from other areas through some kind of mystique. Others may consider that marketing does not always seem to fit in with what employees in other divisions, operations, production or customer services, believe they are doing to achieve corporate objectives.

Nonetheless, whatever business you are in it is a rudimentary principle, and of paramount importance, that whatever revenue you receive and from whatever source is greater than the costs invested in manufacturing products, providing services and paying personnel. In much simpler words you, owners, directors and managers, must not live beyond your means. Otherwise your organization will not generate sufficient profit to remain in business, and the company will fail with the subsequent loss of employment and possible loss of face. Therefore, it is essential, mainly for board members, executive directors and senior managers, to continually assess where a company is in the market place, in terms of turnover and sales, and to seek out other ways of generating income through growth and marketing products or services.

So, in an effort to learn a little more about the subject of marketing, to understand and be able to listen and ask questions of marketing people and the role of marketing in the management of a business, I took a short two-day course. The first thing I learned was that marketing is a company-wide exercise in which every section or division should be involved and that all organizations, no matter what area of business they are in, should have a fundamental marketing plan. Secondly, determining a marketing strategy involves complex macro and micro considerations including:

- Cultural and social environment.
- Reputation.
- Political and legal considerations.
- Economic environment
- Competition.
- Company objectives and resources available.

And, that to cover every area fully not only demands lateral thinking but a great deal of time and effort into researching, among others:

- Own company products and services but those of competitors.
- What customers want or need or what they think they need.
- What price people might consider paying for a product or service?
- Determining the life cycle of a product.
- Sales policy and administration.
- Channels of distribution for goods or services.

The other important area is that a company, and by that I include any organization, institution or government department, has a diverse group of stakeholders all of whom have different vested interests and expectations. These stakeholders include:

- **Customers** - of paramount importance because they are the ones purchasing.
- **Shareholders** - they expect dividend returns on their investment and look for profits and a rising share price.
- **Bankers** - their interest is also financial in that they want to be re-assured that their investment is secure and that a company can service its debt.
- **Suppliers** - they need to be re-assured that they will be paid for the material, services or equipment they provide to the company.
- **Managers** - their interest is to be seen to be successful in order to achieve personal security and pursue a successful career path.
- **Employees** - also are looking for security of employment and preferably wish to be associated with a successful company with a good reputation and a positive image and good working environment.
- **Community** - people living in the area, and often working for the company, need to be re-assured that environmental and ethical policies are being pursued.
- **Government** - local and national government needs successful companies so that taxation can be raised for other local and national services such as schools, hospitals and public transport infrastructure.
- **Unions** - where applicable they want to be kept informed of policies affecting the employment of their members and consulted over redundancies.

Then, having gathered information along the lines of Who the company is, What it is doing, Where it is, Whither it is going and When it will happen it is essential to determine and agree a company-wide marketing strategy that defines the longer-term organizational direction of the company. This is, sometimes, referred to as the Corporate Marketing Strategy. It should clearly support the company mission statement, define what the company objective or objectives are and be widely distributed.

The Corporate Marketing strategy should be supported by divisional plans, if the company consists of separate operating areas, followed by departmental marketing plans based on the divisional or corporate marketing strategy. This is yet another way of ensuring that everyone in every section or division is singing to the same hymn sheet or, to use a sporting analogy, having the right uniform and equipment for the game being played. I understand, from comments and observations, that it is not unusual for some people to appear wearing boots, pads and helmets to go swimming!

I digress. The next phase of a marketing strategy is to determine the right marketing mix of considerations, often referred to as the 4 x Ps or marketing, Product, Price, Promotion and Place by:

- Developing products or services to meet a demand.
- Determining a price for the product or service that is acceptable to your target area.
- Defining the distribution system or systems to get your products or services to the market.
- Promoting your product or services through sales promotions, advertising and public relations exercises.

Taking each one in turn I want to amplify the sort of considerations that are relevant to determining a company's marketing mix in terms of considerations to be addressed. For example:

Product or Service – How much time and effort is put into research and development; What are the special features or benefits of your product or service over the competition; What is the proposed or suggested lifecycle of the produce or service; and How are you going to Brand and Package the product or service?

Pricing – How will the price of the product or service be determined – either based on the cost of production, what the market will bear, that is how much do you think a customer will pay, or, will it be based on charges by competitors for similar products?

Distribution – How do you intend to distribute your product or service? Are you looking to place your product in as many outlets as possible in as short a time as possible, for example, confectionery products, in as short a time as possible to capture the market? Or, do you intend to be selective in who you offer your service or products to, for example, Levi Jeans in specialist shops rather than, say, in, for example, Tesco? Or, in high profile outlets that offer other designer labels? And, will you distribute directly or through partners or through third parties? It really is about getting the right product to the right place at the right time.

Promotion – This area deals with the one that most consumers recognize, that is the medium of advertising through, depending on the size of the company and the relative cost or value of the product, television commercials, for example detergents or confectionery, and through newspapers and magazines. It also covers such areas as personal selling systems associated with promotions, for example, trade fairs and the use of circulars, the use of articles in specialist magazines. It also involves the use of Public Relations (PR) companies to build the corporate identity and associating it with sporting and social events, for example, Cricket, Football or Rowing.

The definition of Market research, again according to the American Marketing Association (AMA) is, “the function that links the consumer, customer, and public to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and, improve understanding of marketing as a process.”

The areas that any company or organization needs to address in order to make better and considered decisions to devise a corporate marketing policy and strategy is to:

- Clearly identify your target market – determine the socio-economic group or grouping or age bracket that you wish to more specifically appeal to.
- Prioritise those market areas and refine them as appropriate to enable you to define short and medium-term objectives, for example, 6 months or 1 year and 2 – 3 years.
- Refine the likely needs of each targeted socio-economic group or age bracket.
- Research the needs of those groups through the use of any databases of information through market research, price research, distribution research, sales research and choosing the right media method and cost effectiveness.
- Agree who your competitors are for a product or service and research those companies in order to determine their strengths and weaknesses, real and perceived. Areas to consider might include quality and cost of product, product reputation, availability of the product and outlets. For example, competitors to Marks & Spencer are not just other high street outlets like Burtons, Debenhams, Alders, BHS, Next and Laura Ashley but also the Mail Order companies such as Littlewoods, Kays and Freemans. And, do not forget that most companies, at least those that are up-with-the-hunt with the electronic era, use websites in order to advertise and sell their products.
- Then produce your marketing mix to fulfil the perceived demand.

There is another area of marketing, referred to as Guerrilla marketing, that is designed for small and medium-sized enterprises and is based on 'hit-and-run' guerrilla tactics. There are three factors for using guerrilla marketing. Firstly, because big companies have delayered and downsized so often it has led to increasingly poor customer service and customers are gravitating to smaller companies for more personal service. Thus, the opportunity exists for small and medium-sized companies to take advantage of this situation to expand their customer base and grow the company.

Second, smaller and medium-sized companies are failing to reap the rewards from this move because they do not have the manpower or the expertise to market their products and services. Neither do they have the information technology resources to maintain databases of customer details, requirements and re-orders.

And, thirdly, effort and commitment should be concentrated in niche areas and on your best customers. For example, you do not waste time and effort sending out mail shots to tens of thousands of customers when you have a customer base of, say, only 5000. Apparently, by being patient and confident and using available technology the process is simple to implement.

That is a short gallop through the fundamentals of marketing. There is much more to address when considering marketing policy and strategy and they include the use of the Internet, not just own websites but links, connections and advertising on other sites, and the use of call centres to increase direct marketing activity. Companies are not data-driven machines stuck on a rail track and heading in one direction but vibrant structures full of human beings who work with internal and external human beings to meet the demands of yet other human beings.

Therefore, products, processes and procedures need to be monitored to ensure that core values, culture and mission statements meet changing demands. The most important point, in my view, is that marketing must include a code of ethical conduct. Besides, a company that is threatened by a boycott of its products by consumers must take account of the effect that such a boycott would have not only its shareholders but on its future success. And, behaving in a moral, ethical and social manner has to be in the best interests of any organization in the future.

We have all read of, and perhaps seen through television programmes, what happens in call centres with pressure selling and what happens on the doorsteps of elderly people and for most of us it is unacceptable. Whilst it is perfectly reasonable to stress the benefits that your product or service might provide to a prospective customer it cannot be acceptable to push too far.

Whilst seeking to overcome possible objections or indecision it is essential to allow the customer to decide whether or not he believes that what you are offering is value for money and do not press, as marketers say, to achieve closure to quickly just to meet your sales targets and gain bonuses. Customers need to keep asking themselves if they are getting what they want or near to what they want but companies must constantly address whether or not they are meeting those demands and that can only be done through communication and feedback.

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KENNETH ARMITAGE

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