

1

Customers, competitors & all that jazz

7

First of all a little jazz!	8
The place to start is ALWAYS the customer	10
Where to start	12
Targeting	13
Competitors and indirect competitors	15
Keep your eyes and ears open	17

2

A snapshot in time

19

A snapshot in time	20
Budget first	22
What type of research do I need?	23
Some generalizations	24
How to be a cross-cultural whiz!	26
Tips for success	27
Save the redfaces	28
Marketing audit	29
Summary	30

3

The marketer's toolbox

31

The marketer's toolbox	32
Porter's 5 Forces Analysis	34
The SWOT	38
Summary	40

4

Follow me... I have a plan!

41

Follow me... I have a plan	42
The Ansoff's Matrix	43
I have a plan	45
Paperwork, paperwork	47
Let me tell you a story...	48
The 4Ps (or marketing mix)	49
3 More Ps	50
Project life cycle	51
Summary	52

5

King Pee (Products & Services)

53

King Pee (Products & Services)	54
Product Life Cycle	56
Boston Matrix	59
Product forecasts	60
How to launch products	61
Tips for meaningful forecasts	62
Product packaging	63
A picture says a thousand words	64
What is a brand?	65
Branding fever!	67
VIP brand workshop questions	68

6

Queen Pee (Pricing)

69

Managing your Pricing Strategy	70
New product pricing – which way to go?	72
Advanced pricing strategies!	73
Top tips for pricing	75
Red alert!	76

7

Prince Pee (Promotion)

77

Prince Pee (Promotion)	78
Who, What, When, Where, How?	79
Tread carefully!	80
Writing a brief	81
The A.I.D.A. principles	82
Give me a sign, any sign!	83
Tips for success	84
e-marketing	86
A recipe for success	87
Permission based e-mail marketing	88
Public relations	89
How your press release should look	90
What your press release should say	91
Setting out your stall!	92
How to survive an exhibition	94

8

Princess Pee (Place)**95**

Princess Pee (Place)	96
The first steps	97
Direct v Distributors	98
Partnerships	100
The e-auction – how it works	101
Summary	102

9

All the little Pees (Process, People)**103**

All the little Pees	104
Get out your crystal ball!	105
Improving existing processes	106
Initiative or improvement?	108

10

Come closer, come closer**109**

Sales	110
Keep them coming back	111
We all have a part to play	112
Sales force automation	112
Customer services	113
Signs of excellent customer service	114
CRM (Customer Relationship Management)	115
The emperor's new clothes	116
Stating the obvious	117
Focusing	118
Opportunity Analysis in 10 minutes	119
Customer satisfaction	120
Customer insight	122
Call centres	123
Time for a disguise!	124

11

Online, On time!**125**

Online, On time!	126
A Warm Welcome	127
Walking the Talk	128
"Hey, have you heard...?"	130
Social Networks	131
Some tasty stats!	132
"Call me...or better still, TEXT!"	133
Summary	134

12

Simply the best!

135

Communication	136
Project Management	137
Plan B	138
Use SMART objectives	139
Team-working	140
The roles people play in meetings	141
Training	143
Presentation skills	144
Useful tools	146
Problem solving – the power of ‘why’?	148
Mind mapping	150
Rapport	152
Time for development	154
Summary	156

13

Heroes and Villains!

157

lastminute.com	158
Boo.com	159
Skoda	161
DeLorean Motor Company	162
Let's Focus on Doug for a minute!	163
Skittles – a dangerous game?	164
How NOT to FAIL....	165
Buyer beware!	166
Summary	168

+

Resources

169

PEST Analysis Worksheet	170
Porters 5 Forces Worksheet	171
SWOT Analysis Worksheet	172
Ansoff's Product/Market Matrix	173
The 4Ps Worksheet	174
Boston Matrix	175
Writing a Brief	176
Writing a Press Release	177
SMART objectives	178
Customer Matrix	179
Call Centre Basic Guide	180
Planning Tools – Sales Stats	182
Outline Marketing Plan	184
Business Plan	188

Index

190

1

Customers, competitors & all that jazz

*Marketing is not an event, but a process...
It has a beginning, a middle, but never
an end, for it is a process. You improve it,
perfect it, change it, even pause it. But you
never stop it completely.*

Jay Conrad Levinson

First of all, a little jazz!

What exactly is marketing and who does it?

To save yourself any unnecessary brain ache, there are already many widely accepted definitions of marketing and so it's worth ensuring you can roll one or two off your tongue, should the occasion require it!

The Chartered Institute of Marketing defines marketing as “the management process responsible for identifying, anticipating and satisfying customer requirements profitably.”

“Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.” – Kotler

Probably the easiest to remember and the most commonly used by marketing students is “The right product, in the right place, at the right time, at the right price.” – Adcock

Anyway, good marketing is about satisfying customer needs, now and in the future. However large your company, sole trader to multi-national, everyone should be focused on meeting the customer needs, wants, and requirements.

Why do you need it?

To get bigger, of course.

You need effective marketing if you want to grow your business in a thoughtful and sustainable way. For example, good marketing will ensure that all the functions involved in your business are able to work at their best level of productivity.

Manufacturing will be able to make the correct number of widgets to meet demand, sales will be able to sell those widgets for the best possible price, customers will be delighted and continue to buy from you as you introduce new and exciting products. Like a conductor at the front of the orchestra, it is your job to make sure each musician plays at his best and the result is harmonious!

...cont'd

What it is not...

Marketing is not about selling as many poor quality products to as many unsuspecting customers as possible. It is not about creating a hullabaloo about a product or service, which cannot live up to the hype. Nor is marketing about developing products, which seem like a good idea based solely on the enthusiasm of staff.

Marketing is also not something you pay attention to for only a few minutes of a day or fit in between 'real' work. Nor is it a black art, only to be mentioned in hushed tones!



Don't forget



Marketing is not something you pay attention to for only a few minutes of a day.

Don't forget

The customer is always right.

The place to start is ALWAYS the customer

Now if you want to raise the level of the conversation, you could introduce a little philosophy of marketing and quote the greatly respected guru, Peter Drucker –

“Marketing is not only much broader than selling, it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer’s point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.”

That will probably bring any light conversation to a rapid close! Mind you, by the time you get to the end of this book, I hope you’ll see exactly what he means... Your aim should be to become a truly ‘customer-centric’ company. This is important because if you understand what your customers want, you can deliver the best products or services to them. Satisfied customers will come back, again and again.



Knowing your customer

Imagine your whole customer base is an orange. You can speak about the whole orange with broad statements, such as:

“It’s large.”

“It is orange.”

“It has a waxy feel.”

“It smells tangy.”

...cont'd

But peel the orange and suddenly you have so much more to see – look at the variety of sizes, flavors and texture in the segments. Now we can really start talking!

That may not be the most exciting metaphor but bear with me. Think of your customers as one group (or a whole orange!) and you can probably make a number of generic statements. These might be true but will be so broad that they won't be much use if you wanted to make someone really feel familiar with your customers.

Marketers are like Santa Claus!

You have it in your power to make customers happy! All you have to do is ask the right questions and act on the answers...

For instance, imagine that when asked for a Christmas gift list, you just answered in generic terms (“a CD”, “a car”, “a bottle of perfume”). Chances are you'll not receive exactly what you want despite the good intentions of the present giver.

However, the more detail you can put down on your list, the more likely you are to receive the perfect gift. As a consequence, the present giver is also thrilled when they see your delighted reaction as you tear off the paper, screaming “It's exactly what I wanted!”

Segmentation

As you answer the questions below it will become obvious that your customers (or potential customers) are not one homogenous group but actually a number of distinct groups (or segments) with individual needs.

Where to start

Ask yourself (and your team, if you're lucky enough to have one) the following –

Hot tip



Create personalities for your customer profiles – draw pictures of them and put them on the wall.

- 1 Where do they want to buy?
- 2 How do they want to buy?
- 3 When do they want to buy?
- 4 What other products/services do they buy?
- 5 How big is their budget?
- 6 Will they be making regular repeat purchases?
- 7 How do they want to hear about our product?
- 8 What need are we satisfying with our product/service?
- 9 How many different types of customers do we have?
- 10 In what ways does each of our customer groups differ?

Targeting

Try to identify the differences between each of the segments in terms of demographics, lifestyles and product/service usage. This will make it easier for you to target your marketing activity on the customer groups to whom your current product appeals.

Good segmentation will also help you to identify the features, advantages and benefits (FABs) future products should offer.

Excellent targeting will save you money!

Your targeting will inevitably be the basis for your marketing communications plan so it's crucial that you can define customer groups who really are interested in what you have to offer. The soggier you're targeting, the more wasteful your communications message will be.

Happy families

It's a good idea to create personalities around your customer profiles – this is one very effective way of identifying your different customer groups. Put your creative hat on and bring your customer groups to life!

Draw pictures of the different types of purchaser (a great 10 min warm up before a meeting for your team can be to use photos and pictures in magazines to make a collage per segment), as these will help you to communicate who your target audience is to the rest of the organization.

Make yourself so familiar with the personality of these customer groups that they come to life for you and your colleagues. Give your characters names. Keep those drawings on your office wall.

It's as if we'd already met

Of course, customers aren't aware of how you have decided to segment them. They should just instinctively feel that you understand what they are looking for from their supplier. Test your segmentation on a group of your customers by showing them your different profiles. If you've got it right, the majority of customers from each segment should identify with the profile created for them.

An acid test of the accuracy of your segmentation is whether the same end user customer appears in more than one segment. If they do, it means that your profiling needs tightening up.

...cont'd

Customer groups all have one thing in common...

Each one is looking for the best possible value they can find!

They do not want to pay for product features they don't want. They do want the product or service to meet their needs. It's a balancing act.

Before you rush off to slash your prices, this does not mean you have to be the cheapest. It does mean that you need to understand what your customers are looking for and therefore what they value. Then you can write a relevant value proposition for each segment. We'll look at this in more detail later in the book when we discuss pricing.

Different sets of challenges

Not only should product features and benefits relate to customer needs in general but to particular segments. In simple terms, the better you are at understanding what customers want, the easier it will be for you to save money by not giving them additional stuff that they don't value!

Now your communications, sales and distribution plans can also be made pertinent to each target segment.

Not all customers are equal

20% of existing customers often account for 80% of your business! It therefore makes sense to be particularly attentive to those who are already worth a great deal to you or who are growing...

You should also consider how many customers you have who are actually worth very little in revenue terms. Perhaps there are better ways to serve them while also taking some cost out of doing business? This will at least protect your profit margins.

Room for more

Remember that you also want to add more good customers to your list. Make it your business to know who the best customers in your target markets are. If they aren't already one of your customers, ask yourself "why not?" What do you have to do to make them want to work with you?

Competitors and indirect competitors

Direct competitors serve the same target market as you with similar products or services; an indirect competitor is a company that serves the same market with different products or services OR a different target market with the same products or services. You must keep an eye on both. Customers will be.



Getting to know the competition

It is very easy to get bogged down in the detail of running your own business and not look up in order to see what is happening around you. However, you do need to follow closely what is going on in the marketplace – after all, you wouldn't set off for a walk with a blindfold on and expect to get very far!

Let's call the knowledge you have of your direct and indirect competitors your competitor intelligence. Like the favorite household pet, this needs regular feeding, grooming, petting, and general attention to grow big and strong.

Get out your magnifying glass

In order to build useful competitor intelligence, you should share the responsibility for information gathering around the company. This way, you will be able to pick up some of the more difficult information to find.

You will have to find time to tell people why this information is so important and what you will do with it. Make sure they

Beware



Be prepared for new competitors especially if your products or services are highly successful.

...cont'd

understand how each nugget helps you build a picture of the competitor and this will contribute to making your organization more successful.

Easy information

Encourage people to text or leave phone messages, create a special card or section in weekly reports, ask that each group meeting ends with a quick summary of competitive activity.

You should certainly introduce some kind of incentive and recognition for those who contribute.

Look at the size and structure of their organization

- 1 Check out any history of acquisitions.
- 2 Study their brand image and corporate reputations.
- 3 How would you sum up their business philosophy?
- 4 What evidence do you have to support this?
- 5 Write a list of product or service differences between you and your competitors.
- 6 Try to articulate what it is you believe their customers value about them.
- 7 Understand who, if not you, is the leader in the market and why.
- 8 Don't forget to look at their staff, how they conduct themselves and their dress code.
- 9 You might also be able to get a handle on their staff turnover (it's never a good sign if employees have left before their business cards are even printed).

Keep your eyes and ears open

Also use websites, literature, customer feedback, newspaper or trade magazine cuttings, products, trade shows, and customers to build a picture of your competitors and what they're up to. Keep a note of sales promotions and unusual sales activity. Like your pet though, don't forget how important it is to tend this file – don't just collect loads of stuff and bung it in a drawer.

Look for the Achilles heel

Identify any chinks in their armor. Where is their organization weak? Then use this analysis to see where you should be stronger. You will also find it easier to identify areas of the market that you can take a leadership position in.

Answer these 6 VIP questions...

- 1 What makes your competitor(s) great?
- 2 What are their products like (features and benefits) and how do they compare with yours?
- 3 How good are their employees (managers, marketers, sales, product development, customer services, etc)?
- 4 Where do they sell their product/services?
- 5 Who are their biggest customers?
- 6 What has your competitor got that you haven't?

Try involving anyone who is familiar with them—customers, distributors, suppliers, your sales reps and customer services—in your research.

Don't forget



Keep a scrapbook of useful bits and bobs but don't forget how important it is to tend this file to make it really useful

...cont'd



Looking forward

You must know your competitors well so that you can pre-empt any threats and have contingency plans in place. The better you understand where your competitors have come from and what they are doing, the more likely you are to be able to predict where they are going (and therefore where you need to be paying particular attention).

Always collect evidence to support what you are being told – ensure your competitor intelligence is robust. You'll run into trouble if you base your strategy on rumor and gossip!

Don't forget your own Achilles heel!

Sometimes we can spend too long looking critically at the performance of our competitors and forget how we're doing! As hard as you're searching for their weaknesses, someone is scrutinizing you.

Try to think like your competitors and see the world through their eyes. For instance, where are you most vulnerable? A little navel gazing may just give you the edge when it comes to protecting your business growth...

Make a list of black spots where you believe yourself to be weak in your performance. Identify which competitor is strong in each of these areas. Understand what it is that they do so well and make that your benchmark.