

## **Women in Business Conference, Birmingham, June 2009**

### **Marketing Workshop Supporting Notes**

#### **So, what is 'marketing'?**

Marketing covers a variety of activities, but basically it's about "identifying, anticipating and satisfying customer requirements – profitably!" (definition by the Chartered Institute of Marketing).

#### **The 4Ps**

In the 1960s Harvard Business School devised the 4Ps which have become the foundation for marketing activities since. They believed that these 4 areas can influence a customer's decision to buy. The 4Ps together form the marketing mix and are used to create a marketing plan.

##### **1. Product**

Products have a life cycle:

Introduction stage: a product's first appearance when sales are zero and profits are negative

Growth stage: sales rise rapidly and profits reach a peak and then start to decline

Maturity stage: sales curve peaks and starts to decline and profits continue to decline

Decline stage: sales fall rapidly

Most businesses have a product mix that consists of multiple products and you should work to introduce new products as existing ones start to decline.

When reviewing your product it's key to fully research your customer's needs and ensure that your product can fulfil these needs.

Your product's physical characteristics (such as product features, textures, colours, and sizes) are also important along with support you'll offer (such as guarantees, repairs, and replacements).

Packaging comes under the review of your product. It obviously needs to be practical but also has a promotional role. Packaging can be a major part of a marketing strategy especially if it is something unique that differentiates it from competition.

## **2. Place**

This is about getting your product in adequate quantities to a location and at a time when customers want to buy them.

A distribution channel is the term given to a group of individuals / organisations that direct the flow of your product from the producer to the customer. It's these channels that make your product available at the right time, in the right place and in the right quantity. Included in distribution are: order processing, materials handling, warehousing, inventory management, transportation and customer service.

It's important to ensure you know what control you have or don't have in your distribution channel. What responsibility and action does each member of the channel have? What contracts do you have in place to protect yourself?

## **3. Price**

A product's price can influence how customers perceive that product, who should distribute it and how it is promoted.

The price needs to be acceptable to your target market. Customers have limited resources (due to their income) so price is all about the 'value' a customer places on it. Price has a psychological impact on customers – raise it and you emphasise the quality of a product, lower it and you can emphasise a bargain.

So what factors affect pricing decisions? There are organisational and marketing objectives – prices should be consistent with your company goals and your marketing objectives.

You will also want a certain return on investment that will require the price to be set at a certain level.

Your costs will determine what price you charge, along with other variables such as distribution costs and promotional costs.

What your competition charges for a similar product will feed into your pricing strategy.

Finally, there may be legal and regulatory issues that affect your pricing strategy.

#### **4. Promotion**

Promotion is all about communicating with your customers to persuade them to buy your product.

There is a five step process to communication:

- i) awareness – customers become aware your product exists
- ii) interest – customers are motivated to get information about your product
- iii) evaluation – customers consider whether the product will meet their needs
- iv) trial – customers use/experience the product for the first time
- v) adoption – customers select your product when they need a product of that general type

The promotional mix contains four ingredients:

**Personal selling:** personal communication such as telemarketing, face to face meetings etc.

**Publicity and PR:** non-personal communication using magazines, radio, television news stories where you do not pay for the media costs.

**Sales promotion:** an activity or material offering an incentive such as coupons, bonuses, contests etc.

**Advertising:** non-personal communication using TV, radio, newspapers, magazines, direct mail, public transport, outdoor displays, catalogues etc where you pay for the media costs.

The product, your budget and the size, geographic location and socio-economic characteristics (age, income, education) of your customers all feed into which promotional activities you use.

## **Marketing Plan**

Your marketing plan should consist of:

### Summary

Situation analysis: an appraisal of your current performance and past objectives such as your target markets, marketing objectives, current strategies, market trends, sales history and profitability

Analysis of opportunities & threats: the challenges and threats to your future marketing activities and outline of opportunities

Analysis of environmental issues: a review of legal, political and regulatory factors, social and cultural factors, economic factors, competitive factors and technological factors that may affect your marketing plan

Company resources: financial, people and experience

Marketing objectives

Marketing strategies: your target customers, the marketing mix (4Ps)

Financial: your costs, estimates of sales and revenue, return on investment from the marketing plan

Control and evaluation: how you will measure, monitor and evaluate performance

### **Books I'd recommend**

The E-Myth Revisited, Michael E Gerber  
Anything by Philip Kotler!

Good luck!

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