

Chapter 1

A Helicopter View of the Marketing Process

In This Chapter

- ▶ Understanding the meaning and role of marketing
- ▶ Differentiating small business marketing from big business marketing
- ▶ Jumpstarting your marketing program

You're not alone if you opened this book in part to find the answer to the question: "What is marketing anyway?" Everyone seems to know that marketing is an essential ingredient for business success, but when it comes time to say exactly what it is, certainty takes a nose dive.

If you pick up the phone and call any number of marketing professors, marketing vice presidents, or marketing experts and ask them to define marketing, odds are you won't get the same answer twice. In fact, if you look the word up in different dictionaries, you'll find many different definitions.

To settle the matter right up front, here is a plain-language description of what marketing — and what this book — is all about.



Marketing is the process through which you create — and keep — customers.

- ✓ Marketing is the matchmaker between what your business is selling and what your customers are buying.
- ✓ Marketing covers all the steps that are involved to tailor your products, messages, distribution, customer service, and all other business actions to meet the desires of your most important business asset: your customer.
- ✓ Marketing is a win-win partnership between your business and its market.



Marketing isn't about talking *to* your customers; it's about talking *with* them. Marketing relies on two-way communication between your business and your buyer.

Seeing the Big Picture

If you could get an aerial view of the marketing process, it would look like Figure 1-1. Marketing is a nonstop cycle. It begins with customer knowledge and goes round to customer service before it begins all over again. Along the way, it involves product development, pricing, packaging, advertising and promotion, and all the steps involved in making the sale and serving the customer well.

The marketing wheel of fortune

Every successful marketing program — whether for a billion-dollar business or a hardworking individual — follows the marketing cycle illustrated in Figure 1-1. The process is exactly the same whether yours is a start-up or an existing business, whether your budget is large or small, whether your market is local or global, and whether you sell through the Internet, via direct mail, or through a bricks and mortar location.

Just start at the top of the wheel and circle round clockwise in a never-ending process to win and keep customers and to build a strong business in the process.

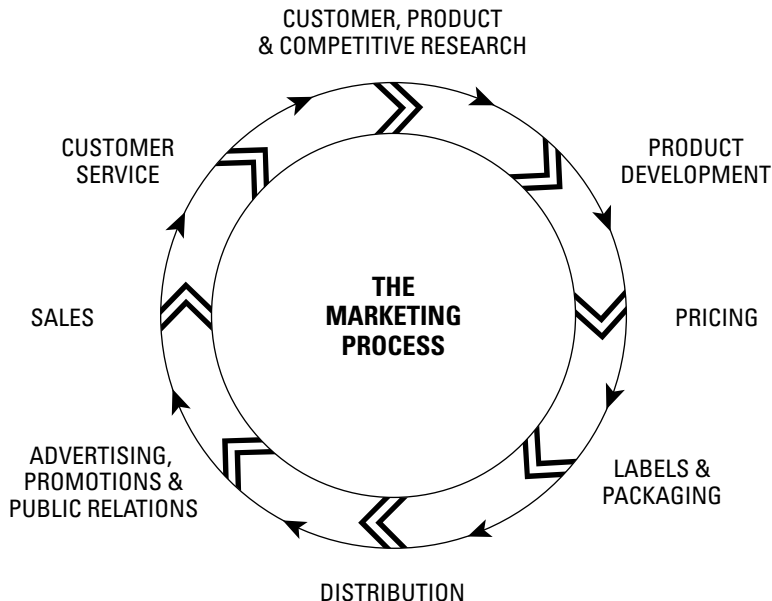


Figure 1-1:
The
marketing
"wheel of
fortune."

As you loop around the marketing wheel, here are the actions you take:

- 1. Get to know your target customer and your marketing environment.**
- 2. Tailor your product, pricing, packaging, and distribution strategies** to address your customers' needs, your market environment, and the competitive realities of your business.
- 3. Create and project marketing messages** to grab attention, inspire interest, and move your prospects to buying decisions.
- 4. Go for and close the sale — but don't stop there.**
- 5. Once the sale is made, begin the customer-service phase.** Work to ensure customer satisfaction so that you convert the initial sale into repeat business and word-of-mouth advertising for your business.
- 6. Talk with customers to gain input about their wants and needs and your products and services.** Combine what you learn with other research about your market and competitive environment and use your findings to fine-tune your product, pricing, packaging, distribution, promotional messages, sales, and service.

And so the marketing process goes round and round.



In marketing, there are no shortcuts. You can't just jump to the sale, or even to the advertising stage. To build a successful business, you need to follow every step in the marketing cycle, and that's what the rest of the chapters are all about.

Marketing and sales are not synonymous

People confuse the terms *marketing* and *sales*. They think that *marketing* is a high-powered or dressed-up way to say *sales*. Or they mesh the two words together into a single solution that they call *marketing and sales*.



Selling is one of the ways you communicate your marketing message. *Sales* is the point at which the product is offered, the case is made, the purchasing decision occurs, and the business-to-customer exchange takes place.

Selling is an important part of the marketing process, but it is not and never can be a replacement for it.



Without all the steps that precede the sale — without all the tasks involved in fitting the product to the market in terms of features, price, packaging, and distribution (or availability), and without all the effort involved in developing awareness and interest through advertising, publicity, and promotions — without these, even the best sales effort stands only a fraction of a chance for success.

Marketing: The whole is greater than the parts

Advertising. Marketing. Sales. Promotions. What are the differences? The following story has circulated the marketing world for decades and offers some good answers for what's what in the field of marketing communications:

- ✔ If the circus is coming to town and you paint a sign saying "Circus Coming to the Fairground Saturday," that's *advertising*.
 - ✔ If you put the sign on the back of an elephant and walk it into town, that's *promotion*.
 - ✔ If the elephant walks through the mayor's flowerbed, that's *publicity*.
 - ✔ And if you get the mayor to laugh about it, that's *public relations*.
 - ✔ If the town's citizens go to the circus, and you show them the many entertainment booths, explain how much fun they'll have spending money there, and answer questions, ultimately, if they spend a lot of money at the circus, that's *sales*.
- Because marketing involves way more than marketing communications, here's how the circus story might continue if it went on to show where research, product development, and the rest of the components of the marketing process fit in:
- ✔ If, before painting the sign that says "Circus Coming to the Fairground Saturday," you check community calendars to see whether conflicting events are scheduled, study who typically attends the circus, and figure out how much they're willing to pay and what kinds of services and activities they prefer, that's *market research*.
 - ✔ If you invent elephant ears for people to eat while they're waiting for elephant rides, that's *product development*.
 - ✔ If you create an offer that combines a circus ticket, an elephant ear, an elephant ride, and a memory-book elephant photo, that's *packaging*.
 - ✔ If you get a restaurant named Elephants to sell your elephant package, that's *distribution*.
 - ✔ If you ask everyone who took an elephant ride to participate in a survey, that's *customer research*.
 - ✔ If you follow up by sending each survey participant a thank-you note along with a two-for-one coupon to next year's circus, that's *customer service*.
 - ✔ And if you use the survey responses to develop new products, revise pricing, and enhance distribution, then you've started the *marketing process* all over again.

Jumpstarting Your Marketing Program

Business owners clear their calendars for the topic of marketing typically at three predictable moments:

- ✔ At the time of business start-up
- ✔ When it's time to accelerate business growth
- ✔ When there's a bump on the road to success, perhaps due to a loss of business because of economic or competitive threats

Your business is likely in the midst of one of those three situations right now. As you prepare to kick your marketing efforts into high gear, flip back a page or two and remind yourself that marketing isn't just about selling. It's about *attracting customers* with good products and strong marketing communications, and then it's about *keeping customers* with products and services that don't just meet but far exceed their expectations. As part of the reward, you win repeat business, loyalty, and new customer referrals.

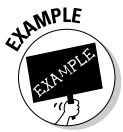
Marketing a start-up business

If your business is just starting up, you face a set of decisions that existing businesses have already made. Existing companies have existing business images to build upon, whereas your start-up business has a clean slate upon which to write exactly the right story.



Before sending messages into the marketplace, know your answers to these questions:

- ✓ What kind of customer do you want to serve? (See Chapter 2.)
- ✓ How will your product compete with existing options available to your prospective customer? (See Chapter 3.)
- ✓ What kind of business image will you need to build in order to gain your prospect's attention, interest, and trust? (See Chapters 6 and 7.)



A business setting out to serve corporate clients would hardly want to announce itself by placing free flyers in the grocery store entrance. It needs to present a much more exclusive, professional image than that, probably introducing itself through personal presentations or via letters on high-quality stationery accompanied by a credibility-building business brochure.

On the other end of the spectrum, a start-up aiming to win business from cost-conscious customers probably wouldn't want to introduce itself using full-page, full-color ads, because prospects would likely interpret such an investment as an indication that the advertiser's fees are outside the range of their small budgets.

To get your business image started on a strong marketing footing, define your target customer's profile and then project communications capable of attracting that person's awareness and prompting the feeling that, "Hey, this sounds like something for *me*."

Pay special attention to the chapters in Part I of this book. They can help you identify your customers, determine price and present your product, size up your competition, set your goals and objectives, establish your market position and brand, and create marketing messages that talk to the right prospects with the right messages.

If you haven't already settled on your business name, see Chapter 20.

Marketing to grow your business

Established businesses grow their revenues by following one of two main routes:

- ✓ Grow market share by pulling business away from competitors. (See Chapter 4.)
- ✓ Grow customer share by increasing purchases made by existing customers, either by generating repeat business or by achieving larger sales volume at the time of each purchase. (See Chapter 19.)

Almost always, the smartest route is to look inside your business first, work to shore up your product and service offerings, and strengthen your existing customer satisfaction and spending levels *before* trying to win new prospects into your clientele. Part V of this book offers a complete game plan to follow.

Scaling your program to meet your goal

Whether you're launching a new business or accelerating growth of an existing enterprise, start by defining what you're trying to achieve.

Too often, small business owners feel overwhelmed by uncertainty over the scope of the marketing task. They aren't sure how much money they should dedicate to the effort, whether they need to hire marketing professionals, and whether to create ads, brochures, and Web sites. They may have all kinds of other questions that get in the way of forward motion. And they delay launching their marketing efforts as a result.

Here's the solution: Rather than worry about the tools you need to do the job, first put the task in perspective by focusing on what it is you're trying to accomplish. Ask yourself:

- ✓ How much business are we trying to gain?
- ✓ How many clients do we want to add?



A social service agency might set a goal to raise \$100,000 in donor funds. An accounting firm might want to attract six corporate clients. A retailer might want to build an additional \$50,000 in sales. A doctor might want to attract 100 patients for a particular new service. A weekly newspaper might want to gain 500 new subscribers.

By setting your goal first (more on this important step in Chapter 5), the process of creating your marketing plan (see Chapter 22 for how to write a plan in ten easy steps) becomes a focused, goal-oriented, and vastly easier activity.

How Small Business Marketing Is Different

All marketing programs need to follow the same marketing process, but the similarities between big business and small business marketing stop there. Budgets, staffing, creative approaches, and communication techniques vary hugely between an international mega-marketer like, say, Coca-Cola, and a comparatively micro-budget marketer like, well, like you.

This book is for *you*. Here's why.

Dollar differences

As a small business, you already know one difference between your marketing program and those of the corporate behemoths that loom over you in all directions: The big guys have the big budgets. They talk about a couple hundred thousand dollars as a discretionary line-item issue. You talk about a couple hundred dollars as an amount worthy of careful consideration. The advice in this book is scaled to your budget, not to the million-dollar jackpots you see referenced in most other marketing books.

Staffing differences

Look at the organization chart of any major corporation. Nearly always, you find a marketing vice president. Under that position you see a bunch of other professionals, including advertising directors, sales managers, online marketing managers, research directors, customer service specialists, and so on. In contrast, strong small businesses blend marketing with the leadership function. The small business organization chart puts responsibility for marketing in the very top box, where the owner, in the essential role, oversees the process as a hands-on task.

Creative differences

The top-name marketers routinely spend six figures to create ads with the sole purpose of building name recognition and market preference for their brands — often without a single word about a specific product or price.

Small businesses take a dramatically different approach. They want to develop name recognition just like the biggest advertisers, but their ads have to do double duty. You know firsthand that each and every small business

marketing investment has to deliver immediate and measurable market action. Each effort has to stir enough purchasing activity to offset the cost involved in creating and running the ad in the first place. The balancing act, discussed in Part III of this book, is to create consistency in your marketing communications so that they build a clear brand identity while at the same time inspiring the necessary consumer action to deliver sales — *now*.

Strategic differences

In big businesses, bound copies of business plans grace every bookshelf, whereas in many small businesses, the very term *marketing plan* provokes a guilt pang. If you just felt this typical reaction, turn to Chapter 22 for the antidote. It provides an outline for putting your plan in writing — without any mysterious jargon and with advice and examples scaled specifically to small businesses like yours.



Truth is, creating a marketing plan is pretty straightforward and reasonably manageable. It's one of those pay-a-little-now-or-pay-a-lot-more-later propositions. If you invest a bit of time up front to plan your annual marketing program, then implementation of the plan becomes the easy part. But without a plan, you'll spend the year racing around in response to competitive actions, market conditions, and media opportunities that may or may not fit your business needs.

The small business marketing advantage

As a small business owner, you may envy the dollars, people, and organizations of your big-business counterparts, but you have some advantages they envy as well.

The heads of Fortune 500 firms allocate budgets equal to the gross national products of small countries to fund research into getting to know and understand their customers. Meanwhile, you can talk with your customers face to face, day after day, at virtually no additional cost at all.

Because the whole point of marketing is to build and maintain customer relationships, it stands to reason that no business is better configured to excel at the marketing task than the very small business.

Making Marketing Your Key to Success

How many times have you heard small-business people say that they just don't have time for marketing?

Think of it this way. It's the simple truth that without customers, a business is out of business. Because marketing is the process by which your business gets and keeps customers, that means marketing is the key to keeping your business in business.

Put in terms like that, marketing is the single most important activity in any business — including yours. The fact that you're holding this book means you've made a commitment, and that gives you an edge over many of your competitors. Go for it!

