

# Chapter 1

## Framing the Marketing Process

### *In This Chapter*

- ▶ Taking the necessary marketing steps that lead to sales
- ▶ Getting your marketing program started
- ▶ Understanding how small business marketing is different

You're not alone if you opened this book looking for an 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 disappears from the scene.

People aren't sure if marketing, advertising, and sales are the same or different things. And they're even less sure about what marketing involves and how to do it well.

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



*Marketing* is the process through which you win and keep customers.

- ✓ Marketing is the matchmaker between what your business is selling and what your customers are buying.
- ✓ Marketing covers all the steps involved in tailoring your products, messages, online and off-line communications, 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 buyers.

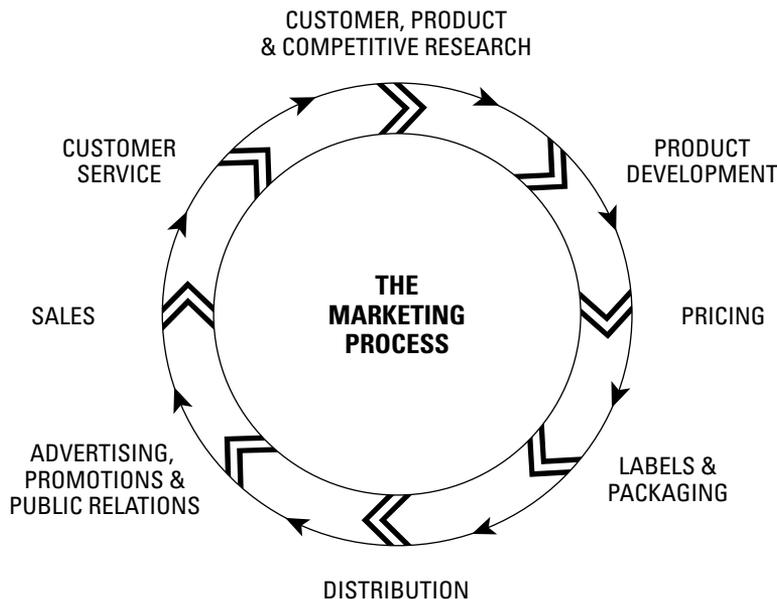
## Seeing the Big Picture

Marketing is a nonstop cycle. It begins with customer knowledge and goes around to customer service before it begins all over again. Along the way, it involves product development, pricing, packaging, distribution, advertising and promotion, and all the steps involved in making the sale and serving the customer well.

### *Following the marketing wheel of fortune*

Every successful marketing program — whether for a billion-dollar business or a solo entrepreneur — 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 around 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.

## 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 that says, "Circus Coming to the Fairgrounds 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 flower bed, 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 their questions — and they ultimately spend a lot of money at the circus — that's *sales*.
- Because marketing involves far more than marketing communications, I've added a second part to the circus analogy to show how the story might continue if it went on to demonstrate where research, product development, and other components of the marketing process fit in:
- ✔ If, before painting the sign that says, "Circus Coming to the Fairgrounds Saturday," you check community calendars to see whether conflicting events are scheduled, study who typically attends the circus, and figure out what kinds of services and activities they prefer and how much they're willing to pay for them, that's *market research*.
  - ✔ If you invent elephant ear pastries 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 an 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, you've started the *marketing process* all over again.

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

- 1. Conduct research to gain knowledge about your customers, product, market area, and competitors.**
- 2. Tailor your product, pricing, packaging, and distribution strategies to address your customers' needs, your market environment, and your competitive realities.**

3. **Create and project marketing messages to reach your prospective customers, inspire their interest, and move them toward buying decisions.**
4. **Go for and close the sale — but don't stop there.**
5. **After you make the sale, begin the customer service phase.**

Work to develop relationships and ensure high levels of customer satisfaction so that you convert the initial sale into repeat business, loyalty, and word-of-mouth advertising for your business.

6. **Interact with customers to gain insight about their wants and needs and their use of and opinions about your products and services.**

Combine customer knowledge with ongoing research about your market area and competitive environment. Then use your findings to fine-tune your product, pricing, packaging, distribution, promotional messages, sales, and service.

And so the marketing process goes around and around.



Successful marketing has no shortcuts — you can't just jump to the sale. To build a successful business, you need to follow every step in the marketing cycle, and that's what the rest of this book is all about.

## *Understanding the relationship between marketing and sales*

People make the mistake of thinking *marketing* is a high-powered or dressed-up way to say *sales*. Or they treat marketing and sales as two independent functions that they mesh together under the label *marketing and sales*.



In fact, sales is an essential part of marketing, but it is not and never can be a replacement for the full marketing process. Selling is one of the ways you communicate your marketing message. It's the point at which you offer the product, you make the case, the customer makes a purchasing decision, and the business-to-customer exchange takes place.



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

## *Jump-Starting Your Marketing Program*

Small business leaders are most likely to clear their calendars and make marketing a priority at three predictable moments:

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

You may have opened this book because your business is 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 great products and strong marketing communications, winning them over, and then retaining their business by exceeding their expectations. As part of the reward, you achieve repeat business, loyalty, new customer referrals, and a better shot at long-term business success.

### *Marketing a start-up business*

If your business is just starting up, your marketing plan needs to address a set of decisions that existing businesses have already made. Existing companies have images to build upon, whereas your start-up business has a clean slate upon which to write exactly the right story. (If you haven't already settled on your business name, see Chapter 21.)



Before sending messages into the marketplace, answer 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 project 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 flyers on community bulletin boards. On the other end of the spectrum, a start-up aiming to win business from cost-conscious customers would probably be better off announcing a promotion-packed open house than placing large ads full of praise from affluent business leaders.

If you're marketing a start-up business, pay special attention to the chapters in Part I. They can help you identify your customers, make pricing decisions, 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.

## *Growing your business*

Most established businesses grow their revenues by following one of the following routes:

- ✓ Grow market share by pulling business away from competitors. (See Chapter 4.)
- ✓ Grow customer share either by prompting larger transactions during each visit or by generating more frequent repeat business.
- ✓ Grow interest in new offerings that generate additional sales volume for your business. (See Chapter 3.)



Almost always, the most cost-efficient route to higher sales volume is to look inside your business first, shore up your product and service offerings, and strengthen your existing customer satisfaction and spending levels *before* trying to win new prospects, which requires significantly more effort and expense. Part V offers a complete game plan to follow.

## *Scaling your marketing to meet your goal*

Small business owners often feel overwhelmed by the marketing task. They aren't sure how much money they should dedicate to the effort, whether they need to hire marketing professionals, how to weight efforts between traditional media and online communications, and whether they need to create new ads, brochures, and websites to get the job done.

Do those uncertainties sound familiar? If so, detour around the questions and get into forward motion by first putting your marketing task in perspective. Ask yourself:

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

Whether you're launching a new business or accelerating the growth of an existing enterprise, defining what you're trying to achieve makes everything easier.



A social-service agency may set a goal to raise \$100,000 in donor funds. An accounting firm may want to attract six corporate clients. A retailer may want to build an additional \$50,000 in sales. A doctor may want to attract 100 patients for a particular new service. An e-publisher may want to achieve 500 downloads.

By setting your goal first (more on this important step in Chapter 5), the process of creating your marketing plan becomes a focused, goal-oriented, and vastly easier activity. (See Chapter 23 for advice on writing a plan in ten easy steps.)

## *How Small Business Marketing Is Different*

All marketing programs follow the same set of steps in the marketing process (refer to Figure 1-1), but the similarities between big business marketing 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, you.

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

### *Dollar differences*

As a small business marketer, 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 and social-media 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 often puts responsibility for marketing in the very top box, the one with the owner's name, which likely puts *you* in the essential role of overseeing marketing 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 marketing cost involved. The balancing act, and the focus of the chapters in Part IV, is to create marketing communications that build a clear brand identity while also inspiring the necessary consumer action to deliver inquiries, generate leads, and prompt sales — *now*.

## *Strategic differences*

In big businesses, bound copies of business plans are considered part of the furnishings, whereas in many small businesses, the very term *marketing plan* provokes a pang of guilt. If you just felt this typical reaction, turn to Chapter 23 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 upfront to plan your annual marketing program, 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 the research required to get to know and understand their customers. Meanwhile, you can talk with your customers face to face, day after day, at virtually no additional cost.

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

What's more, today's customers don't just crave interactive communication with the businesses they buy from — they demand it. In the biggest of big businesses, shifting from one-way communication to two-way, interactive communication involves monumental shifts in how the business markets. Meanwhile, for your small business, shifting toward interactive marketing is simply a matter of making the choice to get online, get social, get talking, and get involved in two-way communications that give your business a marketing edge. Part III includes three chapters full of advice to follow.

## ***Making Marketing Your Key to Success***

It's the simple truth that without customers, a business is out of business.

Marketing is the key to achieving customer interest, winning customer purchases, earning customer satisfaction and loyalty, and keeping your small 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!

