



Introduction to traditional marketing

What is marketing, and how do you use it to benefit your business?

What is marketing and how does it work?

Marketing is everything you do to place your product or service in the hands of potential customers. It includes sales, public relations, pricing, packaging, and distribution and is a strategy for allocating resources (time and money) to achieve your objectives (a fair profit for supplying a product or service).

If business is all about people and money and the art of persuading one to part from the other, then marketing is all about finding the right prospects and customers to persuade. However, marketing doesn't begin with a great idea or a unique product. It begins with customers - those people who want or need your product and are willing to buy it.

It's important to take time to discover who your current and potential customers are, and how to effectively reach them because people don't just buy a product, they buy into the concept of what that product will do for them.

Above and below the line

Traditionally, marketing is divided into two spheres: above the line (ATL) and below the line (BTL). ATL is an advertising technique using mass media and traditional channels to promote brands, e.g. billboards, TV, newspapers,



magazines and broadcasting. While it can reach many people, it's one-way communication that can be considered impersonal to customers.

BTL is more about unconventional brand-building strategies. It uses less predictable methods and channels, such as direct mail, public relations, sales promotions, consumer promotions, consumer incentives, trade incentives, and retail promotions. BTL focuses on direct, more personalised communication, most commonly direct mail, e-mail, and online communication, often using highly targeted lists of names to maximise response rates.

BTL is usually far more cost-effective than ATL, making it an ideal choice for cost-conscious SMEs.

How to structure a marketing plan

To determine which course your marketing should take, you need a marketing plan which considers five critical areas of your business:

1. Products

Identify the range of products/services that your business offers and what differentiates your products/services from your competitors.

2. Price

Setting prices for your products depends on where your product is in its life cycle and how much competition you face in the market. If you are serving a specialised or niche market with little competition, your market is more likely to support higher prices.



If you are in a competitive market and your product is at the tail end of the life cycle of the product, then you will have to target lower prices to stay in the game. You may want to offer seasonal price specials, such as a spring sale or a festive season special. Other options include “two for the price of one” specials, or promotional gifts for buyers.

3. Placement

This is all about how your product is made available to your customers. Where will it feature and how will it get there? You need to determine the impact that your location or the production location will have on the availability of the product to the market.

If you can provide products immediately, you are more likely to attract a larger market share than if the customer must wait for the product, which could also attract a larger price. Remember that you could choose to sell directly to end-users.

This will give you confidence that there's demand for your product and which you can contact for product and packaging feedback before you hit the stores. The web is one highly effective channel, but you can also tap into your personal network as you begin.

Host a home party to share your product(s)/service(s) with friends and friends-of-friends, sell through local community groups and email your network. Next, you can look at small, independently owned, local stores. It's a good idea to start with them before hitting larger chain stores because it's easier to reach the decision-maker(s), plus they're more inclined to take on new items to differentiate themselves from larger stores.



4. Promotion

Approach promotions from as many different angles as you can, using many diverse marketing and advertising channels.

A wider spread of marketing promotion channels will help to make your business more successful. This is one big reason why your company needs to have an Internet presence. Always remember to be realistic about your budget. If it's small, don't spread it too thin. Rather focus on a few targeted promotions.

Avoid blanket approaches as these are rarely successful. Online direct marketing techniques have made it possible to promote specific products, a practice that can yield much higher conversion ratios. Think of designing your promotions around targeted segments of your market to achieve the greatest return.

5. People

With the explosion of social media marketing, people have become a key component of the marketing plan. It's important to get this side of your marketing strategy right because it impacts the image of your company and how it is perceived within the marketplace.

How your people interact with your customers is critical, from phone calls, and face-to-face interactions, to email, and online conversations. This is all about relationship-based marketing, as opposed to product-focused marketing.

It's also vital to understand and react to the conversations that are taking place on social media sites. Listening to the conversations that are taking place and tailoring your products and services in line with what people want, will help keep you ahead of your competitors.



Do:

- Research to find out if other companies are providing similar products or services, and at what prices.
- Ensure the market for your product or service is large enough to provide you with a customer base that can support your business.
- Price products competitively. That doesn't mean going cheap, you need to find the right balance because raising prices may create market resistance.
- Keep your marketing pitch simple.
- Ensure that your product or service delivers on the features you use to sell it.
- Use your product's packaging to communicate with your customers.
- Have well-defined marketing objectives before you start, and a budget to match.

Don't:

- Try to sell your products or services to everyone. Be clear on who your target market is.
- Assume that all consumers will purchase your products or services for the same reasons. Vary your marketing message.
- Expand into new markets before exploring all possibilities in your current customer base.
- Go over the top with promotional pricing or special offers as they can affect how customers perceive the quality of your products or services.
- Market your products or services to the wrong audience. If your market is a business owner, don't send advertising promotions to an employee.



How to measure a marketing campaign's effectiveness

All too often, campaign effectiveness is measured by tracking the total number of sales leads generated. However, you also need to measure how many of these leads turned into qualified sales opportunities and revenue for the business.

True campaign effectiveness is measured by tracking both the total leads generated, as well as the total number of these leads that become qualified sales opportunities.

You should also track and link company revenue to marketing campaigns, considering individual sales transactions, aggregate transactions, and total revenue generated by every marketing campaign. For example, this can be done by:

- Using special coupon or ID codes on adverts.
- Directing browsers to a special web page so you can track hits and measure the success of the campaign.
- Instructing every staff member (especially sales team and receptionist) to always enquire about how the prospect heard about the business.