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Marketing Your Product or Service



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What is marketing?

The success of your business depends largely on your marketing efforts. The market consists of customers and potential customers for your products and services. Marketing is the process of making your business and its products and services attractive to those customers and prospects. Marketing activities come in various forms and may include everything your business has to do to get its products and services into the hands of your customers and prospective customers. These activities may include: designing your products so they will be attractive to your customers, conducting market research, and pricing and promoting your products and services so potential customers will know about them. Some of the tools you can use to promote your products and services are advertising, public relations, marketing communications, sales, and distribution.

Typically, marketing activities will be based on decisions and strategies you make about what products and services you will offer to your targeted market and how you will inform your customers. Marketing is a company-wide effort--the various departments throughout your company and the people who make up those departments all play a role in getting your products and services to your customers.

Segment and target your market

You may have limited funds to spend on your marketing efforts. Rather than trying to be all things to all people in all places, you should consider segmenting your market. Generally, segmenting the market may occur in two ways. First, you may want to target your market by geographic location (e.g., a particular city, state, or region) and thereby focus on the needs of customers within a defined area. This may also help keep your advertising and promotional costs down because you would be restricting those efforts to a specific area as well.

Second, you may target a specific customer group (for example dog owners, users of public transportation, or managers above a certain income level) by identifying and directing your promotional activity to those specific groups. You may narrow your target further not only by targeting your customer groups but also by focusing on those groups, within a particular geographic area. Segmenting and targeting your marketing efforts help your business in the following ways:

- Marketing your products and services to the wrong potential customers can result in increased overhead
- Correctly targeting your products and services can result in increased sales
- Identifying your present and potential customers may present opportunities for additional needs in the market

Distinguish your business, product, or service from others

It is important that your business take on its own identity. This can be especially important if there are other businesses offering similar products or services. A distinctive image can help your marketing efforts. There are several ways you can make your business, product, or service noticeable:

- One way to differentiate your products and/or services from your competitors is by carefully choosing a name for your business or product. You may want to conduct a market survey to be sure the chosen name appeals to your present and potential customers. You also may be able to protect the use of your product name.
- You may want to pay attention to how your business presents itself to customers. This can be accomplished through the use of a distinctive logo. Marketing materials such as letterhead, business cards, and mailing labels can be used to identify your business, product, or service.
- What is your business mission statement? Is it unique and sincere? Communicating your business's message should be an ongoing business function. By developing new and unique ways of delivering your message to your target markets you can help your business stand out from the rest of the pack.

Create public awareness of your business in a positive way: develop a website

You can use traditional marketing activities in combination with other techniques rooted in technology. Traditional marketing activities may consist of direct mailings, telemarketing calls, or even distributing your business cards to potential customers. High-technology methods may include marketing via the Internet. You can use your website to present general information to potential users of your product/service (for example, why someone might want the product or service) along with specific information about your business (for example, how your business can deliver the needed product or service better than another company).

- Include your business website address on your letterhead, business cards, and other marketing materials. This will let customers know about your site and may encourage them to visit it.
- Be sure your business letterhead, business cards, and marketing materials complement your website, and that all work together to create your business identity. Including your logo on all materials and within your website can build name recognition.
- Continue marketing your business with traditional marketing activities such as direct mail, telemarketing, advertising, and referrals. Relying solely on your website to market your business may not be successful initially--not everyone has access to the Internet.

Example(s): If you own the local animal hospital, the Internet may not be the first place a customer would look when in need of emergency animal care services. While the Internet can be a useful way to present information about your service, the yellow pages may be more effective when the customer's need is immediate.

What is the difference between sales and marketing?

The marketing process is very broad. It usually consists of determining what services or products customers want or need, and developing products or services to fulfill those needs. An important part of marketing is researching the competition --including how your competitor's product or service differs from yours and what developments are taking place in the market. Marketing also includes the process of pricing your product or service in the market. You may choose a low price strategy to penetrate the market and gain a large market share, or you may choose a higher price strategy in an effort to maximize your profits and build an image of prestige before competitors enter your arena. Promotional activities are geared to increase public awareness of your product or service. The sales function is part of the marketing process (and marketing activity supports sales) and involves educating potential customers about your product or service. Delivering the product or service and engaging in any related follow-up service are also parts of the marketing strategy.

What is market research?

Market research can be thought of as the process of gathering, recording, and analyzing information related to your target market, customer base, and competitive environment. The information can be used to spot potential issues, help you make business decisions, find sales opportunities, and develop a plan of action. Market research activity can be formal or informal, and can be conducted internally or externally (by contracting with a market research firm).

Informal methods

Market research may be as informal as talking to your customers about their needs and wants. Your suppliers can be a source of information about trends in the marketplace. Another valuable source of information can be your employees, especially those who deal directly with your customers or suppliers. Trade journals and newspapers can provide valuable information about the economy, the industry in which your business operates, and even about your competitors and their products.

Formal methods

Formal market research may involve the use of detailed tracking of business activity--how many businesses operate in a geographic area, how many people are employed in the field, sales figures, and other data. Research is often conducted by trade associations, which may provide the information to association members. This information may also be found in your public library (check the business reference section). You may even use a marketing research firm to help your marketing efforts. Such a firm may compile and analyze data using complex statistical modeling and analysis, surveys, and focus groups.

What can market research do for you?

Various types of market research can be used to accomplish the following:

Type of Study	Information Provided	Usage
Market Segmentation Studies	Customer characteristics	Focus communications with your customers and potential customers Identify sales opportunities in the marketplace
Customer Purchasing Power and Buying Habits	Financial strength and economics of target market	Identify sales opportunities in the marketplace
Psychological Aspects of the Market	Values and opinions of consumers in the marketplace	Identify sales opportunities in the marketplace Focus communications with your customers and potential customers
Marketplace Competition	Number of businesses Products or services offered Economic environment Political climate	Expose potential problems or opportunities in the market Create benchmarks to track the progress of your business Measure and evaluate the success of your business Focus communications with your customers and potential customers

What is a marketing plan?

A marketing plan may be part of your overall business plan and can help you direct and coordinate your marketing efforts. The marketing plan generally contains valuable information about the business, as well as the business's products, services, strategies, and marketing objectives. It can establish a benchmark and methods of measuring results, often expressed as market share or sales figures. It may include the results of your market research. Marketing plans may also include specific information on the marketing budget and the costs of production and/or marketing.

A marketing plan consists of several components

Marketing plans may vary by the type, size, and growth rate of the business. The following are typical components of a marketing plan:

- An executive summary: An introduction to your business that usually discusses major points in your plan
- Current situation: Contains information about the business, including the business's location and target market
- Competitor and issue analysis: Includes information about other businesses that offer products and services similar to yours
- Marketing objectives: Goals and objectives (such as an increase in sales or market share) and the expected time frame to achieve the objectives
- Marketing strategies: Discusses the elements of marketing--product or service, price (including payment methods), place of delivery, and promotion methods
- Action programs: May describe specific marketing tasks to be performed (such as ad placements or sales promotions)--including timetables and the person or group responsible for completion
- Budget: Detailed listing of all costs associated with marketing activities
- Measurements: Numerical targets and deadlines for measuring results of the marketing plan
- Supporting documents: May include spreadsheets, market research data, and resumes of management and staff

Marketing with electronic technology

World wide web marketing

You should include your website address on all marketing materials, including brochures, letterhead, stationery, and business cards. You should include your web address in your e-mail signature file, the yellow pages, and any other advertisements.

- Broadcast your web address like your business telephone number to encourage visits to your web site
- Use your website for customer service functions such as product information and customer inquiries
- Use your website for accepting customer orders
- Encourage user feedback by incorporating a brief questionnaire or response field
- Remember to keep your website current

E-mail marketing

E-mail can be used to market your business, but it is not advisable to send unsolicited mailings to groups of people. This practice, known as "spamming," is illegal in some states. Recipients of such mailings generally don't react favorably--this is not the impression you are striving for. There are more favorable ways that you can use e-mail. It can be an efficient and inexpensive way to receive and respond to inquiries from customers and potential customers. Just make sure that someone really does respond to requests! If you plan to use e-mail as part of your marketing campaign, keep the following points in mind:

- Broadcast your e-mail address like your business telephone number
- Collect e-mail addresses for follow-up contact with customers and potential new customers
- Correspond with customers and potential new customers by e-mail--it can be faster and less expensive than the postal service
- Join e-mail lists on a topic of value to your customers and potential new customers
- Publish an informational newsletter that you can distribute via e-mail

What is the purpose of advertising?

You may need to use paid advertising to promote your business, product, or service. The purpose of advertising is to make potential customers aware of your products and services and to point out the need for your product or service. Effective advertising will result in action, such as a request for additional information, and, ideally, a purchase.

Advertising is a consistent, reliable, and efficient way to deliver your marketing message to potential customers. You are able to control the advertising message, the frequency of the advertisement, and where the advertisement will be placed. Advertising can:

- Establish public awareness of your business, product, or service
- Promote the identity and image of your business, product, or service
- Create a need for your product or service
- Develop sales leads

Creative marketing

There are creative and relatively inexpensive ways you can market your business, product, or service.

- Team up with another business and form a marketing partnership to engage in joint advertising, such as flyers, coupon promotions, or referral programs.
- Check with a local college or university. Business or marketing departments often have consulting groups comprising students who conduct research and act in a consulting capacity for local businesses under the supervision of faculty--the students get course credit, and you get inexpensive, quality marketing talent.
- Use postcards to announce new developments and sales promotions or to keep your name in the public eye.

- Take advantage of publicity--newspapers are always looking for news, and chances are good that your business is doing something that will interest the newspaper's readers. This is a form of free advertising that can go a long way toward promoting your business, product or service.
- Write dynamic sales letters to targeted customer groups.
- "Word of mouth" can be a highly effective form of advertising--encourage your customers to tell others about your product or service.
- Ask for referrals from existing customers. Set up a program to provide product or service discounts to customers who introduce new customers.
- Write a book and sell it, or submit articles for publication in newspapers and trade publications--it could build instant credibility and create name recognition.
- Flyers can be a cost-effective marketing technique--many software packages are available to enable you to create your own.
- Create a website on the Internet.
- Post a banner advertisement on a website that links to your home page.
- Participate in trade shows--talk to everyone who comes near your booth. Collect a business card from each person or provide a mailing list sign-up sheet for follow-up contact.
- If you use direct mail, make it unique so it will be noticed.

Telemarketing

Some industries and service groups rely on telemarketing to promote their product or service. Federal legislation regulates telemarketing efforts. The rules allow telemarketing calls only between the hours of 8 A.M. and 9 P.M. In addition, company "do not call" lists must be maintained for those consumers who have requested that they not receive telephone solicitations. It is the responsibility of the company using telemarketing (in-house or through a third party) to maintain the list. The regulations also prohibit unsolicited ads to fax machines, regulate the use of automatic dialing systems, and govern the length of time that transaction records must be maintained.

Caution: In addition to the federal regulations enforced by the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC), the individual states have stringent laws for companies that use telemarketing. To learn more about the regulations in your state, contact your state attorney general's office or the American Telemarketing Association.

Caution: Violation of the rules may be punishable by fines.

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