

IF YOUR MARKETING WAS PERFECT, WHAT WOULD IT LOOK LIKE?

Transcript of a two part paper delivered by Kevin Norman of Marketing Assistance Ltd at the Chartered Institute of Marketing (CIM) Essentials of Marketing Conference held at the Five Lakes Resort, Maldon Essex, UK. February 27th, 2007.

Note: This is now revision 5 of this paper and various people have contributed clarifications and further insights into the concept of perfect marketing. Please have your say as well. E-mail me at kevin@marketing-assistance.co.uk if you wish to agree or disagree with the thoughts in this paper.

Every now and then along comes a question that has the power to stop you in your tracks. It could be its challenging nature, or possibly it uncovers a new way of looking at things. For me – If your marketing was perfect, what would it look like? –proved to be one such question.

There is a flip response of course: the right product, at the right price, promoted in the right way and in the right place. That answer is drummed into every marketing student early in their education. That is the end result of course but it doesn't tell us how to get there. And what is 'right' anyway?

A more useful answer might be: 'a constant stream of high profit sales'. Surely that is the Holy Grail for most marketers. But if that's what we want it still begs the question of how to get there.

If we accept that defining 'perfect' is very subjective most of us could make a stab at producing a list of the characteristics of perfect marketing even if we disagree about how it applies in our particular business.

My list would include:

1. A deep understanding of the market

Everything starts with this. Without this you are shooting from the hip and, as one of my colleagues frequently says, producing aspirins looking for headaches.

2. Clear marketing objectives

Understanding the difference between company objectives and marketing objectives and how the one transmutes into the other.

3. Creative segmentation, targeting and positioning

Creative because in today's economy the laurels go to those who come up with an innovative new way of solving (often old) problems. Out with me-too propositions. High profit sales don't come from doing the same as everyone else.

4. Pipeline of new products

Otherwise there will no constant stream of high profit sales.

5. Prices set for maximum long term return

Creative segmentation and differentiated product positioning make this possible.

6. Integrated marketing communications

A challenge with so much fragmentation of promotional media going on at the moment but the one marketing adage to hang onto even today is: repetition brings content.

7. Active management of channels to market

The internet is changing everything and yesterday's channels are today's oxbow lakes.

8. Market focused organisation structure

Continual need to reinvent the product proposition.

9. Constant monitoring and adjusting to market changes

The world is changing and constant vigilance is required.

10. A marketing plan to deliver the above.

This is the tool to make the above happen.

There is little doubt that marketing planning has not been accepted as enthusiastically in the business world as has, for example, budgeting. In fact, budgets are too often mistaken for plans in both the private and the public sectors. Do you plan to spend money or are budgets the financial consequences of the plan?

It needn't be like this. A marketing plan does not have to be a thick tome gathering dust on an office shelf. It can be a living, breathing document guiding the development of the business and helping to keep the whole company focused on making profit through satisfied customers. Because at the end of the day that is what it is all about. A marketing plan simply documents how you are going to make money through satisfied customers.

Hidden in the spaces between these words are a heap of tough questions:

- which customers am I going to satisfy?
- With which products?
- Why should customers buy my products or services rather than my competitors?
- How am I going to be able to charge a high enough price to make plenty of profits when there are so many other suppliers around?

Tough questions but there is a methodology available to help you answer them. Follow it and you are well on the way to perfect marketing.

So how do you make it happen?

In the first part of this discussion we asked the question: "If your marketing was perfect, what would it look like?" and suggested that the marketing plan was the tool to achieve this state of perfection.

Let's look at the process in more detail and see how it could be applied to your business.

Essentially there are only five steps to take although some are bigger than others:

1. Conduct a marketing audit
2. Set your marketing objectives
3. Determine your strategy
4. Draw up market plans
5. Monitor and control

Dealing with each in turn.

1. Audit your current marketing activity

A systematic marketing audit is the formal equivalent of gaining a deep understanding of the market. It essentially asks you to question everything about your product offer and your markets with a view to identifying your strengths and weaknesses. A good test is to think about everything under your control. This would normally include all the elements of the classic 4P model: product, price, promotion, place (i.e. channels to market) and possibly people, processes and physical assets if you are in a service business and see the need to add further complications (over a long career in marketing I have seen 4Ps, 7Ps, 9Ps and 11Ps and heard about 15Ps but never seen it).

The other half of the analysis looks at the opportunities and threats facing the business. You may recognise the oft used SWOT analysis structure here. Whilst Strengths and Weaknesses are under the control of the business, opportunities and threats are not and this distinction is important in understanding the analysis and moving onto the next stage. The same check list (using the 4Ps) can be used to make sure you don't omit anything.

One thing to be careful of at this stage is the Opportunities analysis. In marketing, opportunities are market opportunities. These are market segments which may or may not be attractive to the company.

2. Set your marketing objectives

Marketing operates at different levels within different businesses. Your marketing objectives may range from market share to net profit or be at a much lower level such as the number of sales enquiries needed. Whatever they are remember that in most businesses there is a thread of relationships which run through all these objectives and that using such relationships, such as conversion rates, you can easily move from one level of objective to another. How many sales leads do you need to generate to achieve your sales or profit targets? The relationships (or ratios) between different levels of objectives can help you calculate this.

3. Determine your strategy

The heart of the plan and often the most difficult part. It is easy to lose this critical stage amongst the mechanics of producing the plan. For marketers, strategy is how you are going to achieve the objectives so you need to be in creative mode for this. The best source of strategy is to go back to the SWOT analysis and use the information already gathered.

Prioritise your (market) opportunities by risk. Stack up against each the respective strengths and weaknesses of the business which are relevant and, of course, add in the threats. There are numerous tools to help you select the most attractive market/product combination including the product/market life cycle curve and the more sophisticated matrices such as the Boston Grid. There is a tool at www.marketing-assistance.co.uk/free_stuff Which is tried and trusted.

The decisions made here can be recorded in a mission statement. This can usefully be broken down into;

- A purpose statement (why we exist)
- A vision statement (where we want to be)
- A mission statement (how we are going to get there)

If not already covered in the above add a positioning statement which summarises your brand values.

4. Draw up individual market plans

All the elements of your plan covering the 4Ps (or even the 7Ps) can be summarised in individual market plans. Each market opportunity has its own spread sheet style plan listing the activities to be done against each month of the year: months across the top, activities down the side. You can add a column for who is responsible and another one to record the cost.

This format has the added advantage that the finished plan can be stuck on the side of a filing cabinet so it is always visible and in your face.

5. Monitor and control

High visibility helps with monitoring and control as well. The plan should be monitored on a monthly basis to make sure it is on track and that no changes need to be enacted.

Work out the return on investment (ROI) produced by the marketing activity. Going into a budget justification meeting armed with the knowledge that the investment of £x will produce a return £x plus 20% is a powerful argument for marketing. There is no better way to justify your drive to produce perfect marketing than to show that it works!

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About the author

Kevin Norman BA, DipM, MCIM, Chartered Marketer.

Kevin has operated as a marketing consultant since 1990 and is especially active in developing strategic marketing plans and advising on implementation. His experience includes working for a number of major companies –GKN, Massey-Ferguson, ISS International Service System – as well as in consultancies. He specializes in business-to-business marketing and training workshops. Kevin is a former National Councillor of the Chartered Institute of Marketing and holder of its prestigious President's Award. He is an External Panel Member in Marketing for Anglia Ruskin University and has operated in a similar role for NVC for Foundation Degrees.

Marketing Assistance Ltd, with offices in Essex and London, provides outsourced marketing support including marketing management and market research to companies which wish to focus on product and service development and delivery.

