

Marketing 101, Developing a Marketing Plan For Your Store

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If you ask a businessperson what marketing is, you will probably get a little different answer from every one you ask. Many people's perception of marketing is that it is just selling or advertising. First let us consider the textbook definition.

A dissection of the key terms in the definition will show that marketing's primary focus is on the customer and all marketing decisions should revolve around customer issues.

In order to focus on the customer, we must see that marketing covers a wide range of activities that often require different skills to perform well. While these activities may be different, they do not necessarily operate in isolation since decisions in one activity could affect other activities. Marketing people also operate in an environment that is changing and requires constant monitoring both internally and externally. The use of marketing research to monitor the environment in which the marketing person operates as well as employing research for nearly all marketing decisions should be a frequent activity.

Marketing has evolved from a process that initially centered on getting as many people as possible to purchase a product to today's emphasis on satisfying customers and managing the customer experience.

When we bring the customer to the forefront we need to realize that not all customers are the same. Understanding our customers is a never-ending challenge but one that is necessary in order to have long-term marketing success.

If you check textbooks for a definition of marketing you will find marketing defined in many different ways. Some definitions focus on marketing as the process involved in satisfying the needs of a particular market, while other definitions lean more toward defining marketing in terms of its most common functions, such as advertising. There probably is no one best way to define marketing, though whatever definition is used, it should have an orientation that focuses on satisfying customers.

For the purpose of this article I would like to define marketing as the strategies and tactics used to identify, create and maintain satisfying relationships with customers that result in value for both the customer and the store (marketer).

Strategies and Tactics - Strategies are best explained as the direction the marketing effort will take in a period of time, while tactics are actionable steps or decisions made in order to follow the strategies established. For instance, if a strategy is to enter a new market such as the builder market, the tactics will involve the marketing decisions made to carry this out. Performing strategic and tactical planning activities in advance of taking action is critical for long-term marketing success.

Research/Knowledge - Arguably the most important marketing function involves efforts needed to gain knowledge of customers, competitors, and your market.

Create Opportunity - Competition forces marketers to be creative people. When you decide to enter a new market (for example the builder market) you are entering a market that is already being serviced and probably satisfied by your competition. You need to have a different strategy and/or a different tactic(s) in order to penetrate that market. If you don't, the only way you probably can enter that market would be to offer a lower price than your competition. The danger in using that strategy is that your competition can easily lock you out by matching or beating your lower price.

Competitive pressures demand that you respond by devising new or different strategies and tactics that help you and your store to remain successful.

Assure Repeat Customers - Today's stores must work hard to insure their customers return to purchase from them again. This is especially important in our example of the builder market. Builder business is repeat business if you are doing everything right. Consequently, your effort to attract a new customer does not end when that customer makes their first purchase. It continues in various ways for, hopefully, a long time after the initial purchase.

Satisfying Relationships - A key objective of marketing is to provide products and services that customers really want and to make customers feel their contact with your store and its people is helping to build a good relationship between the two. In this way the customer is made to feel as if she/he is a partner in the transaction not just a source of revenue for the store.

Create value for both the customer and the marketer - Value refers to the perception of benefits received for what someone must give up. For customers value is most often measured by how much they feel they are getting for their money. The value one customer feels she/he obtains may differ from the perception of value from another customer even though they purchase the same product. On the other side of the transaction, the marketer may measure value in terms of how much profit they are making for the marketing efforts and resources expended. For a successful marketing effort to take place both the customer and the marketer must feel they are receiving something worth while in return for the efforts.

Finally as noted earlier, research plays a significant role in all marketing decisions areas. Marketing decisions should not be made without first committing time to obtaining the needed information.

Today, most successful stores know that building customers for the long term holds more value to the marketer than short term sales. They also are aware that current customers who are satisfied with the purchases they have made in the past are the best source for future sales. Why? Because they have first-hand experience with the store and, if they have been satisfied with past purchases, they probably trust the store.

Thus, convincing these customers to make more purchases requires significantly less effort (such as advertising and other marketing expenditures) when compared to the efforts and costs needed to attract new customers.

Since most people do not buy flooring that frequently, the good experience they have in your store and their high level of satisfaction hopefully will lead them to give you quite a bit of referral business.

Asking happy and satisfied customers for referrals can be one of the tactics you use to gain new customers. Rewarding customers for referrals can also encourage them to help you out.

My wife recently received, in the mail, a \$50 gift card from a local furniture store where she made a purchase over a year ago. No strings attached, just a \$50 gift card. It could be used for any thing; it could be used to buy a \$50 item. Or it could be used to buy a \$1000 item. This was somewhat of a gamble by the store, but I'll bet that in most cases it paid off. If your store were to test market this tactic, and mailed out a \$50 or \$100 gift card, you probably will end up with a larger sale since there isn't too much in your store that a customer can buy for \$50.

Sure they could come in and get some maintenance items, and it would cost you the \$50 or \$100, but think of the hundreds and thousands of dollars you spend on advertising with no guaranteed return. It might be a tactic worth trying with just a few dozen or so your prior customers, to see what happens. If it's successful perhaps you could do it on a larger scale. The card should have a reasonable expiration date.

Not all customers are the same. Some consistently spend large sums to purchase products from a store; others do not spend large sums but hold the potential to do so in the future; and still others use up a large amount of a store's resources but contribute little revenue (such as the customer that makes selections in your store, has you measure the job, and then make their purchase on the internet). Getting deposits before measuring can help to minimize this type of activity.

Questions, comments, and feedback are always welcome.

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