



UNIT-8

Sales and Marketing

Learning Outcomes

By the end of this unit the learner will be able to:

Unit 8

Sales and Marketing

Defining Marketing

Sales and marketing are evolving from being product-focused to more customer-focused. The shift reflects a commitment to building a relationship with your audience. With that relationship comes credibility. With credibility comes trust. With trust, when the time is right, the customer will buy. One of the rules we live by is that people buy products and services from people they trust, and you can't establish trust without establishing a relationship first.

While marketing and sales are separate activities, they are clearly related. Marketing focuses on activities that will identify the needs, products, and advertising that will catch the eye of your target market. Marketing professionals use advertising to raise awareness of the brand, while sales activities focus on serving that target market and converting prospects to paying customers.

Both marketing and sales activities keep in mind that keeping customers is generally easier than finding new customers.

Marketing activities are specifically directed toward:

- Finding out what your customers (both existing and prospective) need or want.
- Directing efforts to make sure your customers are able to get what they need or want from you.

The Best Marketing

The best marketing is not about our products or services and their features or benefits. The best marketing isn't even about our companies at all—not our unique selling points or our competitive advantages over other companies. Instead, really good marketing is about how what you offer your prospects and your customers will change their lives for the better.

The average person doesn't give a darn about our products or services, except when our products or services can help them. If you can show your potential clients and your present clients how doing business with you will make them happier, richer, wiser, or healthier, then they will be interested. But don't fall for the old myth that building a better mousetrap will bring the world to your door. There are lots of better mousetraps out there. However, if they are too expensive, or if the world doesn't hear about them, we may just continue to use the mousetraps we already have and feel comfortable with.

And while it is important that we direct our message to our target market, it is even more important to figure out what to say and how to say it so people listen and are moved to buy. We should spend enough time getting our message right, so it will persuade others to want what we are offering. Once we have it right, we will want to repeat that message again and again, so people will hear it, remember it, and act upon it.

Glossary of Terms

Market Segment	A clearly defined subgroup of customers or potential customers with common characteristics relevant to the marketing of your product. (Example: Two couples with expendable income of \$40,000-50,000.)
Mission Statement	A short statement of the philosophy and fundamental nature of your business. It answers the questions: "What business are you in?" and, "Who do we serve?"
Objectives	Concrete, measurable, realistic targets you want to achieve. (Example: "Increase sales of highest priced widgets by 10% vs. previous year," not "Increase sales.")
Plan of Action	A clear road map for carrying out all the tactics necessary for the marketing strategies in your plan. It specifies who, when, how long, and what budget or other resources required for each tactic. It also coordinates them in chronological order where necessary.
Strategies	The general approach you will take to achieve an objective. (Example: "Increase widget sales through sales calls, direct mail campaign, and sales incentives.")
Tactics	The specific actions, decisions, and resources required to implement your strategies. (Example: "Tactics for Sales Calls. Hire full-time sales person in first two months of planning period; creative visual aid and large-size demonstration widget for sales calls; buy list of purchasing agents at companies in 20 mile radius of us.")
Targeting	Channeling marketing efforts and resources to specific market segments that have the highest payoff potential.

Developing a Marketing Plan

The P's of Marketing

The Six P's

Years ago, we started working with four "P's" of traditional marketing. However, in a quickly evolving marketplace, we know that there are more things that we now need to focus on, so we have supplemented the four "P's" to bring them up to date.

Products

This is what you sell to people, be it goods or services. In order to sell the right product, you must know your market. To know your market, you must know what your customers need and want.

Place

This is where you sell your product to your customers and how you get it to them. Do you have a traditional retail store? Do you have an e-commerce website? Perhaps you operate a telephone order service... or maybe you've combined all three.

Price

This seems like the easiest but in fact it can be the hardest. If you price too high, customers may be turned off. Price too low and your product will lose value, and you could go out of business. It takes time, trial and error, and patience to develop the right pricing model for your product.

Promotion

This is what most people think of when they think of marketing. This is how you let your customer know how your products or service can benefit them.

Personal

Remember that when we sell today, we sell to people who trust us. If our customers don't trust us, they will not buy from us.

Penetration

This refers to how deeply into the marketplace our product or service can go. Are we providing something to end users, to everyone, or are we a business to business seller who provides something very specific?

Bringing it All Together

To make sure the marketing P's are working their best for you, you need to develop an overall strategy for taking aim at your target markets: you need to develop a marketing plan.

A successful marketing plan is not accidental. It is usually a result of carefully scrutinizing where you are now, and where you want to be in the future and deciding how best to get there. The marketing plan is an essential element of your business plan. Marketing objectives and strategies and activities that you will undertake in a defined period of time (such as six months or a year) are all detailed. A budget is also required, along with the tools you will use to measure your impact and success.

Every marketing plan must take four things into consideration:

- Your personality
- Your budget
- Your business
- Your time

For example: Perhaps within your marketing budget, one of your goals is to upgrade your website. Can you identify how you want your website to look? What kind of traffic do you need to attract? How can you achieve that? What steps will you take?

Remember:

- Choose methods you will look forward to trying out.
- Choose methods that will provide you the easiest and least costly access to the specific people you want to reach.
- Never rely on only one method at a time.
- Select activities that complement one another.
- Review the methods your competition are using, and find out what is working best for them.
- Track the results of your marketing efforts.

SWOT Analysis

Another key component of the marketing plan is a SWOT analysis. This can help you see where you stand, and to identify what you need to be thinking about. You should consider:

- Your company's strengths and its weaknesses
- Your products and/or services and their strengths and weaknesses
- Your community and what is currently going on that may affect future planning
- Your primary and secondary target markets and what they want/need

- The competition and what they are doing
- The external forces that will affect your business
- Opportunities that are available to you and your company

A SWOT analysis is just that: an analysis of the strengths, weaknesses, opportunities, and threats facing your company, and you. The best marketers not only do a SWOT analysis of their company (preferably in the presence of all stakeholders), but they also do a personal SWOT analysis so they can determine how best to make the marketing plan work, based on an understanding of their own strengths and limitations.

Sample SWOT

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	<p>Strengths</p> <ul style="list-style-type: none"> ● Knowledgeable sales team ● Products have a good reputation locally ● Well-known in local area 	<p>Opportunities</p> <ul style="list-style-type: none"> ● Could do well if the market area were expanded ● Website could help with awareness beyond local area ● Could have an online retail operation
<i>N E G A T I V E</i>	<p>Weaknesses</p> <ul style="list-style-type: none"> ● Products not well-known outside local area ● Website is very basic and isn't user-friendly ● Very small budget for marketing 	<p>Threats</p> <ul style="list-style-type: none"> ● Rumors of a large international company with an inferior product but a much larger marketing budget may be moving into the area

A Simple Marketing Plan for Small Budgets

In *Grassroots Marketing: Getting Noticed in a Noisy World*, Shel Horowitz tells how to work your budget.

The minimal marketing budget:

- Free e-mail and a free website
- A series of press releases faxed, e-mailed, or hand-delivered
- Appearances as a talk or radio show guest
- A flier posted on bulletin boards (including the electronic ones)
- Free classified ads on sites like Craigslist, Kijiji, Facebook, etc.

The small marketing budget:

- Same as above but with an Internet domain and a newsletter
- A wider geographic reach for press releases and articles
- Conducting a small local seminar
- Walking the floor at one or more trade shows
- Ad swaps with other newsletters

The \$3,000 marketing budget:

- Same as above plus sponsorship of targeting e-zines
- A Yellow Pages and or online ad (put them where your clients look)
- An active program of appearances as a radio guest
- Bigger seminars
- A brochure
- Getting out and noticed in the community because of what you provide to your clients, or the community as a whole
- SEO (search engine optimization) for your website to make the most of your site rankings

Advertising Myths

There are plenty of myths surrounding advertising, and we'll test some of the more common ones here.

You have to advertise to get business.

Can you think of any companies that don't advertise yet do a booming business? Most people can think of a great little coffee shop or café that has never spent a cent on paid advertising but is always busy.

Advertising is too expensive for small business.

Can you think of a small business that spends a great deal of money in advertising, advertising that works? Again, participants may be able to name pizza companies who distribute flyers, who advertise

regularly in the local newspaper, or who are on local television ads to create the traffic they need. Often, local media outlets provide advertising at pretty reasonable rates to small business in order to provide some level of local content.

There is one best advertising method.

You want participants to realize that the advertising that works is not the same for every company.

Advertising is a one-shot deal.

Again, not so. Repetition of the brand and consistency in presentation are what make an advertisement memorable. When advertising misses, people can remember a great ad, but not the product being advertised. Some of the larger companies that get it right have a memorable logo, sound, or approach to their brand. Think of Ronald McDonald or the M&M candy characters as successes.

If you put your money into advertising, the advertisement does the work for you.

If you don't do your part, the ad still doesn't work. The company must do the work to support the advertising, promote it, and create a memorable, service-oriented customer experience in order to support the advertising.

Creating Desire

Now let's take your marketing efforts a giant step ahead, and create desire to buy your product. Advertisers usually do this by trying to satisfy needs. In times of inflation, many advertisers emphasize the cost-saving aspect of a product or service. This satisfies our need to save money.

What's important is to get to know your customer's needs and try to satisfy them. Abraham Maslow, a famous psychologist, suggested that all humans have five levels of needs that exist in a hierarchy.

Level One: Physiological Needs

These are needs like food, clothing, sex, and shelter. These basic needs must be satisfied before people become concerned with satisfying higher-level needs. Ads for perfumes often appeal to sexual needs by suggesting (often in indirect ways) that by buying the perfume the person will be able to satisfy that need.

Level Two: Safety Needs

This level is about protection against danger and insecurity. All of us seek protection. Ads for insurance companies often appeal to the need for security with slogans like, "Save now for a secure future for your family."

Level Three: Social Needs

This is where the need to belong, give, and receive affection comes into play. Many advertisers successfully satisfy this need. TV commercials for food products often show family and friends enjoying a meal together, where an atmosphere of togetherness is created and a social need is satisfied.

Level Four: Esteem Needs

This is the need for status, recognition, and self-respect). In today's society, these needs are increasingly important. Promotions for credit cards often appeal to status needs. The message is clear: owning this card will give you status.

Level Five: Self-Actualization Needs

The final level is the need for self-development, creativity, and psychological health.

Networking Tips

For some of us, entering a room full of strangers can be pretty daunting, although this is not the case for many people who work in sales and marketing. Even people who are introverts often learn to behave like extroverts in order to make connections and develop relationships. For business and social reasons, we are obliged to get out and meet people.

Many people approach networking with a kind of blanket approach, which is not the best use of their time. Networking with the right intent means:

- Meeting the right people who can lead them to new, paying customers
- Meeting people who have the information that will lead to new, paying customers

The challenge is that at many networking events, members or groups agree to do business with other members before looking outside the attendees. However, many of these groups are attended by relatively small or medium-sized businesses. They are not going to give you access to buyers in larger businesses, and as Jill Konrath writes in her book *Selling to BIG Companies*, there is a different skill set required to sell to larger businesses. You may not want to sell to the largest companies, but selling to bigger companies than you already do makes sense from the perspective of growing sales and increasing your market share.

Decision makers from large companies don't often attend those morning or noon-time networking events. When they do, they can be swamped by salespeople, and you may not get near them anyway. You already know that trying to cold call them or send e-mails is not effective either. Instead, your best strategy is probably one of these:

- Break the company into smaller pieces, and approach the company through smaller divisions or by department
- Meet buyers at places they do go, like trade shows and conferences
- Leverage your existing contacts by asking them to introduce you to the people you'd like to meet

You might be surprised at how willing people are to help you, but your helpfulness in return will also help them, and the relationships build in turn. There is also a strategy of reverse networking, which is a fascinating result of the principle of reciprocity. Reverse networking is based on making introductions rather than blatantly making sales propositions. If you sell insurance, and one of your clients is looking to buy a house, you might recommend your own realtor. You do not benefit from the introduction at the time it is made, but your client and realtor are building a relationship, growing their networks, and in a spirit of reciprocity, will refer people to you when they find people who need what you have.

Networking Tips to Consider

Here are some things that can help you make your networking efforts a success.

- Say “Hello” first.
- Take risks and anticipate success.
- Show others you are a good listener. Practice your listening skills at every opportunity.
- Be able to tell others what you do in a few short sentences.
- Use eye contact and a smile when you meet people.
- Greet people you see regularly, even if you don’t know them.
- Find some common ground with the people you meet.
- Ask others for their opinions.
- Show some interest in the things the other person is interested in.
- Find some good in every person you meet.
- Remember things people told you in previous conversations and ask them about these things.
- Know when to stop talking.
- Compliment others about what they are doing or saying, and say so sincerely.
- Be aware of open and closed body language and monitor your own body language.
- Do an anonymous act of kindness every day.

Text your knowledge

What kind of networking are you focused on right now?

Are you getting the benefits that you expected?

What will you change as a result of what you have learned today?

Further Reading: