

# HOW TO WEED OUT *The Garbage When* MARKETING YOUR PRODUCT



# INTRODUCTION

For decades, business marketers have waltzed into budgeting meetings not always being able to justify how they spent prior funds or how such spending made a difference in the marketing of the company's product. However, this did not stop them from requesting even more marketing dollars for big-ticket events and flashy television and radio ads to get the message out and build up the brand.

Now those days of blind budgeting are gone and a new mantra is quickly taking their place with accountability and measurement. With progressively sophisticated tools and piles of data, marketers have access to evidence of what is and is not working in their strategy for marketing. With this knowledge, they have the power to take a more scientific approach to finding a marketing strategy that works. These days marketers are able to find out the actual ROI of each dollar. Even better, this information is available to them not just annually, but as often as they require. The marketing methods used today are even able to provide a view of the returns that are likely on campaigns in the future. Marketing is no longer an expense or cost, it is an investment.

Top ranking executives such as board directors, CFOs and even CEOs are cutting costs anywhere they can except the marketing budget and are tired of spending money on glossy ads and television commercials that cost more and accomplish less. This is especially true during a time where consumers are spending all of their time on video games and Internet surfing. These executives know that marketing is important to the success of their business, what they are in the dark on is what kind and how much is best.

This is one of the primary reasons that more and more companies are moving their marketing dollars from print and television ads over to direct and Internet marketing. This method of marketing provides companies with fast and accurate measurements of the type of impact their marketing efforts are having on their target audience. The best part is that net and direct marketing only cost a fraction of the cost of traditional media advertising. For example, Daimler Chrysler relies on television ads in favor of events where addresses, profiles and names of prospective customers are available for tracking and collection. They also push online advertising and direct marketing where they can easily measure response rates. They are investing their money in marketing and media outlets that produce hard data to support their return.

More and more companies are becoming obsessed with measuring marketing performance. Industry giants such as Gillette, Kraft Foods and Procter & Gamble are more advanced in this practice, as they have long since chased statistics that link different types of marketing to brand awareness and sales. However, the aspiration to develop an inclusive set of performance measures, what many are calling a marketing dashboard,

is quickly extending to the marketing executives in other fields as well. Xerox utilizes Six Sigma's measurement techniques to analyze the impact of marketing on an array of measures from generated leads to the cost per sale. Home Depot uses a propriety computer model that has sophisticated algorithms to associate product sales with marketing investments.

For most businesses, the intention is to identify and nurture prospective customers and track how they respond to marketing efforts and make a purchase. Marketing return on investment may be one of the hardest things to measure because of all of the details that are involved, but doing it correctly will quickly provide a competitive advantage.

For most companies, highly effective marketing is necessary. It is impossible to be successful without sufficient marketing and sales methods. Prospective customers must know all about what your business can do for them at a price that they are willing to pay. You must know who your customers are and develop a relationship that allows you to anticipate their every need and desire.

This report intends to familiarize you with some of the strategies and concepts that many professional marketing experts use and to show you how these techniques can be adapted to help your business weed out the garbage when marketing your product.

# THE CHALLENGE OF MARKETING

To most business owners, marketing means two things, selling and advertising. However, your business will be more successful if, every once in a while, you take the time to thoroughly analyze your business, services and products as a whole related to your competitors, customers, trends of society and region as well as current conditions.

The main idea behind marketing is to communicate a meaningful difference about your products, services or business ideas to the people who are most interested in making a purchase.

Here are some ideas to keep in mind when you are working to weed the garbage from your marketing strategy:

- **What is unique about your business ideas?**  
The best test for any business is how it compares to the competition. Successful business owners find a way to make their services and products stand out among all of the rest. If your business has a product to sell, you can tap into your uniqueness with your packaging, pricing, features and distribution. You can even give the mere perception of a difference that may or may not actually exist.
- **Who is your target marketing audience? Who are your present customers and to what new customers do you want to sell your product or service?**  
You may know many of your customers by name, but do you really know what kind of business they are in or what kind of people they are? It is very important to have demographic information on your target customers such as income, education, occupation, location and family size. It may also be helpful to know your customers' interests, hobbies, entertainment activities, recreational activities, cultural practices and political beliefs. With this information, you are able to alter your products and services to better suit the needs and desires of the customers to which you wish to sell. With a refined understanding of your customer base, you are able to weed the garbage from your marketing campaign and only spend money catering to the needs of the customers you want.
- **Who is your competition? Are you able to effectively compete in your chosen market?**  
It is important to identify your direct competitors before you make any final decisions regarding in which market segment and business category you compete. It is critical to the success of any business due to the fact that it reduces expenses, time, resources as well as risk. It is highly recommended that you reevaluate the direction of your

business periodically in relation to your competition. Selling products and services at lower prices is not always the best way to deal with your competition and in some cases can actually cause problems for your business.

- **What message do you wish to send to your target audience? What is the best way to position your business so that people will know how special your products and services are and how important they are to these buyers?**

You must evaluate the uniqueness of your business in relation to the other services and products that your target audience is presently using, anything that your company hopes to replace with your own offerings. Differences do not matter if they are not significant enough to influence your customers' purchasing decisions. You should construct a unique selling position for your business. The collection of differences in benefits and features versus the competitions' products is differentiation. By solving the problem of communicating a meaningful difference about your business to the people most interested in making a purchase, you are positioning your business and adding brand value to differentiation.

- **What is your strategy for distribution? How will you get your services and products to your customers?**

Usually, your method of distribution will offer additional marketing channels and give you an opportunity to promote more products. Distribution decisions have noteworthy insinuation for final retail pricing, marketing budgets, product margins and profit as well as sales management practices. Distribution channels include cybermarketing, direct mail, retail, sales force, telemarketing and wholesale.

When you are striving to weed out the garbage to effectively market your product, it is important that you remember the basics:

- Make your product easy to obtain, have repaired and get more of.
- Provide a better value to your customers at an affordable price.
- Make sure that your target buyers are aware of your product and motivated to make a purchase.
- Make sure that the overall quality of your products and service is better than that of your competition.

There are several free webinars that you can sign up for online that will provide you will valuable information to help you face the challenge of marketing your product. By signing up to some of the many valuable business sites on the Internet you will have access to forums and downloads, you will be able to get helpful advice from seasoned professionals and you will also have access to special offers on business services and products.

## **ANALYZE YOUR MARKETING ENVIRONMENT**

Marketing is based on the concept of having an absolute understanding of the environment in which you promote your product. Your product must fulfill your customers' needs in a way that is a better value than what your competition has to offer. It cannot be said enough, you need to know as much as you can about your competition, future market growth, the marketing environment and your target customers. This knowledge will help you weed out the garbage within your strategy for marketing your product.

### **KNOW YOUR COMPETITION**

In this day and age, the opportunities for businesses have dramatically increased, as has the speed at which products are built and presented to the marketplace. Therefore, the necessity for being painstakingly familiar with your competition is also increased.

Here are a few ways to effectively compete in the marketplace without a lot of garbage:

- Know your competition. Your competition may not always be who you think it is. For example, if you sell peanuts your obvious competition is other brands of peanuts, but you must also consider as competition chips, snack mixes, candy, popcorn and gum. There are three levels of competition.

The first level of competition comes from specific brands that are direct competitors to your product and geographic location. In most cases, this competition will offer a product that is transposable with yours in your customers' eyes. You must strive to offer better quality, convenient distribution and more special features to stay ahead of this level of competition.

The second level of competition comes from companies in a different business category or more remote location that offers products that are similar to the products that you have to offer. Competitors at this level may not provide the exact same products as you, but they will pick off the most profitable pieces of your business.

The third level of competition comes from other businesses in competition for the "same-occasion" profits. For example, if you sell gardening supplies, which is a hobby, you will be in competition with other companies who provide hobby supplies. In addition, since gardening is a form of home improvement, you may be in competition with other providers of home improvement supplies.

- Know all of the strengths and weaknesses of your competition. You

need to know as much about how your competition's business and operation details as reasonably possible. Study all of their available promotional material, brochures and advertisements. If possible, visit their location and make a couple of incognito purchases. Talk to some of their customers and investigate their pricing. Find out what they are doing that works and what they are doing that does not work. You can copy to good and capitalize on the bad. You should know the market share of each of your competitors and compare it to your own. You should know how your target audience feels about the products offered by your competitors. You should be aware of the financial strength of your competition, which will affect their budget for promotions, advertisements and other things. You should know the speed and ability of your competitor's novelty for new products. Every competitor has decisive strengths and weaknesses that are points of potential advantage for you.

- Always know your competitors' next move. You should take some time to consider the actions that your competition has planned for the next year or so. You must have knowledge of and understand their objectives, resources and marketplace strengths in order to estimate your competitors' future activities. This intelligence is important to your company in many ways such as your annual forecasts for spending, profits and sales, your direction for future growth, your introduction, success and support of new products, trends of business categories, products and markets as well as your advertising and promotional programs. Competitive intelligence is the difference between reaching your company's goals and losing business that you can never recover.
- Know the spending trends of your competition. Competitive spending trends can significantly influence your marketing plan for your products. The amount of money your competition is willing to spend greatly impacts your ability to obtain attention from your target marketing audience, your introduction of a new product, your commitment to programs and key accounts as well as the success of the products you currently offer.

## **KNOW YOUR CUSTOMERS**

You should know who your customers are and why they chose to buy your product. Once you have your distribution, advertising and promotion in effect, you can focus on what influences your customers such as demographics, culture, needs and desires or lifestyle. If your target customer is your end user, then all of these factors will play a role in identifying and appropriately classifying your customer base.

Nevertheless, if your customers are not the end user there may be other important influences. For instance, packaged goods such as foods and household products are generally purchased by a master distributor in large amounts and sold to local distributors. The local distributors will then

sell to the wholesale buyer for a store chain. Then individual stores buy and stock the product and the customer can make a purchase.

Circumstances where other influences on the customer may be in effect include:

- The profitability of the product plays an important role. The larger the profit margin per item compared to other products in the competitive categories, the greater the chances are of being accepted regardless of the quality of the product.
- Customers are usually influenced by the deals and discounts that you have available for your product. Deals and discounts can drastically increase the sales volume, sales velocity and profit margin of your product.
- Promotional support and advertising is important to any successful marketing campaign. Multi-media television, print and radio mixed with PR support, customer coupons, contests and sweepstakes are effective promotional programs that can be run up to four times a year, anymore would be throwing your money out with the garbage.
- The offer of free merchandise is a great influence to most customers especially among grocery and retail stores.
- Customers are greatly influenced by the relationship that they have with companies with which they do business. This is why it is important to be a good sales person.

The more exact you are in identifying your target customers; the more effective your marketing efforts will be at obtaining sales from regular users. As mentioned before there are two types of target buyers channel buyers and end users.

## **End Users**

In cases where your direct customer is the ultimate user of your product, classification is generally done on the basis of lifestyle and demographic.

Demographics are perceptible, widely facts that set apart one group of customers from another such as:

- age
- children's age
- education
- ethnic background
- family size
- location
- occupation
- sex

An analysis of your customers' lifestyle focuses on the less tangible factors such as:

- cultural background
- entertainment preferences
- food preferences
- literature preferences
- media habits
- music preferences
- political belief
- recreation and hobbies
- religious belief
- restaurant preferences
- social interaction patterns
- travel preferences
- value system

For example, tobacco and alcohol users are not identified easily by demographics because they can be found in any socioeconomic category or age group. Nonetheless, a lifestyle analysis would show that these customers share similar characteristics such as music preferences, patterns of social interaction, recreational activities, media habits and other qualities. If you can identify specific characteristic elements such as these, you will be able to alter your advertisements and promotions to better appeal to your target customers and stop wasting money on all of the garbage that is not beneficial to your marketing goals.

### ***Channel Buyers***

If you sell your products to other companies that resell to other buyers, then your customers are primarily channel buyers. Examples of channel buyers include, but may not be limited to:

- chain store wholesale buyers
- individual retail buyers
- local distributors
- master distributors

Influences on channel buyers may include cash fees, discounts, free goods, personal relationships and profitability. Channel buyers can be divided into business-to-business markets, consumer markets and government.

Business-to-business and government customers are prone to several different influences that just those of others such as:

- an inelastic market where the demand for goods is not substantially impacted by a considerable price change
- defined sales and broker relationships
- delivery rates, timing and reliability
- dependent upon end user demand and buying patterns

- fewer buyers
- larger business transactions
- long-term inventory needs and material supply trends
- macroeconomic trends both nationally as well as internationally
- plant capacities
- regional concentration of buyers
- suppliers' financial resources

Buyers in the consumer market face different influences in comparison to government and business-to-business buyers such as:

- an elastic market where the demand for goods is easily impacted by the slightest price change
- direct company sales to buyers or broker relationships
- end users are influence by promotion and advertisement spending
- direct dependence upon the buying patterns of their end users
- local, regional and national buyer concentration
- small to large transactions
- several buyers at multiple levels within the same company

Channel buyers may or may not directly purchase the products that are offered by your company. There are several different roles to be played in the buying process of the customers of a large supplier such as:

- consultants
- buying committees
- department managers
- department advisors
- head buyers and assistants
- management
- purchasing department personnel
- store managers

It is common for the majority of chain stores to conduct a new product survey with the store managers' indication of quantity and intent. New products may be evaluated by the above listed parties to ensure that technology, store policies, margins, distribution, retail pricing, shelf life, profit, warehousing and promotional program standards and goals are being met by the supplier.

By focusing your marketing dollars on the largest consumer influences and throwing out all of the unnecessary garbage, you will see a positive impact on your bottom line.

## **KNOW YOUR MARKET**

It is important to know the market in which you are competing. The segment of the market to which you sell may only be a small fraction of the whole market. Each marketing strategy must be evaluated with the following in consideration:

- the market that is available for product distribution
- the market that purchases competitive products
- the market that your business can serve
- the market to which your business can effectively distribute and advertise
- the market that is interested in the products you have to offer
- the market as a whole

## **DO YOUR RESEARCH**

In today's world, all businesses must have timely and accurate information at their disposal in order to be a success. It does not matter if you own a big company or a small company, even with just the right amount of experience, equipment, financing and talent you may not have enough to succeed without a constant flow of accurate business information available to you. The information that you obtain through your research will be a major help in eliminating the garbage that is wasting time and money in your marketing strategy.

Most large companies use lengthy, sophisticated methods of market research in order to find out as much as they possibly can about their customers. While you may not be able to afford a separate department for market research to collect and monitor any information that may be of assistance to you, all successful businesses are aware of their competition, markets and the needs and desires of their customers. It may not be enough to know how, what, when and where in relation to your product sales, but also why. It is important that you know why people purchase your product. Expect to include in your budget time and money for research.

### **DETERMINE THE OBJECTIVES OF YOUR MARKET RESEARCH**

The first thing that you need to do when it comes to market research is determine what it is that you wish to accomplish through your research. The type of information that you seek will determine the kind of research that you need to do within your particular budget restraints.

Host focus groups and interview groups of people from your target audience to obtain information about how your customers feel about your product category and the various buying occasions, brands and products. You can also obtain information on the needs and desires of your target audience from industry experts or industry trade organizations.

Some companies find blind tests helpful where laboratory tests are conducted without the participant knowing particular brands, packages or

product names. Other companies advance to field-testing of prototype products.

## **BECOME FAMILIAR WITH MARKET RESEARCH PROCEDURES**

Procedures of market research can generally be broken down into primary and secondary research.

### **Primary research**

Primary research deals with the implementation and design of data that is gathered from the source. The advantage to this type of research is that you can obtain information on particular problems and questions, not simply information that applies to the general industry. Primary research is either experimental or non-experimental.

The researcher can manipulate and control the research environmental elements in experimental research to measure each variable's affect. Experimental research is used most often to test:

- customer acceptance of new products on levels of both trial and repeat purchase
- the effect that different packaging has on sales
- the effect that different pricing has on sales
- the effectiveness of your advertising
- the effectiveness of your competition's advertising

There are two different groups for experimental research:

- In laboratory studies, practically all variables are kept under the control of the researcher except for the variable that is being tested. The testing is usually performed on the grounds of a research facility.
- In field studies, test marketing of the product is done at a few locations to evaluate the reaction of the customer.

Most businesses will generally bypass the more expensive laboratory tests and use the information that is collected through field studies.

Non-experimental research is done alongside the regular business course in an environment that is not as effectively controlled as with experimental research. With this form of market research, the variables of business are not easily isolated. This type of research focuses on the measurement of the entire product as opposed to its segmented parts.

Non-experimental market research can be effectively divided into two different categories:

- In qualitative research, you can get several individual reactions from a

- restricted amount of test participants.
- In quantitative research, you can get the reactions of several test participants to restricted number of queries.

Many companies use non-experimental research to test:

- buyer evaluation of brand positioning, advertisements and packaging
- buyer response to new products and improvements to existing products
- a new competitive formula
- the effect of a price increase on customer purchases

## **Secondary Research**

Secondary market research is the easiest and cheapest kind of research that a business can conduct. Keep in mind, however, that secondary market research may not be as reliable as primary market research due to the fact that the information that you receive has not been developed with at particular situation or problem in consideration.

Nonetheless, secondary research is the only type of research available for some information regarding the market share of your competition or the total number of potential consumers for your new product.

Secondary market research can be effectively broken down into two categories:

- External research looks at data collected by trade organizations, industry experts or some other company that specializes in collecting various industry data.
- Internal research is data that is collected by your business for reasons other than market research that you can still use to measure the future of the market.

## **POSSIBILITIES OF MARKET RESEARCH**

There are several available marketing techniques. Some are not appropriate or affordable for all companies. Managers should be more proactive and creative when it comes to:

- accepting the possibility of a great number of errors in the predictability of the research results because of small sample sizes, small budgets or samples that are chosen in a way that is not totally random
- analyzing and conducting the necessary research yourself or with personnel from within your company
- deciding to do a restricted amount of market research by setting an

- affordable budget
- working closely with market research experts or outside specialists to define problems with your research and create a design for research

With the right strategies and concepts you will be able to identify and eliminate the useless garbage that is taking up valuable time and money in your marketing strategy, opening up a whole new world in which you can successfully market your product.

# CONCLUSION

The information featured in this report is simply a stepping-stone to what is available to help your business grow and thrive.

Starting your own business has long been popular in the world of print newsletters and magazines. Now the acceptance is big in the Internet world. There are websites that deal with running a business from home or making money from online auctions. More professional sites are available that help entrepreneurs and established business owners with their funding ideas and business plans.

Another fast growing sector of information that is available through online publishing are sites that help make existing companies even more successful. Subscriptions to these sites allow likeminded business people within similar industries to share tricks and tips that will help in the development of their businesses.

Internet marketing has become its own sector with dozens of membership sites popping up over the past five years or so. They examine every niche-marketing subject such as SEM, SEO, pay per click, social media marketing, etc.

Newsletters featuring investment and marketing tips have been around for a while in print and now they are growing increasingly popular on the Internet as well. The advantages of subscribing to an online newsletter include access to real-time updates, discussion forums where members can trade tips, archives filled with trading information so members can recall prior recommendations as well as interactive charts.

Business related eBooks that can help you identify and weed out the garbage from your marketing plan can be easily purchased and downloaded from the Internet. This is a great way to obtain immediate access to the most helpful information.

You are encouraged to seek as much information as you can find and educate yourself on the many different aspects of successfully marketing your product garbage-free.