

# MARKETING STRATEGY

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The market plan is one of the most important planning tools for businesses. It is used to determine if there a market for the products or services. Recent years has seen a switch from creating a product or service that meets the consumers' specific needs as opposed to creating demand for the products or services. Once the product or service has been chosen, the market must be analyzed. This is where the market plan comes in.

A plan has four basic functions:

1. It tells individuals what resources are required.
2. It shows what specific things need to be done.
3. It gives goals that are measurable.
4. It forces the "homework" to be done.

The best way to start to generate a market plan is to:

1. Begin with the objectives of the business.
2. Generate a marketplace perspective
3. Determine any constraints or limitations
4. Make an outline of the key elements or tactics needed.

Marketing plans are built around the "marketing concept" theory, which gives structure to identifying and satisfying the customer's needs.

## **THE MARKETING CONCEPT**

The market concept theory is based on the importance of the customers to the business. The basis is that all policies and practices of the business should be based upon the goal of satisfying the customers. In order to use the marketing concept, four steps need to be achieved:

1. MARKET RESEARCH - determining the demands or needs of the customers.
2. MARKET STRATEGY - analysis of the competitive advantage.
3. TARGET MARKETING - selecting which specific markets to serve.
4. MARKET MIX - determining how to serve the needs for the target markets.

### **MARKET RESEARCH:**

The gathering of information about the present and prospective customer needs. This most commonly done through questionnaires and surveys.

### **MARKET STRATEGY:**

Small Businesses can gain a competitive advantage over larger competitors by tailoring their products or services to meet the demands of the individual customer. This tailoring can be done through the means of the product/service offered, price, promotion, and distribution. The above are known as the marketing mix. Another advantage is that small businesses offer a more personalized interaction with the customer.



### TARGET MARKETING:

Small businesses often have constraints or limitations to the amount of resources available for marketing their products or services. Therefore, they need to target a few specific markets in which to concentrate their efforts. In order to choose the optimal market(s) to target a segmentation of the total market is needed. The three ways to segment the markets are:

1. *Customer segmentation* - identifying and marketing to the group(s) of people that will be the heavy consumers.
2. *Product Segmentation* - identifying and marketing the existing best selling products or services to gain market share before marketing any new ones.
3. *Geographical Segmentation* - identifying and marketing to the specific geographical area(s) that contain the heavy consumers.

### MARKET MIX:

This involves determining the proper mix of the product or service offered, promotion, price, and distribution in order to meet the needs of each of the target markets.

*Product/Service Offered* - need to chose whether to produce a specialized product/service for certain customers or produce a more generic product/service for a wide range off people.

*Promotian* - determining the proper channels or means for promotion. This might include advertising through direct mail, flyers, point-of-purchase displays, mass media, etc.

*Pricing* - the price of the product/service must be competitive, although small businesses can often charge slightly more due to the personalized attention that they offer.

*Distribution* - involves the choice between whether to distribute the products/services through a retail or a wholesale means. Also it involves the location of the business.

### SUMMARY

Successful businesses must develop a marketing plan. With the increase in competition it has become important to know the customers' needs.

