

THREE BASIC QUESTIONS OF MARKETING

Marketing is full of theories. You must have seen hundreds of books on the subject covering everything from “Product Lifecycles” to “Unique Selling Propositions”

Theories are fine, in their place. If you run a small business and have no previous marketing experience, then I suggest that you forget the theory for the time being and ask yourself three basic questions. However, before you ask the questions let me try to explain what marketing is.

Marketing is not about selling what you make but making what you can sell. The whole philosophy revolves around satisfying the needs and wants of customers, not those of the company. Most small businesses start up making something or selling a service of which the proprietor has considerable experience. The company then tries to find customers rather discovering a real customer need first and then setting out to fulfil it. Theoretically this is the wrong way round but since it is the way most small businesses start we must accept the inevitable. Perhaps the best guide to marketing is the definition. “Marketing is the management process for identifying and anticipating customer requirements profitably.”

THREE BASIC QUESTIONS

Are there sufficient customers who need and want my services?

This is a question that must be answered positively and should be based on real, quantifiable knowledge, not on a hope or expectation. Too much enthusiasm may cause you heartache later.

IS THERE ROOM FOR ANOTHER SUPPLIER IN THE MARKET PLACE?

If the answer to this question is ‘Yes’, then you have the basis for a business, always assuming your own natural enthusiasm has not led you astray and that you have sufficient capital to meet the demands of the business. These days most markets are over supplied which is why so many businesses have to cut prices. (Frankly, very few new businesses have enough capital in terms of cash but talent and willingness to work long hours are capital of a sort and can often overcome a lack of the real thing.)

WHAT BUSINESS AM I IN?

This may seem like a strange question but it is vital. Answer it incorrectly and you will be in real trouble. It is not as easy to answer as you think. The managing director of a large cosmetics company was once asked this question, to which he replied: “in the factory we make cosmetics and in the shops we sell hope”. A shrewd answer.

Ask yourself, what do your customers buy from you? If you run a restaurant do they buy sustenance, romance or status? Restaurants can and do sell all three, but seldom all at once. The answer will govern the way in which you present and sell your business. Get it wrong and you will not last long. This is not just about your image but the core reason for your activities. A company, like any product or service, has both features and benefits.

A ball-point pen has a clip, a top, an ink reservoir and a point. These are features but no-one buys the features; they buy benefits. The benefits of those features are that the clip stops you losing the pen, the top stops ink staining your jacket, the ink reservoir and the point enable you to communicate with other people around the world.

Style and a well recognised brand may also provide status for the purchaser and command a premium price. Find out what benefits your potential customers want to buy and then set about supplying it. This should help you decide what business you are in. Whether a restaurateur is in the entertainment, the romance or the sustenance business, he needs to know which.

This article is only 672 words long, adding to the millions of words that have already been written about marketing. Once you have answered the three questions you will find it useful to read a few thousand more words on the subject. They will help you become more effective in the way you run your business.