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For: Growing Business #4 (Marketing@Home)

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Marketing Begins at Home: Who and How

Stop passers-by on a busy high street and ask them about ‘marketing’. Very likely nine out of ten will chat about advertising – meaning glamorous consumer stuff. Similarly talk to a business that wants ‘marketing’. Usually they say they need “some advertising (or PR or direct mail or, latterly, a Facebook page)”. To which I long ago learnt to reply to the effect: “if that’s the answer, what exactly was the question?”

Let’s start again. Simply and effectively, five words sum up marketing.

It’s about ‘creating and retaining customers profitably’.

Every word matters. And, please note, our old friend advertising didn’t rate a mention.

THREE QUESTIONS

To deliver on those five words and build a clear proposition, good marketers answer three questions. First, how does your business actually create value for its customers? Replies range across four principal dimensions: for example, a super efficient and/or highly flexible process or factory, competitive pricing, innovation capability or perhaps powerful customer connections in your distribution. Second, since in some markets competitors share the same value-point, what combination of benefits creates true differentiation for you?

Third, and most crucially, comes the ‘who’. Who will buy your differentiation? Who is/will the business talk to and engage with? Today - and tomorrow as it develops. This is much more than basic demographics (gender, age, disposable income etc). Today’s successful business builds a living, breathing profile of its ideal customer. And it goes out to engage actively with them.

FINDING YOUR CUSTOMER

How? By replicating the successful corner-shop. Owners know key customers and clusters in individual detail. They will, for example, stock a long-forgotten sardine brand because it secures old Mrs. Smith’s loyalty for everything else. Or by learning from the top consumer brands. Their marketing teams may

never meet young Mr. Smith but they can describe him, his background and his lifestyle with poster-like clarity.

So who's your Mr. Smith?

Very small high-value/low-volume businesses, of course, will quickly recite an entire customer list. But that's not quite the point. They need to identify preferred customers (easy to work with, most profitable) and work on an ideal profile to help find more. So beyond a specialism (say 'we work in the electronics sector'), they can point perhaps to 'female HR directors aged about 40 who...'.

Slightly larger and low-value/high-volume businesses will need, sorry, to work on their databases. Yes, it may be hard work but, *no*, it often doesn't need a flashy CRM package or other 'solution'. Your customer data, however stored, is quite simply a treasure trove. And, once aggregated and interrogated (across billing/payments, deliveries/logistics, orders and contact data), even the most basic data-set may yield up intriguing patterns and trends to competent analytics. True it will probably tell you things you didn't want to hear (some customers and/or produce lines cost you money) but it will also help you find Mr. (or Mrs.) Smith.

Try it. For many exploiting the value of an integrated database will transition customer records from the day's final chore to its most worthwhile moment. Well maybe!

And it will mean your marketing needs begin from the ideal customer – not the advertising or Facebook answer.

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