Marketing and Communicating With Your Customer

Dr. Maria Marshall
Department of Agricultural Economics
Overview

• 4Ps of Marketing
• Setting Marketing Objectives
  – Set your own objectives
• Promotion Strategies
  – Develop your own unique selling proposition
• Facebook
• Communication Strategies
The 4 Ps of Marketing
What Is Marketing

• The process of creating and delivering desired goods and services to customers
• Involves all of the activities associated with winning and retaining loyal customers
Linking Seller and Buyer

The seller’s four Ps
- Product
- Price
- Place
- Promotion

The buyer’s four Cs
- Customer benefit
- Customer cost
- Convenience
- Communication
Market Opportunity

An area of buyer need in which a company can perform profitably.
Objectives and Marketing Strategy

- Objectives
  - Decide on plan’s financial objectives
  - Decide on plan’s marketing objectives
- Marketing Strategy
  - Outline of the “game plan” to accomplish previously stated objectives
- Action Programs
  - Exactly how you will carry out the “game plan”
What is a market?

• A market is the set of all actual and potential buyers of a product.

• An available market is the set of consumers who have the interest, the income, and access to buy the product.

• Consumer interest is not enough to define a market.
Consumer Segments

• Benefit segmentation
  – Taste, nutrition, safety, appearance, or convenience
• Demographic segmentation
  – Age, income, education, sex, nationality
• Occasion segmentation
  – Eating out for business, pleasure, or to save time
• Lifestyle segmentation
  – Yuppies, soccer moms, college students, vegetarians
Defining Your Customer

• What are three different types of customers you’d like to reach?
  – Urban, soccer mom, health conscious
• Where will they come from?
  – 100 mile radius
• What is their income range?
  – $40,000 to $150,000
• Why will they be your customer?
  – We provide organic fruit pies not offered elsewhere
• What do they require from you to remain your customer?
  – Quality, timely delivery, credit card processing
Channels of Distribution
Consumer Goods

Manufacturer → Consumer

Manufacturer → Retailer → Consumer

Manufacturer → Wholesaler → Retailer → Consumer
Price

• Depends on three major factors:
  – Company’s cost structure
  – What the market will bear
  – Desired company image
Pricing Factors

- Product or service costs
- Supply and demand
- Sales volume
- Competitors’ prices
- Firm’s competitive advantage
- Economic conditions
- Business location
- Seasonal factors
- Credit terms and purchase discounts
- Desired image
Distribution Channels and Prices

- **Mama Mia**
  - $4.32

- **Consumer**
  - $4.32

- **Retailer**
  - $1.85

- **Consumer**
  - $6.17

- **Wholesaler**
  - $0.65

- **Retailer**
  - $1.85

- **Consumer**
  - $6.17
## Price-Quality Strategies

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<th>Price</th>
<th>High</th>
<th>Medium</th>
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<td>Premium Strategy</td>
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<td>Rip-off Strategy</td>
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Setting Marketing Objectives

**S**pecific, **M**easurable, **A**ttainable, **R**elevant, **T**ime Based

PIFF | Purdue Initiative for Family Firms
Marketing Objectives

• Include targets for managing customer relationships.

• Target may include:
  – Acquiring new customers
  – Retaining customers
  – Increasing customer loyalty
  – Increasing customer satisfaction
It Pays to Advertise!

Promotion
Promotion

- Involves publicity, personal selling, and advertising.
- Goals:
  - Create brand image
  - Persuade customers to buy
  - Develop brand loyalty
Promotion

- The choice of promotion tool depends on:
  - Who you want to reach
  - What you want to accomplish
  - What you want to communicate
  - How your target audience prefers to receive the message
# Promotion tools

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<th>Promotion Tool</th>
<th>Use</th>
<th>Examples</th>
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<td>Advertising</td>
<td>Communicate with large audience</td>
<td>Television, newspaper, internet, brochures</td>
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<tr>
<td>Sales Promotion</td>
<td>Get immediate response, reward existing customers</td>
<td>Samples, coupons, premiums, contest, games, demonstrations, trade shows</td>
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<td>Public Relations</td>
<td>Build positive image and loyalty</td>
<td>Event sponsorship, news releases, media kits, presentations</td>
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<tr>
<td>Personal Selling</td>
<td>Reach customers individually, strengthen relationships</td>
<td>Sales appointments and meetings</td>
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Product Adoption Process

Awareness
Interest
Evaluation
Trial
Decision
Reinforcement
Promotion

• It takes 7-9 contacts to make a consumer into a customer
• It takes consistency
• It takes repetition
• It takes a clear and concise message
• It takes focus
• It takes an investment
Using Facebook

• Set up your page so that it is appealing to your target audience
• Facebook helps to create awareness
• Create compelling content
Facebook Do’s

• Follow the 80/20 rule.
  – 80% of your posts should be social
  – 20% should be related to your products and services

• Acknowledge customer interactions
  – Respond within 1 hour or no later than 24 hours

• Keep posts under 80 characters
Facebook Do’s

• Build your following organically
  • Create special offers only for Facebook fans
  • Create great content with photos and links
  • Quality fans are more engaged

• Do not post more than 1-4 times a week, 1-2 times a day
  • 82% of people think it’s a good place to interact with brands
  • 47% don’t like brands on Facebook because it clutters up their newsfeed.
Facebook Do’s

• Ask questions and post enticing content
  – Question posts have 92% higher comment rates than non-question posts
  – Ask the question at the end of the post
    • 15% higher overall interaction rate and 2 times higher comment rate (Salesforce Buddy Media)
Developing an Communication Strategy

• Identify target audience.
• Define the purpose of the communication.
• Design a message and pick the appropriate media for it.
  – Build message around a *unique selling proposition*.
• Evaluate the program’s effectiveness.
Developing A Unique Selling Proposition (USP)

- **USP** - A key customer benefit of a product or service that answers the critical question that *every* customer asks: *"What's in it for me?"*
- Identify your product or service's USP by describing the primary benefit it offers customers and then list other secondary benefits it provides.
Developing A Unique Selling Proposition (USP)

- Briefly list a few facts that support your product’s USP.
- Then, focus your communication to stress these top benefits and the facts supporting them!
Developing a Value Proposition

- For (target market)
- Who (statement of need or opportunity)
- The (business name) is a (product/service category)
- That (key benefit)
- Unlike (primary competitive alternate)
- Our business (primary differentiation)
- Is available (where)
Formulate the Message

• Rational appeal:
  – Message focuses on facts and logic to motivate a response.

• Emotional appeal:
  – Message focuses on feeling to motivate a response.
Formulate the Message

• Follow the AIDA framework
  – ATTRACT the audience’s attention
  – Hold its INTEREST
  – Create DESIRE
  – Motivate ACTION
Tips for Effective Communication

• Use advertisements, themes, and vehicles that appeal to diverse groups of people within your target market.
• Emphasize the benefits that the product or service provides to the customer.
• Plan more than one type of communication at a time.
• Set long-run objectives.
Tips for Effective Communication

• Limit the content of each ad, post, tweet.
• Choose the media vehicle that is best for your business.
• View communication expenditures as investments, not as expenses.
• Evaluate the cost of different advertising medium
• Devise ways of measuring your effectiveness.
A Five-Sentence Communication Strategy

1. At whom are you aiming the communication?
2. What is the purpose of this ad/post?
3. What key benefit can you offer customers?
4. What response do you want from your target audience?
5. What image do you want to convey?
Advertising

• Should be purpose oriented
• Advertising program should have specific, measurable objectives
• Should be targeted to specific market segment
• Built around a unique selling proposition
  – A key customer benefit of a product or service that sets it apart from its competitors
Six Sentence Advertising Strategy

• Primary Purpose
  – What is the primary purpose of our ad?
• Primary Benefit
  – What unique benefit can we offer customers?
• Secondary Benefit
  – What other key product attributes support our unique product benefit?
• Target Audience
  – At whom (what market segments) are we aiming this ad?
• Audience Reaction
  – What response do we want from our audience?
• Company Personality
  – What image do we want to convey in our ads?

*Adapted from Effective Small Business Management: An Entrepreneurial Approach by Norman M. Scarborough and Thomas W. Zimmerer
Conclusion

**Link**

– Product to customer benefit
– Price to customer cost
– Place to customer convenience
– Promotion to customer communication
Contact Us

• Maria Marshall
  – mimarsha@purdue.edu
• Purdue Initiative for Family Firms
  – www.purdue.edu/piff