

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



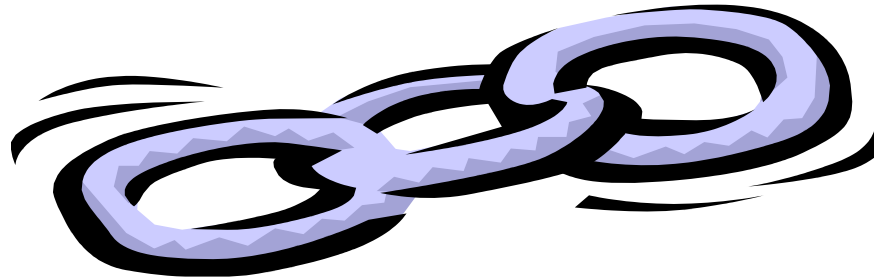
Linking Seller and Buyer

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.

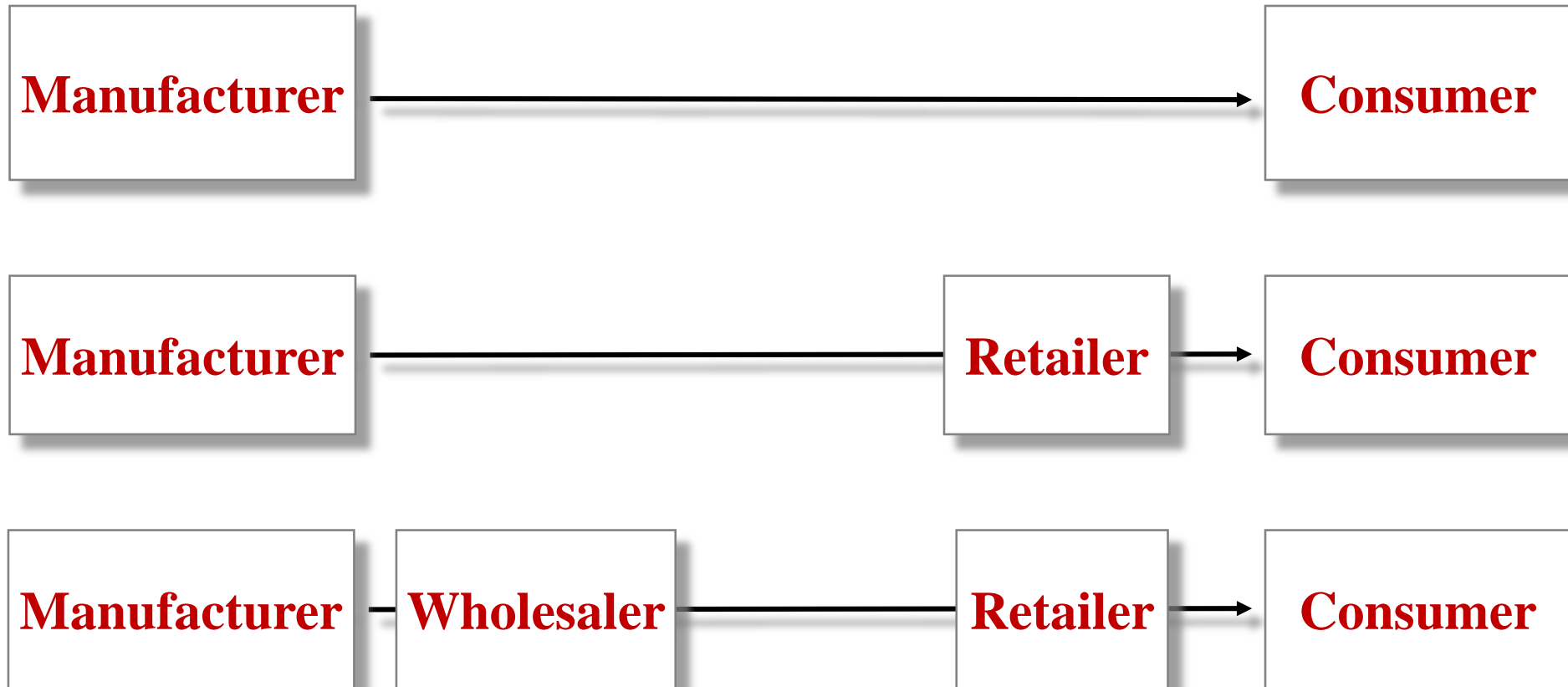
Consumer Segments

- 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



Price

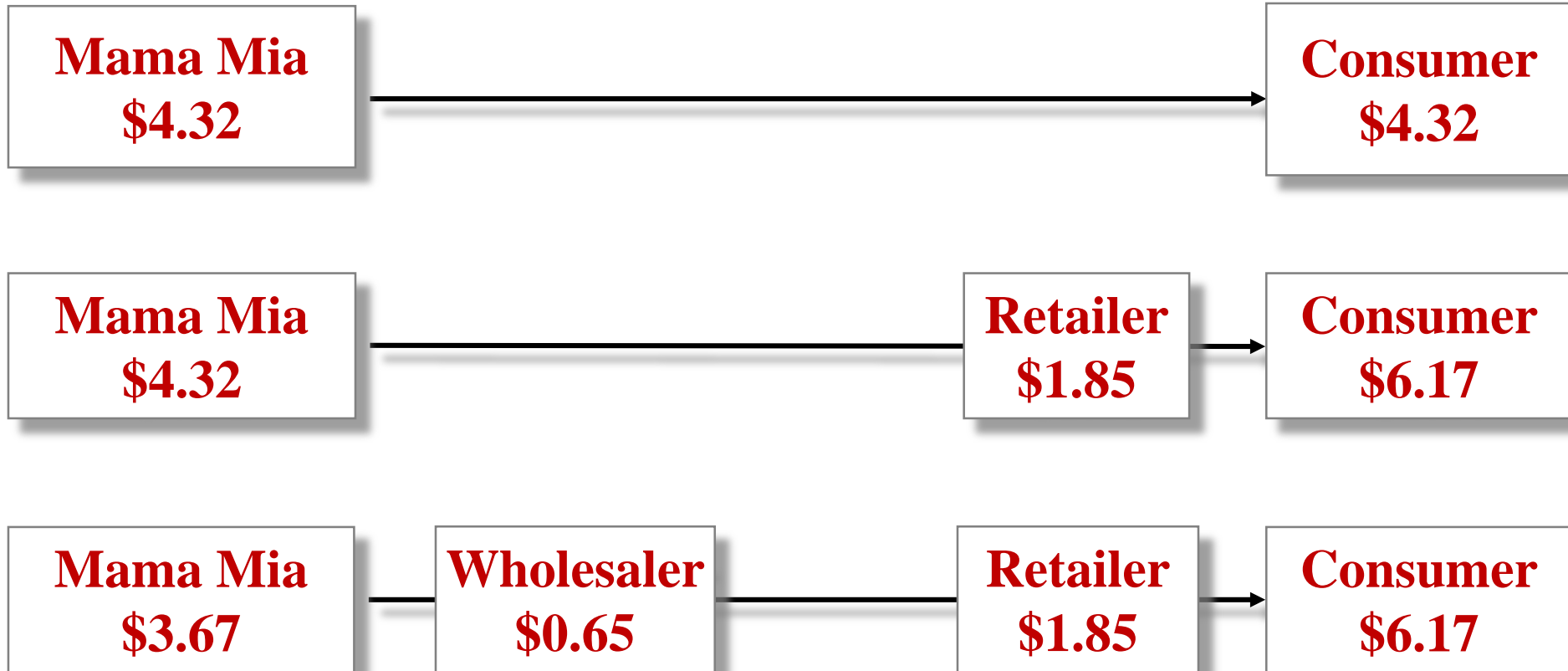
- Depends on three major factors:
 - Company's cost structure
 - What the market will bear
 - Desired company image



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



Price-Quality Strategies

		<u>Price</u>		
		High	Medium	Low
<u>Product Quality</u>	High	Premium Strategy	High-value Strategy	Super-value Strategy
	Medium	Overcharging Strategy	Medium-value Strategy	Good-value Strategy
	Low	Rip-off Strategy	False Economy Strategy	Economy Strategy

Setting Marketing Objectives

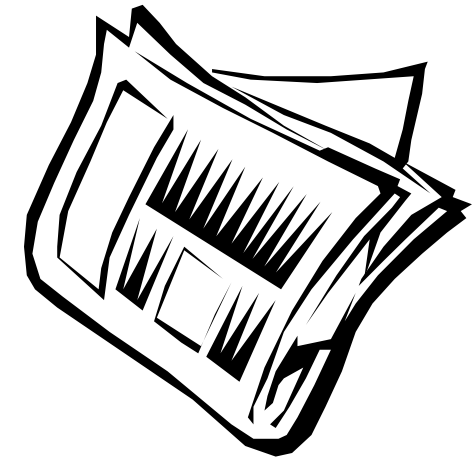


Marketing Objectives

- Include targets for managing customer relationships.
- Target may include:
 - Acquiring new customers
 - Retaining customers
 - Increasing customer loyalty
 - Increasing customer satisfaction



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

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

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?

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