

MARKETING FOR THE SME

In today's global economy with the power of the Internet, customers have access to an infinite level of information on products and services. So what makes your company different from any other? Is it your product? Is it your service? Whatever it is, it's why customers come to you rather than going elsewhere. Yet in such a global marketplace such differences are not static. Competitors will observe that what you do sells and will seek to copy or go one step further.

To maintain its uniqueness, a company needs to constantly reassess what its customers want and re-evaluate its offer to meet those requirements. Marketing is often stereotyped into front end marketing communications such as brochures, direct mail, advertising, PR, exhibitions and web sites. Whilst vitality important, to limit marketing to these alone without an understanding of the market place in which a company operates is costly and misdirected.

Effective marketing need not be only for the large organisations with major budgets to spend. Within the tile and stone industry many companies may have relatively small budgets when compared to businesses in the consumer sector. Long ago, Peter Drucker, the father of business consulting, made a very profound observation that has been lost in the sands of time:

Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business.

Whether you have a fully resourced marketing department, or are performing a marketing role on a part-time basis, below are some key principals to uphold:

Understand your Market

Spend time understanding your target market. Are you seeking to appeal to the mass market or are you aiming at a niche?

Monitor the offerings and activities of your competitors.

Clearly define your market and study the trends, understand how it is changing, consider new technologies and what effect will these have on your business and that of your competitors.

Consider your existing markets. Are they growing and will they continue to grow? If not, focus on developing new markets.

Regularly consider new market opportunities for your products and services. Do the needs of these new markets provide you with the potential for developing sales of existing products or with the opportunity for new product development and introduction?

Understand your Customers

Do you understand who your customers are? Understand your target audience, what are their needs? Are they aware of your products and services? More and more businesses are realizing the importance of segmentation – the process of subdividing customers and prospects according to common attributes and characteristics relevant to the product or service.

Consumers will be interested in different aspects of your offering to members of the trade. Architects, House Builders, Housing Associations, Tiling Contractors and Builders Merchants will each have a different set of needs. You need to know who makes and influences the purchasing decision. Promote the appropriate benefits to each group.

Consider obtaining feedback from your customers, find out if they are happy with your performance. Are they receiving what they want and how does your service compare with your competitors?

Understand your Brand

Whatever size your business, Brand is still a key differentiator. Your customers all have a perception of your company which relates to their experience in dealing with your organization. This will be based not only on your advertising, PR, direct mail, and web site but on company letterheads, how products are presented in store or through samples, the way your staff behave, and on what other customers may say about you. This view of your brand happens, even without you directly intending to create it.

Spend time to agree what is the core message and key attributes that you want customers to have of your business and then create a plan to ensure that all forms of communication are consistent with them. Communicate the message to your staff and gain their commitment to the company's core values.

Now Communicate

Perhaps the most easily recognized area of marketing, communications without an understanding of the market, customers and brand, is simply the luck of the draw.

Once it has a clear understanding of these key areas of the business, then a company can consider a number of options for communicating its core message to customers and prospects, such as brochures, direct mail, advertising, PR, point of sale, exhibitions and e-commerce.

Not all will be relevant or necessary, but having invested time understanding its market and customers, working with a limited or significant budget, an organization can make an informed choice about which items from the marketing tool box will be effective in achieving its objectives.

Added value not reduced prices

Relying on price as a point of difference is very risky especially for SMEs. Customers are always looking for added value. They will question on a regular basis why they are using a particular product or service. Does it still offer the best value for their requirements? To retain their customer-base, companies constantly have to reassess and aim to improve and enhance their offering.

Fail to do this and a competitor will muscle in. If you do not dare to be different and maintain points of difference you remain average and in a competitive global market place average is just simply not good enough.

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