Topic 9

Market new business ventures

Learner Guide

Table of Contents

BSBESB404 – Market new business ventures

Application

This unit describes the skills and knowledge required to develop and implement a marketing strategy that is integrated into the business plan in order to improve the performance of a business venture. It involves analysing and interpreting market data.

The unit applies to those establishing a business providing self-employment, as well as those establishing a new venture as part of a larger organisation.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Performance Criteria

Element *Elements describe the essential outcomes.*	**Performance Criteria** *Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Develop marketing strategy for business venture	**1.1** Identify focus of marketing activities according to business plan objectives and products and/or services being provided **1.2** Establish marketing objectives in consultation with required people and according to business plan and workplace procedures **1.3** Identify customer base, target market and competitors according to identified marketing objectives **1.4** Establish and evaluate strategy to ensure ethical and cultural appropriateness and alignment with customer and industry expectations
2. Establish marketing mix for the business venture	**2.1** Assess product mix, volumes and pricing opportunities according to marketing focus and business plan objectives **2.2** Research and evaluate costs and benefits of available distribution channels and customer service strategies **2.3** Select marketing and promotional activities to suit target market and according to marketing strategies **2.4** Analyse customer journey to evaluate marketing mix
3. Implement marketing strategy	**3.1** Plan marketing activities according to marketing objectives and strategy and budgetary requirements **3.2** Communicate roles and responsibilities to required people according to marketing plan and workplace procedures **3.3** Monitor implementation of marketing activities according to marketing plan **3.4** Assess use of digital devices, platforms and technologies for effectiveness in implementing marketing activities

Element *Elements describe the essential outcomes.*	**Performance Criteria** *Performance criteria describe the performance needed to demonstrate achievement of the element.*
4. Evaluate marketing performance	**4.1** Assess business performance according to business plan objectives **4.2** Develop a plan to address performance gaps **4.3** Analyse stakeholder response to all aspects of marketing mix to improve targeting and outcomes **4.4** Assess changes in customer requirements in both online and offline environments, where applicable, and identify opportunities for improvement

Assessment Requirements

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- Develop and implement a marketing strategy for a business or new business venture, addressing activities in the digital environment.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- Workplace processes and procedures for:
    - developing marketing objectives and marketing mix
    - identifying industry market trends relating to marketing new business ventures
    - communicating roles and responsibilities in marketing strategies to those involved
- Key features of a marketing mix that addresses market and business venture needs and:
    - optimises sales and profit
    - evaluates costs and benefits
    - determines customer needs and promotional activities

- Ethically and culturally appropriate practices relating to marketing new business ventures
- Performance evaluation methods relating to marketing strategies
- Methods of:
    - analysing costs and benefits of marketing strategies
    - monitoring customer satisfaction
    - conducting market analysis and research
- Key features of current digital devices, platforms and technologies that achieve marketing objectives by engaging, responding to and monitoring customers.

Chapter 1: Develop marketing strategy for business venture

1.1 – Identify focus of marketing activities according to business plan objectives and products and/or services being provided

By the end of this chapter, the learner should be able to:

- Examine their own business to understand how it operates and what it offers
- Identify what their short-term and long-term business objectives are
- Identify their organisation's key products and services.

Identify marketing focus

Marketing is essential for all businesses, especially those providing self-employment and establishing a new venture. The way that you market your business and the objectives that you set for yourself and your team will be determined by the type of business you work for. You will need to consider how your organisation is set up, the types of products and/or services it provides, the reputation it currently has and the reputation you want it to have, as well as the target market you aim to sell to. This will give you a basic level of understanding of your business and will lay the groundwork for developing your marketing strategy and marketing activities. Understanding your business aims, customers and competitors will help to improve your overall market focus.

When analysing your business, you will need to consider:

- The size of the business
- The organisational structure of the business
- The number of people you employ
- The size of your store/workplace and the level of infrastructure you have in place, including technology
- The types of products/services you offer
- Whether your interactions and transactions with customers happen online or physically

- Industry and legal regulations which apply to marketing in your sector
- Current marketing strategies and their degree of success.

Business plan objectives

Your organisation's marketing objectives and activities will be dependent on the overall business plan in place. You will need to consider your organisation's mission statement, vision statement, and core values, to understand the strategic direction your organisation wants to take. Marketing strategies should then contribute to helping your business get to the desired position within its industry sector.

For example, you will need to establish the desired direction that the business needs to head in, and what part of the market it needs to tap into. Knowing this will allow you to formulate marketing strategies that contribute to getting your organisation noticed by its target markets.

SMART goals and objectives

When setting business plan goals and objectives, it is important to spend time clarifying what you are trying to achieve before moving to action. You should also identify clearly how you will know when you have achieved it so that you have something to work towards and aim for. Using the SMART method will encourage you and your team to think more methodically about the goals and desired outcomes. SMART is an acronym for specific, measurable, achievable, relevant and timed.

How to set SMART goals:

- Specific – what will the goal accomplish? Who is involved? Consider how you will accomplish it and why. Use a clear and focused approach on the task in question

- Measurable – how will you measure success? Will there be a visible outcome? List at least two indicators of when the goal has been achieved. Consider quality, quantity, timeliness, and cost

- Achievable – is the objective attainable and possible to achieve? Have others done it successfully? Do we have the right resources, such as people, money, skills and knowledge, to accomplish the goal/objective? Make sure objectives are not too challenging that they are defeating

- Relevant/realistic – what is the reason, purpose, or benefit of achieving the goal? Is it realistic within the availability of the resources, knowledge, and time the business has? Is it the right time to do it? Make sure tasks are not unrealistic and de-motivating

- Timed – what is the expected completion date or timeframe for the objectives? Does the completion date create a practical sense of urgency to motivate staff? Committing to a deadline will help the team focus their efforts towards completing the objective and preventing the goals from being overtaken by other tasks that may arise.

Sources: Business Australia, How to set SMART objectives: https://www.businessaustralia.com/how-we-help/be-more-efficient/work-smarter/how-to-set-smart-objectives

Queensland Government, Set SMART performance goals: https://www.forgov.qld.gov.au/set-smart-performance-goals#specific

Identify products and services

You will need to have extensive knowledge of your organisation's products and services, to market them effectively. The marketing strategy that you take will depend on the types of products on sale, the target market for those items, and whether you sell in a physical space, online, or both. Your product knowledge must be at a level where you are confident about what each item is used for, their main features, and how to operate or use them. For example, if you sell kitchen appliances, such as microwaves, you will need to know the exact specifications of each model and how to operate them, to be able to market them effectively to customers.

You will need to know:

- What products your organisation sells
- The main features of each product
- How the products work and can operate them yourself
- What services you offer – and exactly what these services involve
- The target audience for each product/service
- The uses for your products.

1.2 – Establish marketing objectives in consultation with required people and according to business plan and workplace procedures

By the end of this chapter, the learner should be able to:

- Identify relevant people/stakeholders in their business to consult with and discuss marketing objectives
- Use the business plan to help establish marketing objectives for the company.

Consult with relevant personnel

It is essential that you consult the relevant people in your business before establishing marketing objectives. Holding discussions with a range of people in and around your business will help you take advantage of different perspectives and ideas, and will also make your team (and other stakeholders) feel more involved, valued, and respected. The relevant personnel will depend on the nature of your business; however, a typical company will include key stakeholders such as shareholders, employees, suppliers and customers. A stakeholder is a party that has an interest in a business and can either affect or be affected by it. You will need to decide who should be involved in marketing decisions.

Relevant personnel may include:

- Accountants
- Financial advisers
- Employees/team members
- Family members (if it is a family business)
- Suppliers
- Sub-contractors
- Community members
- Financial backers
- Clients/customers
- Business partners
- Owners
- Managers
- Shareholders.

All of the above groups of stakeholders will have their specialisms and areas of knowledge that you can tap into and learn from. Each person will have their own ideas, perspectives, and vested interests, so it is important to listen to everyone and take their views and advice on board.

Establish marketing objectives

By the end of your discussions with relevant personnel, you should be able to settle on clear and well-defined marketing objectives that will improve business performance. These objectives should be based on where your organisation is now, where you want it to be in the future, and the resources you have to get there. Objectives should also be created in line with the business plan and workplace procedures.

Marketing objectives should consist of goals that will be reached as a result of marketing activities. For example, for a marketing campaign that uses social media to push a particular product, your objective would be to boost sales of that particular product as a result of the campaign.

Marketing objectives may include:

- Increasing sales of particular products or services
- Increased market penetration – selling more existing products to existing customers
- Market development – selling existing products to new target markets
- Increasing the size of the customer base
- Gaining a competitive edge over specific competitors
- Cutting advertising costs through better targeting and positioning
- Improving reputation and professional image of the company
- Reducing costs of production and distribution through increased sales
- Presenting and displaying products more attractively.

Your marketing goals could be short or long-term and may take years to achieve. However, it is important that they are clear, practical and measurable, and have realistic time frames for achievement. A good marketing strategy should not be changed every year, it should only be revised when strategies have been achieved, or marketing goals have been met. You may need to make changes if the external market changes due to the emergence of new competitors or new technology, or if there is a substantial change to your product line.

Source: Business Queensland, Develop a marketing strategy: https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/strategy

SWOT analysis

A SWOT analysis is a tool to help you work out and document the internal and external factors affecting your business, including internal strengths and weaknesses, and external opportunities and threats. This information can then be used in business planning to help you achieve your goals. For a SWOT analysis to be effective, it should be conducted with a particular business objective in mind. It is a very useful step in the marketing planning process as it can help you understand your market, your competitors, and predict changes that you will need to address.

How to conduct a SWOT analysis:

- Strengths – the first step is to identify and list your business's strengths. For example, this could include strengths relating to employees, financial resources, business location, cost advantages and competitiveness
- Weaknesses – list your business's weaknesses, i.e., things that put your business at a disadvantage to others, and find ways to address them. For example, weaknesses could include a lack of new products or customers, rising staff absence, a lack of intellectual property, and declining market share
- Opportunities – list the possible external opportunities for the business. An opportunity may also be considered a threat to certain parts of the business; however, in the SWOT analysis, you should not list the same item as both. For example, opportunities could include new technology, training programs, partnerships, and a diverse marketplace
- Threats – list external factors which could be a threat to your business, i.e., things that could cause problems. For example, potential threats could include rising unemployment, increasing competition in the market, and high interest rates.

When you have completed your analysis following the steps above, you should have four separate lists side by side. From this, you can work out what issues are the most important to address now, and what can be resolved at a later stage. You will then need to use the SWOT analysis to develop strategies for addressing these issues and achieving your goals.

Source: Business Queensland, Conducting a SWOT analysis: https://www.business.qld.gov.au/starting-business/planning/market-customer-research/swot-analysis/conducting

1.3 – Identify customer base, target market and competitors according to identified marketing objectives

By the end of this chapter, the learner should be able to:

- Identify their organisation's current customer base
- Establish the desired target market for their products and/or services
- Identify who the organisation's competitors are
- Conduct a thorough competitor analysis.

Identify customer base

Knowing your current customer base will allow you to begin establishing what your organisation's marketing strategy should look like. Your current customer base is people who have bought your organisation's products or services, or those that have expressed interest in doing so. They have contributed to your organisation's success thus far, so acknowledging who these customers are and what sort of products and services they want and expect is vitally important. You will need to analyse various marketing data to find out who makes up your customer base.

For example, you may identify your customer base as being mainly middle-aged men who are interested in DIY. Having this information and making educated generalisations about who currently buys your products and services is essential in making sure you retain this group of people and keep them coming back to do business with you.

You will need to identify:

- Who has bought products from your company before, including:
  - online customers
  - physical shoppers

  This information can be found through analysing collected sales data
- Who has expressed interest in doing business with your company before:
  - they may have visited your website
  - they may have visited your store on several occasions to check products/services on offer and prices
  - they may have had interactions with your organisation at trade shows
- Who the repeat customers are:
  - repeat customers are perhaps the most important customers you have, so you should make a special effort to treat them well and reward their loyalty.

Identify target market

You will need to identify the target market for each of your organisation's products and/or services, as this will significantly influence your choice of marketing strategy. The target market for your products is different to your customer base as it is made up of the people you are aiming your products/services at; they make up the target group. Consider all the products and services that your organisation offers and then determine what type of person would hold a natural interest, or be naturally attracted to, buying those products/services. Make sure you consider a range of demographics when working out who your target market is. For example, you should look at age, gender and background when identifying a specific type of person or group who will be interested in your organisation's products and services.

When defining the target market, think about:

- Age
- Gender
- Culture
- Financial income
- Profession
- Education level
- Activity level
- Political allegiances and beliefs
- Interests and hobbies
- The geographical location of customers
- Beliefs and backgrounds.

Identify competitors

You will need to carry out a thorough assessment of your market sector and industry to identify all competitors and potential competitors who are vying for the same customers as you are. These competitors may have physical stores, which could be close to yours, or they may have online stores instead. Once you have identified all competitors, you will be in a position to establish which are the most similar to your business, and which you are in direct competition with. It is these businesses that you will need to carry out detailed competitor analyses on.

When searching for competitors, you should consider:

- Competitors that are geographically close to your organisation's properties/stores
- Online competitors who offer the same products and services as you
- New and established competitors:

  - be aware that the marketplace will constantly be changing with new businesses and competitors emerging

- Those competitors who offer the same products/services that you sell (direct competitors)
- Those competitors who are in the same marketplace, attracting the same customers, but are offering something different (indirect competitors).

Conducting a competitor analysis

Once you have a shortlist of your main competitors, you can start to do some research on each of them, to understand how they operate, how successful they are, and what they do better or worse than your organisation.

How to collect information

There are a variety of methods you can use to collect information on your competitors, and you will find that most information is available in the public domain if you know where to look for it.

You can collect information by:

- Checking share/stock prices
- Carrying out a credit check on other companies:
  - you can usually buy reports from companies who collate a range of information about your competitors
- Checking competitors' online presence:
  - websites and social media feeds can reveal a lot about a company
- Using secret shoppers or simply visiting a competitor's store yourself
- Networking and communicating with others in your industry.

Once you identify how you can legally collect the information you need, you will need to consider what information will be useful to you. You should assess all information that is linked to marketing strategies, such as pricing structures and numbers of staff, as well as the marketing strategies themselves.

You should find out the following:

- What products do competitors sell?
- Do competitors sell online or in a physical store?
- How much do competitors sell products and services for?
- Who do competitors aim their products and services at?

- How many staff do competitors employ, and what kind of company structure do they have?
- How do they utilise social media and online platforms to market their products to customers and raise interest?
- How do your competitors advertise their products and services?
    - you should think about:
        - the design of marketing documents
        - the placement of marketing documents
        - the amount of money spent on advertising.

1.4 – Establish and evaluate strategy to ensure ethical and cultural appropriateness and alignment with customer and industry expectations

By the end of this chapter, the learner should be able to:

- Consider the ethical and cultural appropriateness of marketing strategies
- Identify customer and industry expectations, including legal compliance requirements
- Set appropriate marketing strategies to align with expectations.

Establishing ethical strategies

It is important that you think carefully about all marketing strategies used and make sure they are ethically appropriate. Ethics in marketing strategies usually concerns the truthfulness and accuracy of the information that you provide to your customers and those that you target with advertising campaigns. There are many examples of businesses making inaccurate statements and false promises on their products or through advertising to attract customers and make sales. You must be extremely careful about the statements you make about your products/services, and ensure that all your marketing strategies present truthful, relevant, and up-to-date information.

When designing ethical strategies, you should ask:

- Are all claims based on truthful evidence?
- Are advertisements free from exaggeration?
- Are claims based on up-to-date information?
- Are advertisements suitable for those who are going to see it, such as children?
- Is all relevant and necessary information, such as safety information, shown clearly?

Establishing culturally appropriate strategies

You should be aware of the different cultures and cultural beliefs that belong to your customer base, target markets, and the general public who will see the marketing adverts and strategies. You will need to adjust and fine-tune all marketing campaigns to make sure you are being sensitive to a wide range of people. Offending someone, even inadvertently, can have a damaging impact on the reputation of your organisation. It can only take one misjudgement or error to offend, and this may lead to you losing a customer forever, so be mindful of this when creating marketing strategies.

Make sure all content associated with the strategies and marketing campaigns is:

- Written in the correct language:
  - no offensive or inappropriate language, under any circumstances
- Sensitive to religious views and beliefs
- Inoffensive to all, including people from different backgrounds

- Age-appropriate – consider where the products will be displayed or where the advertisements will be seen and who might see it
- Free from stereotypes.

Meeting customer expectations

Customers will hold certain expectations when it comes to advertisements and marketing strategies. This will include making sure that all marketing operations undertaken by your organisation are done in good faith. You should try to collect feedback from your customers to better understand what their expectations are. Alternatively, try to imagine yourself as a customer – what would you expect from an organisation that is trying to advertise to you?

Customers may expect your organisation to:

- Strike the right tone and balance – not too aggressive and not too passive
- Appeal to target market needs and desires
- Provide relevant information:
    - for example, state the price of items and the main features of products
- Provide useful information
- Provide truthful information, without exaggeration.

Meeting industry expectations

Industry regulators may oversee the implementation of marketing strategies, and you will need to make sure you comply with any codes of conduct and laws which are enforced by these bodies. At the very least, you will need to comply with the Competition and Consumer Act 2010.

The Competition and Consumer Act 2010 (CCA) is enforced by the independent statutory authority of the Australian Competition & Consumer Commission (ACCC). It covers most areas of the market: the relationships between suppliers, wholesalers, retailers, and consumers. 'Its purpose is to enhance the welfare of Australians by promoting fair trading and competition, and through the provision of consumer protections.

Broadly, it covers:

- Product safety and labelling
- Unfair market practices
- Price monitoring
- Industry codes
- Industry regulation – airports, electricity, gas, telecommunications

- Mergers and acquisitions.

Schedule 2 of the CCA also includes protection under the Australian Consumer Law against: 'misleading or deceptive conduct, unconscionable conduct, unfair practices, conditions and warranties, product safety and information, the liability of manufacturers for goods with safety defects offences, country of origin representations.'

'The Australian Consumer Law (ACL) includes:

- A national unfair contract terms law covering standard form consumer and small business contracts
- A national law guaranteeing consumer rights when buying goods and services
- A national product safety law and enforcement system
- A national law for unsolicited consumer agreements covering door-to-door sales and telephone sales
- Simple national rules for lay-by agreements
- Penalties, enforcement powers and consumer redress options.

The ACL applies in all states and territories, and to all Australian businesses. The law is administered by the ACCC and state and territory consumer protection agencies. It is also enforced by all Australian courts and tribunals.

Sources: ACCC, Legislation: https://www.accc.gov.au/about-us/australian-competition-consumer-commission/legislation

Consumer Law, The Australian Consumer Law: https://consumerlaw.gov.au/australian-consumer-law

Chapter 2: Establish marketing mix for the business venture

2.1 – Assess product mix, volumes and pricing opportunities according to marketing focus and business plan objectives

By the end of this chapter, the learner should be able to:

- Assess the product mix and volumes of stock in their business
- Identify and assess the pricing of all stock items to establish the marketing focus
- Prioritise profitability in the marketing strategy.

Assess product mix

Product mix refers to the total number of product lines a company offers to customers. Your organisation's product mix will depend on the range of products you sell, and this will impact the way you focus your marketing efforts. Some organisations may only need to market one product, or one type of product line, while others will need to think about using advertising for a range of different product lines. For example, your organisation may specialise in one particular product, such as car tyres, or it may sell a wide range of products, such as various car replacement parts.

Assessing your organisation's product mix will allow you to:

- Understand what you offer as a business
- Determine how many products need marketing
- Work out the likely cost of marketing the range of products
- Consider how many different target markets you are trying to appeal to.

The four dimensions of a company's product are width, length, depth and consistency. The width refers to the number of product lines, length is the total number of products/items, depth is the total number of variations for each product, including size, flavour any other distinguishing characteristics; and consistency describes how closely related product lines are to one another, in terms of use, production and distributions. For example, a company's product mix may be consistent in distribution but very different in use, due to the varying products.

Smaller companies tend to start with a product mix that is limited in width, depth and length, but has a high level of consistency. This can change over time if the company differentiates products or acquires new ones. When higher quality and more expensive products are added to a company line, it is called upward stretching. Adding lesser quality, lower priced items is called downward stretching.

Assess volumes of products

It is important to identify the quantities of stock your company has, to select what items need to be marketed as a priority. Make sure you carry out a stocktake to identify exactly the quantities of items you have remaining. For example, there is no need to run a big marketing campaign to advertise a low-priced item that you only ever sell in small quantities. Focus instead on higher-priced items that sell well – this will boost the profitability of the business.

Knowing the quantities of stock you have will allow you to:

- Determine whether it is worth marketing a particular product
- Prioritise which products you should market
- Establish how much money you should spend marketing a range of products
- Work out how to place and arrange products in your store
- Decide on a pricing structure.

Assess pricing opportunities

All marketing and pricing strategies should be based on making as much profit for your organisation as possible. Profitability is the number one goal for all businesses, and marketing is one of the main tools you can use to reach this goal and maximise profitability. Think about the price of items that you sell, and the costs necessary to market them effectively; it is this trade-off that will allow you to choose appropriate marketing strategies for products. You should research how you can cover costs and make a profit, stand out from competitors, and appeal to your target market.

You should consider:

- The price of items that you sell
- The likely cost of marketing each item
- Your overall marketing budget
- The potential advantages (pay off) if marketing strategies work as expected
- The potential disadvantages if marketing strategies don't work as expected.

You will also need to research the following:

- Your existing costs – what fixed and hidden or infrequent costs does your business have? While it could be difficult to reduce some fixed costs (i.e., rent and wages), you could reduce costs in areas such as purchasing by buying products in bulk, for example
- Your competitors' pricing – how do competitors' price their products/services? Do you have a unique selling proposition (USP) that sets you apart from competitors?
- Your target market – identify how much your target market is willing to pay for your product or service and set prices in line with this (not too high and not too low).

Sources: Small Business Chron, What is a product mix?: https://smallbusiness.chron.com/product-mix-639.html

2.2 – Research and evaluate costs and benefits of available distribution channels and customer service strategies

By the end of this chapter, the learner should be able to:

- Identify the different distribution channels used in marketing
- Evaluate the costs and benefits of different distribution channels
- Identify customer service marketing strategies and evaluate the costs and benefits.

Costs and benefits of distribution channels

A distribution channel is a chain of businesses or intermediaries which a product or service passes through until it reaches the final buyer or the end consumer. It is part of the downstream process, which focuses on getting the product to the consumer; this is in contrast to the upstream process, which is also known as the supply chain. The distribution channels you use for selling and delivering items can offer a chance to market products to potential customers. Channels can be long or short, depending on the number of intermediaries required to deliver the product or service. You may also use a range of distribution channels, and each one has its benefits and downsides in terms of marketing effectiveness.

For example, if you sell all your products in a physical store, then the way you layout the shop floor can help to market certain products and make them look appealing to customers. If this is the case, you would also think about the placement of advertising signs and notices, such as discount information, which is all part of the marketing strategy.

Distribution channels may include:

- Direct sales
- Dealers
- Resellers
- Franchises
- Distributors
- Consultant
- Mail order
- Telesales
- Wholesalers
- Retailers
- Self-access.

Be aware that there are costs associated with using each of the distribution channels listed above. For example, using mail order and telesales will usually be a lot cheaper than owning or renting shop space to sell your products. You will need to look at what you sell and how you sell it, as well as the cost-effectiveness of distribution strategies, to pick the most effective mix.

Direct and indirect distribution channels

Increasing the number of distribution channels can increase sales, but at the same time, it can create a complex system for distribution management. Longer distribution channels can also mean less profit as each intermediary charges a manufacturer for its service. Distribution channels are broken into two different forms: direct and indirect. A direct channel allows the consumer to make purchases directly from the manufacturer, while an indirect channel allows the consumer to buy the goods from a wholesaler or retailer. Generally, if there are more intermediaries involved in the distribution process, then the price for the product may increase. On the other hand, a shorter or more direct channel may mean lower costs for consumers because they are buying directly from the manufacturer.

The three main types of distribution channels

The three types of distribution channels are wholesalers, retailers, and direct-to-consumer sales. Wholesalers are intermediary businesses that purchase bulk quantities of products from a manufacturer and then resell them to retailers or sometimes to the end consumers. Retailers are generally the customers of the wholesalers and offer customer service to the end customers. Finally, direct-to-consumer sales are when the manufacturer sells directly to the end customer. An example of this is when products are sold directly through an e-commerce platform.

Choosing the right distribution channel

Not all distribution channels will work for your products, so it is important to determine which will be best for you and your consumer's needs. Your chosen distribution channel should align with the company's overall mission, vision, and sales goals. The method should also add value to the consumer.

You should consider the following:

- Will consumers want to speak to a salesperson?
- Will they want to physically see and handle the product before they purchase it?
- Would they prefer to purchase it online with no hassle and inconvenience?
- How quickly do you want the product(s) to reach the buyer/consumer?
- If you are choosing multiple distribution channels, you will need to make sure the channels do not conflict with one another.

Customer service strategies

Implementing a customer service strategy will help you understand and meet the specific needs of your target markets. It will also let customers know that you understand their needs and can meet them. The types of customer service that you deliver to your customers should be well thought out as part of your marketing strategy. Customer service strategies will give you a chance to build a positive reputation as a company, as well as to improve the chances of repeat custom, customer loyalty, and providing the possibility to utilise upselling techniques.

For example, if you have a physical store, you may provide one-to-one customer service to try and ensure the quality of customers' shopping experiences and to upsell where possible. Customers may be more receptive to recommendations, advice and upselling if they have been treated well in your store. They are also likely to recommend your store to other people, i.e. by word of mouth. The exact level and quality of customer service you need to offer will largely depend on the type of business you run and on what products/services you offer. For example, if you run a car dealership, then customers will expect a one-to-one sales service. If you own a retail store, then having one or two sales assistants who can assist customers and offer advice may suffice.

Remember: customer satisfaction is what you are aiming for – in many ways, it is the ultimate marketing tool. However, providing more extensive customer services will have costs attached, and you will need to take these into account to understand what is possible, according to your business budget. Below is a list of common customer service strategies, what they provide to the customer, and what level of cost is involved in providing them.

Customer service strategies may include:

- After-sales service (medium cost):
  - following up with customers promptly to discuss their experience and satisfaction with the purchased products etc.
- One-to-one personal service (high cost):
  - helping to meet customers' specific needs and provide a unique shopping service
- Returns desk services (medium cost):
  - offering a fast and efficient dedicated returns service for customers
- Telephone customer services (medium cost):
  - quick, friendly, and efficient service over the phone
- Instant messaging services (low-medium cost):
  - fast and convenient service to deal with any queries or orders

- Sales assistant for problems/queries only (low cost):
    - offer problem-solving service and turn complaints into compliments.

Point of sales strategies

It is important to provide good customer service strategies at the point of sale, as this may determine whether or not a customer will purchase from you again. This starts with thanking customers for their business and showing appreciation for them shopping with you. Interacting with customers at the point of sale will make them feel valued and will help you establish a rapport with them. You can also use this as an opportunity to tell them more about your business, provide them with important information, and go the extra mile with your service.

Point of sales strategies you could use:

- Clarify any sales or delivery arrangements with customers, and offer to contact them when ordered goods have arrived
- Explain your business refund policies
- Provide free product samples to customers and related product information
- Offer to find out more information on a product/service and follow up
- Offer a gift-wrapping service, or offer to carry a product to their car if it is large/heavy
- Invite customers to any sales or promotional events, and refer them to online services

- Offer to add customers to your contact database, mailing list or loyalty program
- Provide your business card and welcome them to call or email the company.

After-sales service

This starts from the moment the customer has decided to buy from your business, even before the sales transaction has completed. Up-selling strategies can also be used at this stage to improve the value of your sales and encourage further purchases.

After-sales strategies could include:

- Thanking customers for their business
- Confirming sales or delivery arrangements verbally or by email/letter
- Making sure customers have your contact details and you have theirs
- Encouraging customers to join business mail or email lists
- Suggesting and promoting related/additional products or services.

Sources: Investopedia, Distribution Channel: https://www.investopedia.com/terms/d/distribution-channel.asp

Business Queensland, Service and selling strategies: https://www.business.qld.gov.au/running-business/consumer-laws/customer-service/after-sales/strategies

Business Victoria, Keep customers with customer service excellence: https://www.business.vic.gov.au/marketing-and-sales/increasing-sales-through-marketing/customer-service-excellence

2.3 – Select marketing and promotional activities to suit target market and according to marketing strategies

By the end of this chapter, the learner should be able to:

- Identify and establish effective marketing and promotional activities
- Identify effective digital and online marketing strategies to reach the target market.

Select marketing and promotional activities

It is important that you select the right mix of marketing and promotional activities to suit your business, its products/services, and the target market. Marketing and promotional strategies can include a wide range of different activities, which may be implemented in-store, online, in print, at events, or in public spaces. The activities you implement will depend on the type of business you operate, the products and services you sell, your marketing budget, and your marketing objectives.

For example, if your marketing objective is to sell 200 units of your most expensive item within three months, then you will need to implement a range of marketing and promotional activities to succeed. You will need to make sure that this item is highly visible in stores, pushed at the target market through social media and online channels, and publicised through print, TV, or billboard advertisements.

There are increasingly more options available for marketing your organisation's products and services. You may choose to use conventional marketing activities, such as some of the ideas listed below, or you may decide to get inventive and use innovative methods that will make you stand out.

Marketing and promotional activities could include:

- Laying out your store in a specific way, arranging and displaying products, so it encourages people to buy
- Placing printed adverts in magazines or newspapers – national or local. Using TV and radio advertising
- Creating posters to be displayed
- Publicity – sending media releases to the media and giving interviews
- Holding exhibitions in or out of the store to show off your products/services
- Using mail drops – sending leaflets, flyers and brochures to target customers (direct marketing)
- Using telesales – reaching potential and existing customers by phone and selling
- Sponsoring events, websites, sports teams
- Advertising on billboards and in other public spaces

- Sending out personalised birthday messages and offers
- Sending out post-sales emails to check if customers are happy with the product and encouraging them to recommend it to their friends and family
- Using online marketing strategies (covered in the next heading)
- Using verbal upselling and cross-selling to make recommendations of additional products during the point of sale or after the sale.

You may decide to use a combination of these methods to target your customers. Choosing the right marketing and promotional mix will help you satisfy customers' needs, increase your sales, and improve your ability to reach customers within your target market.

Identify digital marketing strategies

Your organisation's use of digital and online marketing strategies is imperative in the modern world. Quite simply, it is what customers expect, and luckily it is often cost-effective. Most marketing and promotional activities used to be done in the physical world – in stores, magazines, newspapers, billboards, and events – now companies large and small are viewing online marketing as a bigger opportunity to reach the target market. Developing a separate online marketing plan will help you to evaluate your options and implement your strategy.

At a minimum, you should create and maintain a company website that displays what your company offers, as well as its values and philosophies. Beyond this, you will need to think about how you can use social media platforms to communicate with and inform potential customers, and how you can advertise across the internet. For example, you may need to advertise widely, using Google Adwords or similar services, or you may just design your own adverts to be placed on specific websites.

Digital marketing strategies could include:

- Posting articles, pictures and videos on company websites and blogs
- Using online sales platforms, such as eBay and Amazon
- Using online advertising, such as Google Adwords
- Communicating with customers directly through instant messaging services
- Social media marketing:
    - sharing and liking content on various social media sites (e.g., Facebook, Instagram, and Twitter) can make you a hub for industry information and knowledge.

Source: Business Queensland, Choose your promotional activities: https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/marketing-basics/promotional-activities

2.4 – Analyse customer journey to evaluate marketing mix

By the end of this chapter, the learner should be able to:

- Identify the entire customer journey, including the various touchpoints
- Map the customer journey for analysis and evaluation
- Identify and evaluate the marketing mix.

The customer journey

The customer journey is the path your customers take that leads them to purchase your product or service. It is important to recognise and understand the average customer's journey with your organisation – from when they first hear about your business or become aware of it, to when they purchase your products/services and receive after-sales customer care. Marketing activities can, in theory, affect every part of the customer journey; each part of the journey allows your organisation to influence and impress customers, and you must make sure these opportunities are taken advantage of. When beginning to look at a customer journey, you will need to look at the various touchpoints a customer has with your business. A touchpoint is any point of interaction with a customer or potential customer at any stage of the customer journey, either directly or indirectly. The core purchase channels are store, website, call centre and postal order; however, this expands to other areas.

Touchpoints can include:

- Marketing channels – email, postal, telephone, social media, blogs, etc. (Direct)
- Order fulfilment – delivery, payment, returns etc. (Direct)
- Research channels – website, consumer forums, store, customer services etc. (Direct)
- Social media sites (indirect)
- Word of mouth (indirect)
- Customer reviews (indirect).

The average customer journey may be as follows:

- The customer hears about your organisation or sees an advertisement for a product/service:
  - at this stage, they may gain interest and highlight your organisation, or one of its products, as something they might be interested in
- They may then research you and your competitors, online or physically:
  - at this stage, they want to verify that your company is trustworthy and reputable
  - they also want to make a product and price comparison with your competitors

- The customer may then enter your shop or online store (including other websites that you sell your products on):
  - if they enter your store, they should be greeted by a sales assistant
  - if buying online, then they can browse and purchase straight away:
    - if so, they should receive a confirmation email and, in some cases, after-sales care to make sure they are happy with their purchase
- The sales assistant should try to clarify what the person is looking for and whether they need any help:
  - at this stage, the customer may want assistance or be left to browse, and the sales assistant should recognise and respect their wishes
  - if they do want assistance, then recommendations and upselling may be possible
- After receiving assistance, they may choose an item and take it to the checkout area:
  - at this stage, transactions are finalised and the customer will be informed of any warranty arrangements, as well as any after-sales care available.

Marketing opportunities

There are opportunities to market effectively in each of the above stages. If your business is relatively new or unknown, much of your marketing efforts may be focused on getting your business, and its products noticed. This may be done through traditional publishing avenues, using TV advertising or online advertising, for example.

You will need to focus a significant proportion of marketing efforts on the second stage, where the customer researches and compares your organisation and its products against competitors. This is where customers will usually decide where to shop and whom to do business with, so it is important that you present a professional image – both online and in stores – and offer items at the right price.

It is also important to remember that marketing efforts shouldn't stop after the second stage, i.e. when you have won the customer's business. Your point of sales care can be a significant factor in promoting your other products and services – usually through recommending and upselling – so make sure that sales staff know their roles and can execute them sufficiently. It is also an opportunity to provide excellent customer service that will encourage customers to shop with you again. For example, by building a relationship with customers, thanking them for their business, and providing after-sales care.

Below is an example of the various touchpoints in a customer journey:

Source: Smart Insights, Examples of customer journey mapping: https://www.smartinsights.com/user-experience/customer-experience-management-cxm/mapping-customer-journey/

During each touchpoint, the customer will complete several actions and activities, which will vary depending on the type of business and industry.

They can be summarised into the following steps:

- Awareness – what started the journey of wanting to purchase the product/service? Could it have been an email or letter from a company or a post/ad on social media?
- Discover – what helped you decide where to purchase the product from? Did you look at reviews, web forums, the company website, or did you go into the store and look at/trial the product?
- Purchase – how did you decide to purchase the product/service? Was the purchase made in the store or through a website?
- Use of product or service – what are your experiences from using the product/service, and how are you using and reviewing it to check it was a good purchase?

- Bonding with the product – how have you demonstrated your bonding with the product? Have you expressed positive reviews to other people or on social media? Have you demonstrated loyalty to a particular brand or store?

Mapping the customer journey

Once you have an idea of the various customer touchpoints and activities, you can create a simple table that can be used to map the customer journey. The structure of the table should include the activities listed across the top, and the relevant touchpoints listed down the left-hand side.

Customer Journey Map	Awareness	Discover	Purchase	Use	Bond
Website					
Store					
Call Centre					
Facebook					
Web Forums					
Word of Mouth					
Email					
Post					

You could use a recent experience you have had as a customer to give you an idea of how to complete the table. Mapping a customer experience should identify key points of the customer journey, such as influences and decisions that were made that lead to the purchase. Where possible, you should use customer feedback to help determine the path taken for the average customer. The idea is to provide understanding to help you identify any areas for improvement and understand what is influencing the customer's journey. This will allow you to minimise any negative customer experiences.

Evaluating the marketing mix

The marketing mix is a marketing strategy tool/model which includes the five Ps: Product, Price, Promotion, Place and People. The 5Ps of marketing are a set of marketing tactics that can be used to reach your target market. They are controllable but can be influenced by internal and external marketing environments. Looking at each of the Ps can help you identify areas of the business that need to be changed or improved on to meet your targeted customers' needs. Combining these Ps is known as using a tactical marketing mix.

Product

This refers to what you are offering as a whole, including what you are selling to customers, the branding and packaging, and the service and warranty terms. If you work in a retail shop, for example, you could start offering a free gift-wrapping service to customers as an incentive to buy from you.

Price

This refers to the way you set prices for your products or services. It includes all the parts that make up the overall cost, including the advertised price, discounts, sales, credit terms or other payment arrangements or price matching services that are offered. Your pricing will also depend on the position of your business in the market. For example, if you advertise as a budget store, your pricing should reflect that, i.e., by offering lower prices to customers.

Promotion

This refers to all the activities and methods that are used to promote your business and products. This includes sales, public relations, direct marketing and advertising. For example, you may choose to add sponsorships to help promote your business. You will need to consider what you want to achieve with your advertising or promotional campaigns, and ensure it aligns with your brand, goals and objectives.

Place

This refers to how you deliver your product or service to customers. This includes the physical location of your business, your delivery methods and how you manage stock levels. For example, you may provide your products from a shopfront, over the internet, or through a distributor. If you want to grow your business, you may consider changing or expanding the way you sell your products or services. For example, you could set up a store in a different location, offer franchises, or set up an online website.

People

This refers to yourself, your staff and your customers. It focuses on providing customer service, as well as communication and training for your staff. Providing a positive experience for customers will encourage them to spread the word and recommend your business to others. You can give your business a competitive advantage by recruiting the right people, training staff to develop their skills, and retain good staff.

Sources: Australian Government Business, How to market your business: https://business.gov.au/marketing/marketing-and-advertising/how-to-market-your-business

Business Queensland, The 7Ps of marketing: https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/marketing-basics/seven-ps-marketing

Chapter 3: Implement marketing strategy

3.1 – Plan marketing activities according to marketing objectives and strategy and budgetary requirements

By the end of this chapter, the learner should be able to:

- Devise a clear and detailed plan which outlines all marketing activities
- Identify and plan marketing activities that contribute to marketing objectives and are carried out within budget
- Implement the marketing activities in the plan.

Planning marketing activities

When it comes to planning marketing activities, there are many points to consider regarding what is possible, what is sensible, and what is most effective. As you discussed marketing objectives with your employees and other advisors, you may want to do the same again in the planning stage. This will ensure that you have considered all aspects and angles in the marketing equation and will improve the chances of everyone being happy and satisfied in their job roles. The marketing plan should be written up so that it is made clear, and so any employee can refer to the plan whenever they need to.

When planning marketing activities, you should:

- Consider the budget available to you for marketing purposes:
  - make sure the budget includes a breakdown of funding available for each area of marketing strategy
- Make sure that all activities contribute to the short-term and long-term marketing objectives of the business:
  - marketing objectives should guide planning discussions
- Consider the number of staff that you have and their skills and knowledge:
  - you should look at staff members' skill sets and knowledge to decide what areas you can take advantage of
- Consider what formats to use, based on what your target markets are:
  - think about who makes up your target market and how they might respond to different forms of advertising:

        - for example, a millennial might respond to a social media marketing campaign, while a middle-aged woman might respond better to a magazine advertisement

- Ensure that the type of marketing activities used will suit the products and services being marketed:
    - the types of products that you advertise may be more suited to one particular type of advertising format:
        - for example, you might advertise a new children's toy on TV, while sponsoring a specific sports event to market a high-end watch.

Budgetary requirements

Your organisation should have a specific marketing budget, and you will need to stick to this closely when planning marketing activities. The budget should be agreed upon in the planning process and should involve an accountant or a financial expert. It should include a breakdown of the money and resources available for different areas of the marketing mix – for example, the amount of money available for digital marketing, and the amount available for traditional print advertising.

How to create a budget:

- Determine your business income
- Calculate business expenses (monthly, quarterly, or annually)
- Calculate the difference between income and expenses
- Review your budget regularly to help you understand how to track spending, what needs to change, and if the business is sticking to its financial goals.

The first stage in creating a budget and setting budget targets is to identify your current income and expenditures. You will need to determine your projected sales, the direct costs of sales, and the fixed costs for the budget period you are looking at. This will give you an indication of how much money the business is making and spending.

When creating a budget, you will need to include the following:

- Time frame – select a time frame for your budget depending on the requirements of your business. For example, you may choose monthly, quarterly, or yearly budgeting
- Fixed costs – enter all your fixed costs such as salary, rent, insurance, and any other expenses the business has
- Variable costs – enter all your variable costs such as utilities, materials, and staff wages. You may estimate the maximum amount you expect to be spending over the period

- Income – determine your expected income and projected cash flow for the period. If your business has been running for a while, you could look at past periods to get an idea of what income to expect.

Once you have the figures for income and expenditure, you can calculate how much money the business is making. You can look at costs and work out ways to reduce them, and you can see if you are likely to have cash flow problems at any point. Initially, one overall operating budget should be sufficient to set out how much is needed to run the business. However, as the business grows, you may find that smaller individual budgets are more manageable, such as a marketing budget.

Cost-Benefit Analysis

A cost-benefit analysis is a process of comparing the projected/estimated costs and benefits associated with a project decision to determine whether it makes sense from a business perspective. It involves adding up all the costs of a project and subtracting that amount from the total projected benefits of the project. If the projected benefits outweigh the costs, then it could indicate that the decision is good for the business. However, if the costs outweigh the benefits, then it could indicate that the business should rethink the decision or project.

- Identify goals and objectives you are trying to address, and what metric you will use to measure and compare the costs and benefits
- Compile a list including direct, intangible, opportunity costs, and a list of direct, indirect, intangible, and competitive benefits
- This will help you compare them accurately. Direct costs and benefits will be easiest to assign a dollar amount to. Indirect and intangible costs and benefits can be hard to quantify
- If total benefits outnumber total costs, then it is a good idea for you to proceed with the project or decision. However, if the total costs outnumber total benefits, then you should reconsider the proposal.

You will need to look back at the framework you have created and identify if the analysis shows you reaching the goals you have identified as markers for success, or if it shows you falling short of these.

Contributing to marketing objectives

Making sure that all marketing activities relate or contribute to marketing objectives in some way is of paramount importance. Always ask yourself the simple question: will having one of my employees carry out this marketing task contribute to achieving marketing goals? If the answer isn't a clear 'yes', then you may need to consider investing time and energy in another more suitable marketing activity. Remember, you have a finite marketing budget, and it is important to ensure that money is not wasted on marketing campaigns that will make little or no difference to business performance. This is especially important in a small business, where budgets may be considerably smaller than that of big corporations.

Sources: Australian Government Business, How to create a budget:
https://business.gov.au/finance/accounting/how-to-create-a-budget

3.2 – Communicate roles and responsibilities to required people according to marketing plan and workplace procedures

By the end of this chapter, the learner should be able to:

- Identify marketing related roles and responsibilities and assign them to the relevant people
- Communicate roles and responsibilities to the required people.

Identify roles and responsibilities

All staff members must be given clearly defined roles and responsibilities in your business. This can be essential in a small business and one providing self-employment, as employees will often be responsible for a wide range of marketing activities, and they may carry these out simultaneously. Employees in your organisation may need to take on several roles, and this will require them to be clear about what they need to do and when, as well as requiring them to be versatile and flexible in the workplace. For example, an employee may be responsible for designing an advertisement for a print magazine, while also running the telesales aspect of the business.

Roles and responsibilities may include:

- Designers
  - for example, the designer may be in charge of designing adverts for various publications and advertising spaces
- Copywriters
  - the copywriter will be in charge of the written content in marketing campaigns. For example, the copywriter will think up tag lines and consider what information to include and what to leave out

- Sales/customer service team members
  - the sales team may be in store, on the phone, or online, and they will need to assist, inform, and persuade customers to purchase, always representing the company positively
- Digital marketing
  - the digital marketer may be responsible for social media marketing, website creation, and search engine optimisation (SEO) development, for example. SEO is the practice of increasing the quality and quantity of website traffic, and exposure to your brand/business, through non-paid search engine results

- Print marketing
    - the person in charge of print marketing will oversee advertisements that are placed in magazines, newspapers, catalogues, and other publications
- Telesales
    - a member of staff responsible for telesales will spend most of their time on the phone, cold/warm calling and receiving calls
- Accountants and financial experts
    - this role involves overseeing the marketing budget and allocating funds responsibly.

You will need to identify the skills and abilities of staff members and discuss which roles they would be most suited to. You may choose to provide opportunities for enthusiastic members to develop their marketing skills with different roles, and offer training and mentoring throughout. Each member of the team should understand the role they have in the implementation and how they will contribute to the success of the business. It is a good idea to communicate your plan and efforts to the rest of the company as well. This will help create interest and excitement about the plan, and make the organisation as a whole feel invested in it.

Communicate roles and responsibilities

All employees must know what their roles and responsibilities are as part of the marketing plan and strategy. As the owner, manager or decision-maker in your company, it is your responsibility to decide what these roles are and communicate them clearly to the relevant people. Having a small number of employees who are responsible for a wide range of marketing activities can lead to many problems, including duplication of efforts and jobs not being completed at all. Making it clear who is responsible for which jobs will ensure the efficiency and effectiveness of marketing strategies.

You can communicate roles and responsibilities through:

- Emails
- Phone calls
- Group meetings
- One-to-one meetings
- Briefings
- Conferences.

3.3 – Monitor implementation of marketing activities according to marketing plan

By the end of this chapter, the learner should be able to:

- Identify how to implement marketing activities in line with the marketing plan
- Identify how to monitor marketing activities
- Monitor and assess the implementation of marketing activities.

Implement marketing activities

Once you have a comprehensive marketing plan in place for your business, you can take steps to implement the actions outlined. Your marketing is more likely to be successful if you have the adequate resources and expertise to implement it. If you are not sure how to implement a marketing plan, then you may need to seek advice and expertise from marketing experts. As someone who oversees the implementation of the marketing strategy, you will need to be able to monitor and track results and make sure desired outcomes are recognised. You will need to be honest and direct about the effectiveness of the marketing activities used, and be willing to make changes to the plan if it is not gathering the results expected.

When implementing activities, you will need to make sure:

- That they are being carried out correctly:
    - are employees confident, skilled, and able to do their jobs effectively?
- That the results of carrying out marketing activities are having the desired effect:
    - is there any noticeable progress toward marketing objectives?
- Marketing activities are being carried out within budget:
    - keep an eye on overall marketing expenditure and expenditure in each area of the marketing plan to make sure it is staying within budget
- Marketing activities are being well received by the customer base and target market:
    - some market research will be necessary to collect customer feedback on marketing campaigns
- That marketing activities meet legal and ethical requirements:
    - perhaps one of the most important checks you will need to make when implementing marketing activities is to make sure they adhere to Australian law.

Monitor marketing activities

It is vital that you monitor marketing activities closely to ensure they are having the desired effect, and so that any changes or improvements can be made if required. Even if you are not responsible for carrying out marketing activities, you will need to oversee what other employees are doing and add your creative input and ideas. This is important, as, without someone to oversee all marketing strategies, the marketing output may lack consistency and direction.

Monitoring marketing activities may include:

- Checking the quality of marketing output, such as designs and written content
- Using key performance indicators (KPIs) to check marketing performance and progress towards marketing objectives
- Assessing the performance of individuals in your team and their responsibilities
- Gathering customer feedback to check whether responses to marketing campaigns are positive
- Asking the opinion of marketing experts and utilising their expertise
- Checking social media pages to view responses (e.g., 'likes' and 'shares') to marketing campaigns.

A marketing plan should be treated as a living document that can be continually assessed and revised to improve it. You should revisit your plan at least once every quarter, and review your progress by identifying if you are on target, whether the tactics are realistic, whether your budget is on track, and if anything is not working with customers.

Developing and measuring marketing activities often requires specialist knowledge and skills. If you do not have this level of expertise and experience, it is a good idea to seek advice from professionals in the field, such as marketing consultants and experts. The Association for Data-driven Marketing and Advertising (ADMA) is the largest marketing and advertising association in Australia and the principal industry body. It is the best authority and resource for effective marketing; providing insight, training and advice on marketing practices and standards.

More information on the ADMA can be found here: https://www.adma.com.au/about.

Source: Queensland Government, Implement a marketing plan:
https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/marketing-plan/implement-plan

3.4 – Assess use of digital devices, platforms and technologies for effectiveness in implementing marketing activities

By the end of this chapter, the learner should be able to:

- Identify the benefits of using online and digital tools in marketing activities
- Identify digital devices, platforms, and technologies to implement marketing activities
- Assess the effectiveness of digital devices, platforms, and technologies.

Online and digital marketing

In the modern world, it is more important for most businesses to market online than anywhere else due to the ever-increasing trend of internet usage. Depending on who your customers are and what products/services you are selling, this is likely to be the case for your business as well. There are numerous benefits of marketing online, which many businesses are now realising, plus it is constantly changing and evolving with technology. The main benefits are the generally lower advertising costs, more opportunities, and the ability to reach more customers. There is a difference between online and digital marketing, which will be explained below.

The most common digital marketing tools can be divided into five groups:

- Social media platforms
- Design tools
- Analytics tools
- Content marketing tools
- Email marketing tools.

<u>Digital marketing</u>

Digital marketing refers to using digital channels, devices, and platforms that do not require an internet connection to build and promote your marketing message. For example, if you had a mobile campaign where you send SMS messages to customers promoting your products/services, this would be created and sent using technology, but it would not require an online/internet connection for customers to receive it. Digital marketing strategies could include games, content marketing, mobile marketing and television advertisements.

<u>Online marketing</u>

Online marketing is a subset of digital marketing, and it requires a live internet connection to work. For example, if you run pop-ups on your website to advertise a product/service or a pay-per-click (PPC) campaign, those features would be present online so it would require an internet connection. It can also include display advertising of any format such as banner or text advertisements. Online marketing strategies could include SEO, PPC, display advertising, and social media marketing.

Note: pay-per-click (PPC) is a model of internet marketing in which advertisers pay a fee each time one of their ads is clicked through a search engine such as Google or Bing search, for example.

The benefits of online and digital marketing include:

- Generally lower advertising costs
- More choice and opportunities for the placement of adverts
- Direct communications to the target market and customer base
- The increased choice of advertising formats, including pictures, videos, and other multimedia formats
- The ability to reach far more customers across the country and even worldwide, than is possible with traditional forms of marketing.

Source: White Shark Media, What is the difference between digital and online marketing: https://www.whitesharkmedia.com/blog/digital-marketing/digital-vs-online-marketing/

Digital devices, platforms, and technologies

To make online and digital marketing work for you, you will need to use appropriate hardware and software. You should also make the most of social media platforms and company websites to promote your business and its products/services. Be aware that technology, and online marketing in general, is changing rapidly, and you will need to stay on top of new developments to make sure you are overtaking your competitors in this area.

Hardware

Having access to working and reasonably high-end hardware can make things much easier for you when looking to create adverts and use certain software. Many small businesses struggle with outdated or corrupted hardware, which can slow marketing processes down significantly and limit what they can do. Regularly upgrading hardware and maintaining it is essential in a world where digital marketing is becoming the main form of marketing.

Hardware you may need to use could include:

- Laptops
- Desktops
- Mobiles
- Tablets
- Cameras
- Servers
- Wi-Fi routers.

Social media

Whether you love or hate social media, it is important to see the advantages that it offers to your business. Using social media effectively, and targeting certain platforms depending on the type of business you run, will allow you to reach your target market directly.

Once you have built up a following, you will be able to manage your social media output to appeal to those who are likely to be interested in buying your products and services. A good online marketing campaign will create social media chatter, with your content and material being shared, liked, and commented on. This is important to maximise the reach of your organisation's marketing materials.

You may take advantage of the following social media channels:

- Facebook
- Twitter
- LinkedIn
- Instagram
- Snapchat
- Google+
- Periscope
- Flickr
- Pinterest
- YouTube.

Software

Depending on what type of marketing materials you are planning on producing, you may need specific software to ensure a high-quality product. For example, you may use Adobe's creative software, a popular choice for many marketers, if you have a member of staff who is confident in using them. Photoshop and Lightroom can be used to edit and enhance images, while InDesign can be used to alter their layout. You may also need to use Adobe Premiere Pro if you want to edit videos you have taken of products or services. There are many different types of software available to businesses which can be overwhelming; however, you should consider these four different types of software that could help your business improve its marketing efforts and build relationships.

The four different types of marketing software include:

- Customer relationship management (CRM) – this software is essential for organisations that are looking to grow and enhance communication with existing and potential customers. It helps to identify and manage communication and relationships with customers, and also track and measure marketing campaigns

- Marketing automation – marketing automation software is an advanced platform designed to help marketers capture new customers, improve marketing efficiency, and analyse behaviour and campaign performance. For example, through managing blogs, building landing pages, tracking keywords, and handling marketing campaigns. It will help execute and measure the effectiveness of your marketing

- Social media management – this software will assist you in social media marketing by tracking the reporting and measurements of your social media campaigns. This software will make it easier for you to share information across a variety of social platforms while tracking data and allowing you to control all aspects of social media marketing. For example, by scheduling posts in advance on social media, addressing your target market, attracting new customers and connecting with existing ones

- Analytics software – analytics software can use marketing data and turn it into a detailed report, by taking the results from any of the software listed above and analysing it to evaluate the success. It breaks down the information necessary for evaluating the success, simplifying it to help you identify what is and isn't working with your marketing efforts.

Sources: Max, 4 types of marketing software to consider for your association: https://marketwithmax.com/4-types-of-marketing-software-to-consider-your-association/

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Chapter 4: Evaluate marketing performance

4.1 – Assess business performance according to business plan objectives

By the end of this chapter, the learner should be able to:

- Monitor and continually assess marketing activities
- Identify measurement tools to assess business performance
- Evaluate business performance in line with business plan objectives.

Assess business performance

Monitoring and evaluating business performance will give you important feedback on your marketing strategies, and whether they have been successful or not. For example, if your business sales figures have improved, then you may be able to link this performance improvement to your marketing activity and efforts. To ensure ongoing improvement, it is critical to have a plan of action in place for testing and measuring the results of your marketing activities. Using formal methods of evaluation and monitoring will help you to understand the effectiveness of your marketing efforts and return on investments. To gain valuable insights into your marketing methods, you will need to look at each one individually.

Measurement tools

You can use measurement tools to help you focus on monitoring and assessing the right areas and factors for your business, which as a result, will save you time and money. The most valuable tools to help you focus are Critical Success Factors (CSFs) and Key Performance Indicators (KPIs).

Critical Success Factors (CSFs)

Critical Success Factors (CSFs) are the necessary factors to enable a positive outcome for a business strategy, and they are strongly related to the strategic goals of the business:

- They are the essential areas of activity that require constant and careful attention from management to monitor the success
- They must be performed well to enable you to achieve the business's goals
- You will need to set between four and eight CSFs to be effective in implementing change
- You should consider selecting the most meaningful and easiest CSFs to assess.

To set the most important and effective CSFs for your business, you should review the following areas and decide what you should focus on the most:

- The overall business operations
- The environment in which the business operates (internal and external)

- The performance of the business, including financial, operational, and strategic.

For example, depending on your business goals, you may choose to set the following CSFs:

- Profitability/sales growth
- Increased cash flow
- Customer retention
- Environmental sustainability
- Increased workforce training.

Key Performance Indicators (KPIs)

An effective way of monitoring business and marketing performance is to use key performance indicators (KPIs). A KPI is a measurable value that demonstrates how effectively a company is achieving its business objectives. KPIs are the measurement tools used for each CSF you have created, and they should provide outcomes to achieve them. You will need to pick various KPIs which can be easily measured and that accurately reflect business performance over a set period. KPIs may be wide-ranging in nature but will need to be quantifiable measurements that can give you an accurate and up-to-date measurement of performance.

For example, you may choose to set sales figures for a particular product as a KPI. If sales figures rise over a specific period when a marketing campaign is being implemented, then you may be able to make a connection between the two. However, be aware that there may be other variables at play – it may not be marketing strategies that are resulting in KPI improvements.

KPIs will need to be:

- Quantifiable measurements (can be expressed or measured as a quantity)
- Directly linked to marketing strategies
- Measured at regular intervals
- Measured accurately using the same methods (consistency).

Using CSFs and KPIs will ensure that all goals set are measured effectively. It will also ensure that everyone understands what aspects are important to the success of the business.

Objectives and targets

Make sure that all marketing activities are contributing to marketing goals and overall business targets. You will need to regularly look back at marketing plans and your organisation's vision and mission statement to remind yourself of the desired outcomes and ideal position for your business. You should ensure that marketing strategies are contributing to these goals and that progress is being made.

4.2 – Develop a plan to address performance gaps

By the end of this chapter, the learner should be able to:

- Identify gaps between actual performance and targets set
- Use performance gap analysis methods
- Identify corrective action to address the performance gaps.

Analysing performance gaps

When evaluating the performance of your business, you may identify performance gaps between any targets set and current performance levels. If you identify any gaps, you will need to find out why this is and be prepared to take action to address the problems. Performance gaps may include both over-achievement and under-achievement concerning performance targets. There are several ways you can go about analysing whether performance gaps exist, and a few are outlined below.

When analysing performance gaps, consider:

- A range of KPIs to get an accurate reading of current performance
- Whether the goals and targets set were realistic and achievable
- The length of time that marketing strategies have been implemented:
    - it may not be realistic to expect improvements to business performance straight away; you may need to allow more time for results
- Whether any overall business improvements have been realised, and to what degree:
    - have marketing strategies been noticeably effective in any way?
- Your employees' opinions and views:
    - your employees may be able to offer insights about marketing activities and performance.

Performance gap analysis is a method to determine where performance gaps exist in the business. For example, this analysis will help you determine what aspects are lacking in an employee's performance or the overall company in comparison with its competitors. Another type of performance gap analysis can determine what additional skills and training are required to bring individual employees or the whole company up to an acceptable performance standard when certain aspects of their jobs change, such as new technologies being introduced or responsibilities changing.

Performance mapping

This is one of the first tasks in performance gap analysis. You will need to create a performance map illustrating the behaviours of high-performing employees in a particular job role. This can be used as a benchmark against which to compare the performance of employees in the business. Using this comparison can help you identify the source of performance gaps when compared to the higher-performing employees. You would need to create a different performance map for each role within your company for this to be an effective method.

Market competitiveness

To help you identify your competitive standing in the market, the performance of your company is compared with a set of industry-established benchmarks. For example, these benchmarks could be from companies that have acquired a large market share, achieved high-profit levels or have an excellent reputation in the industry and with customers. A specific set of benchmarks would apply to each department within your business.

Addressing performance gaps

After gathering the results of the performance gap analysis, you will need to create a plan to address the issues and gaps identified. If you find that your business is underachieving, you may need to make adjustments to your marketing strategy to make it more effective, or you may need to set more realistic targets to meet. On the other hand, if your business has overachieved and surpassed its targets, then you will need to set new, more ambitious targets to work towards. Conducting a follow-up performance gap analysis after changes have been implemented can determine whether the deficiencies identified in the first analysis have been resolved.

Corrective action to address performance gaps may include:

- Setting new and more realistic targets
- Adjusting the budget for marketing activities
- Reassigning roles and responsibilities
- Providing additional training for staff
- Replacing members of staff
- Reorganising your company's structure
- Changing/upgrading hardware and software
- Purchasing new equipment
- Switching focus to market a different range of products
- Using a different mix of marketing methods
- Using new marketing platforms – for example, if you have been using magazine advertising without success, then it may be time to try digital marketing instead.

4.3 – Analyse stakeholder response to all aspects of marketing mix to improve targeting and outcomes

By the end of this chapter, the learner should be able to:

- Collect stakeholder feedback and responses on all aspects of marketing
- Analyse stakeholder and customer feedback to identify strengths and weaknesses
- Make improvements to marketing mix and activities

Analysing stakeholder responses

You should include stakeholders as much as possible in finding ways to improve your marketing strategy and performance. It is important to recognise that your team will have different skills, knowledge, and experience, and they may have useful insights into the way your marketing mix and strategy can be made more effective. For example, you may have a member of your team that specialises in designs and creative aspects of marketing; getting their feedback about the current quality of designs and how they might be improved can benefit marketing performance greatly.

You should make an effort to be receptive to any ideas and responses; listen carefully, ask questions, and then take action if required. Consider employees' personalities in your team and how they usually prefer to communicate and give feedback. It may be that group meetings work well in creating enthusiasm and bouncing ideas around; on the other hand, you may have a more introverted group who feel happier about sharing their ideas in a closed one-to-one meeting. Responses should be used to analyse all aspects of your marketing mix and improve customer targeting and marketing outcomes.

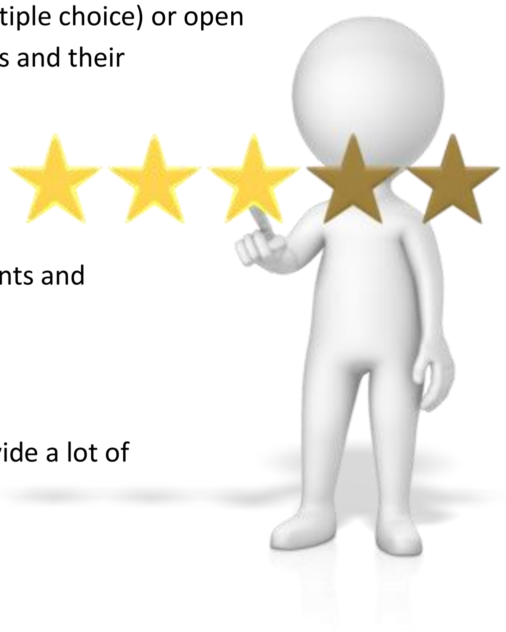
You can encourage team members to express feedback and ideas through:

- Group marketing meetings
- One-to-one meetings
- Anonymous feedback questionnaires
- Phone calls
- Emails
- Informal conversations.

Customer feedback should be one of the main factors that shape your marketing strategies. Listening to what customers want and need, and then positively reacting to this information is the best way to keep regular customers and attract new ones. There are many ways you can collect customer feedback and responses. This may depend on what sort of business you are and whether you predominantly operate in an online or offline environment. You may want to offer several different ways for customers to deliver their responses and opinions, as not all customers will be comfortable or enthusiastic about using the same methods.

You can collect customer feedback through:

- Customer meetings and focus groups
  - getting answers to specifically designed questions in a focus group (a sample group of willing volunteers) can be very informative and revealing
- Informal discussions
  - informal discussion with customers in your store can reveal a lot about customers' feelings toward your organisation
- Surveys and questionnaires
  - you may ask customers some closed (multiple choice) or open questions about your marketing strategies and their effectiveness
- Trend analysis
  - trend analysis may offer a wealth of information on buying habits, and the wants and needs of different demographics
- Social media chatter
  - analysing social media platforms can provide a lot of honest feedback about your company and its marketing strategies.



Making improvements

It is essential to listen to all feedback and responses – both positive and negative –to identify the main areas that need addressing. This will allow you to identify your strengths and weaknesses as a business. It is especially important to listen to your target customers responses and take them on board, as they are the audience you are trying to reach and impress. For example, after reading feedback and identifying queue times as a weakness, you may add more staff to shifts to reduce queue times for customers, to speed up the overall service.

You will need to base improvements on:

- Common issues that numerous customers and other stakeholders have raised
- Serious issues that have prevented customers from using your business
- Reactions to the current marketing mix used by all stakeholders
- Preferences indicated by customers
- Suggestions made by customers and other stakeholders
- Cultural appropriateness of marketing strategy, as expressed by customers.

4.4 – Assess changes in customer requirements in both online and offline environments, where applicable, and identify opportunities for improvement

By the end of this chapter, the learner should be able to:

- Research and identify customer requirements in both online and offline environments
- Assess changes in customer requirements and adapt the marketing plan
- Identify opportunities for improvement and make changes where necessary.

Assess changes in customer requirements

Your customer base will have some specific requirements that they will expect your business to fulfil. It is important that you identify what these are so you can meet them and ensure the customer is satisfied. Requirements and expectations may change regularly, so it is important to keep up-to-date with customer opinions and views. One of the best ways of doing this is to collect feedback through social media platforms, where customers will usually post their opinions and vent their frustrations about companies. Listening to negative feedback is important, as this will give you clues about requirements and expectations that you are not meeting.

<u>**Online and offline environments**</u>

You will need to think about both online and offline environments and consider what requirements your customers might have for each. Regardless of where they are purchasing your products/services from, customers will expect good service and will have certain requirements that should be met to ensure they leave the store or website happy. For example, in physical stores, one requirements customers may have is to be able to find and speak to a sales advisor quickly when they need assistance and advice. In an online store, they may require product pictures, features, and price information to be displayed on one page for convenience.

Customer requirements may also include the need to:

- Find products easily, in both online and offline environments
- Price check products and services
- Find out the main features of a product/service
- Talk to a customer services advisor in-store, or through online chat
- Pay for items easily and securely.

Identify opportunities for improvement

When you have completed your research on customer opinions and frustrations, you should have a good idea of where your organisation's strengths and weaknesses lie and what changes need to be made to improve customer service. Make sure you analyse and assess all feedback closely to understand what your customers would like to see you do and what their specific requirements are, before looking at the possibility of implementing changes.

It may be that it is not possible, or not in your organisation's interests, to take action on all feedback. However, it is extremely important that you highlight the main issues which affect large proportions of your customer base, before making an effort to address them.

You can identify opportunities for improvement by:

- Taking note of customer complaints
- Reading and listening to customer feedback
- Observing the customer journey and taking note of weak points
- Reading and following social media chatter
- Looking at what competitors are doing
- Keeping an eye on changing industry standards.

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These suggested references are for further reading and do not necessarily represent the contents of this unit.

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