

Putting Marketing to Work

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Marketing Essentials

How do you improve marketing effectiveness?

What are the traps when increasing marketing spend?

It’s perfectly possible for organisations to be successful without a marketing function but not without good marketing! Many companies have ineffective marketing because it is seen as a cost centre responsible for one aspect of the overall marketing mix - marketing communications, leaving the key issues such as pricing, product and channels to other functions: commercial or sales, engineering, and commercial or nobody(!), respectively.



Traps

There are, however, a few traps that often ensure that effective marketing is *not* implemented despite a renewed emphasis on marketing activities:

TRAP 1

Believing that marketing is promotion, and increasing spend on promotion, or branding, when the marketing has not been planned, and the mix not understood.

Result: *no gains, and the conclusion that marketing is a waste of money.*

TRAP 2

Getting a consultant to write a marketing plan in isolation, without using the expertise within the company.

Result: *non-marketing management then pick holes in the plan and discard it.*

TRAP 3

Confusing the skills of Sales and Marketing; getting the sales people to do some ‘marketing’ as well as selling.

Result: *the sales force sells less and then gradually get replaced when this fails to produce results.*

A specific benefit of taking a wider view of marketing is that new business opportunities can be identified.

What Marketing should deliver – Hard Benefits

An effective marketing function should be able to deliver some hard business benefits including a combination of the following:

Increased profits:

through higher (or more resilient) pricing, optimised volumes (better utilisation) fewer failed products, greater volumes, etc.

Faster growth:

or lower decline through better use of sales, channels, new products, promotion, etc.

Reduced financing:

lower stock, etc.



These could be achieved, through, for example:

Pricing:

optimising the pricing through understanding the true value to the customer of the products attributes such as unit size, speed of delivery, customisation, reliability, etc.

Promotion:

ensuring that the customer understands the product benefits and value whether tangible (it is bigger/smaller than the

competitors) or intangible (we will help you use our product to secure more business).

Product:

better product usability through understanding the real user's needs and developing the product or documentation.

Channels:

identifying the right partners and channels that will help get the product/service to the customers in the most effective way.

What marketing should deliver – Soft Benefits

The above are generally measurable, in the long term. However, great marketing should also deliver some softer, but none the less valuable benefits in the short, medium and long-terms:

Strategy:

providing the framework and tools to make the correct strategic decisions.

Selling:

making it easier to sell the product/service, by having identified the market segments and tailored the price/ product/ promotion/ channel to a specific customer group.

People:

enabling the company's objectives, strategies and tactics to be developed using the expertise of the 'team' and communicated in a structured form to all those involved in its

implementation – improving morale and speed of response.

Innovation:

encouraging and facilitating new thought and innovation.

Practical Examples

A specific benefit of taking a wider view of marketing is that new business opportunities can be identified. Opportunities that would not be generated from marketing communications or improved sales alone:

Utilisation:

if there is spare capacity then better pricing, channels and

improve utilisation, reduce unit costs and improve profitability.

Overheads:

better understanding and documentation of required distribution channels will reduce the amount of time wasted in negotiating with unsuitable distributors.

Innovation:

correct understanding of value can result in better communication with customers allowing, for example, fast turnaround orders to be priced at a premium, more than covering costs and increasing sales and profits.



Conclusion

There are great benefits from putting marketing to work. The best approach can be to get some external expertise to assist in defining the issues and identifying the solutions and benefits before spending on activities, resources and additional staff.