

Create your Marketing Strategy

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Introduction

Central to any successful marketing strategy is an understanding of your customers and their needs. The ability to satisfy your customers' needs better than your competitors are able to can help you build customer loyalty and increase sales.

However, both customer needs and the business environment in which you operate are constantly changing. Therefore a marketing strategy will need to look at what changes are taking place, and at what opportunities and threats are emerging.

A marketing strategy will also help you assess how successful you are at meeting your customers' needs, as well as how successfully your competitors are doing so. It may also help you identify new markets that you can successfully target.

This guide helps you to identify which customers to focus on and your key objectives in reaching them. It explains what to include in your marketing strategy and how it can be used as the basis for effective action.

Key elements of a successful marketing strategy

One of the key elements of a successful marketing strategy is a thorough understanding of who your customers are and what "needs" they are looking to satisfy. **Customer groups** or **segments** can be identified and each targeted with marketing activity that specifically addresses their particular needs.

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In order to continue to meet customer needs and remain competitive, it is important to identify and respond to any changes in customer needs and attitudes in your industry and in the broader economic climate. It is therefore vital that you assess your business environment when developing your marketing strategy.

You can then create a marketing strategy that makes the most of your strengths and match them to the needs of the customers you want to target. For example, if a particular group of customers are looking for quality first and foremost, then any marketing activity aimed at them should draw attention to the high quality service you can provide.

It is important to think through the consequences of your marketing strategy to make sure it's realistic. For example, there is no point in basing a strategy on rapid growth if you won't be able to produce enough goods. The best strategy will reflect your own strengths and weaknesses. See our page within this guide on [strengths and weaknesses](#).

A key element often overlooked is that of **monitoring** and **evaluating** how effective your strategy has been. This control element not only helps you see how the strategy is performing in practice, it can also help inform your future marketing strategy.

Don't forget that your marketing plan (your action plan for implementing your marketing strategy) needs to be constantly reviewed and updated or replaced when necessary - just like your own products or services.

Understanding your strengths and weaknesses

Your strategy must take account of how your business' strengths and weaknesses will affect your marketing.

Begin your marketing strategy document with an honest and rigorous **SWOT** analysis, looking at your strengths, weaknesses, opportunities and threats.

Strengths could include:

- personal and flexible customer service
- special features or benefits that your product offers
- specialist skills

Weaknesses could include:

- limited financial resources
- lack of an established reputation
- inefficient accounting systems

Opportunities could include:

- increased demand from a successful customer
- using the Internet to reach new markets
- new technologies that allow you to improve product quality

Threats could include:

- the emergence of a new competitor
- more sophisticated, attractive or cheaper versions of your product or service
- new legislation increasing your costs
- a downturn in the economy, reducing overall demand

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Having compiled this list, you can then measure the potential effects of each and how they may affect your marketing strategy.

For example, if new regulations will increase the cost of competing in a market where you're already weak, you might want to look for other opportunities. On the other hand, if you have a good reputation and your key competitor is struggling, the regulations might present the opportunity to push aggressively for new customers.

Developing your marketing strategy

With an understanding of your business' internal strengths and weaknesses and the external opportunities and threats, you can develop a strategy that plays to your own strengths and matches them to the emerging opportunities. You can also identify your weaknesses and try to minimise them.

The next step is to draw up a detailed marketing plan that sets out the specific actions to put that strategy into practice. See our guide on how to [write a marketing plan](#).

Questions to ask when developing your strategy

- What changes are taking place in our business environment? Are these opportunities or threats?
- What are our strengths and weaknesses?
- What do I want to achieve? Set clear, realistic objectives.
- What are customers looking for? What are their needs?

- Which customers are the most profitable?
- How will I target the right potential customers? Are there groups that I can target effectively?
- What's the best way of communicating with them?
- Could I improve my customer service? This can be a low-cost way of gaining a competitive advantage over rivals, keeping customers, boosting sales and building a good reputation.
- Could changing my products or services increase sales and profitability? Most products need to be continuously updated to maintain competitiveness.
- How will I price my product or service? Although prices need to be competitive, most businesses find that trying to compete on price alone is a poor strategy. What else are my customers interested in? Quality? Reliability? Efficiency? Value for money?
- What is the best way of distributing and selling my products?
- How can I best promote my products? Options might include advertising, direct marketing, exhibiting at trade fairs, PR or marketing on the web.
- How can I tell if my marketing is effective? A small-scale trial can be a good way of testing a marketing strategy without committing to excessive costs.

Tips and pitfalls

Before looking at new markets, think about how you can get the most out of your existing customer base - it's usually more economical and quicker than finding new

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customers.

Consider whether you can sell more to your existing customers or look at ways of improving the retention of key customers.

Focus on the market

Your marketing strategy document should:

- analyse your understanding of the different needs of different groups of customers
- focus on a market niche where you can be the best
- aim to put most of your efforts into the 20 per cent of customers who provide 80 per cent of profits

Don't forget the follow-up

- Put your marketing strategy into effect with a marketing plan that sets out actions, dates, costs, resources and effective selling programmes.
- Measure the effectiveness of what you do. Be prepared to change things that aren't working.

Pitfalls to avoid

- Making assumptions about what customers want.
- Ignoring the competition.
- Trying to compete on price alone.
- Relying on too few customers.
- Trying to grow too quickly.
- Becoming complacent about what you offer and fail to innovate.

Here's how I chose the right marketing mix

Colin Mercer

Wickland Westcott

Colin's top tips:

- "Use research to get inside the mind of your customers and understand why they buy."
- "Have a marketing strategy and plan, but don't be afraid to modify them if circumstances change."
- "Consult frequently with staff and communicate the marketing strategy internally - managing internal PR is as important as external PR."

Two years ago, human resources consultancy Wickland Westcott reviewed the marketing strategy for its assessment and development services. A new focus and a more structured approach have already paid dividends. The last financial year was Wickland Westcott's best ever. Co-owner and director of assessment and development, Colin Mercer, describes the process.

What I did

Identify strengths and weaknesses

"In 2002 the company was doing well, but our approach to marketing was hit-and-miss. We went through the business from top to bottom and pinpointed our strengths and weaknesses.

"On the plus side, customer research showed that we had a great reputation for quality service. On the minus side, brand awareness was low and some of our systems weren't working well. We also used published academic research to find out more about our target customers' mindset and why they buy. We used all the

information to create a marketing strategy with clear objectives. These included developing our network of partnerships, raising brand awareness, positioning ourselves as strategic thinkers in our market, and getting more business through referrals."

Work to a plan

"With clear objectives in mind, writing and implementing a marketing plan was easier. We changed our marketing mix and our approach:

- Our printed newsletter, our main direct marketing method, was made more customer-focused by including market briefings. Feedback has improved and we've had several approaches from new clients who've received it.
- Instead of cold calling, we stepped up marketing via our network of partners. We provided them with clear information so that they could promote all our services to their clients. Now, about 20 per cent of what we bill is to partners rather than end users.
- To establish ourselves as strategic thinkers in our markets we began getting articles published in relevant trade journals. This raised brand awareness and enhanced our reputation. We also use re-prints of the articles as a direct marketing tool.
- We also re-designed our website and launched an Interview Guide on CD-rom to show the flexibility of our services.

"We now review our marketing strategy and update the plan every six months. As a

result of one review, we decided to attend a big trade conference, which worked extremely well for us and generated a lot of new leads."

Clean up the database

"Marketing to existing customers is easier and cheaper than starting from scratch with new ones, because existing customers are aware of our quality. However, to market effectively to this group required a better customer database than we had. As a result we decided to update our customer database. It's just as well we did, because as we updated it we found that approximately 40 per cent of the entries contained errors, duplications or were completely irrelevant. If we'd marketed to our original database we'd have wasted a lot of time and money.

"We now have a proper database management strategy. We nominated one person internally to take responsibility and now it's kept up to date meticulously. We also use bought-in contact databases to help us target new customers."

What I'd do differently

Repackage content

"We were slow to realise that the content we had on our website and in other marketing literature was a gold mine. It can be repackaged in lots of different ways. For example, a case study written for the website can be used as a mail shot, as the basis for a trade magazine article and as a handout for meetings as well. We're much better at it now, and we use all our content, including survey results, across all our marketing channels. However, we could have made use of what we had much

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sooner."

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