

Marketing your product or service

Many people go into business from the wrong starting point. They believe they have a good product or service, and they *assume* that there will be a market for it. Remember the old saying:

“Build a better mouse-trap and the world will beat a path to your door.”

This may have once been true for the mouse-trap market, but it does not automatically translate to every other product. In fact, it probably doesn't even apply to mouse-traps any more.

Can you think of some examples of products or services where this does not apply?

What is Marketing?

Put simply, it is the ability to identify and satisfy customer needs at a profit.

- You might have the greatest product ever made.
- You might be able to produce it or sell it really cheaply.
- You might really like it, personally.

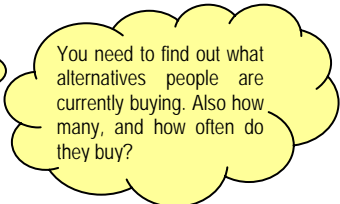
But if nobody wants to buy it, you haven't got a market.

And if you haven't got a market, you haven't got a business.

So, how much do you know about your market?

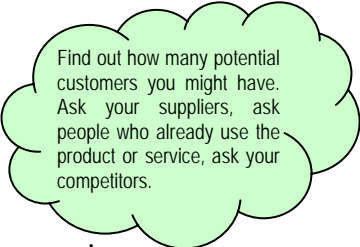
The more you know before you commit yourself totally, the better are your chances of success. Try these for size:

Do people **want** or **need** your product? How do you know?



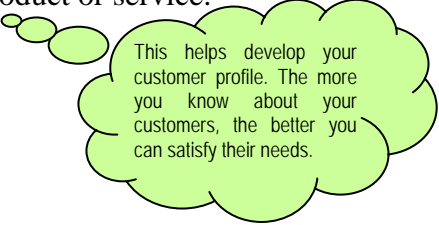
You need to find out what alternatives people are currently buying. Also how many, and how often do they buy?

How many people want your product? How do you know?



Find out how many potential customers you might have. Ask your suppliers, ask people who already use the product or service, ask your competitors.

Describe the **type(s) of people** who would be likely to buy your product or service.



This helps develop your customer profile. The more you know about your customers, the better you can satisfy their needs.

How much will they pay for it? How do you know?

Check out your competition again. Ask people what they would pay.

How frequently will they buy from you? How do you know?

Repeat business is good business. Regular customers are the best customers.

How will they **find out** about you?

As you find out about your customers, start thinking about how you will promote your business to them.

Have you conducted a **survey** (questionnaire)? What does it show?

You need to survey at least 50 potential customers. Design your questions carefully.

Have you **tested the market** by trying to sell some of your products / services? What happened?

This might be called the "Suck it and see" approach.

What is the **competition**? Who are they? Where are they? How many of them are there?

Find out as much as you can about them.

How does **your** business compare to the competition?

Check out the Competitor Analysis Chart on page 4

Where will you **locate** your business? **Why?**

What is best for you and your customers?

Have you done a SWOT Analysis for yourself and for your business? If not, use the outline on the next page as a guide. Pay special attention to the **strategies** you intend to use to either take advantage of your strengths and opportunities, or compensate for weaknesses and threats.

S.W.O.T. Analysis

List the Strengths, Weaknesses, Opportunities and Threats which apply to:

- a. Your Business
- b. You (personally)

Wherever possible, state the actions or strategies you intend to carry out for each point – to take advantage of strengths and opportunities and to counteract weaknesses and threats.

	Strengths		Strategies	
Business				
Personal				
	Weaknesses		Strategies	
Business				
Personal				
	Opportunities		Strategies	
Business				
Personal				
	Threats		Strategies	
Business				
Personal				

The Competitor Analysis on the next page may help you to identify some items for the SWOT Analysis.

Competitor Analysis

Identify your 3 main competitors

COMPETITOR	ADDRESS
1	
2	
3	

Rate your own business and those of your competitors in as many of the following areas as possible. (Add other items to suit your business if you wish to). In the Balance column mark "+" if you rate higher, "0" if you break even, or "-" if you need to improve.

Item / Factor	Your Company	Competitor 1	Competitor 2	Competitor 3	Balance
	Low ... High	Low ... High	Low ... High	Low ... High	+ / 0 / -
Size of company	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Reputation	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Location	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Web site / online sales	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Management skill	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Company flexibility	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Pricing	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Guarantee / Warranty	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Credit terms	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Product quality	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Reliability	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Suitability	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Packaging	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Product features	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
After sales support	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Product range	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
User friendliness	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Advertising / promotions	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Customer service	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Sales personnel	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Product distribution network	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Dealer / reseller training	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Quality of raw materials	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Technical / production skills	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Plant / machinery	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Production flexibility	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Opening hours	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
Established customer base	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	