

ADOPTING TOTAL MARKETING

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Abstract

Total marketing is different from selling to the total market. Total marketing involves strategic approach that transforms every department of a company a way that optimises performances and gives competitive advantage. (Lancaster & Massingham, 2011). This takes on an exploratory approach of secondary data. This is a reported work written from the standpoint of a marketer to a new start-up company called Kingdom Konsult (KK) in the UK. The company provides consultancies and training for small to medium enterprises and to international executives from Africa. This was commissioned to help the company alter every aspect of their functioning in order to optimise productivity, increase competitive advantage and maximise profits.

Keywords: Customer-centric, Strategy, Influencers.

1. INTRODUCTION

Marketing is an ever evolving discipline and the definition has changed over the years as the roles of the marketer to keep up with the competitive market place. "The most significant of changes is that increasingly, marketing has become more strategic in nature."(Lancaster & Massingham, 2011).

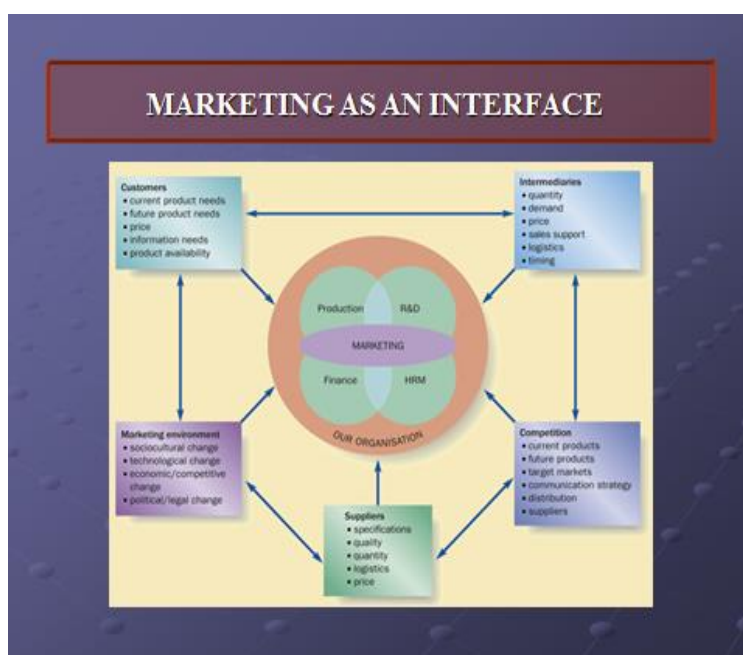


(Reynolds,P. 2013. PowerPoint slides LSCLondon.)

Marketing has got various definitions but the ones above satisfy the very essence of what the author believes it to be. Dr Reynolds captures the management of the process and links that to the tactical processes of making it happen in order to achieve the end goal of meeting both the individual and corporate objectives. This definition has also been reiterated by Kotler who defines it as “working with markets to bring about exchanges for the purpose of satisfying human needs and wants. It is a process by which individuals and groups obtain what they need and want creating and exchanging products and value with others”. (Kotler and Keller, 2009)

This is a report looking at my role as a marketer at a recent start-up company called KK. This company is involved in the business of providing training and consultancies for small to medium business in the UK and also providing training for executives in emerging markets in Africa. This report is looking at various aspects of marketing in the company, where we are and where we ought to be. It concludes by looking at the implications of implementing recommendations proffered and the journey the author has undertaken to write this report.

2. THE ADOPTION OF THE MARKETING CONCEPT AS A WORKING BUSINESS CULTURE



(Reynolds,P. 2013. PowerPoint Slides LSCLondon.)

This is a total culture change in an organisation that changes the disposition from just production orientation to the admirable position of satisfying the customers need by anticipating their needs and orchestrating the machinery of the company to fulfil and satisfy those needs in order for both to win. This is clearly illustrated above with marketing being at the heart of an organisation linking effectively with the various departments in the organisation in order to have total customer satisfaction, repeat business and increase in profits.

This is the direction going forward as clients have become more vocal and aware of their rights and have become more determined to obtain their requirements or defect to the competitor. Globalisation and the rise of the internet in the shopping experience has empowered the customers and opened up wide ranging choices to them. The goal is to offer a superior customer experience or risk losing out in today's market. Lancaster and Massingham comment that “marketing orientation is a company making what the customer wants and not what the firm wants to make”.

KK has tasked the marketing department with qualifying and vetting prospective clients and coming up with the best way to connect with them in order to deliver services rendered by the company. The department has gone about this task by obtaining a database of companies that meet the criteria of the offerings and has gone about connecting by offering a free no obligation consultancy that looks at the work processes and making recommendations for optimising efficiency. The training courses are then suggested off the back of this having made the vital contacts with the decision makers and with the different departments of the organisation. First contact is made by direct mailing and this is followed up by phone contact. This simple but effective concept has been working for the organisation as the sales targets are met and often exceeded.

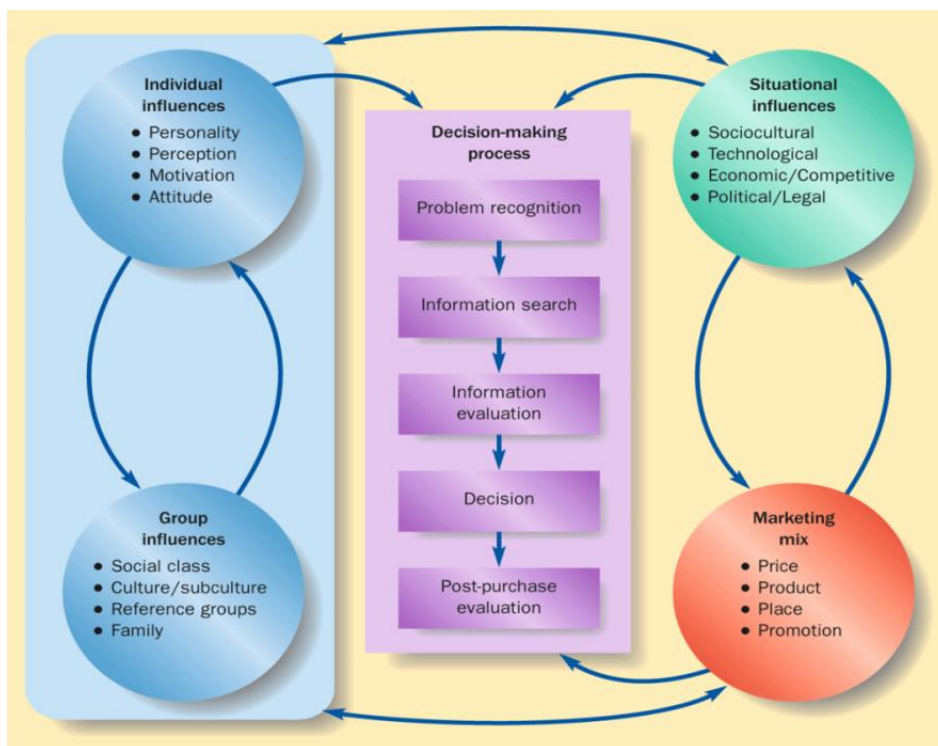
The author believes that the success of this marketing concept has been due to the fact that it starts from the customer and takes the needs of the customers into consideration before proffering a solution. This is to say 'we walk in their shoes' before making any suggestion.

Internally, the story is a little different as the departments don't often sync with each other and sometimes not with the customers. The marketing department is often not involved in the crucial decision of budgets and hence often end up cash strapped. This has threatened the whole process a few times in the last couple of years.

The senior managements made up of consultants that often end up delivering the training courses are sometimes too focused on the content of the materials and neglecting the individual needs of the customer, this has lost a few accounts to our competitors.

KK will need to adopt the marketing concept as a culture in order to sustain profitability and operate with competitive advantage. This will have to start with internal marketing as this will create an environment that is conscious and geared towards total customer satisfaction. The different departments will need to be trained to be customer centric. This is easily done as the organisation is not too big. It's also feasible to get the senior management behind as they are the core of the company, this can be adopted and rolled out as quickly as it's needed. Once this culture is adopted by all, then it becomes possible to function as a single entity working towards a common goal.

3. UNDERSTANDING CUSTOMERS AND SEGMENTING CUSTOMERS



(Reynolds, P. 2013. PowerPoint slides LSCLondon.)

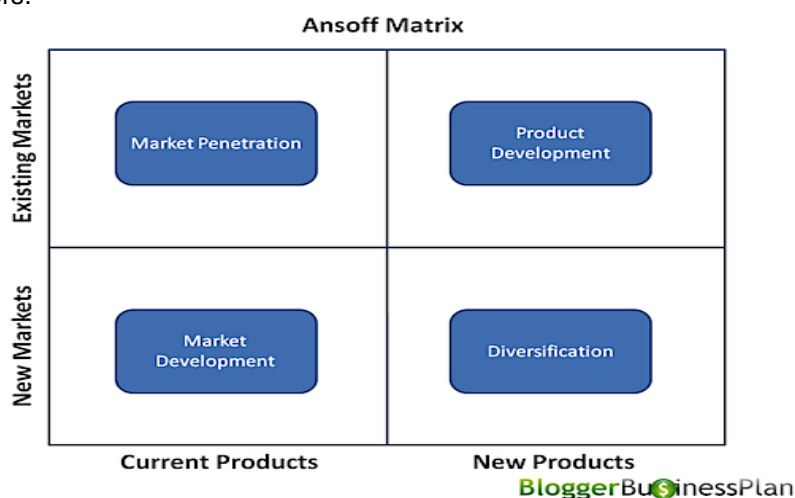
The diagram above illustrates what informs the customer's behaviour and buying decisions (black box). It is not a process of happenstance but a clear process influenced by identifiable factors. Every decision starts from the individual; their personality, perception, motivation, attitude. These are the primary influencers that inform buying behaviours in conjunction with the immediate environment they operate from. Another major influencer is the situational factors like the sociocultural, technological, economic, political and legal. These have a direct bearing on the decision making of the buyer.

The significance of marketing is getting the mix right so it can reflect on the environmental situation the buyers find themselves thereby influencing the purchase decision and more importantly the post purchase evaluation that will lead to repeat business. The price of the product or service, the product placement and the promotion has to be right with the customer in mind. These can help to induce the need in a customer's mind and the underlining value it provides for them.

Belch and Belch (2007) talks about the consumers having an internal memory and an external search in making purchasing decisions and so whatever can help to influence this will have a bearing on the decision made. Many successful organisations engage in market segmentation. This helps to segment the buyers into behavioural, demographics, psychographic, and geographic differences. The intent is to discover their needs and tailor the products to the needs in order to bring about customer satisfaction.

KK has attempted to limit their offerings to companies operating up to three years because, these are the companies that are clear enough about what has worked and what has not and often agreeable to receiving help because they are not set in their ways yet. Our offering has also concentrated to the South East because is where you have 80% of the SMEs. These have helped to secure some customers but without clear behavioural patterns, we have no way of predicting repeat business until a few years. We have gone on a hunch but have not quite researched buying patterns.

We operate in a very competitive market of training and with many companies coming up with internal training offerings, it's very important to study the buying patterns of our prospective clients in order to come up with the right products, price, place and promotion to interest the customer. So we have done it the wrong way round we worked on our packages and identified a generic market but did not drill down to buying patterns and influencers.



One of the tools we can make use of Market segmentation would have helped us as an organisation to take decisions that were more appropriate to our customers and most importantly retain their business.

4. ANALYSING NEEDS, WANTS, VALUES AND EXPECTATIONS OF CUSTOMERS

In order to identify, analyse the needs and value expectations of the customer, we need to have a company culture in place that strives to satisfy the customer. This will drive the ethos and the subsequent functions of what we do.

The first step is to define a generic market of our product offering, this is a wide net casting over potential customers. In order for us to know what our customers require, we will need to engage them through some form of qualitative research that will help drill down to what they require and how they define value.

The second step is to analyse this data and come up with what is feasible within the confines of the socioeconomic, regulations and government stipulations. This is how we determine what the product will be.

The third step is to work on the marketing mix; product and the pricing that will be appropriate, the place and most importantly the promotion that will be suitable for our customers. This is working with the customers in mind.

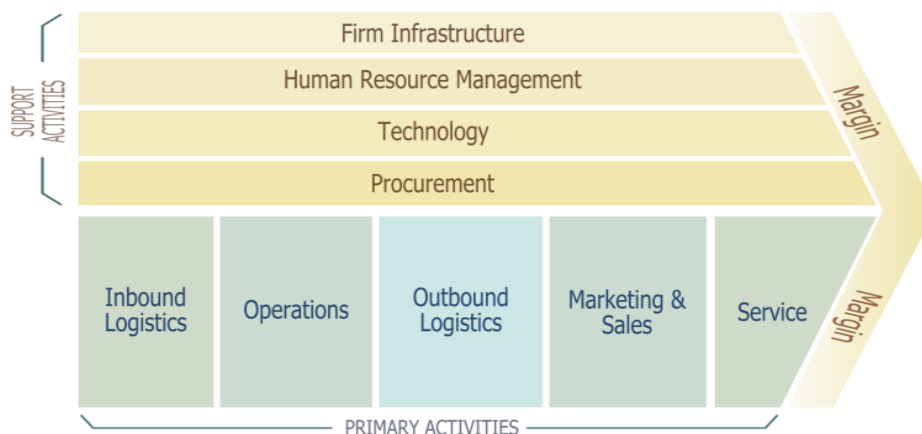
KK has not gone through these steps before entering the market, some research was done to qualify the training needs of companies and decision was made to target companies of certain turnover but there has been no concrete feedback as to what the customers desire or what they regard as value.

This is like taking a long shot into the dark whereby we hope that our offering will satisfy the customers without first asking what they want. In order for us to operate with a competitive advantage and secure our markets with significant growth, we will need to undertake targeted research that will give us an idea of what they want and then we can tailor our offering to their needs.

We need to do our SWOT analysis in order to know what we have and we need and the competitors and opportunity that are within our grasp. We also need to do a gap analysis in order to know how best to get to where we are heading.

In addition to the market research, we can also offer SWOT and gap analysis to prospective customers in order to uncover needs and how best to meet them. These will help adapt our services and give us superior product offering.

5. CREATING CUSTOMER-BASED VALUE PROPOSITIONS FOR CUSTOMER SEGMENTS



(Dinesh Pratap Singh2009)

It's been established so far that it all starts from the customers and ends with the customers. In order to provide value to customers we need to be able to segment the market so as to offer what meets the needs of the customers. We have also established that in order to provide any value we need to find out what the customer defines as value and what they will appreciate the most as it meets their perceived or real needs.

Michael porter in his value chain theory, shown in the diagram above, shows very clearly that any organisation will need to operate as an entity with the sole aim of providing value. That means that the primary factors of inbound and outbound logistics sitting on the secondary factors of the infrastructure will all have to be geared towards providing value.

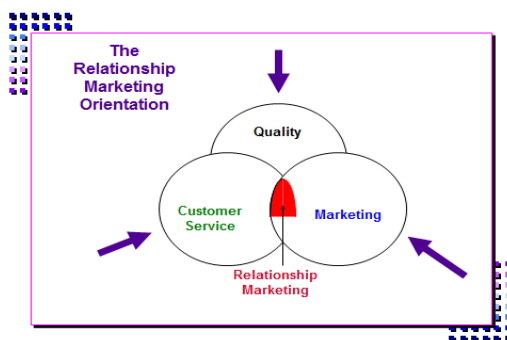
KK has tried in the area of infrastructure and to a great extent worked on their logistics of delivery to the customers. What is desperately needed is to sync the activities of all departments so it can adopt the marketing concept as an organisation.

Segmentation will also help to deliver appropriate products to the appropriate customers. We might need to segment based on price, buying behaviour, needs, size of the organisations and size of the market. We had gone for SMEs that are up to three years and above but have not narrowed down to industry, or the other parameters mentioned above.

Value is a concept that means different things to different people and until we are able to define what it means to our customers then we will struggle to offer what they will perceive as valuable.

I recommend we go back to the drawing table and do a proper segmentation of our market and to start by internal marketing so that all the departments are on board as to satisfying the customer, then we can develop various products that will be adept for those segments.

6. MANAGING THE CUSTOMER EXPERIENCE THROUGH RELATIONSHIP MARKETING & CUSTOMER CARE



(Reynolds, P. 2013. PowerPoint slides LSCLondon.)

Globalisation has opened up the world to each other but it has also made it mandatory to have established processes, High quality of products and essentially, relationship marketing.

Relationship marketing involves building long term relationship between all that are involved in a business process. This includes the internal customers (staff) and the outside customers which involves customers and suppliers. This relationship forges a closeness which helps to identify requirements and contributes to the process of making the product. In addition, it also demands high level of quality which is a natural product of this relationship.

Many companies have come to the realisation that building long term relationships is beneficial for business. It helps to retain the customers which fuels repeat business and makes it difficult for new entrants to dislodge the business.

One of the tools used for this is the customer relationship management software. There are many in the market. They are integrated to the business process providing invaluable information as to the buying patterns, individual requests and comments and all that will help to tailor products to that client.

Relationship marketing helps with the customer care as concerns are quickly dealt with and orders are made to meet the standards of the client. This makes the whole process more customers centric.

KK is still at the early stages of their customer experience and hence do not have enough data to maintain viable relationships yet but the organisation has started by building a SQL database which helps to quickly identify certain queries.

My advice is for us to adopt CRM tools like SAP right from now on so we can build a viable in-house data on our clients. Many of this software already have developed queries that are easy to operate in order to get needed data. Since we have our own resident IT guru, he can be sent on training as we adopt this software. This will not only help in retaining our clients but help in segmenting them too.

Relationship marketing and customer care is no longer an option but a necessity to survive in business in the 21st Century.

7. REINFORCING THE ORGANISATION'S IDENTITY (OR BRANDS) THROUGH CHANGES TO THE MARKETING MIX VARIABLES



(Reynolds, P. 2013. PowerPoint slides LSCLondon.)

The organisational brand is a collective of the offering that differentiates it from other companies. This is usually recognisable and has a value. The brand of an organisation helps with patronage and with loyalty. It is very important to build a respectable brand in order to have a competitive edge over others in your line of business.

The marketing mix of price, product, place and promotion has a direct bearing on the value of the brand. The Boston group matrix above gives a very good indication of how the mix can be adapted to the product and the market.

The market share and growth determines how a particular product will be priced, produced, and promoted.

This segmentation gives the clarity to the tactics that will be employed.

In some instances marketing penetration will be needed for your star products with the infusion of cash to increase market share and repel any competitors. With your 'dog product', you might need to harvest or completely divest.

There is the need to continually qualify your products so as to know what to do with the marketing mix to get the desired results.

KK is still a brand developing, it might take a few years to attain brand recognition but if we work towards it, we might achieve it sooner than expected. We are currently establishing the appropriate foundations by offering a free no obligation consultancy. This is quickly gaining us access to the companies and to the decision makers. We are also promoting the excellent qualifications of our consultants /trainers which make for confident reading. Our initial training classes have been made totally flexible depending on the client's preference. We are also collating feedback from the different classes in order to monitor customer's satisfaction. During the writing of this report, it has occurred to me to also give our satisfied customers the opportunity to refer us to other firms which will quickly build confidence in our brand.

There is the need for us as an organisation to consciously work towards building our brand through superior product offering, appropriate pricing and the right venues and striking promotion. We are going to need to keep our eyes on the competitors and to constantly evaluate our opportunities. All of these will help establish our brand and build us a loyal customer following.

8. RESEARCH REQUIREMENTS FOR THE ORGANISATION TO TRACK THE TOTAL CUSTOMER EXPERIENCE

Kotler (1999) defines marketing research as 'systematic problem analysis, model building and fact-finding for the purpose of improved decision making and control in the marketing of goods and services'. This term often encompasses the use of the marketing mix in the Marketplace and the interest and behaviour of the competitors and consumers in the market place. It is very important to state that this is not enough information to track the total customer experience.

In order to have the full picture, a company needs internal data, intelligence data and marketing research data. These three feeds into what is called Marketing information systems.

There are different types of marketing research; exploratory, descriptive, conclusive and predictive research. The first two are usually ongoing as patterns are established while the last two often try to reach a conclusion about the subject matter.

There are two major types; qualitative and quantitative. The first often look at the motivation while the second looks at numbers.

KK has only used secondary data which were collected by other sources to make marketing decisions. This has led to many problems as the quality is sometime in doubt. We have discovered inaccurate information and sometimes obsolete information in the data we purchased. The information has often been inadequate as it does not provide vital information as to the motivation or the buying trend of customers. Most of it is qualitative and hence only gives numbers.

We will need to undertake marketing research as a matter of urgency and to develop a viable marketing information system. This will involve the gathering of internal data which helps to orientate our company towards adopting the total marketing concept, we will need intelligence data about our competitors services and pricing and then the marketing research to determine how to make decisions about our products, pricing, place and promotion in order to track the total customer experience.

9. THE OUTCOMES FROM BECOMING MORE CUSTOMER CENTRIC

The customers have attained more prominence in the business cycle. This means that their opinions count towards how well a product does and the ultimate profitability of the company offering that product.

The companies have transitioned from sales oriented which involve aggressive hard selling, into product orientation where the efforts go into the manufacture of the products and this is expected to sell itself. Some have also majored into the production orientation which tries to work on the efficiencies of manufacture. All of these have now given way to the focus on the customers.

Customers are at the centre of the business cycle and the whole process starts from what they want, how they want it at the price they deem fair for it. All of these help companies to prepare products that are relevant and needed by the target market. This will also help the experience of the customer in using it and leaves them with a good memory of the product which helps with repeat business.

In order to gauge the customer's opinion, the company is geared towards discovering feedback through marketing research. This informs the company marketing information system which helps with decision making.

The focus on customers helps every aspect of the company to be on the same sheet as each aspect tries to please the customer and this gives rise to synergy in the organisation increasing productivity.

The benefits of focusing on the customer help with the quality of offering. This is so because the opinion of the customers is sought at every aspect and especially of the use of the product. This makes it pertinent for the company to introduce servqual which ensures high levels of quality of the product.

The focus on customers helps to develop viable customer relationship marketing which helps to inform customer care and various loyalty schemes to retain the customer.

It has been discovered that loyal customers tend to make bigger purchases which helps with profitability and also keeps the competition away as level of entry is raised.

The benefits of being customer focused are immense that no company can afford not to be. It's only reasonable to state that those that do not become so will soon be out of business.

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