

Information Sheet: Marketing

Introduction

Marketing is a management process that identifies and anticipates target customers' needs, wants and demands, and satisfies these with resources available to the organisation. The process involves every aspect of the organisation's resources and management structures and systems, and includes:-

- Carrying out a Marketing Audit to review the business context, to define the market, and to establish the market conditions in terms of growth, static and decline;
- Undertaking Marketing Research – once the Marketing Audit is complete, it is often necessary to carry out detailed Marketing Research to obtain factual information based on external factors;
- Preparing a "Marketing Plan" based on the Audit and Market Research, to set objectives and targets, and outline key strategies with regards to the Marketing Mix (Product, Price, Promotion, Place, Customers, Competition, Capacity and Costs).

Marketing Audit

The Marketing Audit brings together the initial information needed to develop a marketing plan and associated strategies. It reviews the resources available to respond to internal and

external factors and should at least cover the following subjects:

- Business Environment
- Market
- Marketing Mix
- Organisational Capacity

Business Environment

The most commonly used tool for analysing the business context is called the "PESTLE Analysis", which considers:

- P=Political: along with fiscal and legal context, including EU and UK government legislation. For example: social inclusion policies, Community Finance Initiatives, grant and loan programmes;
- E=Economic: both national and local economic factors, such as interest rates, employment levels, and local investment policies;
- S=Social (including environmental): includes community issues and priorities, ethical and environmental factors;
- T=Technology: the implications of Internet trading, other computer-based opportunities, and communication technologies.
- L=Legal: the legal environment that affects any organisation, including the legal status of the organisation

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itself. tax law, employment law and contract law.

- E=Environmental: the local national and global environmental issues which impact on the organisation

It is likely that as a community enterprise this would have been addressed as part of the initial setting up of the organisation. Further research may be needed to clearly identify:

- Potential market, ie the potential users/customers: these may be individuals/groups of a particular type within the wider community, or a community of interest such as unemployed people or the elderly; (note "market" used in widest sense);
- Market size and potential for growth: the scale of the different segments of the market and whether they are likely to grow, remain static, or decline in the future based on local trends;
- Characteristics/profile: for each type of customer: it is useful to identify characteristics which will indicate how best to communicate with them, e.g. areas of interest, needs and wants, places they might go etc.;
- Potential change: how the characteristics of the different market(s) might change in the future, e.g. those seeking child care now will not seek these services in a few years.

Competitors/Collaborators

Collaboration and partnerships can sometimes offer opportunities to serve the local community more effectively, through better access to a wider market or more efficient service delivery by sharing capital assets or staff.

Organisational Capacity

Having gained some understanding of the potential "market" and what types of services and products are wanted/needed, it is useful to look at the organisation and its ability to serve this "market". This may be done using another tool called the "SWOT" analysis, which looks at:-

- S=Strengths: the strengths of the organisation, particularly in relation to the identified "market(s)" – such as community-based, collaborative approach, unique service;
- W=Weaknesses: the weak aspects of the organisation, such as lack of track record, limited start-up funding, narrow skills;
- O=Opportunities: external factors to the organisation, i.e. potential new markets, having many potential collaborators, increasing environmental awareness;
- T=Threats: external factors to the organisation that deter entry to the "market" or limit success within it, such as changes in legislation and intense competition.

Marketing Research

The marketing audit often needs to be supplemented by marketing research to obtain more information; this includes:-

- Desk Research (also termed “secondary” research): this can generally be done at a desk, for instance in a library. Desk Research usually involves the collection of information that has already been processed for some other purpose, such as government legislation, papers, and statistical data, local economic studies or bid applications, newspapers, leaflets, minutes of meetings and so on. It is advisable to carry out this type of research first, so that the more time-consuming and expensive “field research” can focus on areas where information is unavailable.
- Field Research (also termed “primary” research): techniques of gathering information in new ways and “in the field” ie where people are living/shopping etc. These methods include observation, surveys and questionnaires, interviews, sampling and focus groups; they take time/money to devise, as it is important that the technique is designed to obtain the information needed.

Marketing Plan

The marketing plan reflects the outcome of decisions taken by the organisation after considering the marketing audit and subsequent marketing research. It will form a part of the overall business plan and sets out broad intentions under these headings:

- Marketing Objectives and Targets – specific achievements to be met, as related to overall aims and objectives;
- Market (from Marketing Audit)
- Marketing Mix Decisions and Strategies
- Products/Services
- Pricing Strategy
- Promotion Strategy
- Place and Physical Resources
- Customer Care
- Competitive Strategy
- Capacity
- Costs
- Monitoring/Review – Control systems; measurement of progress and benefits.

Tips for Field Research-

- Be clear which “market” you are researching- use techniques which are appropriate;
- Field Research is a good way to involve stakeholders;
- Be sure the questions you ask in questionnaires/surveys actually elicit the information you want, and take care they don't put adverse ideas in peoples' heads;
- Get advice on designing questions – there are several approaches eg attitudinal, factual, behavioural etc.
- Choose a sensible place to speak to people – not when they are rushing to catch a bus!!
- Consider what image may be created by any questionnaires/surveys put through the door.