

Shake Up Your Business in 2010

The new year has finally arrived. You can do the same old same old (and get the same results), or you can shake things up a little. If you want to see growth in your business, you'll vote for the latter.

January is always an ideal time to stop, take stock and decide the direction you'll be heading in the coming year. Like any journey, it's a good idea to check how far you've come, then consider your ultimate destination. And finally, put together a game plan for making progress forward.

Marketing permeates your business so even if you've nailed some elements of your marketing strategy, there is always room for improvement. It's also a moving target. As a business owner you must be able to respond to new market conditions, new innovations, competition, and shifts in consumer behaviour. It pays to stay awake!

So, let's see where you are by looking back to the basics.

Marketing and Business Principles

If you've ever taken a marketing course, chances are you know the 4 P's of Marketing, it's in all the Marketing 101 text books, but I've never bought that. There are actually 5 P's of Marketing; without the 5th P - People - you won't have a business.

1. People
2. Product (and Services)
3. Place (a.k.a. Distribution, but that doesn't start with a "P")
4. Price
5. Promotion

The 5 P's of Marketing are actually the foundation of your business, so it helps to think of them not just in terms of marketing, but also in overall business strategy. Each of the segments interconnect and should not be viewed in isolation, any more than finance and sales should be separated from operations, at least not if you want a successful business.

People: Who You're Selling To

Considering your customers before your product or service "hits the shelves" (product development) right through to after it has left the shelves (customer service) helps build a strong business. It takes commitment, but business owners who focus on their customers develop a loyal customer base and relationships that keep them in the loop on changing customer needs.

Cathy Goddard, owner of [Lighthouse Visionary Strategies](#) in Whistler, depends firsthand on developing relationships with her customers to keep her business growing.

“I have always considered relationships with our customers to be the most important ingredient of our business success. Having started two service businesses, I know their success relied on reputation, knowledge, communication and trust,” says Goddard. “Although there is an obvious requirement to understand your customer’s needs, they are often coming to you for your expertise so it’s imperative to provide guidance and advice. My customers never doubted my ability to problem solve and to create a win-win scenario.”

Product/Service: What You’re Selling

Having a great product or service does not guarantee success. Products and services – which are often easier to sell when you think of them as products – need to be based on what customers want and need. But that’s not enough. You also need to be able to get the Product/service to them (Place) at a Price they are willing to pay.

Place: Where People Will Purchase

The strategy of how your product reaches consumers is often considered too late in the game. Distribution is actually a key business decision that affects many other decisions. If you wholesale only, it saves you the energy and expense of creating a retail location, while allowing you to focus on sourcing the right distributors. However, if your best route to success is through a retail outlet that allows you to build a [strong, interactive brand](#), then your whole business strategy will need to change, along with your marketing.

For Jen Zurowski, owner of [Cheeky Umbrella](#) in Vancouver, choosing a distribution strategy for her umbrellas was part of her business plan. For her products, wholesaling to retailers and selling online direct to consumers were the best options.

“I started researching similar businesses that were highly successful and followed their lead in terms of product placement,” says Zurowski. “Selling online really compliments the wholesaling and broadens distribution by offering Cheeky Umbrella products to people who don’t have access to retail shops where they’re sold.”

Price: What People Will Pay

You can have the best product on the market, but if it isn’t profitable, you don’t have a business. Price is a balancing act that considers Place while balancing the cold hard facts of cost of goods sold. And, if that’s not enough challenge, Price also affects how consumers perceive the value of your products/services, which then ties back to Promotion and whether you are positioned as a premium or a mass market brand. And don’t forget Place... see, it’s all connected.

Cheeky Umbrella’s are in the mid to high-end range of the umbrella world, and to price them there, Zurowski had a lot to consider. Researching the competition was where she started: there was no way she could compete with the low cost, mass marketed umbrellas or the high-end ones with gold plated handles. However, after much research and number crunching, she found pricing her product in the middle of the market fit well with her costs, her customers, her distribution, and her promotion strategy.

“When I was first determining price, one of the main things I had to consider was product placement. What kind of shops would carry my product and what price range would suit those retailers?” says

Zurowski. “My umbrellas are a premium product and they’re perceived that way among consumers because everything in my marketing strategy reflects that message.”

Promotion: How People Will Hear About It

Promotion is the segment of marketing that most people equate with marketing. It’s the “sexy” and fun part (not like that boring Place stuff); it has a tangible outcome – pretty marketing materials. As important as it is for Promotion to align with Place and Product, it’s even more critical that it connect with the People part of the equation. When your marketing is effective, it catches people’s attention and interest.

Checking Your Coordinates

Here are some key questions to ask yourself as you check your coordinates:

1. How connected are you to what your customers want, need and appreciate?
2. Do the Products and services you offer align with what customers want and are willing to pay for?
3. Have you evaluated your distribution strategy and how it affects your business and your marketing?
4. Have you considered how Place affects Price, how Price and Positioning affects your marketing (Promotion)?
5. Do you have a Promotion plan that gets your Product in front of the right People, in the right Place?

Reconsidering your business in light of the 5 key segments of a business and marketing strategy will help you decide how best to focus your marketing efforts in the coming year. Once you’re clear, you can set the direction and make a plan for getting there.

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Written in collaboration with Liz Gaige.

Liz Gaige, owner of [Market Navigators Consulting](#), specializes in bringing creativity and a shot of inspiration to business and marketing strategies for businesses of all sizes. By her own admission, she does her best work when she's just a little bit cheeky!

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