

Building your knowledge

# Marketing and branding

## a practical guide



Small Business  
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# A practical guide to Marketing and branding

Maintaining and developing a successful, sustainable business depends on your customers' perception and experience of your product or service. Marketing is the process of getting your business noticed by the people who need or want what you have to offer. Branding is differentiating yourself from your competitors by creating a unique impression of your product or service in the mind of customers.

People often use the terms 'marketing' and 'branding' interchangeably. The key difference is that marketing is what you do while branding is what you are.

Having a clear and comprehensive marketing and branding strategy will ensure your business is sustainable and assist in differentiating you from your competitors.

## Steps to marketing your business

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1. Conduct market research
2. Profile your target markets
3. Identify your unique selling proposition
4. Develop your business brand
5. Develop your marketing plan
6. Action your marketing plan
7. Monitor and manage your marketing

### 1. Conduct market research

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Market research is a key part of developing your marketing strategy. It's about collecting information that provides an insight into your customers' minds so you understand what they want, how they gather information and where they are located. It's also important to research market trends and what's happening in your industry.

Before you begin researching your market it's important to be clear about how your product or service will benefit potential customers. This will help you focus on gathering relevant information to develop a robust marketing plan.



## Market research in three easy steps

### 1. Define the information you need

Reasons to conduct market research	The type of information you need to know
Identify potential customers	<ul style="list-style-type: none"><li>• Who is likely to use your product or service?</li><li>• How old are they? Are they male/female, married/single?</li><li>• Do they have children?</li><li>• Where do they live?</li><li>• What is their level of education?</li></ul>
Understand existing customers	<ul style="list-style-type: none"><li>• What do they value? Is it the level of service, product quality or prestige associated with using your product or service?</li><li>• Who influences their buying decisions?</li><li>• Which websites do they visit?</li></ul>
Understand your competitors	<ul style="list-style-type: none"><li>• Who are your direct/indirect competitors?</li><li>• Who is targeting the same market as you?</li><li>• What types of marketing campaign are they undertaking?</li><li>• Are they successful in their approach? If so, what's working?</li><li>• Why is your product or service preferred over the competition?</li></ul>
Develop strategies	<ul style="list-style-type: none"><li>• Understand the environment associated with pricing, products, distribution and promotional channels.</li><li>• Use your research findings to make informed marketing decisions about how to price and distribute your products or services.</li></ul>
Prepare for business expansion	<ul style="list-style-type: none"><li>• Research will help you identify areas for expansion and test the market's readiness for a new product or service (eg. deciding whether to open a second retail store and choosing the right location).</li></ul>
Identify new opportunities	<ul style="list-style-type: none"><li>• Your research could identify new business opportunities, under-served markets, changing industry trends, population shifts, increasing levels of education or changes in leisure activities.</li></ul>

### 2. Gather information from a variety of sources

It's important to use a range of resources so you can cross-reference information and build a detailed picture of your chosen target markets. Depending on your industry, a great deal of information may already be available in published reports or studies. This is known as secondary data. However, to gain a better understanding of your target markets it's a good idea to conduct your own research – this information is called primary data.

#### Primary data includes:

- customer surveys
- focus group discussions
- feedback from customers (potential or existing)
- monitoring social media and website pages
- Google Ads, Google Keyword Planner, Facebook advertising, and Facebook Insights

#### Secondary data includes:

- Australian Bureau of Statistics (ABS)
- industry associations
- data providers (eg. IBISWorld)
- local councils

## 1. Conduct market research (continued)

### 3. Analyse the results

When analysing the results it's essential to remain objective. As you review the results keep the following in mind:

- flawed survey questions produce flawed results
- be aware of your own biases
- trends may be hard to spot, so instead look for similarities
- be honest with yourself – don't ignore results that are different from those you expected

Use the findings from your analysis to determine the best way to raise awareness of your products or services to the right people. If research shows your proposed business is unlikely to be successful, it may be time to rethink your concept or strategy.



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## 2. Profile your target markets

Learning about your customers and offering products or services that meet their needs is an essential aspect of marketing. Trying to promote your product or service to everyone is costly and ineffectual, so market segmentation is essential. By splitting your potential customers into clear segments, you can tailor your message to suit them and gain greater value from your marketing budget.

Market segmentation involves dividing your broad target market into subsets of consumers with common needs. There are a number of ways to segment a market.

Type of segmentation	Variables
Geographic	<ul style="list-style-type: none"><li>• Where do they live?</li><li>• Where do they work?</li></ul>
Demographic	<ul style="list-style-type: none"><li>• Are they male or female?</li><li>• How old are they?</li><li>• How educated are they?</li><li>• What are their most common job types?</li><li>• What is their average income?</li></ul>
Lifestyle and values	<ul style="list-style-type: none"><li>• What is their family situation?</li><li>• What do they value in their lives?</li><li>• What are their hobbies and interests?</li><li>• Do they have children?</li><li>• Do they have pets?</li></ul>
Behavioural	<ul style="list-style-type: none"><li>• What is the primary reason they would use your product or service?</li><li>• What appeals to them about your particular brand?</li><li>• What are their usage rates of your product or service?</li><li>• Where do they typically source information about your type of product or service?</li></ul>



### 3. Identify your unique selling proposition

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Your unique selling proposition (USP) is the reason your customers buy from you and not from your competitors – it's what makes your business stand out from the crowd. It's important to define what you do differently and be able to convey that to potential customers.

You should be able to state your USP in a short sentence. For example, Kmart has capitalised on the phrase 'irresistibly low prices'; this appeals to their market and sets them apart from other low-cost clothing retailers.

Start developing your USP by answering the following questions:

- What do customers love most about your products or services?
- What makes customers come to you instead of your competitors?
- How do customers benefit by purchasing your products or services?
- Which aspects do you generally highlight when describing your business to strangers?

### 4. Develop your business brand

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Every business, regardless of size, needs a brand. A brand is more than a logo, tagline or colour. A well-articulated brand emotionally connects with your target customers and conveys who you are, what you stand for and what you can deliver.

#### The branding process

Creating a new brand or revamping an existing one (if you've purchased an established business) essentially follows a three-stage process.

#### 1. Define your brand

You can define your brand by creating a simple list or, in larger businesses undertaking a workshop, with key employees. Address the following:

- In one sentence, what does your business stand for?
- How will this be shown through your actions?
- How will customers experience this when using your product or service?
- What will be your customers' experience when using your product or service?

#### When defining your brand:

- identify your core values
- promote a consistent, simple message
- ask staff ask for their input
- avoid exaggerated claims
- everything you do should reflect your brand

#### 2. Develop your brand's visual identity

A logo on its own has no meaning. However, over time a brand's visual identity will take on attributes resulting from people's experiences of the product or service. This is why it's important to initially define your brand.



## 4. Develop your business brand (continued)

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What your business stands for will determine the following five elements that make up its visual brand.

- **Business name:** Whether you choose a quirky or functional business name, make sure it's easy to pronounce and spell. Try to use keywords (eg. plumbing) in your business name, this will help with website search engine optimisation (SEO).
- **Logo:** Keep it simple and easy to read, it must also be scalable and still be effective in black and white. Be original and creative when designing your logo.
- **Colours:** Choose colours that reflect your business and create the desired emotional response from your target audience.
- **Tagline:** Use around three to seven words. It should sum up your brand's position and stick in the minds of your target market. Great examples include Nike's 'Just do it' and L'Oréal's 'Because you're worth it'.
- **Fonts:** It's a good idea to use common fonts, for example Arial or Verdana, as they are easy to read and are standard on most computers and mobile devices. The same font should be used consistently across all your marketing materials.

It's a good idea to employ a professional graphic designer to develop your logo and select your fonts and brand colours. They'll understand what works best across a range of online and print materials.

### 3. Manage your brand

Deliver a consistent brand experience, understand your brand's value and seek opportunities to build your brand's reputation. Look at ways to be proactive in your industry and to give back by sharing knowledge or experiences.

Protecting your brand through trademarking may be beneficial for your business. Visit [ipaustralia.gov.au](http://ipaustralia.gov.au) to find out more.

You should be able summarise in 60 seconds what your business is about, why customers need your product or service, and how you satisfy that need.

This is called an 'elevator pitch'; a statement that can be delivered in less than a minute (ie. the time it takes to travel between floors in a lift).

Often that's all the time you have to introduce yourself and capture someone's interest.

### Reviewing an established brand

If you have purchased, or are considering purchasing, an established business you should review the strength and relevance of their existing brand. This should be included in your financial evaluation of the business's viability.

Purchasing an established business doesn't mean having to change its branding; in some cases this can be detrimental, especially if the previous owners had built a strong, positive reputation.

If you suddenly change the brand, customers may not know who you are and work will be needed to regain a name in the market.

## 5. Develop your marketing plan

When writing a marketing plan, be clear about your objectives and how you're going to achieve them. A good marketing plan sets realistic and measurable objectives, allocates responsibilities, and includes budgets and action plans. Update it regularly to reflect the current position of your business.

A marketing plan should include the following key elements:

### 1. Business analysis

This is a snapshot of your current position, where you have been and where you want to go. Include these details:

- mission statement (What is the fundamental purpose of your business? From a customer's point of view, why do you exist?)
- vision statement (What do you see for your company in the future?)
- objectives
- product or services
- financial analysis
- SWOT analysis (a review of the strengths, weaknesses, opportunities and threats relating to the business)

### 2. Market overview

Part of determining how you differ from competitors and where your product or service will fit into the existing market is analysing your:

- market
- customers/clients
- competitors' offerings
- external factors

This should be revisited regularly to ensure your strategy remains relevant and targeted.

### 3. Market objectives

Objectives may be financial (aiming to increase sales) or marketing focused (aiming to build awareness of your product or service).

Your objectives should be 'SMART' (specific, measurable, attainable, relevant and time-based). For example:

- To gain 15% of the market for camping stoves by December 2020 (a market share objective).
- To make your orange juice the preferred brand for 21-29 year old females in Australia by August 2021 (a branding objective).

### 4. Marketing strategy

It's important to be able to promote your products or services effectively. Providing good customer service and having a marketing strategy in place will help you generate sales. In marketing there are 'six Ps' – the six key aspects that you need to focus on when marketing your products or services.

<b>Product</b>	What are your core products or services?
<b>Price</b>	How will you price your products or services to cover all costs, make a profit and stay competitive?
<b>Promotion</b>	What are the best ways to promote your products or services to your target markets (eg. website, social media, brochures and flyers, blogging, mail-outs, letter drops, word of mouth, networking, radio or print advertising)?
<b>Place</b>	How will your customers be able to purchase what you are offering? Will it be online, in-store or through other distribution channels?
<b>People</b>	How many staff will you need to operate your business? What skills do they need? How will you train your staff to deliver the best service possible?
<b>Process</b>	Which customer service procedures and business processes do you need to establish to ensure that your sales process is smooth?

## 5. Develop your marketing plan (continued)

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### 5. Specific activities

Plan the specific activities you will undertake to achieve your marketing objectives. The activities must align with your marketing strategy.

### 6. Finances

A rule of thumb is to spend between three and five per cent of your actual or expected annual turnover on marketing. If your business is new you may need to allocate more funds to build your business profile. Use financial statements and projections to assist in creating your marketing budget.

You will need to allocate a budget to your marketing activities, to include elements such as:

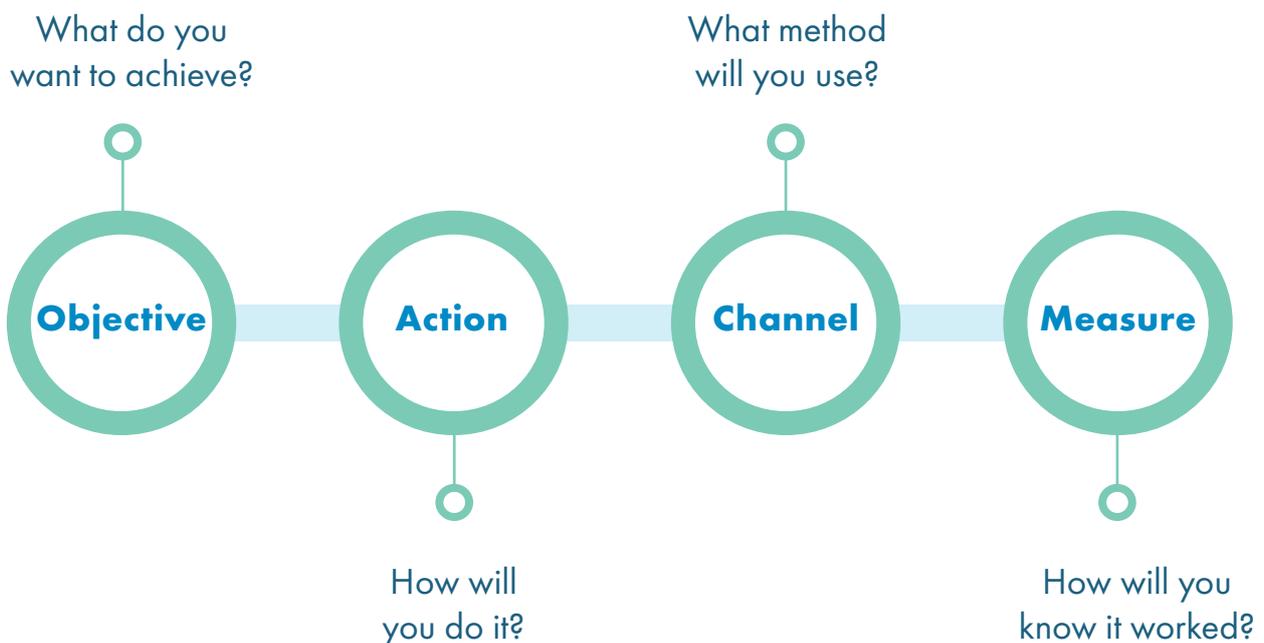
- website development and maintenance
- search engine optimisation strategy
- design of branding
- printing of promotional material (business cards, brochures, signage, etc.)
- advertising
- donations and sponsorships
- employing staff to undertake marketing activities

### 7. Monitoring/evaluation activities

Reviewing the impact of your marketing should be a regular activity. To better understand marketing basics and how to write a marketing plan for your business, attend one of our marketing workshops or download our marketing plan template and guide to create your own plan.

## 6. Action your marketing plan

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Most people understand what they want to achieve (objective), how they will do it (action) and what the desired outcome is (measure) but become stuck on the available methods (channel).

### Understanding channels

Depending on your target market, use marketing channels that appeal most to those you want to reach. There are many options, however the key is to focus on those your target market uses most. For example:

Channel	Outcome
<b>Website</b>	Most businesses will benefit from having a website to attract customers and promote their product or service.
<b>Social media: Facebook, Twitter, LinkedIn, Instagram</b>	Customers can interact with you and find out more about what you provide. You can share experiences and knowledge to build your business profile and attract new customers.
<b>Videos</b>	Share experiences and knowledge to build your reputation. Customers love watching videos and you can capitalise by creating engaging video content for your target market and uploading it to channels like YouTube.
<b>E-newsletters</b>	What makes email unique is that your loyal customers have asked you to market to them so they can stay informed about what your business is doing.
<b>Word of mouth</b>	Encourage customers to share their experience of your product or service through online consumer review sites. Your loyal and happy customers should become ambassadors for your business.
<b>Loyalty programs</b>	Give customers a reason to stick with your business.
<b>Print advertising</b>	Let your market know what you do and how to buy from you. There are many publications offering paid advertising for small businesses, including local newspapers, industry specific publications, and business and consumer magazines.
<b>Brochures and flyers</b>	Brochures and flyers are an important marketing tool. They should focus on what your business offers and how customers can buy it.
<b>Mail-outs or letter drops</b>	If your business services a limited area, letter drops can sometimes be an effective tool. People receive a lot of junk mail, so you will need to ensure your letter or card stands out.



## 6. Action your marketing plan (continued)

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### Tips for choosing your channels

For the best results, adopt a methodical approach to deciding which channels to use and why. Consider the following as you write your marketing plan.

**Your target market:** Who are they and how do they get most of their information? Don't waste money on a print advertising campaign if your target market is mostly online.

**Focus your efforts:** Don't try to use all the social media options, focus on those that will provide the best results.

**Don't give up:** Relationships take time to build. Social media relationships need to be built and consistently maintained.

**Monitor results:** Monitor and analyse your marketing activities, there is no point repeating them and spending money if they're not working.

**Have a coordinated strategy:** The more often potential customers see your message, the greater the impact. If they see a print advertisement, your business name appears in their Facebook feed and they then hear a colleague mention it, people will start to pay attention.

**Successful businesses let their customers do the talking for them.**

**Happy customers spread the word and encourage their friends and family to use your business. Good customer service includes promptly responding to queries, resolving issues, using easy transaction processes and providing a quality product or service.**

## 7. Monitor and manage your marketing

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It is important to regularly monitor and review your marketing activities to determine whether they are achieving the desired outcome. This could include reviewing sales figures on a regular basis or monitoring customer activity during an advertising campaign.

### When to monitor

Initially you should review your marketing plan every three months to make sure the activities are supporting your overall strategy. Once your business becomes more established, review your plan when you introduce a new product or service, if a competitor enters the market or if an issue arises that affects your industry.

### Methods and monitoring

Your channels will determine how you monitor your marketing activities. In each case, the key information you need to know is:

- How did your customers find out about you?
- Why do they prefer your product or service?
- What, if anything, could be improved?

We provide a range of workshops to help you to market your business, covering website development, SEO, social media and digital marketing.



Channel	Outcome
<b>Website</b>	<p>Set a regular time each week to assess your website's performance. Review:</p> <ul style="list-style-type: none"> <li>• volume of web traffic</li> <li>• how long users stay on your website</li> <li>• which pages are most popular</li> <li>• if users visit at specific times or days</li> <li>• source of traffic, including search engines and social media</li> <li>• the routes users take to reach your site and devices they use</li> <li>• your customer conversion (sales, downloads, blog reads etc.)</li> <li>• entry pages (where people are first entering your site)</li> <li>• exit pages (the pages people are leaving your site from)</li> <li>• which browsers are being used to access your website</li> </ul> <p>Google Analytics is a free tool and can be embedded into most websites.</p>
<b>Social media and online marketing</b>	<p>There are many options to monitor social media results. Most social media come with built-in analytics. Some popular online marketing tools include:</p> <ul style="list-style-type: none"> <li>• Facebook Insights</li> <li>• YouTube Analytics</li> <li>• Pinterest Analytics</li> </ul>
<b>Print advertising</b>	<p>Print advertising should include a 'call to action' so you can analyse outcomes. For example:</p> <ul style="list-style-type: none"> <li>• order by end of week for free shipping</li> <li>• call now and ask about our buy one, get one free offer</li> <li>• sign up to our mailing list to receive member discounts</li> <li>• bring in this voucher to receive a free sample</li> </ul>
<b>Marketing calendar</b>	<p>Set up a calendar to include significant events in your area that may impact on your business. Develop campaigns to leverage these events.</p>



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We also encourage you to join thousands of WA business owners in our Facebook group 'I'm a small business owner in Western Australia' – the perfect place to ask questions and share ideas with your peers.



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