Modern Marketing

by John Mason
and the Staff of ACS Distance Education
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The information in this book is derived from a broad cross section of resources (research, reference materials and personal experience) from the authors and editorial assistants in the academic department of ACS Distance Education. It is, to the best of our knowledge, composed as an accurate representation of what is accepted and appropriate information about the subject, at the time of publication.

The authors fully recognise that knowledge is continually changing, and awareness in all areas of study is constantly evolving. As such, we encourage the reader to recognise that nothing they read should ever be considered to be set in stone. They should always strive to broaden their perspective and deepen their understanding of a subject, and before acting upon any information or advice, should always seek to confirm the currency of that information, and the appropriateness to the situation in which they find themselves.

As such, the publisher and author do not accept any liability for actions taken by the reader based upon their reading of this book.
To understand marketing, you must first understand that the activity of any business can be broken up into a series of components:

a. Planning

b. Production

c. Managing

d. Marketing

Planning involves conceiving ideas about the goods or services that you are intending to supply; then determining how to start, maintain and control the business activity.

Production involves creating the goods and services.

Managing involves controlling the work that is done in every part of an organisation.

Marketing involves making customers (or clients) aware of the goods or services, convincing them to buy, supplying what is bought and ensuring the customer remains happy, so as to create a positive impact on future business.
The aim of marketing is to create demand for a product or service, either by making people aware of its existence, or by making them feel they want or need the product. Whether one does this by sending out tweets and YouTube videos, printing posters, publishing articles on the product, or using a town crier - the desired goal is still the same.

Whilst the tools of modern marketing in no way resemble those used in the past, the core principals are similar.

There is a famous story about King Frederick II of Prussia, who enacted what these days might be dubbed “guerrilla marketing tactics”, in an attempt to ease the famine of 1774. King Frederick saw potatoes as a solution to the famine, however introducing them to the peasants did not go down well, given that not even the dogs would eat them. They refused to plant them in their fields and King Frederick II was forced to come up with another method of convincing people to consume them. Essentially he had to market them somehow and create desire in his “target market”.

The solution he implemented was to have a large field of potatoes planted and then heavily guarded. The guards, however, were ordered to look the other way when people came to steal the crops. Thus the potato was “re-branded” as something worth guarding and therefore worth having, worth stealing and ultimately worth eating.

The trick today, is working out how to take lessons from the past and implement them using modern marketing tools, which allow you to access a worldwide audience in a manner that more traditional methods and even traditional media cannot compete with.

Marketing will always be about getting noticed, convincing someone to choose your product (or service) instead of your competitors, and following through to make sure they receive your service or product and are happy enough to give you return business.

This includes:

- goods that are paid for
- free goods (for example potatoes or gifts from a charity or government agency)
- paid services
- free services (for example through a charity or government agency)
Marketing always involves:

Creating Visibility
- You need to be seen, noticed and heard above everyone else.

Creating Differentiation
- People need to identify advantages that differentiate you from others. Why are you different? What do you offer that is better than your competitors?

Influencing Customers
- You must first influence people to make contact with you, nurture the communication, and beyond that encourage them to make a decision to buy.
- Your reputation needs to be maintained by ensuring you do not have dissatisfied customers, both during and after dealing with them.

Today, there are many many different ways to reach your potential customers.

These things are constants in the world of marketing; but the methods used to achieve this have been, and are likely to remain, in a constant state of flux:

- Visibility – how you increase your visibility can change. In the recent past, the main way to be seen was by advertising in print media. Today, there are many many different ways to reach your potential customers, such as the internet, websites, social media, print media and so on.
- Differentiation – in the past people may have chosen the cheapest product, or the shop nearest to their home. Today, people have more choices, they may choose to buy something that is environmentally friendly rather than cheap or aesthetically pleasing rather than functional and everything is available online.
Why people buy - the reasons why people buy have changed. When a society is poorer with less disposable income, they will buy things that they really need. But when a society is more affluent with a greater disposable income, then they will purchase more things because of want rather than need.

Reputation – in the past a business’s reputation could be based on word of mouth or information in print media. Today however, it is much easier to find out a person’s reputation, enhance it, or ruin it. If people want to know something, they simply go online and find out about it. Look at all the reviews of products and services that exist; websites that review hotels, clothes, brands, amusement parks. Enough bad reviews online can damage a business’s reputation as easily as word of mouth and you cannot take those reviews down.

So it is important for any business – new or existing – to be aware of the importance of the changes that have occurred within marketing.

STAYING UP TO DATE

“Maintaining Your Awareness” is the single most important strategy you must pursue.

If you don’t know what is changing in the marketplace; your success is vulnerable.

WHAT TO WATCH:

Be aware of your competition and their current product range, pricing strategy, promotional initiatives (eg. advertising, websites, social media, brochures, etc).

Look for changes being made by your competitors, or new players entering the market place.

Consider changes and innovations in marketing strategy made in other industries. These can be adapted to, and eventually spill over into your industry.

Consider changes in ownership within your industry (eg. when large businesses begin to buy into other industries, they can over time, cause profound changes within the industry they move into).

Consider closed markets that come under pressure when opened up. One example of this would be that of a town in Spain which had dozens of shoe making businesses, and a reputation for quality shoes; built up over hundreds of years. After Spain adopted the Euro, and opened its shoe industry to competition from across Europe, this well established shoe industry all but disappeared.
Being aware does not necessarily mean that you need to change what you are doing, but it might. Changes need to be considered, and made for good reason, at the right time.

**TIMING IS CRITICAL**

A good product may not succeed if introduced too early or too late. Similarly, a good marketing idea can fail if it is introduced too early or too late.

The time to introduce a product, service or marketing strategy, should be influenced by:

- The needs and receptivity of the potential customers.
- The level of competition (it is easier to introduce a product when demand is high and supply is low).
- How “topical” the product or service is. If the broader media is buzzing with talk about something when you launch it, you will get more attention.
- Competition in the media. If everyone is preoccupied with major media events such as an election, the Olympic Games or a war, it will be far harder to gain attention from anyone.

Many experts advise that you should never be the first to try a new idea. The first makes mistakes, and then often fails. The second business with a new idea will often be far more successful. If you wait too long though, you may miss your opportunity. The third may not be as successful as the second.

**HOW TO STAY UP TO DATE**

Above all, be connected with your industry and the wider world.

- Ways that you might maintain awareness could include:
  - Using the general media daily publications (such as TV news and current affairs, radio, newspapers).
  - Using the internet including blogs, newsletters, websites and social media.
  - Subscribing to electronic or print publications (newsletters, journals, magazines, newspaper columns).
  - Attending conferences, seminars, and other industry meetings.
  - Attending trade shows, exhibitions, etc.
  - Customer surveys and market research.
  - Interacting with staff. Stay in tune, promote feedback from staff.
  - Joining professional associations, clubs, societies and other bodies that are relevant to your industry.
  - Watching TV programs and reports (gardeners should watch gardening shows, IT professionals should watch IT shows).
  - Building networks and interacting with individuals who are well connected within your industry. Socializing with a small group of friends who are well networked with their industry can provide a valuable perspective on trends.
This is easier today than ever before; through social media. If you regularly use social media, and do it in the right way, it can keep you up to date with just about anything. The difficult task for most people is to learn how to use it properly and efficiently, without becoming addicted to it.

Improper use of social media can result in wasting a lot of time, getting an unbalanced perspective on the world, or having your account suspended.

Some social media sites such as LinkedIn or certain Facebook groups and pages are great for connecting people together who are within a particular industry.

Learn from History

Big changes have occurred in most industries over recent decades. If you take a look at any industry, such as education, horticulture or publishing, you will find numerous examples of how shifting technologies and business structures have influenced business operations. This, in turn, will obviously influence the marketing tactics you use.

Education:

“In the 1980’s, people were buying and borrowing videos for the first time in history. I saw an obvious opportunity to use video for education; and as an educator, I purchased a lot of educational videos and offered them to my students to borrow. Even though they were offered for free, no one wanted to borrow them. It wasn’t until about 5 years later that my students started borrowing them. I realised that the public perception of video in 1985 was “entertainment”; and it took until around 1990 before a significant proportion of my students began perceiving video as a learning tool. I had the right product but I had introduced it at the wrong time” - John Mason, CEO ACS Distance Education.

Horticulture:

In the 1980’s and 90’s, most people in Australia would purchase plants from garden centres or retail plant nurseries. Hardware was sold largely though relatively small to medium sized hardware stores. With the advent of large Home Centres, such as Bunnings and Homemakers, plants and hardware have been increasingly sold in the same place. The buying power of these kinds of large businesses have resulted in forcing some suppliers (eg. wholesale