

**Video Lecture 6** *(with slides)*

# What is Marketing?

**Fitness in Business**

LECTURE

**6**

# Hello, and welcome to Video 6

## What is Marketing?

Hello, and welcome to Video 6 of the Fitness and Business Teaching Resources. We're looking at what marketing for sports business actually is and what we mean by marketing and planning for a successful business.

For this one:

- Define marketing and marketing concepts,
- What is the marketing environment?
- The extended marketing mix,
- Differences between marketing products and services, and industrial and consumer buying,
- Reasons for planning,
- Common problems associated with planning,
- and then just to revisit the 10-step process of marketing planning.

So what is marketing?

- It's the process for defining your target market,
- Responsible for identifying & anticipating customers and retaining a profit.

We're thinking about being:

- Customer-orientated,
- Customer-centric,
- Starting with the customer,
- Fulfilling customer needs,
- Balance - matching capabilities to the environments,
- And thinking about our relationships as well.

Needs, wants and demands.

- The human **need** is a state of felt deprivation.
- **Wants** are how human people communicate their needs.
- When backed by buying power, **wants** become **demands**.

So thinking about what is the difference between a product and service marketing:

- Thinking about if it's perishable,
  - Intangible,
  - Inseparable,
  - Variability of the product versus service.
- And ideally, what we are thinking about is when you think about perishable things - certain food groups, think about what might be a time-bound concept.

If you've got a product, you won't always have buyer's remorse because you actually have that product there physically in front of you. You might have thought about how you're going to utilize the product and how you're going to justify the cost that you paid out. For a service and an **ongoing** service, it's hard to associate value with a service. Why would somebody go to the Savoy Restaurant and have a burger when they can get the same burger at a burger chain for not even a third of the price?

How do we establish value on the experience or the product itself. Is it actually the same? Do we see it as being the same? Do we see it as having a difference? Do we think that the difference warrants the price difference as well? How often are we going to utilize one over the other. This is how we look at the difference between the service and the product. Are you going to go First Class on a train journey or will you just sit in Coach Class? Do you see the value on that time spent in a different environment or not, because you're getting the same service anyway, travelling from point A to point B.

These are things that you've got to think about. Why would I train with a personal trainer? Why would I want to have a relationship with someone where I'm giving them money for something I can potentially do on my own? What are my needs and wants as a customer that then become my demands, which then becomes placing the value on the service that is offered?

Thinking about The Marketing Mix.

We're looking at

- Product/service,
- We're looking at the place,
- We're looking at the promotions part of that.
- We've got to consider the price,
- The people that we want to be purchasing from us,
- The processes and the journey that a potential lead, a potential sale, goes through to becoming a customer.
- And then that physical environment that they're engaged in throughout the process with you on that service.

So why should we plan?

- “The benefit of not planning is that failure comes as a complete surprise and is not preceded by a period of doubt and uncertainty.”

We always say if there is any doubt, there is no doubt. So if you're doubting about something, then you want to consider whether your doubt is reasonable. If you've got that thought process, there's probably a reason behind it anyway.

So more detail about that. Obviously, there's lots of different takes on failure to plan which will lead to poor performance and different interpretations of that. However, we want our business to be sustainable and we want it to be successful. And we've got to understand this about service-orientated businesses. When we have disposable income, we will determine where we want to take our disposable income and what our reasons for that are.

Someone who is offered an exclusive gym membership of anything between £60-90 a month where they can visit that gym on numerous occasions, might perhaps say,

"I don't want to invest that money once a month, because I'd like to go out for dinner with my partner once a month at the same price."

If you're good at your sales pitch, you can obviously explain to that person that if they come on several occasions, they've got access to the facility on several more than one occasion within a month. And the cost actually works out at maybe £2.50 if they go several times within a week. But we have to try and engage somebody into that behaviour. Of course, whenever there are stresses, whenever there's a change in the economy, peoples' disposable income and what they choose to spend their disposable income on, will change with trends.

- So as part of that, we've got to think about the hostile environment that we're in. We're not a necessity. We're not considered to be a necessity. How can we make ourselves a necessity to our clients? By planning, we can look at hostile environments at different times of the year and
- reduce the risk. We can think about the fact that there's going to be high competition in January for “New Year, New Me”. So why don't you do your sales promotions in October, November and December rather than trying to fight the noise with everybody in January?
- You want to focus your resources and your energy. Think about your time as a resource. Social media posts, writing articles, putting information out there takes time. And if you were to pay yourself an hourly rate, what rate do you think you are worth? How are you going to effectively invest that resource?

- Clarifying your targets: who are you looking to get and why? What numbers, what percentage of attention are you looking for? Rather than just blindsided, gorilla marketing, throwing out as much as you can and see what comes back, let's actually target who it is that we're looking to get. Target our campaigns.
- Constant monitoring and reviewing. Sometimes you might have done a really great campaign, you might have done everything correctly and it hasn't pulled. You could try and run that again. You could try and run it alongside other adverts at the same time to see which one is pulling more traction, and look to drop the other one to bring it in at another time. Just because it hasn't worked on one occasion doesn't mean it won't work again.
- Communication documentation and how you feed all that into your business plan and strategy moving forward.

Some common problems when it comes to marketing are

- Unrealistic objectives,
- Lack of information,
- Inter-functional strife. We're trying to do one thing while trying to do another at the same time.
- Vulnerability to environmental change,
- Weak management support,
- Confusion over terms and what they entail.
- Too detailed too soon. Sometimes you just want to get particular information to fit the objectives first.
- If it becomes a ritual process: this is the time of year we do this and this is the process that we're doing now and this is what we roll out this time, that time... If it becomes a ritual process, if it's not authentic, it won't have that traction.
- And if you delegate planning to a single planner - that there's one person who plans everything but then that doesn't actually devolve to the rest of the team, ie, the rest of those interested parties who are part of pushing your brand for you, then that becomes a bit of an issue and the reason why this is felt in marketing.

There's a link between planning and performance, but sometimes this is let down by poor planning process. 70% of companies produce marketing plans but only 10-14% are adequate. Only 59% of companies forecast market size. Only 63% measure market share. Marketing planning is regarded as a key skill for marketers, although 60% say they need more training in it.

Coming back to your 10-step strategic plan.

- Thinking about the mission of your business.
- What it is that you're looking to do, what your objectives are for sustainability of your business?
- How are you going to audit and review your marketing?
- What your SWOT analysis will be. (We'll do a bit more delivery on that in the new videos coming up).
- What assumptions are you making about

your market?

- What are now your marketing objectives and strategies?
- And how are you going to have some systems for estimated expected results?
- Perhaps think about alternative plans,
- What your budget for this will be,
- And how you build that all into your detailed implementation programme for the first year.

