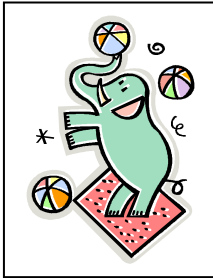




**What's the difference between advertising, promotion, publicity, public relations, sales and marketing?**



If the circus is coming to town and you paint a sign saying "Circus coming to the playing fields on Saturday" - that's **advertising**.

If you put the sign on the back of the circus elephant and walk it into town - that's **promotion**.

If the elephant walks through the Mayor's flower bed - that's **publicity**.

And if you get the Mayor to laugh about it - that's **public relations**.

If people come to the circus and you show them the many fairground rides, explain how much fun they'll have spending money on these, answer their questions and ultimately, they spend a lot at the circus - that's **sales**.

And, if you planned the whole thing, that's **marketing**!

## MARKETING

Marketing is the process of identifying, anticipating and satisfying user needs. Whereas private sector companies meet customer needs profitably, Third Sector Organisations (TSOs)<sup>1</sup> meet needs within the context of their mission and values.

For any organisation that claims to care about its beneficiaries/customers, marketing is essential. It helps organisations stay focused on responding to user needs. Without marketing we risk losing our way.

There is a growing realisation that TSOs have to become more customer orientated. There is also a wider understanding that marketing is all about meeting customer needs within the objectives of the organisation.

### Developing a marketing strategy

In order to develop a strategy for the introduction of a marketing approach into TSOs, there follows a breakdown of the traditional marketing mix which is recommended as the basis for preparing a marketing or service plan.

As part of any planning you should always include measures which describe the previous year's actual forecast, the current year's forecast, and the next year's target.

The social marketing mix is made up of:

- Market segmentation
- Market research
- Other player analysis
- Positioning

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<sup>1</sup> The Third Sector includes community groups, voluntary organisations, faith and equalities groups, charities, social enterprises, co-operatives, mutuals and housing associations.

- Product
- Price
- Promotion
- Place (distribution)
- People
- Physical evidence
- Processes

### **Market Segmentation**

By establishing and understanding the different market segments it helps the organisation set priorities, identify those most in need of its services and enables the organisation to use its resources more cost effectively as well as avoiding duplication of effort.

Perhaps one of the main benefits resulting from a clear understanding of market segmentation is that if an organisation can demonstrate it has established its priorities and is operating cost effectively, it proves more attractive to supporters enabling the organisation to raise new funds more effectively.

Traditionally there have always been four strands to market segmentation:

- geographic (location, population density-urban, suburban, rural, semi-rural)
- socio-demographic (age, sex, family, income, occupation)
- psychographic (lifestyle, personality, attitudes)
- behaviouristic (the benefits being sought, usage rate and purchasing rate)

You need to be very clear on who your existing customers are:

- how many of them there are
- characteristics - how they are segmented
- you need to prepare a similar profile for your prospective customers

### **Market Research**

- Do you know the total size of the market for your services?
- What are the key needs of customers/beneficiaries?
- Are you absolutely sure that there is an unmet need for what you are proposing?

### **Other player analysis**

Unlike the private sector there is far more collaboration rather than competition between TSOs working in the same markets. This explains why you'll seldom hear references to competitors; instead, there are other players, collaborators, and partners.

Having said that it is surprising how little is known about other players in the Third Sector with many TSOs relying on information proffered on a co-operative basis of sharing information rather than establishing competitor profiles

## Positioning

When talking about positioning there are two sides to take into account

- the organisation's own view of its position
- how beneficiaries or customers view it

It is acknowledged that an organisation has options in how it would like to be viewed:

- market leader
- market nicher (filling a particular niche)
- a market challenger if it is new to the market
- a market follower if another organisation is the recognised leader

Customers however assess an organisation's position based on a combination of various perceptions:

- the quality of the organisation and its services
- the type of people using the service and those providing it
- its strengths and weaknesses
- the overall value of the services being provided
- any other notable characteristics including the reliability and responsiveness of the organisation
- whether or not customers get a sense of empathy from the people they are dealing with

## Summary

It is only when a full analysis of market segmentation, market research, other players and positioning has been completed that the products or services (or ideas - less tangible but often relevant if an organisation is trying to influence or campaign on a specific issues) should be developed further.

Many organisations do not even go through these essential preparatory stages in the marketing mix but there is evidence that a marketing approach is becoming more accepted as the basis for all charities to develop their services.

If any one part of the marketing mix is weak it can undermine the whole marketing strategy.

# The 7 'P's of the Marketing Mix

## Product

The definition of a product can be a service, goods of some kind or ideas and needs to address:

- quality
- features
- design
- support
- guarantees

Customers/beneficiaries can't usually see, hear or touch a service before they experience it and so an emphasis on the benefits and the reputation of a particular organisation become particularly important.

"Ideas products" include campaigning, pressure groups and fundraising. Fundraising can be seen as an exchange between the charity and the donor: the donor pays for the "feel good factor" they get from knowing they are contributing to a good cause

Campaigning organisations are usually trying to achieve a change in the law or practice. The problem is that the people with the power to make the change are often not the main beneficiaries of that change. The challenge is to emphasise the benefits for the person or institution for which you want to make the change.

### **Price**

Within your organisation you need to fully understand what price should be charged for the product in question even if in reality you offer it to your customers on a free of charge or subsidised basis. To some people, 'free' equates to of no value i.e. worthless. So even if you provide a product free of charge, it will enhance the perceived value if you can ensure that the true price is recognised.

### **Promotion**

Promotion is about informing potential users about products and services and persuading them to buy, fund or use them. The right promotion ensures that as much of your target market as possible hears about your products or services and that you communicate the messages that matter to them

Promotion includes:

- advertising/media
- personal selling
- direct mail
- referrals
- websites and emails
- leaflets
- public relations
- networking/events

### **Place (distribution)**

In other words, how you're going to get your product to your market. How can you distribute your products or services so that your target market has easy access?

If your project is a publication do people buy it directly from you; can they do this online, by phone or in person?

If you offer a service is the location suitable? Are your ideas reaching your target audience when they are in the best environment to receive them?

## People

Customers/beneficiaries experience of your services will be profoundly affected by the way staff and volunteers behave, including their levels of competence, politeness, respect and discretion.

## Physical evidence

How do you prove that you have actually delivered your product, especially if it's only an idea? This is especially important when selling ideas, which is why many fundraisers if trying to raise funds for a new building will often get a model made of it to provide some physical evidence of their product.

## Processes

These are the policies, the systems, the order processing and the customer involvement - maintaining the flow of the product to the market.

Make sure the policies and procedures surrounding your services are user-friendly. How easy is it for people to apply for your service? Are there procedures in place for users to feed back and influence service delivery?

## Take up behaviour

The final part of the marketing mix is to assess the take up behaviour of the target market and to continue to monitor and review the changing needs and expectations of customers to complete the cycle and allow the organisation to update its knowledge of its markets and market research.

Successful marketing is not something you can do once and then forget about it. You need to consider the marketing mix for every single product or service with which your organisation is involved.

The language of the marketing mix is starting to be spoken throughout the Third Sector. By adopting a marketing approach, the sector is signing up to an on-going relationship with the people who depend on it and its products - the customer/beneficiary.

