

AN INTRODUCTION TO

MARKETING STRATEGIES



SMALL BUSINESS INFORMATION SERIES



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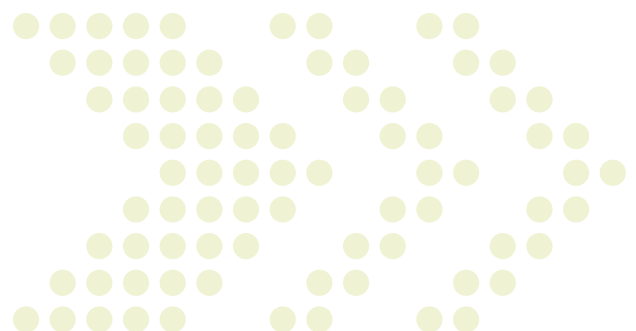
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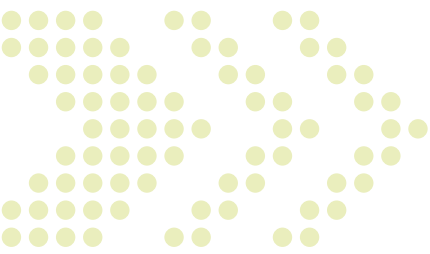


How this guide can help you run your building business

This guide explains in simple terms how to put together a marketing strategy for your building and is set out in 3 parts:

- Understand your market
- Create your strategy
- Review your strategy





1 Understand your market

You know your marketing campaign has been successful when you have motivated potential customers to become actual customers. If you don't understand your customers (and their situation), how will you know what motivates them?

At the very least, you should try to understand:

- > The **business environment** your business operates in (or wants to operate in);
- > Your **competition** (both actual and potential); and
- > Your **customer base** (those clients you attract or want to attract).

Business environment

By “business environment” we are referring to those external factors that may influence how potential customers will spend their money.

Those factors include:

- > The **economy** (both domestic and international);
- > **Demographics** (features of the population, such as age, gender, average household income and cultural background etc);
- > **Government regulations;**
- > **Technology.**



Some useful websites for sourcing this type of information are listed in **Appendix A**.

Business environment



For each of those factors, you will need to:

> **Identify:**

- those factors that will or may affect your business;
- how well you understand the subject matter;
- what information is available to you so you can improve your understanding of the subject matter; and
- the likelihood of change and how you will be alerted, should any change take place.

> **Be comfortable with your level of understanding of:**

- how each factor affects the way you carry on business;
- whether the current situation it is likely to change (and, if so, when);
- how a change would affect your business; and
- what to do to protect or improve your business.

You may find the worksheet in **Appendix B** to be helpful for this exercise

Your competition



It is important to understand your competition so you know how to successfully compete with them.

Obviously, you want to motivate people to choose your business to carry out their building work (instead of choosing one of your competitors).

To understand the best way to do this, **you need to stand in your customers' shoes** and look at what your competitors are offering so you can take steps to make your business more appealing than the others.

A simple way to do this is to:

- > **Identify** your key competitors;
- > **Evaluate** their strengths and weaknesses; and
- > **Classify** each competitor as either a “major” or a “minor” competitor (depending their effect on your business).

You may find the worksheet in **Appendix C** to be helpful for this exercise

Your customer base

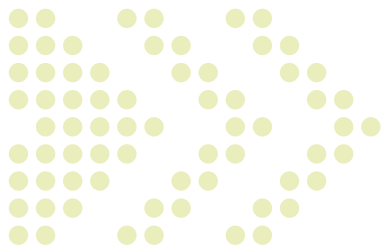
It is helpful to understand those customers that you **want** as well as those that you already **have**.

With respect to your customers, you will need to identify **typical characteristics**, in particular:

- > which characteristics you **like**;
- > which characteristics you do **not like**; and
- > of those characteristics that you don't like, **whether you can change** them or the way you deal with them **and how** you can do this.

You could use a simple spreadsheet such as the one below and add to it whenever you decide to review your marketing strategy.

Customer's Characteristics	Do you like it?	Can you change:		Suggestions for changes to be made
		Them?	You?	
	Yes / No	Yes / No	Yes / No	
	Yes / No	Yes / No	Yes / No	
	Yes / No	Yes / No	Yes / No	



2

Create your marketing strategy

“Strategy” is simply another way to describe forward planning.

No matter what your goal, you need to make a plan before you can achieve that goal.

There are **3 simple steps** you can follow:

- > Identify your goals and objectives.
- > Select your strategy.
- > Determine which tactics to use.

Goals & objectives

Objectives are an important part of your marketing plan as they provide the benchmarks for evaluation.

Your objectives need to be **clear, measurable and time limited.**

Some examples might include:

- > “Increase the number of kitchen renovations by 5% (5 kitchens) by the end of the year.”
- > “Increase awareness of the business by 10% by the end of the quarter.”
- > “Increase the number of repeat customers by 7% by the end of next year.”

Your strategy

There are a number of different marketing strategies to choose from.

The key ones include:

- > **Differentiation** – this strategy focuses on **“being different”** from your competitors. This can be as simple as focusing on a particular feature of your product or service (for example, exceptional customer care), and developing it in such a way so that your business stands out from the crowd.

Your strategy

- > **Cost** – this strategy refers to the **ability to deliver a standard product at a reduced cost**. This is achieved through cost efficiencies which are not available to your competitors. An example would be to use an in-house design team instead of engaging a more expensive consultant.
- > **Focus** – this strategy involves the business concentrating on a particular section of the market (also known as a **niche**). An example would be only accepting renovation work in relation to heritage-listed properties.

Your tactics

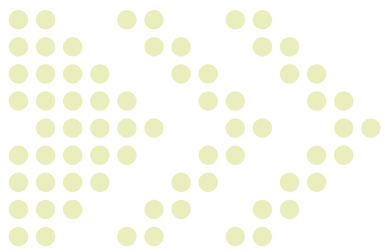
Finally, you will need to choose the marketing tactics that will best deliver your marketing message, at the right price.

Remember to keep your target market in mind when making your choice.

Some options include:

- > Advertising on television or radio.
- > Creating a website.
- > Promotional flyers.
- > Competitions & giveaways.
- > Editorial in newspapers or magazines.
- > Public relations.

Notes



3

Review Your Marketing Plan

There's no point spending time and money on a marketing campaign if it doesn't result in more business being generated.

In order to review your marketing plan, you need to find out both:

- > **Whether your goals were met;** and
- > **How they were met** (i.e. what was the customer's motivation for engaging your business) to do their building work.

Have your goals been met?

This is why it is important to have clear, measurable and time limited objectives.

Using the examples from Part 2 of this guide, some suggestions for measuring your marketing goals are:

- > **“Increase the number of kitchen renovations by 5% (5 kitchens) by the end of the year”** – this will be apparent from those contracts that were entered into after the goal was set and before the end of the year.
- > **“Increase awareness of the business by 10% by the end of the quarter”** – this can be determined from an increase in enquiries from potential customers.
- > **“Increase the number of repeat customers by 7% by the end of next year”** – if you have a high volume of customers, you will need to make sure that you have a database of customers and a system which flags the fact that a new contract has been entered into with a previous customer. If you have a low number of customers, you will recognize them when they come back, but it still doesn't hurt to keep a record (for the sake of good business practice).

How were your goals met?

Just because your marketing goal was met, doesn't mean that it was thanks to your marketing campaign.

For example:

- > You know that you reached the goal of **“increase the number of kitchen renovations by 5% (5 kitchens) by the end of the year”** because your order book shows 5 more kitchen renovations than you would usually expect for that period of time. However, this may be due to an improvement in the economy. Those “extra” customers may have been intending for some time to engage your business for a kitchen renovation but had decided to hold off to see whether or not the economy was improving (before committing themselves to spending the money).
- > You know that you reached the goal of **“increase awareness of the business by 10% by the end of the quarter”** because the level of enquiries that your business normally gets has increased. However, that increase could simply be due to a previous customer having thrown a big party during the quarter in question and given their guests a “show and tell” of their new bathroom.
- > You know that you reached the goal of **“increase the number of repeat customers by 7% by the end of next year”** if you've noticed that previous customers engage your business to do some more work for them. However, this may be due to the fact that they had broken their renovation projects into smaller mini-projects because they didn't want to spend a large sum of money in one go during a period of economic uncertainty.

All of these examples show that your marketing efforts had nothing to do with your goals being met. This is why **it is important to find out what motivated your customers**. This can be as simple as asking new customers “where did you hear about us” or, at the end of a job, asking your customers to complete a survey.



Useful Websites

The Economy

- > **economics.hia.com.au** – HIA’s Economics Group website where members can find regular economic updates and links to economic publications, housing forecasts, research notes and a media archive. HIA’s Economics Groups also offers a tailored market research service.

Demographics and other Statistical Information

- > **abs.gov.au** – Australian Bureau of Statistics.

Government regulations

- > **hia.com.au** – The Housing Industry Association Ltd’s website which contains building business-specific information for its members.
- > **www.aph.gov.au** - Parliament of Australia.
- > **www.parliament.act.gov.au** – Legislative Assembly for the ACT.
- > **www.parliament.nsw.gov.au** – Parliament of New South Wales.
- > **www.nt.gov.au** – Legislative Assembly of the Northern Territory.
- > **www.parliament.qld.gov.au** – The Queensland Parliament.
- > **www.parliament.sa.gov.au** – Parliament of South Australia.
- > **www.parliament.tas.gov.au** – Parliament of Tasmania.
- > **www.parliament.vic.gov.au** – Parliament of Victoria.
- > **www.parliament.was.gov.au** – Parliament of Western Australia.

Technology

- > **www.news.com.au** – Most newspapers regularly feature articles and reviews in relation to the latest technology (both products and trends).
- > **www.news.cnet.com** – a popular website for product reviews as well as for general information.
- > **www.technewsworld.com.au** – a technology-specific newsite.



“Business Environment” worksheet

List of external factors	Effect on your business			Coping with change				Your understanding	
	Does it?	Will it?	How?	Likely to change?	How will you know?	How will it affect your business?	How to protect or improve your business	How well do you understand this topic?	What info about this topic is available to you?
The economy									
> Australian									
> Overseas									
Demographics									
Government regulations									
Technology									



Your Competition

Who are your key competitors?	Effect on your business		
	Their strengths?	Their weaknesses?	Major/Minor?
1.			
2.			
3.			
4.			
5.			

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