

15 minute marketing

“Marketing is too important to be left
to marketers”

David Packard

Understanding value



Value = benefits - costs



Functional
Economic
Symbolic
Hedonic

Financial
Psychic
Time

How can you increase the value of your offer to your customers?



← £3.16 per kilo

£1.71 per kilo →

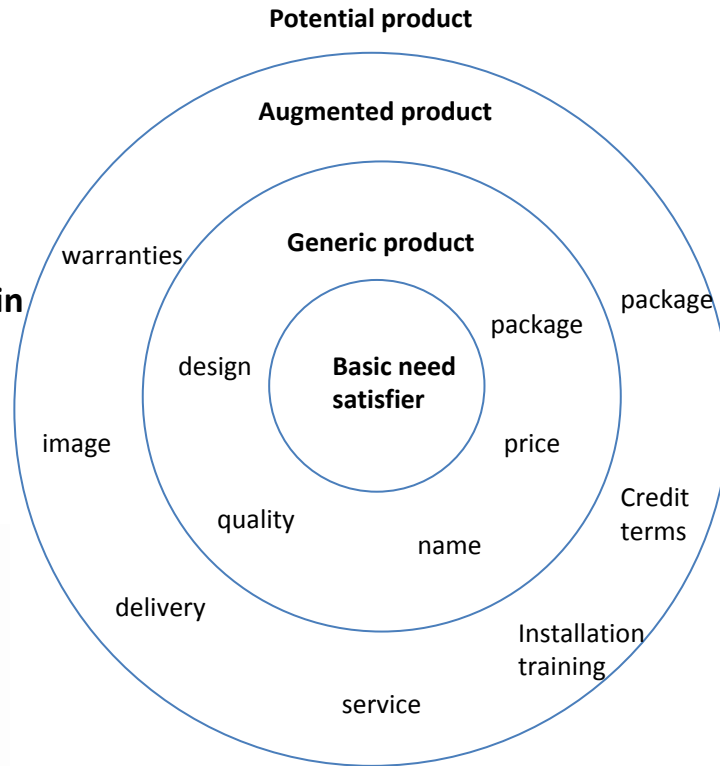


Build the brand

Augmentation creates
Differentiation.

It implies **cost**

**Differentiation must be in
respect of features and
benefits valued by
customers**



Add value



Functional benefit focused on the product class

Differentiated benefits focused on the brand



User experience

Product
Packaging

User associations

Built through advertising

Appearance

Marketing aesthetics

Effectiveness

Product performance
Promises
Claims
Seals of approval
Warranties

Act on information

Types of information

Market

Size, trends, shares, regional/seasonal variation

Customer and user

Customer identity (demographics, nature, type)

Purchase timing, location, frequency

Purchase motivation

Perceived quality and benefits

Other brands bought in same category

Brand and advertising recall

Competitors

Market performance (relative to yours)

Perceived quality and benefits

Areas of strength (quality, design, cost base distribution)

Record on innovation

Channels

Types and relative importance

Shopper preferences

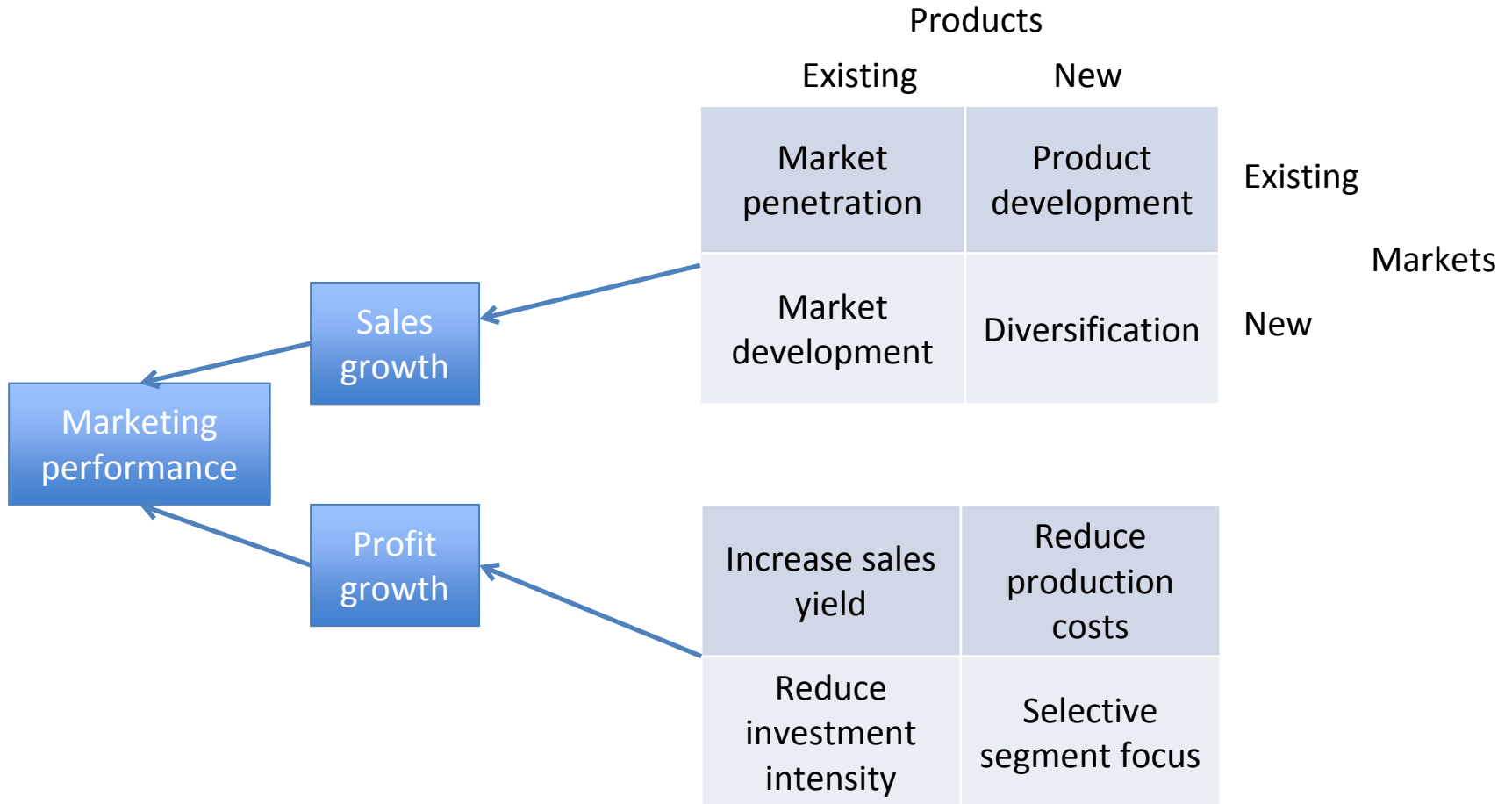
Ranging policy

Terms and requirements

“I keep six honest serving men
(They taught me all I knew);
Their names are *What* and *Why* and *When*
And *How* and *Where* and *Who*”

Rudyard Kipling
The Elephant's Child

Improve marketing performance



Know your value proposition

We're the people-powered bank

The bank that does things differently. The bank that never closes. The bank with real people answering the phone 24 hours a day, 7 days a week. We're the bank that changed what being a bank means - we're not over there, on the high street, we're right here, on your mobile or laptop. We're **first direct**. We love what we do. We love coming to work

We're always - always - here for you

When the clock struck midnight on 1 October 1989, we received our first ever call. Our lines have been open ever since, making us the first UK bank to offer an always-open service to our customers. And the people you'll talk to are famously brilliant at what they do. You'll never talk to a robot - no 'press 1 for...' nonsense here, thank you very much.

We're the pioneers of easy banking

While we're famous for our phone service, there's much more to **first direct** than that. We launched our PC Banking service in 1997, we were Text Message Banking in 1999, and Internet Banking in 2000. We were the first UK bank with a Twitter account. See that curve? We try to stay ahead of it... Because we know that our love for banking is quite unusual - you guys just want easy, seamless, intuitive control over your money, wherever, whenever. So that's what you get.

Our customers love us

(And we love them too...) We win more awards for our service than any other UK bank. But what makes them special is that so many of them are voted for by the people that matter - our customers. This makes us very happy indeed. It means we're mostly getting things right.



Write it down.



Does it match with
what your
customers think?

Map your value proposition against competitors

Customer purchase criteria	Your business	Competitor A	Competitor B
Low prices	Red	Green	Yellow
Wide product selection	Green	Yellow	Red
Location convenience	Green	Red	Yellow
Product quality	Green	Red	Yellow
Selection within categories	Yellow	Red	Green
Facilitating services	Yellow	Green	Red
Service levels	Yellow	Red	Green
Store appearance	Red	Green	Yellow
Reliability	Green	Yellow	Red

Poor    Excellent

Performance against customer criteria

Write a positioning statement for your business which:

- Describes the value proposition
- Identifies the target market
- Gives reasons for buying (points of difference)
- Provides a frame of reference – where you compete
- Gives the customer permission to believe

Here's a template and an example

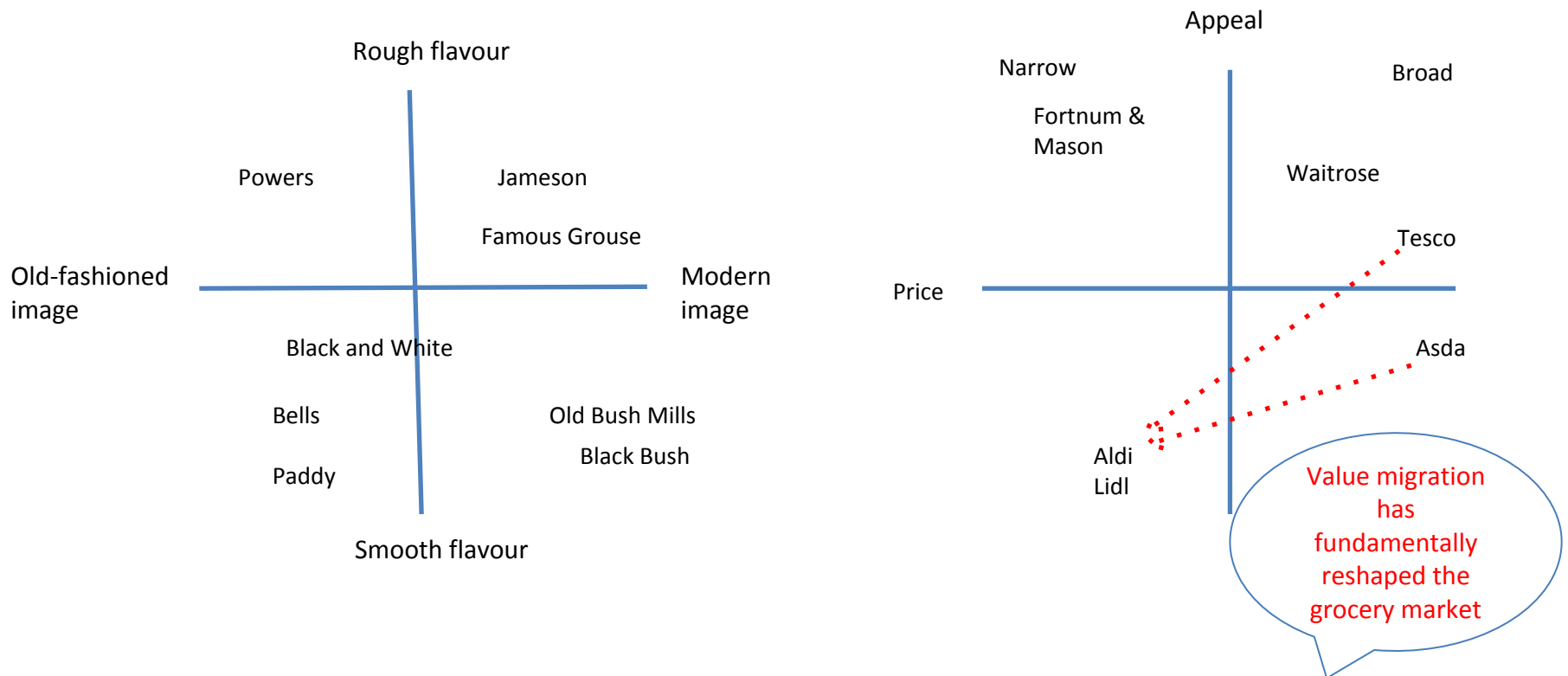
For (target market) the (your product/brand) is the (point of difference) among all (frame of reference) because (reason to believe)



For adults concerned about Oral hygiene Listerine is the one brand of mouthwash that is clinically proven to stop bad breath and help prevent gum disease

Understand and communicate your market position

Your brand is a position in multi-dimensional space where the axes are attributes that characterize products in the category. You should know clearly where you intend to be – but how do customers see you? And do they value the same attributes as 5 years ago?





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