

## Module 4: Outreach improvement

### (Creating new channels of outreach; showcasing your work)

#### Overview:

As an arts and crafts small business owner, you probably have a general idea of who makes up your customer base and how best to reach them, but "vague" ideas are not enough in today's competitive marketplace. With the information in this module, you will take a fresh look at your business and find new opportunities for it.

#### Learning Outcomes:

By the end of the module learners will:

- Be able to recognise your target market
- Building business networks
- Planning your marketing
- Getting familiar with how to grow your market
- Developing customer service skills

## Explore your target market:

### What is a target market?

A target market is a segment of potential customers who are more likely to buy a product or service from you. This target market could be based on geography, demographics, psychographics, or other defining features. A target market is essential in successful marketing campaigns as it describes the type of people you want to single out.

Targeting a specific market does not mean that you are excluding people who do not fit your criteria. Rather, target marketing allows you to focus your marketing budget and brand message on a specific market that is more likely to buy from you than others. This is a more affordable, efficient, and effective way to reach potential clients and generate business. Target marketing aims to connect with a group of consumers most likely to purchase what you have to offer based on demographics, past buying history, and other data. Think of it this way: your target market is the group of people who could benefit from your product or service. The target audience are the people you're selling to.

### Defining target markets:

Target markets can be hard to define without doing some research first. Once you have chosen a product or service to sell you can look at your competitors and unearth who their target market is. Sometimes it can be easy to figure out due to language, imagery or the company defines their market publicly. Other times it is not clear if there is a target market for a product. Defining your target market will allow you to concentrate your resources on the group or groups of people that are most likely to buy from you.

### Gather Your Target Market Information:

The first step is to gather data. You won't be able to accurately choose the right market for your product without some basic research. Here's how to get started:



- **Look at your current customer base** – who are your current or potential customers, and why do/would they buy from you? Look for common characteristics and interests. Which ones bring in the most business? It is very likely that other people like them could also benefit from your product/service.
- **Interview Customers** – the easiest way to find out more about your target market, is to simply ask your customers about themselves. Do this in person, on the phone, through email, or via surveys and polls on your social media sites. If you have forms on your website, make sure to use specific mandatory fields such as age or company size or job title. If you don't have customers, you can do this among your potential ones.
- **Check out your competition** – look at your competitors' websites, social media posts, and ads. Who are your competitors targeting? Who are their current customers? Don't go after the same market. You may find a niche market that they are overlooking.
- **Analyse your product/service** – write out a list of each feature of your product or service. Next to each feature, list the benefits it provides (and the benefits of those benefits). For example, a graphic designer offers high-quality design services. The benefit is a professional company image. A professional image will attract more customers because they see the company as professional and trustworthy. So ultimately, the benefit of high-quality design is gaining more customers and making more money.

Once you've decided on a target market, be sure to consider these questions:

- Are there enough people who fit my criteria?
- Will my target really benefit from my product/service? Will they see a need for it?
- Do I understand what drives my target to make decisions?
- Can they afford my product/service?
- Can I reach them with my message? Are they easily accessible?

Don't break down your target too far! Remember, you can have more than one niche market.

Consider if your marketing message should be different for each niche. If you can reach both

niches effectively with the same message, then maybe you have broken down your market too far.

Defining your target market is the hard part. Once you know who you are targeting, it is much easier to figure out which media you can use to reach them and what marketing messages will resonate with them.

### Activity 1:

Decide whether the statements below are true or false.

Statement	True/False
1. The easiest way to find out more about your target market, is to simply ask your customers about themselves.	
2. A target market is essential in successful marketing campaigns as it describes the type of people you want to single out.	
3. Targeting a specific market mean that you are excluding people who do not fit your criteria.	

Breakdown of answers:

**1. True:** The easiest way to find out more about your target market, is to simply ask your customers about themselves. Do this in person, on the phone, through email, or via surveys and polls on your social media sites.

**2. True:** Target marketing aims to connect with a group of consumers most likely to purchase what you have to offer based on demographics, past buying history, and other data.

**3. False:** Targeting a specific market does not mean that you are excluding people who do not fit your criteria. Rather, target marketing allows you to focus your marketing dollars and brand message on a specific market that is more likely to buy from you than other markets.

## Building business networks:

### What is a Business network?

- A business network is a mean to share information about your products or services in the business environment, among potential customers or other companies you might be willing to cooperate with.
- Business networks allow performing business networking.
- Business networking is the process of establishing a mutually beneficial relationship with other businesspeople and potential clients or customers.
- Business networking is an easy, effective, and low-cost marketing method for developing your business. You can gain access to the market, expand your sales, or establish new contacts. Business networking is based on referrals and introductions (face-to-face at meetings and gatherings, phone, email, social and business networking websites, etc.).
- Business networking is a term that refers to meeting other business owners, potential suppliers, or other professionals who have business experiences – to help you grow your business. Networking gives you a pool of experts that range from competitors to clients, and allows you to offer something to them; hopefully, in exchange for their services, advice, knowledge, or contacts.
- In addition, business networking brings with it the added advantage of recommendation and personal introduction, which are always very helpful for developing business opportunities.
- The principles and techniques of building business networks/business networking are mostly common sense. Many of the behavioural principles also apply to business and relationships generally, and specifically to selling, managing, coaching, facilitating, etc.

## Activity 2:

Decide whether the statements below are true or false.

Statement	True/False
1. Business networking is the process of establishing a one-sided beneficial relationship with other businesspeople and potential clients or customers.	
2. Business networking is an easy, effective, but expensive marketing method for growing your business.	
3. Business networking is the process of establishing a mutually beneficial relationship with other businesspeople and potential clients or customers.	

Breakdown of answers:

**1. False:** Business networking is the process of establishing a mutually beneficial relationship with other businesspeople and potential clients or customers.

**2. False:** Business networking is an easy, effective, and low-cost marketing method for developing your business. You can gain access to the market, expand your sales, or establish new contacts.

**3. True:** Business networking is a term that refers to meeting other business owners, potential suppliers, or other professionals who have business experiences – to help you grow your business.

## Planning your marketing:

Marketing is something you need to plan. Therefore, you may need to do some basic research to answer the following questions

- Who is your target customer?
- Where's your customer most likely to be found?
- What materials will your customers find most useful/engaging?

- How can you deliver your materials to them in the most efficient way?

It is also important to revisit these questions because as your business develops the answers to these questions may change. Additionally, your audience may start using different channels to receive communications. For example, in the early 2000's few would have predicted most people would have access to a small computer in their pocket 24/7 (smartphones), but this has become the case. As a business owner it is useful to know how your customers access information, so your information is more likely to be seen.

Relationship marketing focuses on the building of a relationship with customers rather than simply informing them of your product or service. The headings in Figure 1 can help you decide what to include in your marketing plan. A feedback loop is simply giving your customers the chance to tell you how you are doing, what changes they would like to see and where you could improve.



**Figure 1:** Features of Relationship marketing.

Figure 2 offers a representation of the “4P’s of Marketing”. Although the 4P’s of marketing was developed in the 1950’s, it remains a useful framework to help when developing a marketing plan. However, more contemporary ideas about marketing, generally described as “relationship marketing”, should not be forgotten, and can be added to the foundations provided by the 4P’s. This figure show how **Product**, **Price**, **Place** and **Promotion** all need to have attention paid to them.



**Figure 2:** 4P’s of Marketing Mix.

With time, further letter P’s were added to the 4P’s concept. **People** – the human factor, thus creating the 5P’s concept. **Physical evidence** - everything that the consumer associates with the brand, and **Process** – processes occurring within the organisation (or 7P’s).

Well-planned marketing activities can do for your business:

- Provide basic information such as your contact details and website address.
- Increase sales by telling potential customers about your product or service.
- Tell customers about changes to your service, new product launches, special offers and improvements.
- Prompt specific action – perhaps getting customers to visit your premises or website or use a discount voucher by a specified time.
- Remind existing customers about your business.
- Change people's attitudes and perceptions of your business.
- Help to create or develop a distinctive brand for your business.
- Generate awareness of your business.
- Develop a particular market niche or position.

### Activity 3:

Chris, like most luthier enthusiasts, specialises in working with one type of instrument. He is a guitar teacher by profession and a passionate guitar repair and builder. In addition to making guitars, he repairs various types of physical damage to the instrument, such as dents or breaks. He cleans, seals, patches, and restores any damaged areas so that after his intervention the damage to the instrument is almost undetectable. He also manages to get guitars that have not been used for a long time back into shape. For this he uses purchased equipment, or creates the necessary machines himself, according to his own innovative ideas. So far, he has been working independently, but now, despite his very young age, he would like to hire an apprentice and share his experience with him. Based on the information provided choose 3 top tools of relationship marketing applicable for this case.

\*\* There is no single correct answer to this exercise, it will help you develop your judgement

Tools relationship marketing	Selection
1. Email Marketing	
2. Customer Service	
3. Feedback Loop	
4. Content Marketing	
5. Direct Mail	
6. Events	
7. Word-of-Mouth	
8. Social Media	

Breakdown of answers:

**1. Email Marketing:** Email marketing is a digital marketing practice based on communicating with customers through emails. Its main purpose, as with other practices, is to promote the brand, build a relationship with the recipient, and increase sales

**2. Customer Service:** Customer Service is generally viewed at the type of interactions that a company has with a customer in terms of giving advice or assistance during and after a transaction and it links directly with customer satisfaction.

**3. Feedback Loop:** A feedback loop is the process of taking a result and using it to guide future behaviour. For business marketing, this means listening to and talking to your customers and then using the information you get to continually create a better product or provide a better service

**4. Content Marketing:** Content marketing is a marketing strategy that involves the regular creation and distribution of attractive and useful content that is designed to interest and retain a specific audience in order to persuade them to take action (e.g. purchase products or services) and build lasting relationships with them.

**5. Direct Mail:** A type of direct marketing that is delivered physically to the customer. Typical examples include postcards, flyers, and catalogues. Email marketing is the digital equivalent of events marketing.

**6. Events:** Event marketing is a type of marketing that involves creating events to advertise a product or service. It is a tool supporting marketing communication activities and building relationships with clients.

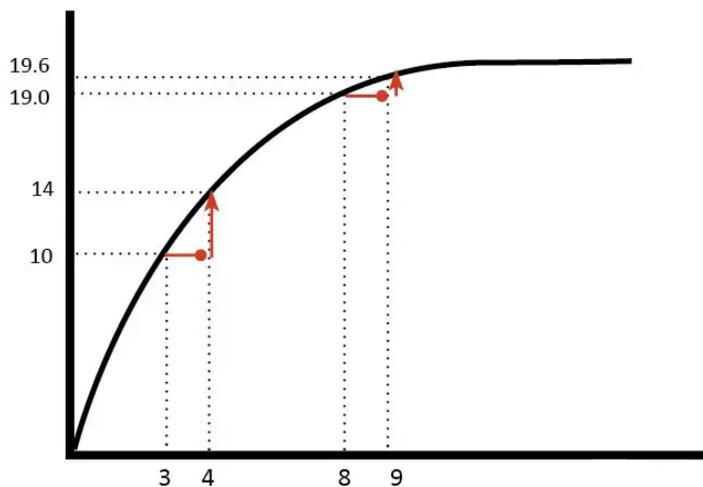
**7. Word-of-Mouth:** Word-of-mouth marketing (WOM marketing) is when a consumer's interest in a company's product or service is reflected in their daily dialogue. Word of mouth (WOM) is simply one acquaintance telling another just how good your products or services are, and it works.

**8. Social Media:** Social Media is a group of services and applications, which activities and technology are based on solutions strongly associated with the Internet. Companies building relationships with their customers use the most popular social networking sites such as Facebook, Instagram, LinkedIn, and Twitter. They can create their own profiles, friends lists and groups.

## Grow Your Market:

When to grow your market:

The most logical time to begin to grow your market is when you begin to see various indicators increasing but at a decreasing rate over some time frame. You could use any indicators to measure this – whatever you believe is more critical to your type of business (e.g., sales, profit, market-share). As shown in Figure 3, the curve at time point 8 is still increasing BUT it is increasing at a decreasing rate compared to point 3. When this point is reached, the time to begin considering how to grow your market should be triggered. The last thing you want is for the growth of your business to “flatline” before you start to make the additional moves necessary to expand.



**Figure 3:** Increasing at a decreasing rate.

There are also a number of other triggers which can also indicate that it is time to grow your market or expand the business:

- **Customer input** – when customers are asking for things that you are unable to provide that link with what it is that you are selling; customer feedback can be an important source of critical competitive information in growing your market.
- **When supply exceeds demand** – when the supply of your products or services exceeds the demand it normally suggests that there is strong competition in the marketplace meaning that some form of market differentiation is called for.

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- **When demand exceeds supply** – when the demand for your products or services exceeds the supply it is an indicator that the business infrastructure is not able to keep up and a possible revenue risk is coming suggesting that entry into other markets may be necessary to ensure the business can continue growing.
- **Stagnation** – organizations need to keep innovating and trying to keep ahead of the competition. This can lead to things getting ‘boring’ or you feeling/ sensing that customers and/ or employees need something to change to drive them to the next level.

#### How to grow your market:

Once you have triggered the “when to grow your market” the delicate question of how to grow your market arises. There are a variety of ways to do this including:

- **Scaling for growth** – search for ways to automate parts of what you are doing to become more efficient. In many industries this involves achieving what are called “economies of scale” – the bigger you grow your market.
- **Integrate new types of technology** – look for ways to bring in or adapt technology into your business and expand your market through things like online selling. If you look at what has happened through the pandemic many stores have utilised their own website and/or a third-party website to grow their market.
- **Look for add-ons to your current offerings** – many businesses have successfully grown by adding on additional offerings to what they sell. For example, take businesses that are known for selling coffee – they expand their market base by offering everything from sandwiches and various food options to cups and saucers.
- **Team up with other businesses** – look at other businesses that are similar to yours or offer complimentary products and seek to find mutually beneficial ways for both companies to grow. This could also include joining forces to develop new offerings that can come to market.
- **Look to expand outside your immediate area** – the broader city you are located, the country level, or international level, are additional ways to grow your business from inside your current operations.

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- **Market intelligence gathering** – do a thorough review of your competitors and identify what they are doing to see if you are missing any opportunities or the near future of the type of business you are undertaking.
- **Expand into new product / service categories** – never forgetting your core business, look at venturing out into new product or service offerings from your current clients or new clients.
- **Expand your contact with current customers** – try to stay even closer to your current customers and try to leverage them for referrals from people that they know.
- **Solidify or perhaps build a more unique brand position.**
- **Innovate current offerings** – bring new or expanded products and services to market to help leverage your market growth.
- **Build a reputation for social responsibility** – by enhancing your social responsibility your will open more doors to growth.

#### Activity 4:

Decide whether the statements below are true or false.

Statement	True/False
1. Stagnation means that organizations need to keep innovating and trying to keep ahead of the competition.	
2. When demand exceeds supply it is an indication that entry into other markets may be necessary to ensure the company's continued growth.	
3. When the supply of your products or services exceeds the demand it normally suggests that there is weak competition.	

## Breakdown of answers:

- 1. True:** Stagnation means that organisations need to keep innovating and trying to keep ahead of the competition. This can lead to things getting ‘boring’ or you feeling/ sensing that customers and/ or employees need something to change to drive them to the next level.
- 2. True:** When the demand for your products or services exceeds the supply it is an indicator that the business infrastructure is not able to keep up and a possible revenue risk is coming suggesting that entry into other markets may be necessary to ensure the business can continue growing.
- 3. False:** When the supply of your products or services exceeds the demand it normally suggests that there is strong competition in the marketplace meaning that some form of market differentiation is called for.

## Customer Service:

Customer Service is generally viewed at the type of interactions that a company has with a customer in terms of giving advice or assistance during and after a transaction and it links directly with customer satisfaction. Customer service needs to be: *personalised* (the customer feels like they are being connected to directly), *competent* (knowledgeable people are assisting in the process), *convenient* (connection available when the customer wants it), and *proactive* (getting ahead of a problem or issue before it occurs).

Great customer service starts from the values of your company and the overall organisational culture. While there are several models that can be followed, there are some basic principles that need to be developed including:

- **Patience** – you need to be willing to hear people out and the problems they are facing, to have customers indicate everything that is wrong with your product or service even though it may not be your fault.
- **Attentiveness** – customers need to feel that you are taking their views seriously and considering them and not simply dismissing them.

- **Communication Abilities** – great customer services starts with great communication all the way through the system – from when we first contact with the client until the end of the process and then beyond.
- **Listening** – to help solve issues or address needs one need to listen, not just hear, what customers are saying and, sometimes, read between the lines.
- **Apologising** – when necessary to be humble and admit our mistakes or where we failed to deliver on what we had promised.
- **Keeping a Positive Attitude** – there are times when everything is going wrong, and customers are not happy with anything we are providing – staying positive both for the customer and oneself is critical.
- **Time Management Skills** – while you are dealing with a client, other clients may be requiring attention – being able to balance one’s time and still provide the levels of service promised can be a challenge.
- **Ability to ‘Read’ People** (emotional intelligence) – sometimes it is not just what people say but how they say it and how they react.
- **Ability to Expect the Unexpected** – be prepared for the unexpected – you think the instructions are clear.
- **Willingness to Learn** – there is much that we still need to understand about customers, the way our products and services and perceived – each customer service interaction is a learning experience.
- **Solving** – be prepared to solve issues and create solutions to ensure that issues are not simply past to the next customer or employee.
- **Thanking** – letting customers know that they are important to you and thanking them for their feedback and ideas (positive or negative).

Quiz: Check your understanding

Check your understanding of marketing.

1. The 4Ps marketing concept includes:
  - A. Product, price, place, and process.
  - B. Product, price, place, and promotion.
  - C. Product, price, place, and people.
  - D. Product, price, place, and physical skills.
  
2. Networking is:
  - A. Building and maintaining relationships.
  - B. Individual business concept.
  - C. One of the marketing strategies.
  - D. A tool for identifying a target audience.
  
3. What doesn't belong in basic customer service?
  - A. Communication Abilities.
  - B. Keeping a Positive Attitude.
  - C. Lack of attentiveness.
  - D. Time Management Skills.

Breakdown of answers:

**1. B Product, price, place, and promotion:** The 4Ps of marketing is a model for enhancing the components of your "marketing mix" – the way in which you take a new product or service to market. It helps you to define your marketing options in terms of product, price, place and promotion so that your offering meets a specific customer need or demand.

**2. A Building and maintaining relationships.** Business networking is the process of establishing a mutually beneficial relationship with other business people and potential clients or customers.



**3. C Lack of attentiveness.** Lack of attentiveness is not advisable, on the contrary be attentive – customers need to feel that you are taking their views seriously and considering them and not simply dismissing them.

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