

LEARNING MADE EASY



5th Edition

Marketing

for
dummies[®]
A Wiley Brand



Marketing strategies
to build brands and ROI

Master today's channels: social,
mobile, print, video and more

Apply psychology to win
loyalty and lifetime value

**Jeanette Maw
McMurtry, MBA**

Marketing and consumer behavior expert,
keynote presenter, and instructor



Marketing

5th Edition

**by Jeanette McMurtry, MBA,
with Alexander Hiam**

for
dummies[®]
A Wiley Brand

Marketing For Dummies[®], 5th Edition

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Introduction

Marketing is part science, part art and is truly one of the most fulfilling roles you can play in business.

Today, marketing embodies science through data and predictive analytics; psychology through consumer behavior studies and applications; emotions through events and engagement that spark inspiration and excitement; technology that breaks down boundaries; and art that invites imagination, innovation, and creativity beyond limits. And, as you read throughout this book, marketing involves fun and games, too.

But even with all the technologies available to create compelling programs to take products to market and capture a consumer's lifetime value, marketing is a challenging endeavor. Consumer expectations and demands change frequently, their attention becomes increasingly fragmented due to all the time spent on mobile and social channels, and they have more purchasing options than ever because e-commerce took down all the walls and barriers associated with location.

This edition of *Marketing For Dummies* helps you get a solid and working understanding of the marketing strategies, techniques, and technologies proven for today's markets and consumer-driven world that can help you build your business, no matter your size or whether you're in B2B or B2C.

To succeed in any field of business, you need to clearly communicate what you do in a way that's personally relevant, compelling, and exciting and taps into your customers' aspirations, values, and ideals. You also need a plan. You need to map out your journey to take a product to market, increase its real and perceived value, partner with distributors and retailers or B2B channel managers, and secure loyalty and evangelism from your customers — all while you're continuing to innovate new ideas for products and services that will keep your brand current and set you up for future success. Marketing isn't for the fainthearted, but it is for those who love fun, creative, and exciting challenges.

As you read this book, remember, *everything is possible!* The key is to craft a plan that enables you to work smart and efficiently with the resources you have. It's like mapping out a journey with a specific destination in mind and staying the course instead of veering off at tempting detours.

This book will serve as your guide whether you're a business owner, marketing executive, or small business manager and want to plan and execute your marketing yourself. It will also guide you to think more about big-picture ideas and identify smart ways for getting the job done instead of stretching yourself too thin. If you work for a business or marketing agency, this book will guide you on what you need to include in your marketing plan to achieve the goals given to you and advance your own career journey.

About This Book

This book caters to every marketing function and role — from small business owners and managers to staffers of larger organizations who work on plans, programs, product launches, ad campaigns, printed materials, websites, and other elements. It's also for those managing political campaigns, public health educators, directors and board members, museums, nonprofits, and the army of independent consultants who must not only be experts in their own field but also promote their personal brands to guarantee a steady flow of clients.

Ultimately, *every* marketer can benefit from the insights in this book about the consumer-driven world in which you operate, the media tools and channels you have at your fingertips, the technologies available to manage, deploy, and measure all that you do, down to the individual level. You'll also discover the key to executing successful customer journeys and experiences as well as direct, email, digital, and print campaigns that drive sales and profitability and, of course, how to do all of this while reducing costs and increasing efficiencies.

Foolish Assumptions

Even though we admonish you to avoid assumptions about your customers and markets throughout this book, we have clearly made some about you while writing this edition.

- » We assume that you're entrepreneurial and have the responsibility and desire to find out how to market a business or product successfully in your current business environment. But we don't assume that you have all the technical knowledge you need to do great marketing, so we explain each technique as clearly as we can. We also assume that you're willing to try new ideas, technologies, and processes to improve sales and grow your organization.

- » We assume that you realize when a task or skill is outside of your competency and when you need to call on others — such as agencies, data experts, and designers — to help. Marketers often use outside services, and it's important to build a long list of service providers you can trust to do good work on time and on budget.
- » Of course, we assume that you're willing and able to switch from being imaginative and creative one moment to being analytical and rigorous the next, because being successful at marketing requires both approaches. As you read this book, you'll find formulas so you can run the numbers and do projections for sales, ROI, and cost per customer. Other times, you'll be guided to use your imagination and think of fun and "guerilla" type of activities to help you communicate with emotional relevance and appeal. But most importantly, you'll be guided to think like consumers think today and to understand how to appeal to the psychology of choice — the unconscious mind that drives most people's thoughts and behavior.
- » We certainly do *not* assume that you have an unlimited budget. You'll find outlines and ideas for creating programs that you can execute on any budget and ways to engage customers that take price out of the equation for them as well as for you.

Icons Used in This Book

Look for these symbols to help you find valuable info throughout the text:



EXAMPLE

All marketing is real-world marketing. This icon means you can find an actual example of something that worked (or didn't work) in the real world for another marketer.



REMEMBER

When we want to get you up to speed on essential or critical information you need to know to succeed, we mark it with this icon.



TIP

This icon flags specific advice you can try out in your marketing program right away. And because sometimes you need the right perspective on a problem to reach success, this icon also points out suggestions on how to handle the task at hand in an easy manner.



WARNING

You can easily run into trouble in marketing because so many mines are just waiting for you to step on them. We've marked them all with this symbol.

Beyond the Book

In addition to the great content in the book or e-book you're reading right now, you can find more marketing tips and suggestions at www.dummies.com by using the search box to look for "Marketing For Dummies cheat sheet." These, plus the numerous narrow-topic books on marketing in the *For Dummies* line, give you lots of additional options for researching your marketing program.

Where to Go from Here

If you read only one chapter in one business book this year, make it Chapter 2 of this book, which explains the psychology of choice and how to trigger consumers' unconscious minds for unthinkable ROI. Unless you know what really drives people's emotions, joys, fears, anticipations, and aspirations, you can't be effective in building a sustainable business founded on lifelong relationships with valuable customers.

Perhaps you have a pressing need in one of the more specific areas covered in this book. If fixing your website is the top item on your to-do list, go to Chapter 11 first. If you need to increase the effectiveness of your sales strategies and approaches, try Chapter 16. Working on a direct mail campaign? You'll discover the role of data and direct channels, such as email and direct mail and how to execute both successfully, in Chapter 10. Chapter 5 will help you build a marketing plan, and Chapter 8 will guide you on using and managing digital tools and tactics that can help you execute campaigns that build sales and profitability.

Whatever you do and whatever your role, this book will provide you with new ways of thinking and doing, all of which are proven to work for businesses, both big and small and B2B and B2C, throughout all industries. So start reading, get going, and let your marketing light shine.

1 Marketing in a Consumer- Driven World

IN THIS PART . . .

Fight through consumer distraction, and discover how to market to different generations.

Discover what really drives consumers' choices, and make use of social influencers.

Determine your market's growth rate, and then implement market share and positioning strategies.

IN THIS CHAPTER

- » Fighting through consumer distraction
- » Marketing to different generations
- » Building trust
- » Creating great customer experiences
- » Having fun with guerilla marketing

Chapter **1**

Understanding Consumers Today and What Matters Most

There's never been a more exciting time to be in business, especially in marketing. With all the communications channels and technology available today, you can truly learn about and communicate with customers one to one while marketing to millions. You can know with certainty how customers spend their leisure time, what media channels they use and how often they use them, what their interests are, their brand attitudes, shopping patterns, preferences, likes and dislikes, and what their precise value is to you over their lifetime of purchasing. With all this knowledge, you can determine when and what they're likely to buy, how much and how often, and you can communicate specifically to their needs and relationship with you.

You can also monitor their attitudes, political preferences, and lifestyles on social media and insert your messages into their personal pages and sites when you see an opportunity to influence or inspire them. And you have the ability to analyze past behavior and scientifically predict their future behavior. It gets better all the time.

With the advent of artificial intelligence systems like IBM's Watson, you can program machines to have conversations with your customers, millions simultaneously and one to one, and learn even more so that you can deliver exactly what they need and want when they want it. And all these communications can happen in real time. Any day. Any time. Limitless possibilities await.

On the flip side: All this technology gives more knowledge and shopping power to customers as well and has changed the game significantly. They don't have to shop at the local pet store; they can order just about anything online and get it delivered within two days, often free. They want you to communicate and serve them like they're your only customer, and they'll abandon you on a whim if they don't like your values or if you don't support a cause that's important to them. People have so many options available today that loyalty is becoming obsolete. Consumers tend to choose brands based on their doing good in the world and the overall experience they offer rather than just the product and price.

As a result, marketers have to change their game. You have to change the way you distribute your products and services, how you reach and communicate with your customers and prospects, and how you engage them emotionally and physically. And you have to offer much more than a great product and value point; you have to offer consumers a fulfilling experience that adds value, happiness, or excitement to their lives.

This book is about doing all the above, effectively and affordably, for any business in either the B2C or B2B space, local or regional, national or global in scope. It's also for entrepreneurs starting a new business or marketing managers wanting to have a big impact on their job and their careers.

Beyond going through the essentials of building marketing plans, growth strategies, distribution channels, and pricing and merchandising strategies, this book guides you on developing emotionally relevant, creative experiences, websites, and online and offline promotions and marketing campaigns. You'll also discover the essentials of selling for a lifetime to capture lifetime value and loyalty in a world where both are hard to come by. And in Part 6, you find out how to measure your marketing in ways that can give you deep insights on how to grow your brand much more than just your traditional ROI and response analytics.

Before we get into the how-tos and guidelines for doing all the above, you need to focus on the mindset and behaviors of today's customers and this new era of consumerism. You need to understand what distractions you must overcome, generational influences that make or break brand relationships, consumers' level of trust in businesses like yours, and expectations for brand values and behavior. We cover these topics and more in this chapter.

Coming to Terms with the State of the Consumer Mind

Today's consumer mindset can be summed up in one word: *distracted*. And it just keeps getting worse as people spend more and more time looking at screens.

Reports by eMarketer and Nielsen show that people spend about ten hours a day on a screen — computer, TV, mobile phones, and other connected devices. About three of those hours are on mobile phones.

The vast majority of adults 18 years and older have smartphones and on average check them 46 times a day, or 8 billion times collectively, or so says a Deloitte report on smartphone usage. If you have 16 waking hours (and get 8 hours of sleep), that means you're checking your phone about every 3 minutes.

The bottom line for marketers is that pretty much all consumers are highly distracted and not paying attention to much around them.

Now add to that how much people multitask when it comes to media consumption. Accenture put out a report showing that 87 percent of consumers use more than one device at a time — for example, watching TV while chatting, posting, browsing, texting, or playing a game on their phone. That doesn't leave much attention span for marketers to capture and engage.



REMEMBER

The best armor you have when fighting the battle for attention is a good marketing plan that directs your actions, budgets, and customer experiences across all the channels that are getting all that attention.

In this book, we show you how to develop creative that's emotionally relevant so you can break through some of that clutter and engage consumers in inspirational common causes, open distribution channels that address their lifestyle, and execute direct marketing programs using email, print, mobile, and more that get noticed, acted upon, and generate sales.

Addressing the Generation Gaps

This is not your father's marketing book, nor is it the same book that was released in 1999 under this title. Times, technologies, channels, and needs have changed and so, too, has the way you connect, engage, and sell to your customers. With all this change, the gap or differences in the various generations is getting wider as

people’s attitudes, perspectives, and the way they live, shop, and engage with brands is redefined by technology, media channels, and social trends.

This section provides some insights about some of the different values and attitudes that drive behavior among the generations most businesses target today, in both a B2B and B2C setting.

The primary “shopping” generations are roughly broken down as follows:

- » Millennials: 18 to 34 years old
- » Generation X: 35 to 54 years old
- » Baby boomers: 55 to 70 years old

Although a ton of information about each generation is available — from books to white papers to videos and more — the main thing marketers need to understand is what each generation thinks of brands, what they expect about brands, and what they respond to in terms of values and stimuli.

Tables 1-1 through 1-3 list some of the characteristics of the various generations that impact their “marketing ability” and what you can do to address and engage them in meaningful ways. These attributes, mindsets, and potential actions should be front and center when you create your customer profiles and emotional selling propositions (ESPs), as outlined in Chapter 2, and your creative, as discussed in Chapter 6.

TABLE 1-1 **Marketing to Millennials**

Value	Suggested Response
Want self-expression.	Involve in user-generated content.
Respect is earned, not given.	Use statistics, industry knowledge, and experiences to position your marketing leadership and authority.
Trust equity is low because many don’t trust brands to be truthful or operate in others’ best interests.	Be transparent. If you don’t have the best product, don’t say you do. If your customer service is poor, fix it before making promises. Listen and admit to wrongdoing when you’ve made mistakes.
Crave change.	Keep your brand energetic and change things up to add interest and novelty.
Respond to bold colors, ideas, humor, and interaction.	Use digital channels that provide interaction, such as games (discussed in Chapter 8) and bright colors that fit their energy level, and engage them in disruptive events, like guerilla marketing tactics (described later in this chapter).

Value	Suggested Response
Seek relevance.	Your products, not just your marketing, need to fit their lifestyle and add value. Marketing should demonstrate how.
Open-minded, intelligent, responsible.	Always communicate with transparency, and never talk down or misrepresent the value of an offer or product. When trust is broken, you won't get a second chance.
Expectations for brands.	Involve them in user-generated content and product design and respond to them promptly.



TIP

Millennials don't trust brands or authority in the same way their parents did and do, and they have high standards for how brands should behave toward consumers, employees, and the greater good, which is a strong trend in consumerism.



REMEMBER

Each generation has a unique way of looking at the same brands and assigns different expectations for how it wants to be served.

TABLE 1-2 Marketing to Generation Xers

Value	Suggested Response
Want to feel they are contributing to something worthwhile.	Involve in volunteerism and corporate social responsibility (CSR) initiatives.
Like recognition for what they do.	Send thank-you emails, invite to VIP clubs, and reward with experiences, content, discounts, or products.
Thrive on autonomy, freedom.	Give them options for pricing, packages, service agreements, and product inventory. Enable communications options as well.
Seek a balanced life.	Align your brand's values with their values and personal life.
Accept authority but are skeptical.	Position your leadership and authority in an objective manner.
Skeptical about economy, fearful of job loss and financial setbacks, and skeptical of big business.	Communicate the security, comfort, and peace of mind that your product and brand deliver. Be transparent about pricing and product claims. Design brand offerings around their need to feel in control and have peace of mind.
Entrepreneurial.	Appeal to their desire to initiate new programs, ideas, and movements.

TABLE 1-3**Marketing to Baby Boomers**

Value	Suggested Response
Want to feel they are in control of their choices and lives.	Provide information that informs, provides guidance, and assists in decision processes.
Like recognition for what they do.	Thank them for their business, invite to VIP loyalty programs, and reward frequently.
Thrive on prosperity.	Because they have worked hard for years and want to enjoy the perks of successful careers and financial planning, promote perks, pampering, and themes around “you deserve this.”
Seek self-actualization.	Align your messaging and experiences with what matters most, such as leaving legacies, making an impact, achieving personal goals, and recognition.
Collaborative.	Invite to your causes centered on your common goals associated with charity, environment, and so on.
Optimistic.	They see good in communities and people and like to believe people can be trusted to be who they say they are.
Goal oriented.	Like to set goals and have a plan and a purpose.

Creating Trust Equity among Today’s Consumers

Worldwide consumers are losing trust in business, media, and government. In just one year, the level of trust dropped three points and reached an all-time low in 2017, according to Edelman Trust Barometer for 2017, an annual report worth reading to help you get a better understanding of your customers’ mindset and how it may have changed year over year. Visit Edelman.com for consumer studies on trust and other key topics.

The most trusted source for business information today is peers, or “people just like me,” while CEOs and other business executives continue to lose ground. Note that the most trusted industry is technology and the least trusted industries are financial services, chemicals, and banking.



TIP

Research shows that about 30 percent of insurance customers believe that their providers will follow through on promises made regarding claim fulfillment. If you’re in a low-trust industry, find ways to change this for your brand by communicating with transparency and providing objective information that serves your customers’ decision processes over your own self-interest.

What does all of this mean? If customers don't trust business, and if you're in a business that consumers don't trust in general, you need to build content, customer experiences, and messaging around the things you do to be trustworthy. Your customer experiences need to show that you and your people are honest, care about customers' needs, not just your own, and that you do what you say you'll do.



REMEMBER

The best competitive advantage is the ability for consumers to trust you. This is far more important than price.

In Chapter 2, you read about the emotional and psychological influences of choice and how to appeal to these emotions in ways that build sustainable trust among your consumers.

Defining a common purpose

Traditionally, consumers demanded fair prices, good quality, and good service from brands in order to go back for more. Today, the demands are so much more. Consumers want to know what you've done for employees, communities, the earth, and the underprivileged and needy, not just what you've done for investors, stakeholders, and executive compensation. In fact, as we cover in Chapter 2, more than 80 percent of consumers (Cone Communications CSR study) state that their purchasing decisions and brand loyalty are based on what a brand has done and is doing to improve the world. A large majority, close to 90 percent, of global consumers are willing and likely to switch brands to one that's doing good in the world if price and quality are comparable.

More than 80 percent of consumers say that a brand's actions and positive impact on the world influence what they buy or where they shop and also which products they choose to recommend to others. As consumers continue to say, the most influential source for their purchasing decisions is actually other consumers, friends, and peers, and a brand's altruistic behavior becomes exponentially more critical.



TIP

Ninety percent of consumers say that they're more likely to trust a brand that supports social and environmental issues, making CSR efforts and positions even more critical for brands that want to thrive in this consumer-driven climate.

So what does this mean to you, the marketer? And for small businesses, regional, or large global enterprises?

- » You need to stand for something.
- » You need to commit some of your resources to doing good in the world just like you commit resources and budget to your advertising efforts and media spend.
- » Doing good is not just a good thing to do; it's a competitive advantage that makes your brand worth shopping, referring, and being loyal to.

This movement to align with good brands has become so powerful that it has actually sparked an era of anti-consumerism. A leading consumer activist group called Adbusters has grown consistently since the late 1980s and actively engages in what it calls “culture jamming,” which describes its movement to interrupt consumer experiences and expose underlying and not-so-positive truths about large corporations while jamming their profits from sales. It has exposed advertising it believes communicates unrealistic and misleading promises from companies that engage in child labor or other unethical practices, and it organizes movements that send messages to big corporations. Its best-known movement is Occupy Wall Street, which successfully jammed New York’s Wall Street district in 2011 and sparked similar protests against big banks worldwide.



REMEMBER

What marketers need to know most about Adbusters is its mantra: “Fight back against the hostile takeover of our psychological, physical and cultural environments by commercial forces.”

Although this statement may be an extreme expression of an extreme consumerism group, it reflects the level of distrust and angst toward big brands that other research from Nielsen, Edelman, and Cone Communications has reported in reports on trust, consumer social media, and so on.

As you go about reading this book and developing your own positioning strategies, messaging, and marketing and engagement programs, keep in mind the power of transparency, truth in all communications, integrity of your deeds and alliances, and the values you stand by and spread. You don’t want to be featured on Adbusters’ website or in its widely circulated magazine.

We’ve seen a lot of consumer action toward brands because of their positions on social issues. Remember what happened to Target’s stock value when it announced customers could self-identify their gender to decide which bathroom they wanted to use? And all the boycotts of Chick-fil-A when the CEO’s comments opposed same-sex marriage?

You need to consider your company’s positions and how you’ll communicate them if the need ever arises, because in a market driven by consumer expectations and demands that transcend products and prices to social issues, you need to