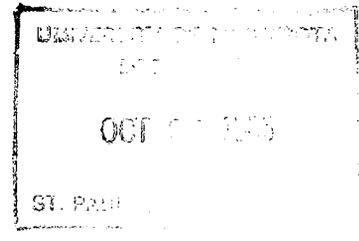


AN INTRODUCTION TO MARKETING



Daniel K. Zismer, Ph.D.

Marketing Consultant to Minnesota Extension Service

Richard L. Holloway, Ph.D.

Head, Communication Resources, Minnesota Extension Service

The purpose of this overview and exercise is to introduce you to marketing and marketing management, and to help you begin the process of market planning to support the growth, development, and positioning of your service in its marketplace.

IMPORTANT DEFINITIONS

Marketing: Marketing focuses on the identification and satisfaction of perceived needs of a homogeneous market (group of consumers).

Marketing goal: The goal of marketing is to maximize the likelihood of an exchange of values between two parties.

Value: Every service has some value to its consumer (positive or negative). That value, however, can vary as a function of certain traits or characteristics of those who use the service. It's important to remember that the provider may attach a value to the service different from that of the market, and that the value attached to the same service may differ among separate market segments.

Target market: Usually any market for a service will have several submarkets (market segments) that may use the same service, but for different reasons. The value of the service may differ for each target market.

Marketing management: Marketing management is the process of understanding the needs and wants of a target market. Its purpose is to provide a viewpoint from which to integrate the analyses, planning, implementation, and evaluation of the marketing effort.

Market research: Market research is the process by which an understanding is reached regarding what the market wants, perceives, and believes, and by which a determination is made of the likelihood of achieving an exchange with the market given the product or service to be made available.

Selling (sales): Selling is a process that seeks to stimulate, by various methods and techniques, acceptable levels of usage of a product or service.

Market objectives: Every marketing effort should have well-defined market objectives, measurable outcomes that serve as bench marks by which the marketing effort is evaluated. Market objectives may take several forms. For a service, market objectives specify targeted outcomes in areas such as:

- level of service use within a given target market
- level of repeat usage
- specific target markets reached

This archival publication may not reflect current scientific knowledge or recommendations.
Current information available from University of Minnesota Extension: <http://www.extension.umn.edu>

Marketing work plan: The marketing work plan specifies a series of tasks geared toward the achievement of the marketing goal. Every marketing effort should be planned with tasks clearly defined according to an agreed upon time line. An average idea executed brilliantly is far better than a brilliant idea executed in an average way. Excellent execution of a marketing plan is the key to successful marketing.

Market position: Market position can be viewed from several perspectives, such as:

- Where is the service relative to certain bench marks of success (level of use, target markets reached, etc.)?
- Where is the service relative to its competition?
- What image does the service have among those who do and don't use it?

Features: Features are the tangible configurations of a service that help convey its value and thus maximize the likelihood of an exchange. Features are used to "package" a service. It is important to understand which features of a service make it most attractive. For example, in an adult educational situation, the provider of the service needs to be mindful of a number of factors, such as audience, content, format, medium, setting, and timing. These service features are used to "package" the service so that it is best received.

SOME QUESTIONS AND ANSWERS FROM THE VIDEO COMMENTARY

What is a definition of marketing, and how does it apply to a service that really isn't sold?

The focus of marketing is on the identification and satisfaction of the perceived needs of a target group of potential service consumers.

The aim is an exchange of values. That is, the provider has a service (value) to exchange with a consumer who provides the "values" of service use and continued desire for additional service. The result of both sides of the exchange are measurable. Payment of dollars for such an exchange is superfluous.

What are the popular misconceptions about marketing a service?

- a) Marketing is just selling.
- b) Professionals don't have to market.
- c) A good service sells itself.
- d) Professionals know what their market needs and wants.

If you have a good service, how tough can marketing be?

Having a good service is just the beginning. If you wish to market it successfully you must:

- identify your target markets
- understand them
- determine how to best communicate the value of your service
- properly package the service
- communicate with your market
- evaluate your results

Why is marketing especially important for services?

Marketing is important for services primarily because each target market segment may value the same service differently. If you don't understand how those values differ, you can miss critical opportunities.

What is the key to successful marketing?

Avoid a myopic, self-centered view. That is, don't presume that you know what your market needs and "should" have. That is the most common mistake made by service professionals. They configure a service to their liking and ignore what the market wants.

It's important to "know what you're selling." What does that mean?

Service professionals, often because of a self-centered or myopic view, believe that they know how their service is valued in the market, and are sometimes quite mistaken. Values can differ by market segment. For example, three age groups may use the same medical service for three different reasons, as discussed in the video presentation. From a market decision perspective, the service provider must determine which market segments will be best served by the "values" available.

A critical mistake is marketing the right service to the wrong market. Knowing what you're "selling" is also important. In the video, the services of the Minnesota Extension Service were discussed in terms such as **education, information, meetings, instruction, and classes.**

These descriptors represent process, not outcome. In other words, why would anyone want any of the above? What you really may be "selling" are things like **problem resolutions, capability to become better household managers, acquisition of new skills, or an opportunity to socialize and make new friends.**

It's important, then, to "know what you are selling"—the values of your service.

What are the basic steps in the marketing process?

Define your markets and describe them by market segment.

Understand how your service is of value to each market segment.

Establish measurable objectives for each market segment.

Determine how to best communicate your service in terms of its features (which convey values).

Evaluate your progress toward objectives.

Redefine what you are selling or should be selling to each market segment, e.g., "solved problems," a better-run farm or household, or "personal growth."

PLANNING A MARKETING PROGRAM

The following questions can be used as a guide for planning a marketing program.

1. What is the evolution of our service—past, present, and future?
2. What is our current list of services available to our general market, and what is contemplated for the future?
3. What business are we in?
4. How is our market segmented? (think broadly)
5. How are our target markets alike and different?
6. What is *our* perception of the value of our services to each of our target markets?
7. How can we reasonably determine how our perceptions of value compare with those of our target markets? What questions need to be asked of our target markets?
8. How should our services best be packaged for each target market, and how are we to best communicate with each target market?
9. What are our objectives for each target market?
10. What are the "tasks" of our marketing plan? In other words, what will be done by whom and when?
 - What research are we going to do for each market segment?
 - What services are we going to deliver to whom and when?
 - What promotional techniques will we be using and when?
 - When and how will we evaluate our efforts?
11. What are our measures of success and what is our target level of success for each market segment?

UNIVERSITY OF MINNESOTA



3 1951 D03 292824 F

Issued in furtherance of cooperative extension work in agriculture and home economics, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Patrick J. Borich, Dean and Director of Minnesota Extension Service, University of Minnesota, St. Paul, Minnesota 55108. The University of Minnesota, including the Minnesota Extension Service, is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, religion, color, sex, national origin, handicap, age, veteran status, or sexual orientation.

Copyright © 1986 by Minnesota Extension Service, University of Minnesota. All rights reserved. No part of these materials may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language or computer language, in any form or by any means, electronic, mechanical, magnetic, optical, chemical, manual, or otherwise, without the prior written permission of Minnesota Extension Service, Distribution, Room 3 Coffey Hall, 1420 Eckles Ave., University of Minnesota, St. Paul, MN 55108.