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COACH: Marketing

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Innovation for
Dementia in the Danube Region

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Marketing:
What is marketing?

> The main **objective** of marketing is to **meet the needs** of the target group and most important stakeholders (e.g. funders) in the most appropriate way. Marketing also aims to create **relationships** with them. For all of this, the needs of the customers and stakeholders must be recognized and understood.
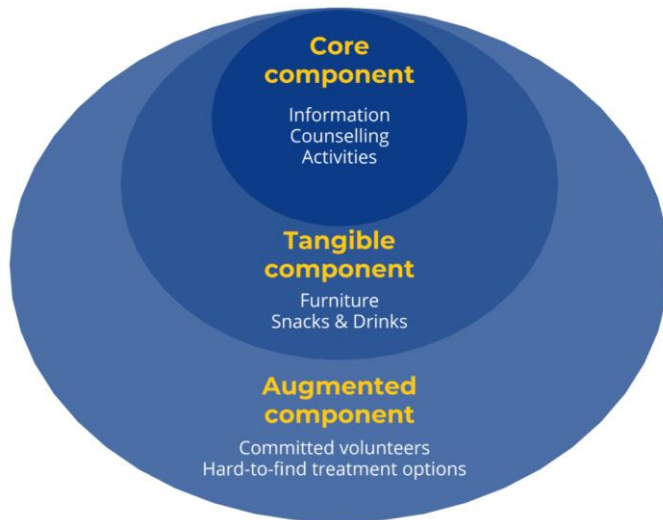
On this basis, marketing helps to specify a project by addressing questions related to a specific **product/service**, its **price**, its **place** and its **promotion**.

These four key factors are also known as the **4 Ps**.

Product
How do you design your service or product according to the needs of your customers and stakeholders?

Price
How do you define a price for your service or product?

Target group Stakeholders

Place
How do your customers access your service or product?

Promotion
How do you make sure that your customers and stakeholders know about your service or product?

Marketing:
Product

The objective of the **product policy** is to ensure that your service or product fulfills the needs your customers and those of other stakeholders.

Core component
Information
Counselling
Activities

Tangible component
Furniture
Snacks & Drinks

Augmented component
Committed volunteers
Hard-to-find treatment options

From a marketing standpoint, each service or product has three seperate, but closely related components that need to be taken into consideration:

- **Core component:** stands for the minimum necessary to meet the needs of customers.

- **Tangible component:** is the physical quality and design of a service or product.

- **Augmented component:** goes beyond customers' expectations and relates to special features that make a service or product distinctive and help to create a USP.

In many cases, specifications and wishes of the most important stakeholders also need to be taken into consideration when designing a service or product. Moreover, it is vital to regularly check your service's or product's viability and to keep track of new research results, ongoing market developments and the changing needs of customers and stakeholders.

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The objective of the **price policy** is to determine under which terms and conditions a service or product is offered to customers.

Pricing strategies

Cost-oriented pricing	To determine what it actually costs to provide a service or product and to let customers pay for these costs.
Competitor matching	To set the price according to what your main competitors charge for a similar or even identical service or product.
Skimming	To set a very high price so that only selected customers can afford a service or product.
Affordability	To select a price that customers presumably can afford in order to make a service or product available to a larger group of people. Service charges or cost contributions for health and social services are commonly determined this way.

Price discrimination: Here you charge different customer groups different prices for the same service or product. Price discrimination can be based on factors such as income, place, time or service category.

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> The objective of the **place policy** is to determine how a service or product is accessed by and distributed to customers.

1) **Where and when is a service or product offered to customers?**
   - It is important to ensure that your service or product is available at locations or during times in which your customers can access them.

2) **How do customers come in contact with a service or product – before, during and after purchasing it?**
   - **Customer touchpoints** are the key points of customer contact. They can be direct, e.g. a website which is under your control, or indirect and therefore out of your control (e.g. referral from family & friends, media coverage).
   - It is recommended to make a list of all customer touchpoints. It provides an overview on occasions where and when customers may get in contact with a service or product and is the basis for further activities:

	Before purchase	During purchase	After purchase
Direct	• Website	• Phone system • Online registration • Staff & volunteers	• Social media • Newsletter • Feedback questionnaires
Indirect	• Recommendation from acquaintances • Professional referral from GP	• Exchange with other guests about project	• Exchange with friends & family about the project

Marketing:
Promotion

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The objective of the **promotional policy** is to communicate a service or product to customers and other stakeholders.

When communicating a project, it is essential to select the right <u>message</u> and the right <u>channels</u> for the audience to be addressed. There are different communication channels that can be used, also referred to as the **promotional mix**:

Advertising

You pay money so that someone else's medium promotes or sells your service or product. Popular for advertising are magazines or newspapers, TV, direct mailing, radio or billboards.

+ Possible to make a large base potential customers aware of project
- Very expensive, hardly affordable with a small budget

Direct marketing

You directly communicate with pre-selected customers/ stakeholders to send your message, e.g. by sending direct e-mails, by making personal phone calls or by participating at fairs.

+ Most personal way to send your message

- May be perceived to be annoying / intrusive

Public relations

You attract attention by communicating topics & news items of public interest, which doesn't require direct payment. E.g. you may identify newsworthy project-related activities and promote these in the media (through press releases/ conferences, …).

+ Communication appears very trustworthy

- Less control on how service/product is being portrayed (e.g. in the media)

Online marketing

Any effort you undertake to spread the word about your project via the Internet (e.g. website, social media, advertisements on search engines & social media). In online advertising you may direct your message towards customers with certain traits.

+ Reach high amount of people with a small budget, possibility to directly address relevant customer groups
- Professional expertise needed to set up online marketing in a proper manner

Promotional mix