



**The contribution of market research in marketing planning.**

*These comments are made from my marketing experiences over several years in management positions, primarily at Telstra.*

**Suggested framework for Marketing Plans**

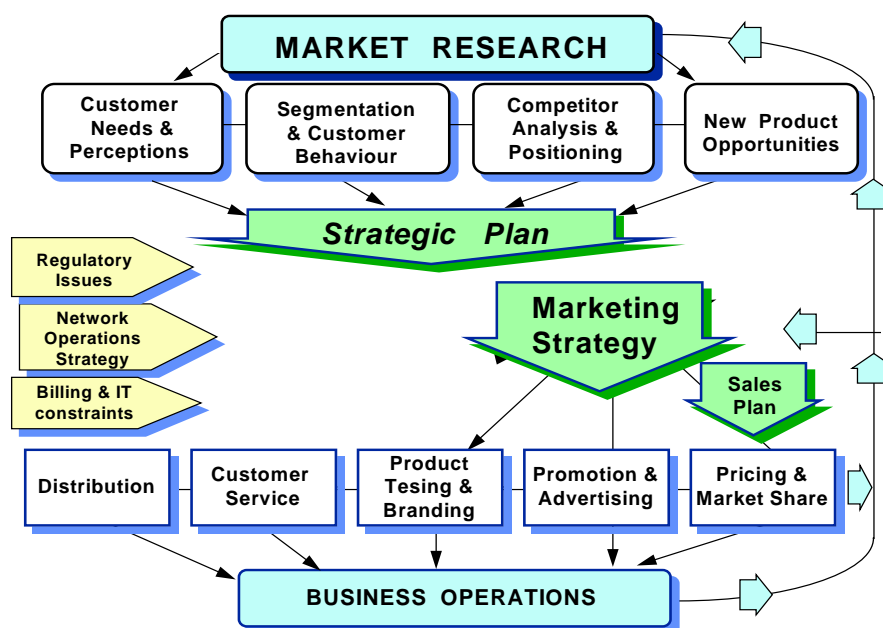
Understanding the determining factors and drivers of customer demand and satisfaction is an essential input to the strategic planning process. Research can play a big role here, and can assist in formulating a marketing audit to produce a S.W.O.T. analysis of the business.

The development of marketing strategies, and determination of KPI's, should be undertaken within a framework of understanding the complete customer behaviour dynamics and trends. In the process of developing strategic and marketing plans, we need to identify customer needs; perceptions; expectations & intentions.

Key steps:

1. Firstly, to identify significant market opportunities within niche market segments, and to describe customer attitudes & behaviour.
2. Secondly, to obtain specific information on matters where customers' needs are not being met ; and to identify sources of customer dissatisfaction.
3. Thirdly, to select the research measures to be used as Key Performance Indicators of progress being made with implementing the marketing programme.

The next diagram aims to illustrate the integral contribution that research should play in marketing planning; and that the various outputs need to be fed-back into an ongoing and dynamic planning process.





## Branding and Image factors

Successful brand management helps attract and keep customers. Branding is not just what's seen in an advertising campaign or a slogan, logo, or trademark. Developing and maintaining a strong brand in the fullest sense needs to convey the promise of reliability and value for customers.

The promise of value is inherently a "pull" marketing concept, in which demand is driven more by customers who request / pull the product through resellers than it is a "push" concept - in which the supplier offers resellers incentives to sell their brand.

After sales service should be considered an essential element of the brand. Customers want prompt and friendly service that's backed by efficient help lines and effective order and service fulfillment. Hence building a strong brand requires not only determining the tangible characteristics of the benefits to the customer, but also the emotional benefits and trust they have with the products.

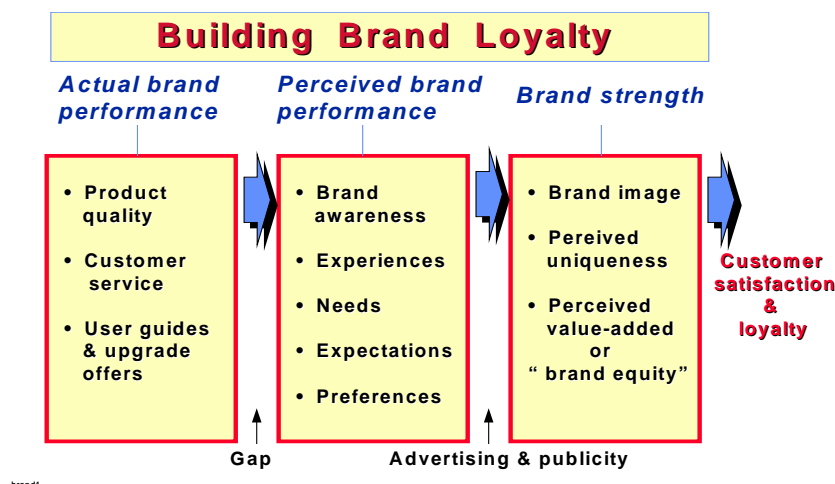
Branding can also be a strong foundation from which to launch new products, improve relationships with channel partners, foster good communication among employees.

In developing desired brand claims and positioning statements, an organisation needs to firstly understand the market and apply a workable basis of customer segmentation. As some customers are driven more by price differences than others (driven more by service quality), the organisation ideally needs to identify the characteristics and needs of groups of customers so that tailored marketing campaigns can be developed for each segment.

An area of importance in telecommunications, is the demand for particular brands of mobile phones, and users' post purchase satisfaction with their phones and their Network.

To build customer loyalty to the brand requires measuring & rectifying the "gap " between actual and perceived brand performance; plus managing the communications " gap" that may exist between real brand performance and customer perceptions of the brand image / reputation.

The next diagram helps to illustrate these gaps:





**Market Share**

When monitoring which customer segments are more likely to switch (churn) to our competitors, qualitative research is often undertaken to examine the main reasons - per segment. It is necessary to clearly define the market share measure such as the geographic representation of respondents included in the research; and the time period covered (eg: last 7 days of recent activations, vs entire market user-base).

Also important is the need to apply research to anticipate trends and customer intentions. Considerable research is designed and applied before new pricing plans are tested and finally released. The subsequent market impact of launching / introducing a new price is also examined.

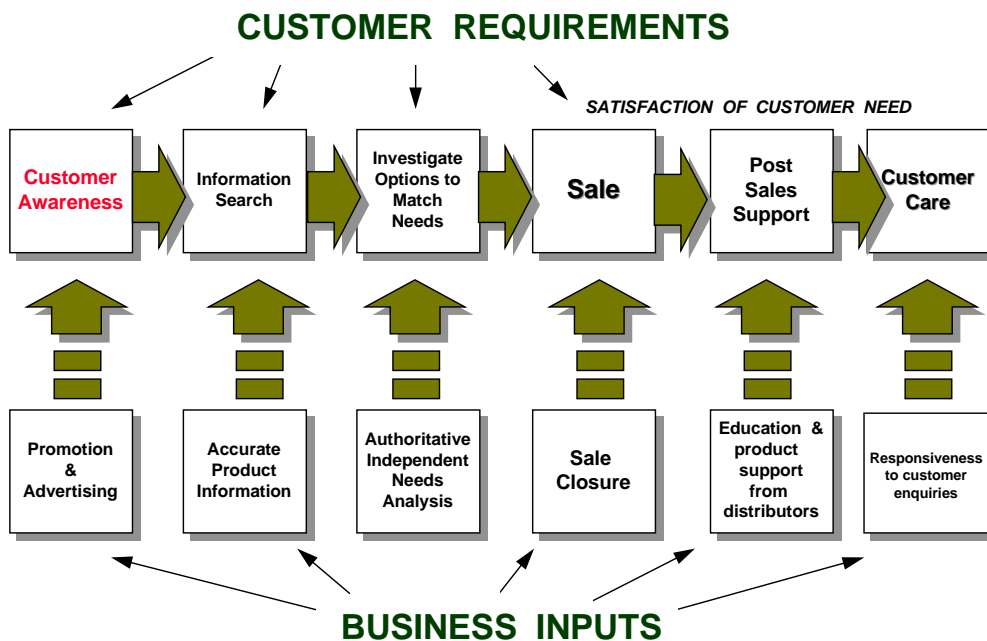
Measures in price studies include determining the level of customer comprehension about price structures; information clarity; and their interest in new product adoption etc.

Pricing decisions need to take into account possible customer confusion and current perceptions as to which supplier is the cheapest, and which is perceived to be offering the overall best contractual obligation, and overall best value for money. Additionally, the role & influence of dealers and retailers can be an important factor to consider..

Through an analysis of data, opportunities are identified to address customer misconceptions about market prices. Customer attitudes are monitored to assist in the direction of advertising content & the tone / style of promotions.

**Market Demand**

As there are generally numerous influences on the demand for products, especially where the market is rapidly growing or dynamic, it is not generally effective to use single - survey data as a basis for demand forecasts.



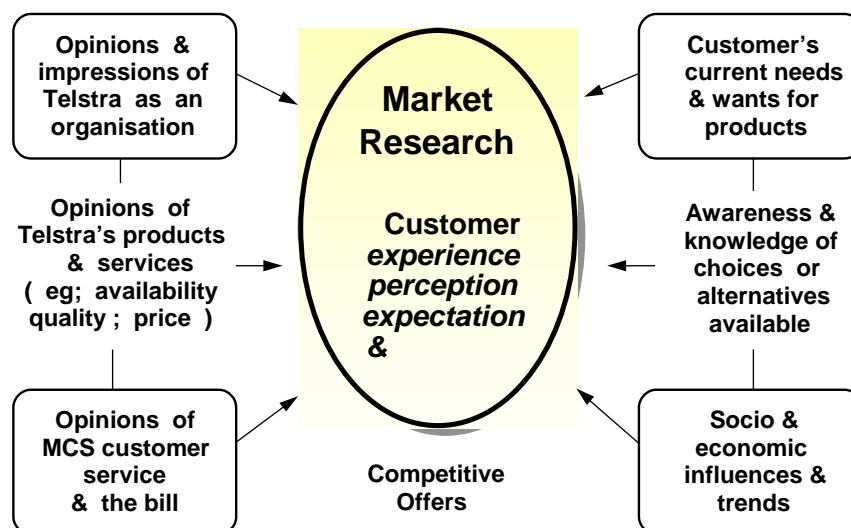


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 Various elements of an individual's personality and psychology come into play when a customer is about to choose between products. Aspects include the cultural context; family influences; evaluative criteria; belief systems; personal values; brand loyalty, and environmental considerations etc.

Understanding demand drivers is a key input to effective planning, and research can play an essential part of marketing planning. It typically covers :

- customer needs analysis;
- customer satisfaction and loyalty monitoring - applying research methods and analysis techniques to diagnose problem areas or identify competitive opportunities
- analysing customer switching behaviour;
- promotion and advertising effectiveness - measurement and evaluation programmes
- evaluation of distribution channels - design of the process and interpretation of distribution effectiveness (eg: "phantom shopping")
- competitor intelligence;
- trialing and testing of new products;
- staff opinions and job satisfaction studies;
- pre-testing new pricing & marketing programmes.

**Core Influences on the demand for Mobile Products / Services**



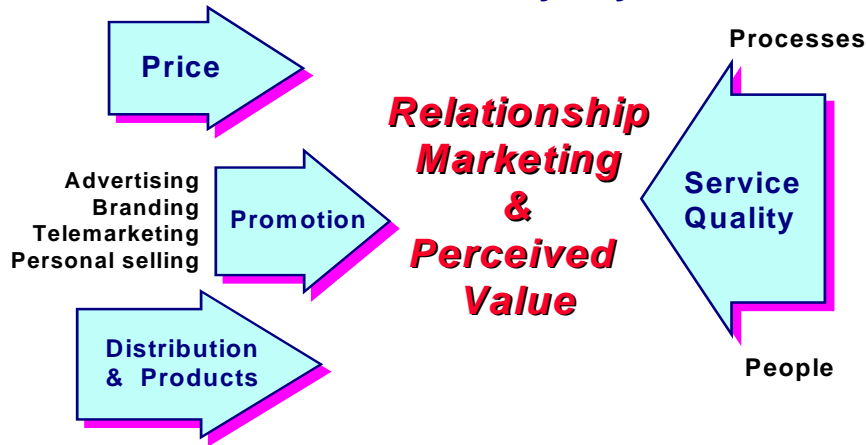
**Customer care & service quality measurement**

Implementation of effective customer service programs is another element in a strategic program to satisfy customer needs and maximise market share in a competitive environment. Good customer service forms a final stage in the sales "life cycle".

In the cellular market, service quality is an integral part of the marketing mix needed to build a solid and long-term business relationship with the customer. Research has identified that perceived quality of service is a key determinant in how customers perceive the "value" they are receiving from their telecommunications supplier.



## Key Marketing Elements in Developing Customer Loyalty



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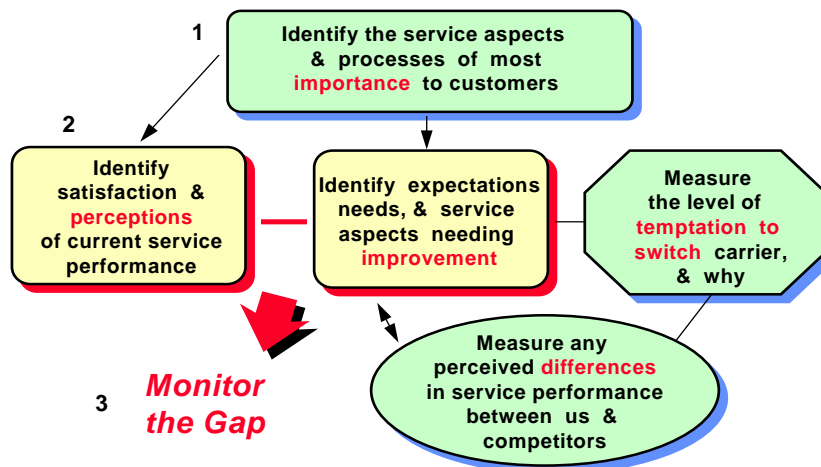
Cliff Howard

A typical monitor on customer perceptions of service quality would include:

- Measures as to which aspects of service are the most *important* to customers.
- Measures of customers' current perceptions of our service *performance*.
- Measures of perceived differences in the level of service provided by us, in *comparison* to the level of service provided by a competitor - to their customers.
- Customer suggestions as to how we can improve the customer *relationship* .

Each month key performance indicators from the research can be examined to determine any significant changes, by region. The data can identify the main areas of customer concern / problems with their phone & the perceived quality of call reception.

### Quality of Service Research



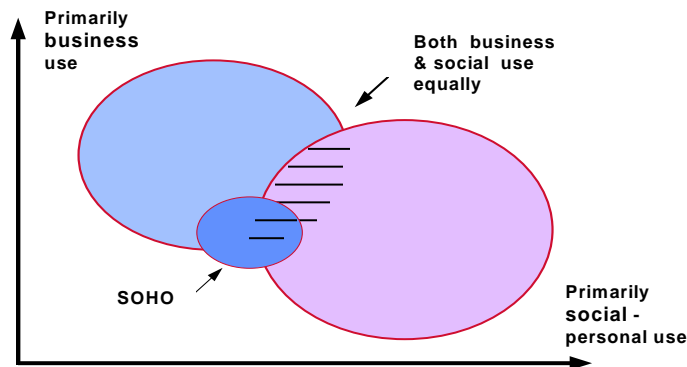
*Also identify opportunities to improve the customer relationship*

### Customer Segmentation - a means to an end



To develop customer focused marketing strategies that can build a solid customer relationship, requires the application of thorough customer segmentation - often based on the type of use made of the product, plus the *intensity* of the customer's need.

### Customer Segmentation - Cellular



Segmentation should not be addressing simply competitive or price oriented goals, as these can understate the customer needs / motivational perspective, or be short term & tactical only - not truly strategic.

An easily neglected step in strategy development, is to overlook customer characteristics associated with high product usage compared to low product usage - eg size of business or basic demographic factors. Also, as segmentation is largely a means to an end, information users should not create sub-segments that are narrowly defined as they may become impractical to re-identify for ongoing marketing purposes.