



SEED ENTERPRISE MANAGEMENT INSTITUTE (SEMI's)

Developing a Marketing Strategy

Key characteristics of firms that attract and/or
retain customers

Dr R A Nyikal



The business goal



Maximizing the long-term profits of a firm by profitably satisfying customer needs is central to a business success

The **firm** should present the **product** to **customers** in a way that **attracts** them and inspires them to **come back**



The business phenomenon



Recall “the concept of marketing”

The business would like to meet customer satisfaction as it generates profit. Three important elements in this are:

- * The product: what the customer wants is available, and the four types of utility
- * The customer: changing tastes and preferences in a dynamic world
- * **The firm:** and customer relationships



The business phenomenon (contd.)



The **firm** has to handle the product and the customers in a way to attract and / or retain the customers

Some seven key characteristics of firms have been identified



Seven Key Characteristics of firms



* Location

* Appearance

* Prices

* Knowledge of the product

* complementary and other products

* Interaction / communication

* Information: advertising



Location of a firm



- * Demographic area: exhibiting socioeconomic factors like age, sex, education level, income levels, religion, birth and death rates, occupation, family size, ...
- * Exact location, layout, size, right or left of street, neighbors, traffic jams



Appearance



- * First impression is a lasting one
- * Great prices but with unsightly premises are likely to discourage clients
- * The product should also be presentable (i.e. not in dirty packaging that has seen better days)



Prices



- * Profit is necessary for staying afloat, but competitiveness with respect to businesses of the same kind is also important
- * Price is a determinant of revenue in two different opposing ways:
 - revenue = price x quantity
 - when prices rise, demand falls for many commodities (elasticity)



Knowledge of the product



* Employees need to have complete knowledge of the product(s) offered; take into account the utility aspects of the products also

* Wrong information?

* Come back tomorrow for information?



Complementary and other products



- * One -top shop is preferred
- * Find out what else shopper of seeds would normally take



Interaction / communication



- * Avoid rudeness and callousness when serving customers
- * Make suggestions without being overbearing (possible only with knowledge of the products)
- * Learn changing customer needs and wants



Advertising / information



* In the right places

* In different ways: newspapers, coupons, word of mouth (this can be devastating if things are wrong)

* Two day sale



Parting shots



- * A bird in hand is worth two in the bush (it is easier to sell to existing clients than to brand new ones)
- * Customer loyalty is earned; customers do not owe firms loyalty



SEMI'S UoN

☺ Cheers!

Seed Enterprises Management Institute
University of Nairobi

