NATIONAL DISABILITY SERVICES

MARKETING GOVERNANCE

MODULE 2

PART 2 – OVERVIEW PART 2

PRESENTED BY ALEX MAKIN

PRINCIPAL FOUNDER OF SYNEKA MARKETING

Hello. Welcome to Part 2 of our Marketing Principles content, as we explore core marketing concepts required for disability service providers as we enter into the NDIS. Part 2 will continue the exploration of key marketing concepts that we began in the first part, and we'll be exploring specific elements around the marketing mix, the decision-making processes that stakeholders use, and exploring how that applies to your organisation.

My name is Alex Makin. I'm the founder of Syneka Marketing, and will be guiding you through today's content. There are four key learning objectives that we'll be uncovering as we explore the content of this section. The first is the marketing mix, which otherwise is known as the customer or stakeholder experience. The marketing mix essentially forms the foundations of marketing, and it looks at the elements that are required to provide consistency in terms of the experience and the way that you manifest your organisation and the services it provides to your key stakeholders. As we discussed in the first session, one of the key fundamentals of marketing is consistency, and the marketing mix is the process that enables you to deliver consistent experiences.

We'll also be looking at the decision-making process, otherwise known as the customer or stakeholder journey. This is effectively the steps required to go from awareness of a product or service, to identifying that there's a need that it can fulfil, to then becoming the preferred provider of that product or service, then into purchase and retention, bearing in mind that under an NDIS environment one of the key fundamental challenges for organisations is to both acquire and retain service participants. The decision-making process identifies the steps or the journey required to go through each of those phases.

We'll be continuing our exploration of strategy within marketing, and the importance of adopting a strategic approach, and that's going to be reinforced by our exploration of the marketing mix by the decision-making processes, and how by adopting a strategic approach you can ensure that consistency across each step of the experience and the journey that your stakeholders follow. And we'll of course be introducing more fully marketing governance, as we will explore each of the five pillars that consist of the marketing governance framework.

The marketing mix forms the very foundations of marketing. Today the marketing mix may be known as the customer or stakeholder experience, but it fundamentally remains the same, and at its premise is the realisation that marketing is both an internal and external function. It is the responsibility of marketing to coalesce each of those seven elements:

* The people in your organisation
* Pricing points
* How you distribute or where you place your products or services
* The evidence that someone has utilised your products or services
* The processes used for delivery
* How you promote or communicate what you offer; and of course
* Your own products or services themselves.

Marketing needs visibility and influence across each of those elements, and that is very much the fundamental basis of the marketing mix. It identifies that marketing, as an internal function that coalesces each of those seven elements, then needs to identify how to associate all the value associated with those products and services to the external market, and that's where marketing is both internal in terms of that coalescence, and external in terms of identifying who your key stakeholders are, your target markets, how to reach, engage, and ensure that they're able to both purchase and potentially also repurchase what it is that you offer. And this is why, once again, marketing needs to be consistent, because it is consistency, and ensuring consistency across each of those seven elements that enables you to project that cohesive approach. What we'll be doing is then exploring each of the seven elements of the marketing mix as well, and we'll be exploring once again how they are applied in the context of your organisation.

It's time to look at our workbooks as we start to explore the marketing mix. So as we work through each element of the marketing mix, the questions you want to ask is:

* Is your marketing consistent?
* What areas are you currently doing well?
* What areas could be improved?

As we work through each of the seven elements, you want to be able to answer each of those questions. Firstly make sure that everything is consistent, both in terms of the elements within that section of the marketing mix, but also its interaction with the other six elements. Identify what it is that you're doing well, and look at why it is a strength, and then explore where you could make improvements. Perhaps messaging isn't consistent with your products. Perhaps processes could be strengthened to streamline service delivery. But once again, you want to explore the reasons as to why improvements could be made. We'll be shortly exploring each element of the marketing mix, so do make sure that you answer those questions as we go through.

The first element we're going to be exploring is your products and services. Considerations we need to factor into the product and service component of the marketing mix is:

* Do they in fact meet market needs?
* How do you validate that market needs are being met?
* What targets have you established in terms of acquisition and retention of clients?
* How do you position those products and services, and
* How have you developed them to be responsible to market needs?

You also need to explore the product life cycle.

* Is this a new market?
* Is it a market that's maturing and facing intense competition?
* Or is it declining with opportunities identified in other markets?

We'll be looking at the product life cycle as part of the marketing governance framework, and in fact we'll be expanding on many of these concepts as well. But ultimately, the main consideration you need to explore is what needs do your products and services fulfil?

As we identified, the core definition of marketing is about mutual exchange of value. Your products and services should be able to provide value to your target markets, and obviously you'll receive value in terms of remuneration and pricing points based on the consumption of those products and services, so make sure that those products and services are aligned with the features and benefits and the overarching value that your target markets and your broader stakeholders wish to receive.

Some of the ways that you can undertake that is by researching the needs of your customers. Identify and seek feedback from your service participants, but also the families and carers and networks around them that may be influencing those decisions. The rest of the marketing mix effectively connects with your products or services, because ultimately promotion, processes, physical evidence, distribution or placement, pricing, and the people delivering those services are dependent on what it is that you actually provide the marketplace, so identifying and taking the time to understand the needs of your customers can often be a critical determinant between success and failure in introducing new products into the market.

The next element we're exploring are the people involved in the delivery of your products or services. This needs to look not only at people responsible for marketing, but across your organisation.

* How do they interact with your stakeholders?
* Are they aware of your vision and the direction of your organisation, and how do they help achieve these desired outcomes?
* Is there clarity around roles and responsibilities as activities are being undertaken, and why is it that they would want to become involved in your organisation and the products and services it provides?

People are often a critical element in the marketing mix, and it's also an element where you need to take the time to make sure that everyone understands their responsibilities and the direction of the organisation, and why they should be consistent in their service delivery. So begin by looking at this from the perspective of your stakeholders.

* Who is it that they interact with in the organisation?
* Why are they interacting with those people?
* What impression does reception or front-of-house provide?
* What impression does emails or workshop delivery or meeting people at networking events or other community events facilitate?

You want to ensure that there's an understanding of the key messages of your organisation and how the people within it can help achieve your direction.

Inevitably in the case of disability services people are a critical component in terms of the actual service delivery, so make sure that they understand their role in terms of service provision, but also being able to identify what other services may be able to assist participants, and also who it is that may be influencing or determining those decisions in conjunction with the participant.

The next element we'll be exploring is pricing. How does your pricing configuration align with the other elements of the marketing mix? Now, under the NDIS in the short to medium term, there are pricing controls in the provision of services, but this is also worth considering in regard to any augmented or additional services or products that you may be providing. There's a number of broad strategies that can be adopted in regard to pricing, including penetrative pricing, where you choose to reach as wide a market as possible by maintaining a cost-competitive structure, or in the other extreme, charging a premium based on the quality of service or the values that you as an organisation provide. The key here is to identify what additional services can you provide alongside the products and services that are part of the NDIS plans? So consider how you can augment services, how you can justify additional value, and how you can potentially utilise those product or service streams as additional revenue sources.

The aim here is to understand that you may have a range of products and services. They may be reaching different parts of the market. You therefore need to identify suitable pricing points. Be wary of competing solely on cost alone. The challenge when you compete solely on price is that odds are there's always going to be someone out there who will be able to do it cheaper than you. When you compete solely on price, you're eroding the ability to actually build loyalty to you as an organisation, simply because you will have participants and broader stakeholders that will be conditioned to look solely on price alone and not for the other areas of value that can be provided by an organisation.

When we look at place, we're effectively looking at distribution. How do your products or services reach your target markets? This explores both your physical locations, but also any virtual spaces such as your website, your online environment, and also intermediary channels that may be used to get your products or services directly to your target markets. So firstly, looking at physical locations:

* How does your centre layout or office environment reinforce the rest of the marketing mix?
* What sort of atmosphere are you trying to create?
* What sort of sense of value and benefit do you want to portray through that physical environment?
* Where are you located?
* How is that relative to other competitors that may be trying to reach a similar target market?
* Do you have any additional sites or offices that also need to be consistent in terms of that appearance and value that you're attempting to communicate?

We then look at the online environment.

* Is your online environment consistent with your physical locations?
* How do your target participants interact in your online environment versus those physical spaces?
* Where in their decision-making process do they interact with the online space versus direct service delivery through one of your physical locations?
* Are your social media platforms and your online presence more broadly consistent with that image?

These are all areas of consideration that need to be factored into when we explore place.

* If you have intermediaries or channel partners, how do they assist in distributing your products or services?
* How do they interact with your target market, and what image, what values, do they portray as well?

The key element here is about understanding how your products and services reach your target participants, and ensuring that through every step of that distribution there is a consistent approach that is provided.

When we look at evidence, we're essentially looking at how do you demonstrate a tangible outcome from the products or services that you provide? This tends to be more relevant to services, given that services tend to be intangible by their very nature, but can also apply equally to products and demonstrating an ongoing outcome that's been achieved on the part of the participant. So part of the considerations here is to explore:

* How do you document the journeys that your participants are undertaking with you?
* How do you demonstrate progress towards the outcome that's been identified in the NDIS plan, and
* How do you communicate that not only to the participant but also the families, carers, those influencers around them, the people that have an interest and a desire to see that participant succeed?

So, look at how you can embed tangibility into your results, and how you can demonstrate the progress that has been made over the duration of engagement with you.

The aim of physical evidence is to embed loyalty, and to show that while there may be an ongoing journey, that progress is being made along the way, the aim therefore being that that loyalty will then manifest itself into repeat engagement with you as a service provider. So always explore how you can reinforce the outcomes that you're creating, both at a general level in terms of your organisation holistically, but also specifically to the individuals that you are working with. Look at how you can embed processes that help document that journey, that communicate the outcomes that are being achieved, that will strengthen the ability to maintain client loyalty, and to demonstrate that you are assisting that participant along their journey and the outcomes that they wish to achieve through the NDIS plan.

The introduction of the NDIS has meant that many organisations have focused on streamlining internal processes, mainly to ensure efficiencies and effectiveness in service delivery outcomes. But process is also part of the marketing mix, and from this perspective we're looking at:

* How do those processes help achieve your marketing outcomes?
* How do you streamline points of enquiry so that enquiries are answered as quickly and effectively as possible?
* How do you use processes to document the outcomes that are being created?
* What processes do you need in place to be able to store appropriate details, not only of the participant but also the broader influencers that may be helping them and supporting them in coming to a decision?

And also explore how processes enable feedback, and the mechanisms that you use to compile and report back on that feedback. It's one thing to ask for feedback. It's another to actually demonstrate how you're responding to that feedback. So what you want to ensure is that there's uniformity in terms of feedback questions and how you compile that data. You want to be able to demonstrate the change that is taking place over time. And you need data that can form the basis of benchmarking so that you can then respond to your participants on that feedback, identify areas that can be improved or areas that may be of interest but other constraints preclude any immediate resolution. Being able to benchmark that feedback allows you to track that progress over time.

We also want to look at how we store information.

* What systems do you have to store data on your stakeholders?
* What information is it that you need to collate?
* How do you document communications that are made between your team, your staff, and those stakeholders?
* What design outcomes are you seeking from each of those stakeholders?

Having the information systems in place that can store that data allows marketing to make informed decisions about it, so you can identify each time a stakeholder interacts with your organisation and how those interactions help strengthen engagement and ongoing participation in your organisation. Once again, processes here are about enabling a marketing outcome.

Promotion or advertising tends to be the common view of what marketing is, but as we explored in the first session, marketing is actually a lot more. So when we explore promotion in the context of the marketing mix, we explore how does how we promote our products or services, how we communicate that, how we advertise it, reinforce the value that we want to create? So the first element to look at is:

* Is there consistency in terms of your key messages?
* What are those key messages?
* What are the key messages that are common to your organisation as a whole, versus the positioning of each of the products and services that you offer?

What you want to explore here is the architecture that allows you to have a common message to your brand, to your organisation, and then subelements of that that may be applicable to each product or service. You don't necessarily want a separate identity, a separate brand, for each product or service. You want to ensure that the equity on your brand and organisation is with your organisation and the programs, products and services that you offer support that positioning. So identify what is your core message, and then how that's reinforced by the products, services and programs that you offer. You could then explore what communication channels and tools you need to reach your target markets, so looking at both online and offline, and understanding how each of those tools are complementary to each other. Very rarely is someone going to see or hear something once and respond to it, so you may actually need to communicate a message several times before it actually creates an impression to your participants, and before it then actually creates an impression that leads to further action.

You should also explore how you can strengthen referrals and word-of-mouth opportunities as well.

* How do you ask people to refer your service on to others?
* What are the key messages that you'd like them to communicate?

Many not-for-profits of course rely on referrals and word-of-mouth recommendations, so how do you encourage them, and how do you ensure that the way they portray your organisation is consistent with what you're able to provide? The promotion and communication side is very much looking at how we provide a consistent approach that sets realistic expectations, so exploring how you can maintain those expectations across the journeys of your stakeholders. So particularly with word-of-mouth referrals, make sure that you take the time to communicate how you'd like your organisation to be portrayed, and then explore how referrals fit into the broader promotional mix that you'll be using to engage your target markets, to engage your participants, and your broader stakeholders as well.

So once again looking at our workbooks:

* Are each of those elements in the marketing mix consistent?
* What are the elements that you use across the marketing mix, and how do you actually embed a consistent experience from the perspective of your stakeholders?

Part of the reason the marketing mix tends to be referred to as the customer or stakeholder experience is very much for that reason. It's about ensuring alignment between each of those internal elements so that as your external marketplace interacts and engages your organisation, they have a consistent experience as they interact, engage with your organisation. So explore where there's consistency, and where there may be elements that could potentially be improved.

Delivering consistency through the marketing mix lets you align your organisation in terms of the stakeholders you wish to engage. This is where you need to identify:

* What are the decision-making processes that your stakeholders use?
* Who is involved in making those decisions, and why are they involved?
* What communication channels do they use and why?

Very rarely is one step or one channel likely to achieve the desired outcome. Stakeholders need to be engaged across a number of steps and a number of channels, and this is where the customer journey, or understanding those decision-making processes allows you to become market-facing as an organisation. So think back to the stakeholders that you're wishing to engage, and start to identify how they would react to the marketing mix that you have articulated.

The customer journey or decision-making processes allows you to map out the steps that are required to secure a commitment. These journeys, or the decisions that are made, will depend on who your stakeholders are.

* Are they participants?
* Are they the families and friends of those participants?
* Are they intermediary channels like schools or medical services?
* Are they government or other stakeholders that are part of the interactions of your organisation?

The journey involves a number of steps, and the first is in the prepurchase or precommitment phase. This is where you need to identify how to make those stakeholders aware of your organisation so that they recognise the needs that you fulfil. During this time those stakeholders may be undertaking their own search, their own investigation of providers that are out there. You need to make sure that they are aware of your existence and the value that you provide.

The next stage is the purchase phase. This is where the actual transaction and service delivery is provided. One of the changes through the NDIS is that you won't receive remuneration as an organisation unless that service is actually delivered. As a result, the purchase phase is a critical component of the decision-making process.

* How can you use the transaction and delivery of services to reinforce the value that you provide?

And then there's the postpurchase phase. This is when participants, their families, friends, carers, will evaluate the value that has been provided, and there may be ongoing usage of the service. The postpurchase phase is as critical as the other two phases, because this is where you can embed loyalty and repeat service delivery.

The journey operates as a loop, because once that transaction has taken place and someone has utilised your products or services, they then evaluate and consider whether they want to use it again or whether they want to find alternatives. This may lead back to a purchase decision, or may lead back to that prepurchase phase as they look for other alternatives. It's important, however, that you have touchpoints across each of those phases, and where the marketing mix is consistent across each step of the journey.

Just as there's a number of phases in the decision-making process, there's also a number of roles that will be undertaken as well. Each of your stakeholders, at an individual or organisational level, will be undertaking one of those six roles.

The first is the initiator, the person or organisation that identifies a need that should be fulfilled. This could be the participant themselves, their families, their carers, the NDIS coordinators, education or health facilities, but it's this role that actually identifies that there's a need that organisations such as yourself could fulfil.

The next looks at the gatekeeper. These are the filters of information. Typically the gatekeeper will stand between the decision-maker, the influencers, as well as the recipient themselves. It's often important to engage with the gatekeeper and ensure that they're fully comfortable with the services, the products, and the value that you provide. Once again, the gatekeeper could be education or health facilities, or NDIS coordinators, and it's important that you provide the information that they need to help enable participants to achieve the outcomes that they're seeking.

The influencer could be family, it could be carers, who help influence an ultimate decision. They could be the ones that assess various service providers and the value that they provide.

The decider makes the final decision, and while we may think that that's the participant, it could also be carers or family members who are making that decision on behalf of the participant.

Once again, it's important to remember that each of these roles could be fulfilled by separate people.

The buyer makes the physical transaction, and that's the one that'll actually ensure that the funds are available for service delivery. And the user, of course, is the participant themselves who uses the service. But if you're providing respite, that user could in fact be others within your stakeholder set.

You need to be able to identify the scope of each of these roles, and who would be fulfilling these roles at both an individual and organisational level. Under the NDIS you need to become market-facing, and this is about understanding the many dimensions that your stakeholders and the roles that they may be undertaking.

Now that we've explored the stakeholder journey and the number of roles that your stakeholders or individuals that are part of your stakeholders may be undertaking, it's time to consider the journey that your stakeholders take within your own organisation. In your workbooks, identify:

* What steps are required during the prepurchase phase?
* How is it that your stakeholders become aware of your organisation and the products and services it offers?
* What tools do you use to help make them aware?
* How do each of those tools help in building an understanding of what it is that you do provide?
* What steps do you require them to undertake so that they can start to move in to the purchase phase?

Think back to the marketing mix and explore each of the elements of the marketing mix, and how they contribute to that stakeholder journey.

* What is it you provide during the purchase phase, and how does that help in terms of encouraging repeat purchasing?
* How do you reinforce the experience during the postpurchase phase?

Once again, remember that we want to explore each of these stages from the holistic marketing mix, so explore not only the products and services and promotions, but also the processes that you undertake, whether you collate feedback and how you respond to that feedback.

* What mechanisms do you provide to demonstrate that you're being responsive to the feedback that your stakeholders provide you?
* If something can't be altered, how do you communicate that and demonstrate that you tried to explore these possibilities but those changes couldn't be made for whatever reason?

The postpurchase phase in particular often explores how you strengthen communication and engagement with those stakeholders. As we go through marketing governance we'll be exploring metrics behind each of these elements, but currently we want to start to map the steps required during your stakeholder journeys.

As you explore the marketing mix and the stakeholder journeys, you may in fact identify gaps in your current products or services, and while the NDIS has proscribed packages and support plans, it is worth considering how you can better complement the products and services that you offer. The unfortunate reality is that nine out of ten new products to the market fail, and often this is due to a failure in understanding marketing. Many times a product or service is created and then marketing is responsible for trying to get it to the market. You very much want to ensure that marketing is embedded in your discussions if you consider the introduction of new products or services. So you need to be able to understand your target markets.

* Who is it that is likely to purchase these products and services?
* Is it a distinct target market to your existing product portfolio?
* Otherwise, how do you prevent cannibalisation and simply shifting someone from one product or service into another?

You need to be able to understand the decision-making processes that are required to encourage purchasing and repeat purchasing. And of course, from that you need to be able to synchronise and sequence the marketing activities that are required. Once again, you need to be able to leverage the entire marketing mix so that you're able to shift those target markets and those stakeholders through the decision-making processes and the journey that they undertake to purchase and then repurchase a product or service.

It's also worth remembering that when we think about products, there's actually a number of dimensions to them. When we look at the core product, that is simply the core need that is being provided.

* Is it accommodation? So is it shelter?
* Is it transport to get someone from one service to another?
* Is it employability skills so that someone's able to gain employment?

The core product looks at the need that you're fulfilling. The actual product is the brand, is the features, is how you deliver that product or service, and this is where the actual product will differ between yourself to other competitors. What is it that makes your configuration of that core product unique, that becomes the actual product?

And finally, we have the augmented product.

* What is it that you can provide on top of your product or service to demonstrate and encourage repeat purchasing?
* How can you embed loyalty into your product or service?

The augmented product should be able to create a stronger sense of loyalty to your organisation. So through the augmented product:

* Are there additional benefits that you can provide to your participants?
* Are you able to provide an additional level of service that goes beyond your competitors?

The augmented product often will be the piece that embeds loyalty.

Now, consider the products and services that you offer:

* What is the core need that you fulfil?
* How do you configure it as an organisation into an actual product or service?
* What additional support or features or benefits could you provide to embed loyalty through that product or service as part of that augmented offering?
* How can you use that to demonstrate additional value, and how do you communicate that back to your participants and the broader stakeholders that are around them that may be influencing or making decisions on their behalf?

The reason we've been exploring these marketing fundamentals is because the market context is going to change through the NDIS. Ultimately market pressures are going to increase. Already we've seen the introduction of new market entrants, entrants that may be offering services that are comparable or a substitute to those that you offer. Participants are going to have a greater level of choice, because they're able to choose which providers and which services they wish to undertake. There's going to be an increase in supplier influence. That means that, in particular, suppliers and staff may have a greater choice in terms of the providers that they work with. And there's going to be an increase in the degree of substitutes, where a number of products or services may actually fulfil a similar need.

Ultimately this means that competitive pressures are going to increase, and that there's going to be a greater degree of uncertainty. As a result, as an organisation you need to find how you can differentiate yourself within the market. Given that there are pricing controls through the NDIS, the reality is that you're going to need to differentiate through your product and service configuration, and through the way that you optimise your marketing activities.

* What is it that makes you different?
* What is it that enables you to provide a higher quality or higher level of service to service participants?
* And then how is it that you configure the marketing mix to demonstrate this to your target stakeholders?

And this is ultimately the questions that we're going to be answering as we explore marketing governance through the next five modules.

As mentioned, the purpose of this module and the preceding module is to provide a baseline of key marketing concepts. Over the next five modules we're going to be exploring each of the elements of marketing governance. We're going to be exploring the role of marketing governance throughout the next five modules, beginning with strategic alignment.

* How do you ensure that your marketing activities align with your direction as an organisation?

We're going to be exploring how we manage control and understand risk from a marketing context. We'll be exploring financial management.

* What budgets do we need across the range of marketing activities that engage our stakeholders
* How do we identify the anticipated return?

We'll be exploring roles and responsibilities.

* What positions do we need?
* Who is responsible for marketing activities?
* How do we ensure that we can measure performance both within a marketing function but also across an organisation?

And finally we'll be looking at metrics and accountability.

* How do we measure the effectiveness of marketing activities across a chain of activities
* How do we ensure that those inputs contribute to an output that achieves an outcome for your organisation?

So once again, as we consider the context of marketing governance, think about:

* How is it currently defined in your organisation?
* How do you define good governance, and how does marketing relate to that?

As we conclude this module, let's recast our minds back to what we've covered. The first is that market pressures are going to increase under the NDIS. There's going to be an increase in competitive pressures, greater choice in regard to participants, and as a result this is going to create a greater level of uncertainty. It's the role of marketing to try and minimise that uncertainty. As a result, we need to consider marketing in the context of the marketing mix, because this is what defines the experience of your stakeholders.

Marketing is more than just promotions. There's a whole range of other elements that need to be factored in. We need to explore that marketing mix or stakeholder experience, because it allows us then to define the decision-making processes that our stakeholders are using, and it enables us to align the experience with that journey during the prepurchase, the purchase, and the postpurchase phase. We also need to understand that our stakeholders may be fulfilling a number of roles, and that within our target markets it's likely that a number of roles will be undertaken. Perhaps the most obvious example are participants who will be using the service, but where parents or carers may be the ones influencing or making a decision on their behalf.

And ultimately, we need to be able to optimise marketing activities. We have a finite number of resources. We need to ensure that our marketing activities are optimised to deliver the greatest potential result, and that is why we're going to be embarking on the exploration of marketing governance.

Thank you for your participation in this module and the preceding module. Look forward once again to exploring the five pillars of marketing governance.