



# Marketing fundamentals



INTERNATIONAL MARKETEEER BARRY EDNEY SHARES HIS EXPERTISE AS HE BEGINS A SHORT SERIES ON THE IMPORTANCE OF MARKETING YOUR BUSINESS, COMMENCING WITH THE FUNDAMENTALS OF MARKETING.

In previous articles I have been reporting the view from the European collision repair sector and it has been interesting to see the many similarities between the challenges faced here and those faced by the Australian/New Zealand industry. In the current business environment, all businesses are trying to re-establish themselves after the coronavirus-induced slowdown and this is particularly true of independent businesses. Our industry also faces the added challenges of relying on a small number of insurers for a very large percentage of the available repairs and a relatively large number of separate businesses competing to do that work.

When speaking with independent repairers here in Europe, I am often

asked what advice I would give to help them compete with the large number of major (and not so major) repair groups that have emerged in the past few years. My advice is to begin marketing in a structured way.

You may not be marketing in the way that Apple or Coca Cola do, but you probably do make an effort to know your customers well. Your instincts will tell you that figuring out what every customer wants, and then meeting those expectations, will keep you in business over the long term. If you don't understand that you're "doing" marketing, it's hard to keep things consistent over time. This isn't an obvious problem for most small businesses, but marketing "on the fly" becomes less

feasible as business grow or the market becomes more competitive.

Many people consider marketing to be just about advertising or selling, but it is so much more than that. Marketing is a key management discipline covering and impacting every area of business activity in one way or another, whether it is branding, advertising, personal selling, ensuring good customer experience, pricing, upselling additional services or being an employer of choice. All of these elements are considered marketing activities, are inter-dependent and will affect the success of a business positively if done well, and negatively if done badly. For me, good marketing is the key to competing with larger better-resourced businesses as doing

these things well does not require spending big. This is especially important now that more insurance policies offer real choice of repairer to the policy holder and you want your business to be the repairer of choice for as many of those with the freedom to choose as possible.

Many repairers have access to business advice (mostly financial) or process efficiency guidance from major suppliers and equipment makers but practical advice such as marketing is in short supply if you are not part of a fee-paying program or pay an external marketing company for help. With that in mind, for my next few articles I will focus on the various marketing elements that I feel can help independent businesses develop a structured marketing approach.

If you look online, you will find many, many conflicting opinions about what key areas a marketing plan should include. The problem is, some of these plans are preparing to sell a product or range of products while others are much more strategic or look at entering a new and unknown market. These suggestions are clearly of little benefit to the typical collision repair shop so I'll explain the key areas that I think are important and will go into more detail in future articles.

So, I believe good marketing can be boiled down to three headline areas: segmentation, targeting and positioning.

**Segmentation.** Identifying meaningful groups of customers interested in a particular service or product. This could be behavioural segmentation, such as commuters, leisure drivers and so on, or demographic segmentation such as families, affluent singles or mature professionals.

**Targeting.** Identifying which of the segments that you want to sell to. It is also about ensuring you keep this under review and modify your approach as the market dynamic, the economy or your own business changes or is impacted by external forces.

**Positioning.** How you go about selling to your chosen segments and how you communicate that your service offer is better than someone else's.



## Let's look at these areas in some more detail.

### Segmentation

This can be as straightforward or as complicated as you want to make it. The car manufacturers have been using a vehicle size-based segment (Medium, Executive, Luxury) for some years. Insurers, on the other hand, think about how the vehicle is used (commuting, school run, main car, second car) and car dealerships think more about the type of driver and how they use the vehicle before they

plan their sales approach.

Each business needs to decide what segmentation makes most sense within their catchment area. For example, a rural repairer is likely to see more 4WDs and a city-based repairer is likely to see more sports cars. Of course, that doesn't mean you should be refusing work that doesn't fall into your chosen segments, just that you plan your business activities, such as promotions, additional services, skills or equipment investments, based on the few segments that you have chosen to focus on. All other work should be treated as opportunistic.

Potential Segment	Cars they might drive
Just getting around	Older cars, often self maintained
Family Needs	Larger sedans, MPVs etc
I've made it!	The showoff car – Sports models etc
Environmentally aware	Hybrids, Electric Vehicles
Quality matters	High end vehicles BMW, Lexus, Mercedes etc

Example of suggested segmentation.

# 5 Minutes with ...



**Liam Hugo**  
Car-O-Liner Australia

**When did you join the industry?** 2001

**What was your first job in the industry?**  
Apprentice Panel Beater

**What do you do now?**  
Qld and SA Sales Manager

**What do you like about the industry?**  
The people I meet on a daily basis.

**What don't you like about the industry?**  
Repairable Write-offs!

**What music do you like?**  
Rock

**Your Favourite Artist?**  
AC/DC

**Your favourite food?**  
Anything the wife cooks.

**Your favourite drink?**  
Wild Turkey.

**Your hobbies?**  
Fishing and Camping,

**Who in the world would you most like to meet?**  
Sly Stallone (aka Rocky Balboa)

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### Targeting

This is often a challenge for many businesses, because it forces you to decide who NOT to sell to. This is very important as it can make the difference between low profits or healthy profits for the same level of effort. Reviewing targeting should be done from the perspective of what segments in the market have most opportunity or are easiest to serve, balanced with your business capabilities, such as facilities, skills, equipment and so on. If you decide to change your targeting, what is the impact on equipment, staff numbers, required skills and the finances to invest in these areas?

### Positioning

This is where brand can really play a part. A brand, whether that is something cleverly conceived and developed over time or simply your business' trading name, should be recognised as providing what the customer expects every time, whether that be quality of product, level of service or value for money. Brands are the result of deliberate choices, they are not an accident. Your activities and messages dictate how people think about your business – that's your brand and that's why it is so important that all your staff understand the message that you want to convey to customers. Don't assume that they know.

This area of marketing also looks at pricing, especially pricing relevant to other providers. In our industry, it is extremely hard to differentiate on price, but you can differentiate on what a customer gets for what they

will be paying – remember, the driver has probably paid a higher premium to choose his repairer and their expectations will be higher. It's therefore really important to have clarity on your pricing. We all know the importance of detailing the quote so we can maximise the repair value, but we often forget about additional services and the upsell.

Positioning also covers customer experience, known as CX, from initial contact through to vehicle collection as this heavily influences the positioning in people's minds as to the calibre of repairer with whom they have dealt.

In summary, a challenge that all businesses in our industry face is a shortage of new skilled employees. Building a strong brand and having a business well positioned in the industry will increase the likelihood that you will be seen as an "employer of choice" by the skilled technicians you are trying to attract.

In my next article, I will go into more detail for each of these subject areas and will endeavour to provide some practical advice to help you "do marketing" in a structured way.

***If you would like me to cover any specific subjects, please provide feedback to the editor, Joe McFadries.***



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