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marketing & advertising | **FOCUS**

## Marketing — the best road to increasing your revenues in 2007

By RANDYE SPINA

All business owners believe they are offering a much-needed product or service and indeed, most are. The U.S. economy is built on ideas and innovations mostly produced by small and micro businesses, not large corporations. However, few business owners realize the potential of the marketing function or exploit it to its best advantages.

We know we need certain support services such as an attorney, an accountant or even a technical expert to set up our computer systems, but what about marketing? It seems marketing has become what I have dubbed "the lost function."

There is no other best use of a business owner's budget or time than marketing. This, after all, is the only way to drive revenue to your bottom line so that you can afford an attorney, accountant and technical expert.



Spina

What exactly is marketing? Marketing encompasses all the steps that it takes to get a product or service to the end-user for purchase. Whether it's a consumer product or a business product the process and components are the same.

A good rule of thumb is that business owners should spend 20 percent of their time marketing the business, but there are some stumbling blocks to achieving this:

- No expertise in the field of marketing;
- No idea how to start or what to do;
- Confusing marketing with advertising;
- Confusing marketing with sales;
- Thinking a Web site is all the marketing they need; and
- No formal marketing plan.

The reality is that do-it-yourself marketing is not difficult. You just need to understand some basic principles to get started:

1. The 80/20 rule — This means that 80 percent of your revenue will come from 20 percent of your customers. This 20 percent is called your target market and is the most important segment you should be focused on — your best customers. Who/where are they? How can you most efficiently reach them? Once you know this you're well on your way.

2. Reach vs. frequency — On average it takes three to five touches for a consumer to make a purchase decision. Many times I've come across a business owner who purchased a print ad (usually self-designed) in a newspaper or trade journal, but can only afford a one-time placement. This almost never works because it only achieves reach (circulation). What does work is a smaller, less expensively designed ad that runs frequently.

3. Sell the sizzle, not the steak. You should always be thinking in terms of benefits vs. features — no one buys features. If someone told you the ingredients in a new shampoo (the feature) would you run out and buy it? Not likely. But if someone told you the shampoo would make your hair shinier, cleaner, healthier or stronger, the likelihood of your buying it increases substantially. This is because you know what the benefits are and, in fact, probably don't care very much about how it works — just that it does.

4. Image/brand building vs. direct marketing — Unless you have the marketing budget of a Fortune 500 company, you'd better stick to a plan that will deliver measurable results. Although direct marketing is a less glamorous approach than placing a fancy four-color ad, it is also much less expensive and more easily achievable for a do-it-yourselfer.

Bottom line: Marketing is an investment and it doesn't take much money to create and implement a sound marketing plan. Here's how you can get started:

- Know what you can realistically afford to spend on an ongoing basis and stick to it.
- Know what your competitive advantages are.
- Be aware of what your competitors are doing to market themselves.
- Know who your best customers are and how you can reach them most efficiently.
- Know where to go for help — your industry most likely has trade journals and associations that can provide sound advice.
- Make the most of referral opportunities by asking satisfied customers for referrals.
- Read books on the subject.

### Fact Box:

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1. Have a plan. A solid marketing plan will keep you on track and reduce the risks of spending haphazardly.
2. Don't overdesign. Sure, it looks good, but will it produce the response you need to generate revenue?
3. Know your competition. By keeping abreast of how your competitors are marketing, you can position your business to exploit its strengths and differentiate itself.
4. Keep marketing samples on hand. Whenever you come across a piece of direct mail, postcard, ad, flyer, eNewsletter, etc. that you like and/or respond to, keep it as a sample to use as a template for your own efforts.
5. Don't buy what you can create

yourself. Create what you can, then have a professional review and edit it.

6. Ensure total marketing adherence. Ever walk into a store, purchase from a Web site or call a business only to get bad/no service and vow to never return? If you have employees make sure they understand the marketing plan and how they fit in. Every touch with a customer is a marketing opportunity — even your invoices.

7. Create loyalty. It costs up to 10 times more to acquire a new customer than to keep an existing one.

8. Know your best customers. By concentrating on this segment, you can cost-efficiently target those most likely to purchase from you.

9. Track results. Know what worked and what didn't so you can build on successfully for future marketing efforts.

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