

what
EVERY
Small Business
MUST KNOW
about
MARKETING

by Jim Rosemary

Crucial Marketing Information You'll Learn Inside:

- What is the number one mistake that business owners make regarding marketing.
- Key elements to include in all your marketing communications.
- How to get FREE advertising.
- What other low and no-cost marketing can business owners use effectively.
- Why testing is a crucial part of marketing and what most marketers do wrong.
- How much text should you have in your marketing materials.
- Who is the most important marketing consultant you could ever listen to.
- What is the single most effective marketing tactic for small businesses.
- How to respond to pricing pressure from competitors so price isn't an issue.
- What to do to make your prospective customers see you as the only choice.
- What simple changes to make to your marketing materials to boost your sales.
- How to become a Marketing Master.

© COPYRIGHT 2005, JIM ROSEMARY AND NEW TECH WEB, INC.

What Every Small Business Must Know About Marketing

by Jim Rosemary

I created this report or book or article for you – the first-time small business owner, the newbie entrepreneur, the fledgling marketer. If you're an experienced marketer, you'll probably find this material too simplistic. There are no statistical analyses or clinical studies here. I tend to think that a lot of the "Big M" marketing (crunching numbers stuff) isn't really helpful and isn't applicable for most small businesses anyway.

Of course, in this information era, there is no shortage of resources. I strongly believe that increasingly it is important, not to memorize facts, but to learn to be resourceful enough to find what you need just as you need it. My intention was to provide this guidebook so you can pick it up when you need to review your marketing approach.

While there is a plethora (never thought I'd actually use that word in a sentence) of marketing books and tapes and seminars out there, all too often they are too cranial to absorb at one sitting or are too specific or are focused on a particular industry or type of business to be of use. On the other hand, the majority of the great multitude of online resources may be incomplete, too general, or simply hard to find. So I created something in between. If it was a piece of fiction it might be a novella or a long short story. I'm hoping that, like Goldilock's porridge, you'll find this "just right".

It was created to help you be more successful. The point isn't to memorize this stuff like a textbook. There is no quiz. The way to use this is to figure out ONE thing that you can do, then go do it. Later, pull this up again and do ONE MORE thing different. My hope is that as you read through this, you'll find it stimulating and educational, and that it will be realistic enough to help guide a few steps in your journey toward marketing success.

The Keys To Successful Marketing

There are 3 keys to successful marketing. Unfortunately, no one knows what they are.

The funny thing is, that's mostly true. Unlike what we've been taught in school, with marketing, there is no one right answer. And most of the time, even the so-called "experts" or "gurus" of

marketing don't hit a home run. So why try?

Marketing, when done well, is as much a learning experience as it is a means of producing profits. The more varied your marketing attempts, and the more consistent your trials, the more successful you will become – IF you learn from your mistakes.

Yes, you have to be willing to take measured risks when you market your products and services. This doesn't mean you have to engage in marketing which is "risky". There's a difference between taking "risks" and "risky" actions. Every advertisement you run carries with it the risk that your money will be flushed away with no compensatory return. But running an ad which is derogatory to competition or makes use of vulgar humor is risky – these can come back to bite you and cause more damage than the lost advertising investment.

And marketing is an investment, not an expense. The whole point to marketing is to produce more revenue than what you spend. It doesn't mean that every marketing expense needs to produce a positive return to be successful. Maybe you're running a multi-step campaign where most of your return will be realized in the last of 6 steps. What is just as important are the lessons you learn. That could be invaluable.

Marketing is Critical

Think about it. What in your life was NOT marketed by someone to someone? The clothes you wear, the house you live in, the car you drive and even the food you eat was marketed by someone to someone. Maybe that stalk of lettuce didn't need to be marketed to you, but the buyer at the grocery store certainly was the recipient of the seller's marketing.

Have you ever been in a relationship? I would offer that someone marketing something to someone in that relationship or you wouldn't be there!

See, marketing is fundamental to society, not just business. In order to persuade or convince another human being to take action, you could say it involves marketing. Of course, in general terms, we refer to marketing not on a one-to-one basis, but marketing in a business sense is to groups of people. From those groups, you then sort (not convince) those who are interested in what you have to sell.

Marketing then is a way to create awareness in the potential marketplace. If no one is aware of you, your business, or your products and services, you'll implode in a vacuum. Marketing is essential to business survival.

You may be able to get by without a grasp of the legal aspects of your business. You can get lucky even without a full understanding of your financial picture. You might survive even if you produce an inferior product and provide poor service. But you simply are not in business without marketing.

It has been said that accounting is the lifeblood of a business. If that's the case, then marketing is the soul. If you don't market your products or services, even if you only do so accidentally or unconsciously, you simply aren't in business. Your business cannot take a single step without someone knowing about you. Without marketing, your business is simply a hobby or a time waster or a money pit. To move forward, marketing is absolutely vitally essential. I think you get my point.

Marketing Defined

So what exactly is marketing? And how does it differ from sales?

My favorite definition of marketing is, "Telling the truth attractively". It's a matter of positioning your product or service in the best possible light in the eyes of your prospective customers, and doing so in a way that is truthful.

In actuality, the purpose of marketing is twofold: 1) to communicate with the marketplace the value you have to provide and, 2) to listen to the marketplace to see if what you have to provide has perceived value. It's that second step which most small business people don't realize. Without that feedback, your marketing is always going to be less effective than it could be.

Here's the real definition: Marketing is any point of contact of any kind between anyone in your organization with anyone who is or might ever be a client or customer. Where most small business people equate marketing and advertising, there is so much more to marketing than just that. Marketing is everything!

Of course, marketing consists of your advertising, brochures, stationery, signage and so on, these

are obvious. But marketing is also the packaging you put your product in, the method by which you deliver your service, the price at which you sell your products or services, the choices you make about who your customers are, and how much effort you'll make in educating them. These may not be so obviously tied to your marketing.

United Parcel Service understands that their image is at stake when someone simply looks at one of their recognizable brown trucks. That's why they make it a point to wash their trucks every single night.

When I or my sales people at New Tech Web visit a client or prospective client, it is our general rule to wear a suit and tie for men or appropriate business wear for the women, since we want to communicate professionalism as part of our marketing image.

How you answer the phone, the cleanliness of your store, the smile on your receptionist's face, the guarantee you make, the speed with which you follow up, your posture at a trade show – all of these contribute to the messages you communicate to your target audience.

Marketing Is A Dating Process

When I give a seminar on marketing, I often ask of the audience, "How many of you would go into a bar, walk right up to the first pretty girl or handsome guy and ask, 'Will you marry me?'" Every once in a while, I actually get a hand that goes up. But aside from those boldest (or more likely desperate) individuals, most of us would never consider such a stunt. So why, then, do so many small businesses do exactly that when they try to market and sell their products?

Marketing is like the dating process in that you have to build up to a point when your customer is ready to make a purchase. It depends on the price and nature of your product. If you're selling candy bars in a vending machine, not many people assign much importance to the expense and therefore don't spend much time weighing their options, shopping around, investigating the return on the investment, and so on. But if what you're selling is not an impulse item, then your customers will want to get to know you better before making their commitment. You may have to expose your message to them six times, or twenty times before they'll feel comfortable.

The process from the customer's standpoint is straightforward enough:

Awareness – Your audience needs to know that you and your product/service exists. They can't buy it if their not aware of it.

Recognition – This is the point of repeat exposure. Depending on your product, you may need to expose your target audience to your product or service 6 times, 10 times, or maybe 20 times before your audience recognizes you. This is what branding is all about. (More on branding later.)

Familiarity – As the word implies, the customer is creating a relationship with you. They haven't purchased anything yet, but they are feeling comfortable with your company or what you have to sell.

Trust – This is the crucial step in the marketing process. How you develop the relationship to this point is the whole point.

Purchase – This is when the sales part of the process takes over. Now the customer has stepped up and is engaged and is asking for the information required in order to make a buying decision.

But just because your cash register rings, "cha-ching", it doesn't mean you're done.

Market, Rinse, Repeat

It's also important for small business owners to know that marketing is not an event. It's a process. To paraphrase an advertisement I once saw, let me put it this way: "Brushing your teeth. Eating your vegetables. Marketing your business. What do these have in common? They are all things which don't work if you do them only once." Marketing must be an ongoing process because it's a matter of trying something, watching what happens, then trying something, maybe something different, and watching again. Without this circular loop, you would never know what about your marketing is actually effective.

It is amazing to me how many businesses actually operate this way. They throw money at an advertisement once or twice, then they decide they need a yellow pages ad, then they get cheap and decide to have their neighbor's 15 year old nephew create a website (because he's "good with computers"), then they run a sale because they can't think of anything else to do. Without feedback, and without listening to that feedback and measuring it, it is generally all money and time wasted. It reminds me of a saying attributed to John Wannamaker, the founder of a large department store, I believe in Philadelphia, back in the 1920's or 30's. He said, "I know that half of my marketing works. I just don't know which half."

One of the beautiful things about the internet realm in which I conduct my business is that we can help our clients actually measure the effectiveness of their marketing campaigns. When they send out a direct mail piece, we can set up a specific page to which recipients respond. The only people who would know about that page are those people who received the letter. So we can track the effectiveness of the dollars spent in a way other than counting cash in the register.

So How Do You Know?

Knowing which half of your marketing is effective isn't rocket science (unless you're selling rockets, I suppose). It can be this simple: We encouraged one of our clients, a pet shop to find out how people heard about them. They created a simple scratch sheet with a list on it: Advertising circular, Word of mouth, Drive by, Website. They trained their employees to simply ask each customer and made a tick mark in the appropriate section. One lesson they were able to learn is that they weren't getting enough referrals. So they created a referral program.

But how do you learn what to do? How do you know how to reach your prospective customers? What products and services should you offer? How much do you charge? Where do you advertise? Should you even consider advertising in the first place? These and so many other questions can be answered by one word: ASK!

Who Do You Ask? What Do You Ask?

Some small businesses know enough to ask their clients a key question: "How are we doing?" Meaning, "Are you satisfied with your experience in doing business with us?" The problem with this question is that it doesn't tell you much. Most clients, wanting to be nice, will say nice things: "We like doing business with you", "Yes, we're satisfied", etc. What you really need to know is why they are doing business with you. So the better question would be: "What are the key decision factors which made you decide to do business with us?" Notice I didn't ask "WHY did you do business with us?" The word "why" tends to put people on the defensive, asking them to justify their actions. Rather, asking "what" takes the pressure off of them and onto the factors. It's subtle, but can result in more and more valid responses.

But more important than asking your clientele, who will usually give you favorable responses, the group to ask are those people who chose not to do business with you or those people who are

only prospective customers at this point. Find out why they chose not to do business with you or what factors they are still weighing preventing them from making a decision. The answers you get to these questions will be so much more valuable and may even give you some information about your competitors.

The Ideal Marketing Consultant

As much as I'd love to say you need my services, or as much as I revere the giants of the marketing industry, people like Jay Abraham, Jay Conrad Levinson, Dan Kennedy, and a host of others, your most important consultant will be your customers, prospects, and former customers.

Like I said, you want to ask them what factors do or would cause them to do business with you, but it goes further than that. Take a look at the table on the next page. It was created to support a presentation I made to small business owners. (More about the value of doing presentations and providing information later.) The table is intended to show you that developing a relationship with your clients can provide more value than just the sale you make. I've given some examples or suggestions for each point, in this case specific to what you can do to facilitate the communications with your customers via your website.



Marketing 101: Your Customer As the Key to Great Marketing

Who is the smartest marketing consultant you could ever hire?

Your customers! Even moreso, the prospective customers who haven't purchased yet.

CUSTOMER KEY	ON THE WEB
It's not about what you want, it's about what your customers want and expect.	The design you use, the information you offer, the language you use needs to be created with your customer in mind first.
How do you know why your customers buy from you? Ask them! Do a survey. Invariably the reason they do will not be what you assume.	Create a survey form for prospective customers – what do they want, popup exit survey why they didn't contact you, etc. Create one for existing customers only (password protected section) – why did you buy from us, what additional service/product could we offer? Ask what they want, then offer that.
Do you want to work with informed customers? Usually they waste less of your time, they are easier to work with and they buy more and more often. So how do you create a more informed customer? Educate them!	Educating customers on your website sets you apart from your competitors, makes you a resource for your customers, makes your site "stickier" to allow them to absorb your marketing messages, also good for search engines
Do you know who your ideal customer is? Don't be general: "Anyone with a spine" isn't necessarily an ideal customer for a chiropractor. Define them not only by where they live geographically, or how much revenue or income they produce. Create a description of your ideal customer by characteristics, too. (sense of humor, appreciative of your advice, willingness to pay for the value you provide, etc.)	Qualify your customers by: calling them by name by having special buttons identified by "role", use success stories about the type of customers you work with, show your geography on a map, indicate minimum quantities or purchasing criteria, etc. (Sorting out your prospects ahead of time can save you time, too!)
The most cost effective customer? The ones you already have! Build relationships, don't just make sales.	Build relationships with regular "touches": newsletters, coupons, joint venture offers and recommendations, valuable tips, referral programs and more.

The lesson: Use your website to communicate with your most valuable marketing consultant – your prospects and customers!

NEW TECH WEB
12712 SE 223RD DRIVE, KENT, WA 98031-9658
TEL 253-639-3165 FAX 253-631-9681
WWW.NEWTECHWEB.COM
INFO@NEWTECHWEB.COM

As your clients tell you what they like and don't like, and as you study them and learn more about their preferences, you'll have a better idea about what would work to communicate with them.

Your Identity Is Up To You

Hiring someone to parachute into your used car lot in a gorilla suit, inflating a huge King Kong balloon on the roof, and giving away free bananas works fine if you want to convey fun, goofiness, and attract families with kids. But it probably wouldn't work if you're selling transcription services to the medical community. Instead, you'll want to send informative articles, provide complementary consultations, and wear business attire if you want those doctors or hospital administrators to consider you seriously.

The way your clients and prospective clients perceive you is entirely up to you. And if you don't decide who you are going to be, then they'll decide for you – and it probably won't be what you want if you leave it up to them. Sit down in a quiet place and write down the characteristics you want your customers to perceive in your identity. Come up with a dozen or so words. Do you want to be “zany”, “comforting”, “knowledgeable”, “respectful”, “ or “flashy”? What works for you that also fits the expectations of your audience. And do you want to buck trends and be different? There's risk in that.

GEICO, the insurance company, breaks the mold for its industry. The typical insurance marketing attempts to convey peace of mind, safety and security, and financial intelligence. GEICO, on the other hand, pokes fun at itself and becomes more human in the process. Many in its target market apparently would add “sense of humor” to the characteristics they prefer in an insurance company. The subtle impact is that doing business with GEICO is easy, maybe even enjoyable.

Beginning A Plan, Really

By now, you've thought about what you are trying to communicate. You have a better idea about who you want to communicate with. You probably have a mental picture of the image or identity that you want to portray. And you understand that whatever you do, it's going to mean repetition and an ongoing, never-ending process. But what marketing tactics do you actually

undertake?

Most small businesses use what I would call the “ad hoc” method of marketing. With no specific plans in mind, their marketing is determined spontaneously – off the top of their head, or by the seat of their pants, I’m not sure which. I’ve worked for and with business people who will read an article in a magazine, tear it out and issue a dictate that they are now changing direction – based on the article. I’ve seen clients decide to run a newspaper ad or participate in a coupon mailer because a salesperson walked through their door.

Just as you should live your life by design and not by default, your marketing needs to be created as a plan. “If you fail to plan, you plan to fail.” Yes, I know I’ve heard that, too. And since I hate planning, it grinds on my conscience. I spent the first several years in business without a plan. I did ok, but I didn’t really grow my business. As I’ve learned to create a plan, and revise and rewrite it, my business grows. Even the plan itself, like the US Constitution contains within it provisions for change.

So where do you start with your planning process? Start by thinking about everything we’ve covered so far, plus more. And like all well-defined goals, a marketing plan needs to be specific, with a timeframe, measurable, challenging yet realistic, and written.

Purpose. What value are you bringing to the world by marketing your product or service? How will your clients or customers benefit from using whatever it is you have to offer? What about this business really resonates with you – having a strong reason why you’re doing this will help pull you through the inevitable tough times.

Identity. We discussed this a bit already. You decide how you want people to see you. It involves the choice of your business name and your company colors. (As a small business, choose a name which communicates what you do. “Bill’s Machine Shop” is better than “BMS, Inc.” Distinguished royal blue is more appropriate for a printer specializing in legal forms than hot pink, even though it’s your daughter’s favorite color.) Create the emotional response which leads to your objectives and you’ve got a potential winner.

Objectives. You need to decide how big you’re going to grow in a given timeframe. How many units are you planning to move? How many clients will you expose your company to and what

percentage will actually buy from you? These will be barely educated guesses at first, but as you go along, you'll get better at the process.

Customers. We talked about this previously. Define the ideal customer right down to the names of their companies if you can. We include in our plan descriptions like: appreciates the value of marketing, willingness to accept advice, pleasant to work with, and has a sense of humor. The more we revise and define this list, the more often we do business with people like our ideal client. The more specific you can define your target, the more likely you are to find and attract them. And be willing to turn down a prospect or even fire a client if they don't fit your target. A friend of mine actually gets rid of the bottom 10% of his clientele each year, especially the demanding whiners, time-wasting complainers, and frustrating late payers, sending them off to competitors. Build that into your plan, if you want to be more efficient.

SWOT. Think long and hard, and honestly and objectively, about your strengths, weaknesses, opportunities, and threats. What do you do better than anyone else? (If you can't think of anything, it's time to become creative and innovate!) What areas do you need to improve? What are the opportunities involved in marketing this product or service? And what threats might loom on the horizon which might change your marketplace?

Competition. For most micro-sized, one and few-person companies, I would recommend that you not pay a whole lot of attention to your competition. Yes, you have to be aware of them, but don't waste time on comparative analyses or responding to each of their marketing campaigns. Just do what you do well and keep improving.

Financials. While there are tons of ways to market your business for free or low cost (more on this later), ultimately you'll need to spend some money to get the word out. Determine, based on the lifetime value of a client, combined with your available resources (don't assume the bank will be excited enough to give you money), what you can and should afford to spend to acquire a customer.

Depending on your industry you may spend \$10 to \$1000 just getting a prospect into your process. Guess (and at first it's pretty much a wild guess) realistically what percentage of exposures will turn into sales. Guess conservatively. Now cut that in half. Then figure out what

each individual exposure is worth to you. For example, if it costs \$1000 to do a direct mail piece to 5000 people, each exposure costs you 20 cents. More importantly, of those 5000 exposures, if 50 people buy, then each sale costs you \$20. If your gross profit per sale is \$50 you're ahead of the game. If your gross profit is only \$15 per sale, something is drastically wrong.

But also consider that a percentage of customers will come back, over and over again. If they purchase \$500 per year and stay with you for an average of 6 years, you can guess that each customer is worth \$3000 in gross sales over their "lifetime" as a customer. If your profit margin is 10%, you can afford to spend \$100 or more capturing a customer and still make money.

In any case, be realistic, be conservative. More small businesspeople die of optimism than realism. After you determine a realistic level of sales, you'll know what can you afford to invest (not spend, but invest) in marketing. Most small businesses should shoot for about 10% of gross revenues as their marketing expense. Then based on that budget, you'll need to decide if you can reach your intended level of exposure with methods that will be effective. It's a bit of a chicken-and-egg circular process – what you have to spend on marketing depends on sales and what you sell depends on what you spend on marketing – that involves much guesswork. But as you grow you'll get better at it.

Production. Normally, this would be an operational consideration you wouldn't think would be part of your marketing plan. But as your marketing efforts drive customers into your queue, you have to think about your capacity to service them. It doesn't do any good to attract 20 clients a month if you can only handle 5. Conversely, if your factory is producing 10,000 widgets per month, you better attract more customers than 20 if they only want one widget each. You can land a deal with Walmart to sell a million of your widgets, but if you and your kids are assembling them on the kitchen table can you really handle that business?

Strategies and Tactics. This is the stuff that most small businesses dive right into without thinking. But now you'll dive in only after careful consideration. More on these soon.

What's The Right Answer?

If marketing is "everything" then where in the world do I start? What do I do first that would be the most effective at improving my bottom line? Which tactics do I choose that will produce a

guaranteed return on investment? If you know the answer to that one, please tell me. See, marketing is in many ways a very inexact art. While you can measure the results with scientific precision, you can't put an empirical meter on the creative process. And marketing is creativity.

And here is an important lesson regarding marketing. Are you ready?

THERE ISN'T A "RIGHT ANSWER" IN MARKETING

I put that in bold in case you were skimming through this looking for THE answer. For all you "A" students out there, sorry to say this, but it's not really even about looking for the answer. It's much more important to ask the right questions. Don't get all caught up in trying to figure it all out before you take the first step or you'll become another victim of "analysis paralysis".

Being a successful business owner and marketer involves taking risks. You risk your hard-earned money on the next campaign hoping that your gamble will yield more money than you put into the venture – eventually. If that scares you, put your money in a bank and get a job. If that excites you, you may have the right fortitude to be a marketer. If that doesn't scare you at all, then you probably won't make a good marketer because you'll spend yourself into the ground on things which aren't just risks, but on things which are "risky".

Risky marketing is making derogatory statements about competitors, using crude humor in your advertising, or being condescending in your literature. Risky marketing is more than a waste of money, it can come back to bite you later with lawsuits, unhappy employees, and formerly loyal customers who abandon you. Do the right thing and stay away from risky marketing.

The only way you'll be able to find out what works for you is to make an effort. Sure, you can watch the market and see what everyone else is doing. The thought is that if your competitors keep running that same yellow pages ad year after year, then it must be working, so you should do something similar. Not if you want to set yourself apart from your competitors. One of the reasons that most businesses barely get by or grow so slowly is that they're driving while keeping an eye in their rearview mirrors, looking at their competitors. Stepping out of the crowd and doing something different is the only way to find out what works best for you. (Remind me to tell you about a marketing friend who helped a moving company with their advertising....)

So How Do I Decide What To Do?

The process of developing a marketing plan should be thought through, if not studied and analyzed. In other words, by deciding on your overall objectives, you can then derive strategies and tactics which support those objectives. If you don't follow this process, you risk taking the shotgun approach or making ad hoc marketing decisions that won't actually support your long term objectives.

OBJECTIVES:

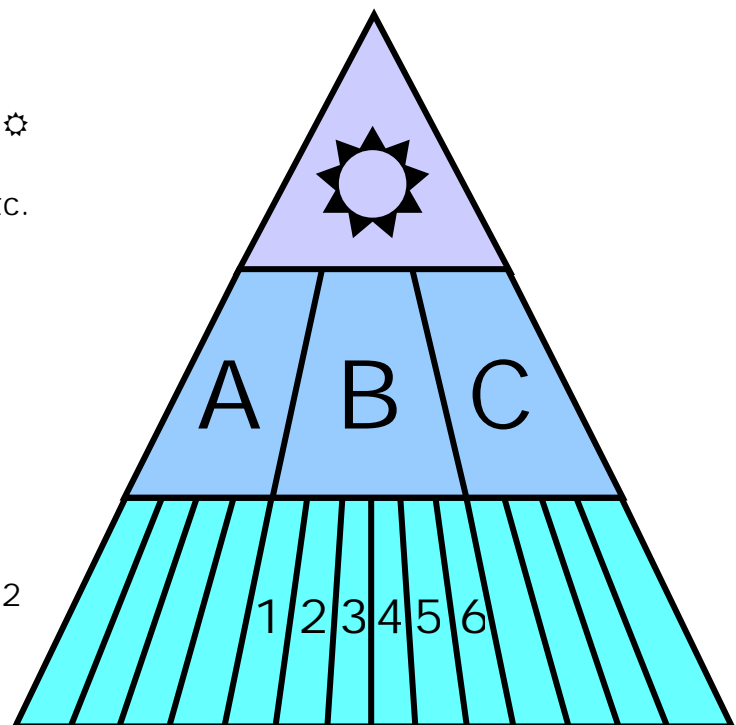
- Enhance customer loyalty - ☼
- Create public awareness
- Increase lead generation, etc.

STRATEGIES:

- Customer rewards - A
- Listen to customers - B
- Respecting customers - C

TACTICS:

- Focus groups - 1
- Reply cards with products - 2
- Website feedback form - 3
- 800 number - 4
- Fix problems promptly - 5



DERIVING TACTICS FROM OBJECTIVES
FIGURE 1

Here's an example. Take a look at the pyramid in figure 1. The top layer represents just one of your long term objectives. It takes many objectives to achieve your ultimate desire for your business however you define it. If we say that one of our objectives is "enhancing customer loyalty" – in order to maximize our profitability on repeat sales – then the objective is listed at the top of the pyramid.

Then we need to think about ways to achieve enhanced customer loyalty. These form our

“strategies”. You don’t DO strategies directly. A strategy is a guideline which will establish “tactics” in the next step. Strategies help support and connect the objectives with the tactics. In this example, to support “enhancing customer loyalty”, we might consider “rewarding our customers for loyalty”, “listening to our customers”, or “treating our customers with respect” as different strategies. Let’s choose “listening” as our strategy of focus for now.

Then we have some fun and brainstorm. What are all the things we can DO to listen better to our customers? How can we show our customers that they have a voice which is important to us?

By brainstorming you’ll come up with a list of possibilities. In this case, you could:

Hold a focus group. Gather together your 10 best customers in a room. Buy them dinner or pizza if you want to bribe them. Then talk with them about what’s important to them. (What’s important to you IS what’s important to them.)

Put a reply card in each box. Every time you ship out your widgets, put a reply card in the box. The reply card asks questions like, “How did you hear about us?”, “What factors did you consider in making your purchase?”, “What can we do to make your experience with us even better?”, “What additional products or services could we provide that you would find helpful?”, “What is your biggest challenge with...?” and so much more. Don’t overwhelm them with questions, just a handful if you expect them to take the time to reply. Even at that, you may have to offer another bribe to get them to send it in, but the information you receive could be worth it.

Create a feedback form on your website. Offer your customers a special something (there’s that bribe again) to go to your website and fill out a survey form. Ask them about their experience, the likelihood of them referring your services, and when they expect to make their next purchase.

Call them. The simplest method of all, but it’s amazing how few businesses of any size, especially small businesses, ever take the time to contact their own customers. You’ve already climbed the marketing mountain to put that customer’s flag at the top, you’ve done all the hard work and heavy lifting, calling them back is a piece of cake. So why don’t more marketers do it? Fear. They are afraid that if they call their customers, they’ll be found out, or complained to, or rejected. They fear causing potential complaints, thinking that it’s better not to know, I guess. If

your clients do have complaints, you better know about them! In fact, that's the best way to improve.

Fix problems. Make it a point to address complaints quickly as part of your marketing plan. Here's an example that could convince you. Federal Express in its early days screwed up an overnight shipment of a wedding dress by sending it to the wrong state (MI instead of ME). The secretary of the president then took it upon herself to spend \$250 to put the dress on a chartered flight to get it to the right destination. The father of the bride was so happy, he wrote a multi-million dollar contract that helped get FedEx off the ground. FedEx later found that it's customer repeat usage rate is about 85%. But when they make a mistake and fix it to the customer's satisfaction, the repeat usage rate goes up to 98%.

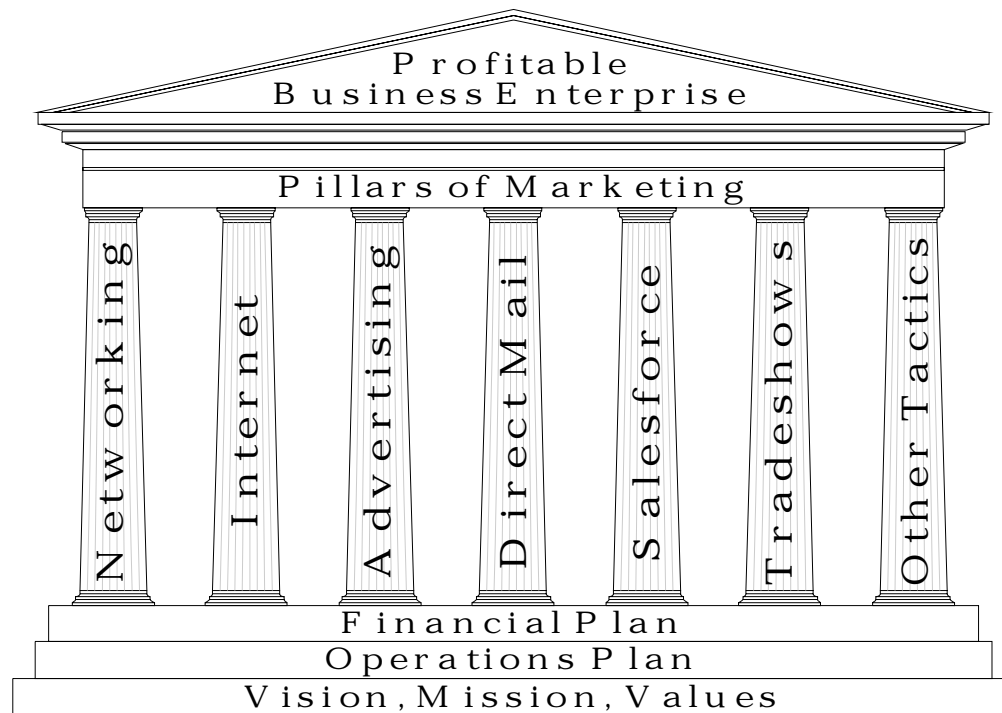
Offer an 800 number suggestion or complaint line. Make it easy for your customers, happy or not, to get in touch with you. If they have to jump through hoops to communicate, wade through phone tree hell, or wait on hold for hours, they're not likely to tell you about their problems. They'll simply tell 20 of their closest friends and anyone else who will listen to them how terrible you are.

Once you brainstorm a list of tactics, then it's a matter of evaluating each one to see if they can be accomplished within budget, and which might have the biggest impact on revenue. Again, you can check with your existing customers to see what they think, too.

Marketing Usually Doesn't Work If You Only Have One Tactic

It amazes me how some small business owners only rely on one or two tactics to try to create business. That's especially true of those businesses which are overly-enamored with the internet. The important lesson is that every business needs to have a solid foundation consisting of a vision, mission and values, with operational and financial plans in order to support the essence of the structure: the marketing plan.

It has been said that no marketing tactic can work on its own. On the next page, there's a diagram to illustrate this point, derived from the teachings of master marketer Jay Abraham. Just as with the Parthenon, where only one or two columns wouldn't support much of a roof, a marketing plan (or lack thereof) with only one or two strategies or tactics won't support long-term success.



MULTIPLE PILLARS OF MARKETING
FIGURE 2

It is important to utilize a variety of methods, like the picture in Figure 2. Learning more about your target audience is going to tell you a lot about which methods are appropriate. But be creative in your application of these marketing methods. If the audience for your product or service is “mothers-to-be” you might assume that trade shows would not be a viable place to connect to your audience. But there might be a trade show for obstetricians which would allow you to form valuable partnerships, product distribution, or line up important endorsements. So use your imagination and creativity as you have fun exploring the possibilities.

Interruption Marketing Versus Permission Marketing

One of the considerations you’ll need to make regarding your marketing efforts is whether you’ll choose to follow the pack of other marketers in attempting to get the attention of your target audience. Almost since the dawn of marketing, the vast majority of what most business people call marketing is what is now being called “interruption marketing”.

Newspaper ads interrupt your reading an article, movie trailers interrupt you even before you can

enjoy the main flick, and of course, the most ubiquitous of all, television ads interrupt your favorite show. Think about it, whether it's the logo on the car ahead of you, the billboard alongside as you drive, or the popup ad during your web surfing, all take the approach of trying to get your attention when you weren't asking to be interrupted.

I'm sure you've read the same statistics I have stating that most of us are exposed to over 3,000 marketing messages everyday. The problem with this interruption method, as old and tried as it is, is that it's becoming less and less effective. As more and more marketers try to shout louder, or be more clever, or more brazen, they drown each other out in the din. And as you get busier and more desensitized to their racket, you pay less attention. Can you remember the most recent radio commercial you heard?

Instead, more marketers are recognizing the wisdom of "permission marketing". This method requires that you ask and receive approval to deliver further information, instead of just "throwing up" on your audience. Tools like trade show request entries, direct response reply cards and internet forms allow your target audience to, in essence, raise their hands and say, "I'm interested. Talk with me."

Permission marketing is the new wave in marketing. It's more time and cost efficient, and it's more effective to market to people who want to be marketed to because they've indicated an interest in whatever it is you have to sell. But it's based on the oldest of human interactions: creating relationships. Your audience, the ones who are really interested, would much rather have a relationship with you than be "sold at" as a nameless, faceless segment of the masses.

For more information on permission marketing, I would highly recommend the book coincidentally entitled, "Permission Marketing: Turning Strangers Into Friends And Friends Into Customers" by Seth Godin.

Getting Help

So now you've started in on your marketing plan. (If you haven't, put this report aside and go make some notes so you can honestly say you've actually started your marketing plan.) You've decided on your broad objectives, you've described your target audience and ideal client, and possibly you've even guessed at a budget. Maybe you've used the pyramid to derive some

specific tactics, and decided whether to use interruption or permission marketing. Still feeling a little lost?

Not to worry. There are more resources in this information age than you could possibly count. I would recommend making use of an organization called “SCORE”, the Service Corps Of Retired Executives. (Though not everyone you’ll meet through SCORE is retired or an executive, they are all experienced business people with a desire to help.) You can find a local SCORE group at www.score.org. SCORE is a “resource partner” with the Small Business Administration (another good resource).

Of course, you’ll find an amazing array of resources online. Just Google “small business marketing” and you’ll get millions of hits. The challenge here is knowing what actually works and whose advice do you really follow. The advice when it comes through wading through the internet is “be careful”, and “do what feels right for you”.

I’m a huge advocate of hanging out at your local library or bookstore. Check out the resources list on the last page of this report to get a list of some of my top recommendations. Overall, I would highly suggest (I would REQUIRE it, if I could) that you pick up a copy of the “E-Myth Revisited”, by Michael Gerber, and “Guerilla Marketing”, by Jay Conrad Levinson. If you don’t have time for reading, go to www.nightingale.com and get these and other titles on audio.

It took me years, but I finally got it through my head. Even though I consider myself to be fairly capable and intelligent, it is so much easier and more effective if I get help. Talking with everyone from marketing mentors to my own clients, I realize now that the best marketers, just like the best marketing tactics, don’t work alone.

Marketing On A Budget

OK, it’s time to get specific. We’ve been through some of the general, conceptual, and even theoretical stuff. Now let’s get down to it. One of the most common questions I’m asked is, “What marketing can I do for free or very low cost?” Seems like there are a lot of entrepreneurs out there operating on a shoestring budget.

The first answer is that the choice of free or low-cost marketing tactics is limited only by your

creativity and imagination. The best list I've seen is provided by Jay Conrad Levinson in the Guerilla Marketing books. You can also find a listing on the www.gmarketing.com website:

http://www.gmarketing.com/articles/read/176/100_Marketing_Weapons.html

To give you a quick explanation and some examples, let me provide the following:

Your business name. Deciding on the name of your company is actually a marketing decision. It doesn't cost any more to spend some more time coming up with a better moniker for your small business. And as a small business, you'll want your name to indicate something about what you do. You can't afford to be cute, clever, or obtuse. For example, naming your company "Red Cows, Inc." might be a funny name created from an inside joke, but I have no idea what you sell or what service you provide. Calling your company "HSC Enterprises" isn't as good as naming it "The Healthy Snack Company". And while a lot of small businesses name their company for themselves, either due to ego or lack of imagination, or for their locality, I'd suggest you forego these in favor of something more descriptive. (This also works for your website. If you can't register your business name as your domain name, find a name which describes what you do. What do you think www.expertautocare.com does?)

You'll also want to do a bit of research to make sure someone else isn't using your name. Check the internet, the US Patent & Trademark Office, national phone directories, and your state's list of registered businesses all before printing your first business card.

Word of mouth. Did I really have to list this one? Yes, even though most small business owners know this is the most cost-efficient and most effective means of marketing, a lot of the same group assume this happens by itself or by accident. You can actually encourage this oldest and best method through referral programs, joining leads groups (check out www.bni.com or www.letip.com), and simply asking your friends and associates who they know who would be likely candidates in need of your products or services. The old saying goes, "It's not who you know, it's who they know, that's important."

Develop a 30-second "commercial". Also known as your "elevator speech" – because you only have a few floors' worth of time to deliver it – this essential marketing message is one you have to create to be delivered personally, one on one. The next time someone at a party asks, "So,

what do you do for a living?” you have to know what to say. You never know, you could be talking to the president of a nationwide chain of stores who is looking for your widgets.

The best format I’ve seen for a commercial is in the form, “You know how [insert your audience here], are always looking for a solution to [insert their pain here]? Well, I’m [the guy, the one, the company, the expert] who [insert your solution and benefit here].” In my case, my commercial goes something like this, “You know how small business people increasingly want to create an effective website, but don’t know where to turn for expert advice? Well, we’re the ones who help small business owners create effective websites that produce profitable results.” I would then add, “Who do you know who operates a small business and wants to increase profitability?” (See “Word of mouth above.”) The final advice about your commercial is to make the effort to go places where your prospective customer are in order to deliver it to the right people. (Read “Endless Referrals” by Bob Burg, for more information on this topic.)

Provide value! This is the essence of business. If you don’t provide perceived value to the marketplace, you’re not in business. Providing value, though, doesn’t mean you have to spend money to make money. For example, you can give presentations at libraries, local associations, community colleges, etc. Write articles for trade magazines, newspapers, association newsletters, complementary business’ e-zines. Provide a special report on your industry or send out your own e-zine or e-mail newsletter to your list.

Whatever you do, don’t make the value you provide just a commercial, you don’t want to be guilty of forcing your message upon your audience. Instead, give them valuable stuff they actually want to know about, regardless of your products or services. They’ll remember you as the friendly resource, the knowledgeable expert, and the one to buy from the next time they are in need of your widgets.

In the networking group I belong to, I routinely provide a small slip of paper to each of the other 30 or so members containing an “Internet Tip Of The Week”. Of course, each tip contains my contact information and my logo, affording me a little drip of an exposure to each member beyond the confines of the meeting room. I can’t tell you how many times the other members comment about how valuable these tips are. I once visited one member’s office and found that she had a stack of my tips next to her computer and several of them permanently pasted to her

monitor. Since I print them on my desktop printer and cut them up myself, it only takes a little time and a little ink.

Joint ventures. We're stronger together than we are individually. Find complementary businesses to partner with. The plumber and painter in my referral group actually print their business cards on opposite sides of the same cards. When they hand out a card for one, they're marketing both companies. In a conversation with a butcher client of mine, I encouraged him to partner up with the local fruit and veggie stand to give discounts to each other's customers. One of our prospective clients was an arts and crafts store. Right across the street from him was another prospect of ours, a sewing machine repair shop. We suggested they trade customer lists since people who sew are likely to be into crafts and vice versa. My partner and I hinted that they could create coupons or informational flyers and put them next to the other's cash registers. We even offered the idea that they could create a joint fun event and seminar. Unfortunately, neither company took our advice. The craft shop is now out of business. (Probably not because he didn't take our advice, but it does make my case a bit more dramatic.)

Teach your customers how to use or consume your product. For the cost of a phone call, or web page, or flyer, you can educate your customers about how to use or use more of the products they already purchased. Of course, if you teach them about proper applications or multiple uses, they'll probably get better results, be more satisfied, send more referrals (because you were so nice and helpful), and they'll use up their stuff faster and have to come back and buy more. Everyone is happier.

Press releases and publicity. This is the best way to get "free advertising". Did you know that virtually half of all the stories you read in newspapers and magazines are "placed"? That is, someone purposefully created a press release – about a unique business venture, a strange application of a product, or a human interest story – and sent that out to the local or worldwide press. Editors are usually starved for content, and if you do it right, you could get tremendous exposure.

One of the most famous stories about publicity generated in this way involved a writer in the New York area. He heard that the Brooklyn Bridge was undergoing repairs and that the wooden plank sidewalks were being removed and carted away to the landfill. In a brainstorm moment,

he contacted the demolition company and offered to take the scrap lumber off their hands for free. They agreed since this saved them the cost of hauling and dumping the wood. He then cut the planks into one-inch squares, mounted them on official-looking certificates, and offered them for sale. In his press release, which only took 15 minutes to write, the headline read, “New Jersey Man Sells Brooklyn Bridge...for \$14.95”. He got on CNN and even the Tonight Show and sold tens of thousands of these souvenirs with only a \$100 mailing expense. (For the full story, see www.prprofits.com/bridge.html)

There are an infinite number of free and low cost ways for you to market your business. Just use your imagination, innovate, and be creative.

Creating More Effective Marketing Materials

Remember, your marketing includes everything from your logo, your exterior signage, your packaging and your counter cards, plus intangibles like your guarantee and your offer (we’ll get to those later). When it comes to your basic marketing materials like your brochures or website, there are typically several simple enhancements which can make them more effective.

Benefits up front. The single, most important change you can make is to move your benefit statements front and center. The reason your prospective customers are even reading your stuff in the first place is to find out what’s in it for them. Include benefit statements in the headlines, subheads and first sentences. Instead of “We’ve been in business since 1982...”, say “You can rest assured, you’ll have a partner you can count on to be there for you when you need us. Thousands of clients just like you have been helped since 1982.”

Remember, a “benefit” isn’t the same as an “advantage”. The benefit must convey the solution or the emotion that someone derives from using your product or service. “7 megapixels” is the feature on the camcorder. “Clearer, sharper picture” or “higher resolution” are the advantages. The benefits are “enhanced realism for a breathtaking viewing experience” and “vividly preserving your precious memories for a lifetime”. Most buyers make their purchase decision based on emotion, then justify that purchase rationally based on cost or other objective factors. Appeal to that emotion using benefits straightaway.

Address their pain. More people will buy aspirin than vitamins. That is, your target audience

is more concerned about how you're going to solve their problem than prevent one from happening. So don't be afraid to bring up their pain and point out all the implications. For example, saying "get rid of neck and back pain, kill bacteria, and stop snoring with our pillows" is generally more effective than "get a good night's sleep with our pillows". Be sure to still mention that "good night's sleep" if your audience tells you that's important, too. Then go a step further and talk about the implications: "...and when you are well-rested, you'll have more energy, be more productive, and simply feel better all day long".

Appropriate tone. Many so-called marketing experts these days try to follow the trends to be cool, clever, funny, or shocking in their advertising. Unfortunately, it doesn't really lead to sales. Avoid doing things to boost your own ego, deride the competition, or focus on price (more about price later). Unless there's a real reason – like your target audience's requests about how they prefer to be approached – get back to basics. That doesn't mean you have to be boring. You can still deliver value and be interesting and engaging. It may be "old-fashioned" or uncool, but appealing to your prospective customers' wants and needs with benefits will simply work better.

Give them more content. Most marketers, copywriters, and webmasters these days will tell you that your audience has a 3.2-second attention span. They're generally right, except when it comes to something which interests that audience. When your prospective customer is interested in what you have to say or sell, they want to know more, not less. As long as your information is organized to facilitate skimming or finding the information they want to know, they'll appreciate a lengthier sales letter or an 8-page brochure or a website with more content. (Search engines generally like more text, too, as long as it's relevant.)

A word of advice. Don't show your copywriting samples to your family and expect them to get it. When we write the content for a website and the business owner previews it to friends, the typical response is, "That was way too long. Who's going to read all that?" We then have to explain that those people aren't her target audience, that the prospective customers who want to learn about what they're buying will appreciate it. Our experience has proved this to be the case.

I grew up in a corporate environment where the typical ad consisted of a clever headline, an interesting picture and three block paragraphs of fluffy content which didn't say much, maybe throwing in a few specifications. Then after I started my own business, I read a book that

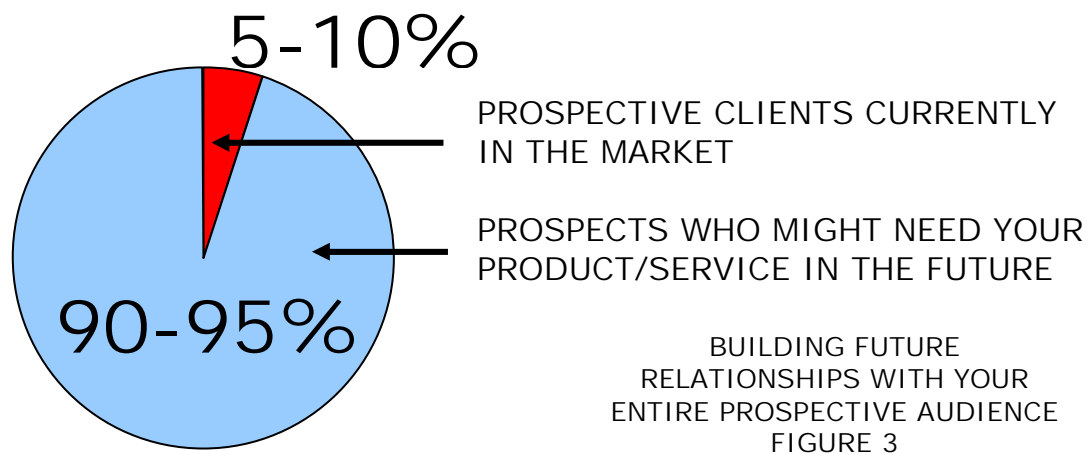
changed my mind. “The Ultimate Sales Letter”, by Dan Kennedy, convinced me that more is better. The sentence which changed my mind was this: “If your reader is not interested in what you have to sell, it cannot be short enough.” Stop chasing prospects by making it shorter in hopes of getting their attention – they aren’t interested anyway! Instead, provide value to those people who do want to know more. Educating them will make your job easier, too!

Speak their language. You don’t need to be technical, even if what you’re selling is a technical service or product. Sure, you want to use the appropriate industry language, but be sure to define terms and acronyms in context. Don’t stop and say, “let me explain this to you” – that’s patronizing or condescending. Instead, educate them in a way where they won’t even know they’re being educated. They’ll appreciate you for it.

Speak to them individually, and by role. Change your brochure or website to refer to your reader personally. It will be read by only one person at a time, so speak to them one at a time. And use identifying roles to let them know you understand who they are. “Since you manage your fleet vehicles...”, “As a parent, you understand...”, “You put your heart and soul into your small business...”. The more you speak to your prospective clients by name, the more likely they’ll want to “date” you (remember the dating process).

Tell stories. People love stories, especially the “happily ever after” kind. I’m serious. Don’t just provide testimonials out of context. Instead, create a series of “success stories” or “case studies” which use different roles/titles, in different industries, with different problems. Explain the predicament, then show how you and your service or product saved the day. Keep it factual and it won’t be perceived as self-aggrandizement. Many of your readers will find something to identify with in among the combination of information and see you as the solution.

Build relationships with future customers. One of our clients is in the business of repairing windshields. I’ve been working on him for quite some time to educate him about what it means to develop relationships with prospective customers. So, one day I asked him who he thought his target audience is. He replied, “people with dings, chips, and cracks in their windshields, of course.” I suggested that he take a broader view, that his real target audience is anyone with a vehicle.



See, he was doing what I call “drive-by” marketing. He was trying to hit only those 5-10% of all of his potential customers right exactly when they were in the market for his products and services. It’s a matter of coincidental timing. If they arrive on the street corner one minute early or your marketing message arrives one minute late, you’ve missed them, they’ve already made a purchase decision. A better approach would be to build relationships with the entire group of vehicle owners, including the 90-95% of them who don’t currently have a crack or ding in their windshield. So how do you do this? Give them a reason to come back to your website. Provide useful tools they can use now. Provide “content of value”.

Provide content of value. We’re all tired of hearing companies brag about themselves. So, set yourself apart from your competitors by providing articles, free reports, links to great websites all to help your prospective customers with topics they will be interested in.

To return to the story of our windshield repair client, for quite some time, I’ve been requesting that he provide content for his website. He keeps sending articles on windshield repair technology and corporate information. And while those are better than nothing, what I’m asking for is quite different. Rather, I’m asking for content like these: “How to Teach Your 16 Year Old To Drive ... And Stay Sane In The Process”, or “Ten Tips To Maintaining The Resale Value Of Your Car”, or “5 Keys To Getting A Great Deal On A Used Car”, or “The Secret To Getting Bug Gunk Off Of Your Grille And Hood”, or a downloadable/printable card with instructions in case of an accident to keep in your glove box. All of these will appeal to his real audience: ALL

vehicle owners, regardless of whether they have a crack or ding in their windshield right now.

And if you're not the expert on a particular topic your customers are interested in, find someone who is. Trade website links in exchange for the use of their article. Or pay a college student a nominal fee to research and write an article. Be resourceful.

Headlines are crucial. Do you submit a resume to get a job? Not really, the purpose of the resume is to get you an interview. Much the same way, headlines aren't meant to sell your service or product, they are intended to arouse interest or curiosity. If you don't have a great headline, all the benefits and supporting facts in the world won't help you. Craft your headlines and subheadings to focus on benefit statements, even outlandish claims (but remember, they must be true, marketing is "telling the truth attractively"), and disturbing facts. Using numbers generally helps. "The Naturopathic Physician Of The Year Says You Have A 9 In 10 Chance Of Dying Because Of This Little Known Fact" – I'd sure want to know what is threatening my life.

Create a sense of membership. Buying clubs, frequent flyers, closed door sales, by invitation only, affinity programs, "memberships" – all of these are ways you can make your best customers feel special. After all, 80% of your business is going to come from 20% of your customers, so why not treat them special? One of our clients has a password-protected section of their website just for providing highly profitable inside information about the stock market to a selected group of clients. Want to know what that special information is? You'll have to become a top customer in order to join the club.

Self-replicating marketing. Author and marketing guru, Seth Godin, coined the phrase "viral marketing" to describe marketing tools or materials or campaigns which work for you. A couple of years ago, I remember getting a number of e-mails from friends all asking me to take an online IQ test to see how our scores compared. It was fun and interesting, so I passed it along to more of my friends. The company selling a more in-depth IQ analysis got millions of people to distribute its marketing message for free.

One of our clients asked us to come up with a way to "virally" distribute their marketing information. They sell kiwifruit, they have a quirky, fun identity. And they have a particular message they want to deliver about eating kiwifruit. So we developed an online game which

appears to be achieving the desired result. Our client tells us that their international counterparts are now considering having us create a multilingual version. Give it a try yourself at: www.zesprikiwi.com/kiwigame.htm. See if you can guess what the key marketing message is about one of the benefits of eating kiwifruit.

It's all about leverage. What can you do to get your clients to tell others about you – for free?

Avoid the “I, Our, Us” disease. I saved one of my favorite marketing tips for last. Take a look at almost any brochure, flyer, website, or other printed material. You'll generally find – even among the ones written by “professional” copywriters and marketers – that most paragraphs, even most sentences start with the name of the company or product, or “We”, or “Our”. The problem with this perspective is that it puts your customers last when they really should be put first. They want to know what's in it for them and, frankly, couldn't care less about you – unless it directly affects them.

It will be so much more effective when you rewrite your materials to start more sentences and subheads with “You” or “Your”. For example, here's a line I rewrote for one of our clients recently: “We're the most reliable supplier in the construction materials industry. We have the largest inventory, and we promise on-time delivery, too!” Here's the improved, customer-centric version: “You can be confident and rest assured, when you need virtually any kind of construction materials, you'll find it first and fast, and get on-time delivery, from Atlas Supply.” Notice how the benefits (confidence and assuredness) are up front, immediately after “You”?

So, evaluate your marketing materials now to see what you can change to make them more effective.

What About Branding?

Notice in among all these ways to improve the effectiveness of your marketing material, I didn't say anything about “branding”? Branding has been the marketer's catchphrase for nearly fifty years. And it works great for those Fortune 100 megacompanies who can afford the multi-millions or billions it costs to burn your logo into the brain of the masses. For most of us small business owners operating in the real world, we can't afford such an undertaking. As Michael Gerber says in the “E-Myth”, small businesses are not big businesses on a small scale. You are

fundamentally a different kind of business and should not do what big businesses do, you should do what they are unable or unwilling to do.

Have a professional logo, yes. Create a great tagline, yes. Put some thought into your packaging, yes. But focus instead on building those relationships with your customers and prospects.

Build A Funnel And They Will Come

We've talked quite a bit about how important it is to create relationships with your existing and prospective customers. But in order to start that "dating process", you need to entice them to take steps which don't involve much commitment as measured in time or money. For instance, if you were offered a free seminar, but it was a week long, you'd have to make a major sacrifice to cut a week out of your schedule for a promise from some unknown, self-declared mentor. Or, if you were pitched a service which could increase your revenue by 50% in one year, but it was going to cost \$7,000, that's a lot of cash flow to make up if you have no experience with the provider.

A more gradual introduction is called for in order to create relationships and build trust. So instead of asking for a week of time or seven grand right off the blocks, offering a free 30-page report for downloading or a complementary (sounds more professional than "free", doesn't it?) one-hour consultation, doesn't involve much commitment. Your initial step doesn't have to be free. You may find that too many unqualified "tire kickers" or "freebie collectors" barrage you with requests. So change the cost of your report to \$9.95 or your initial consultation to \$50. Virtually every business has some way to offer some initial step in this relationship process which is low-cost for you, the business owner, and low or no obligation for your customer.

Then, while they are enjoying the benefits of your first offer of value, connect with them to let them know about the next step. Maybe it's the \$300 a year website hosting offer (with \$25 off for annual payment), or the \$497 evaluation good for only two of your employees, or the \$197 package of materials. Whatever it is, fewer people will take advantage of this offer than will the initial one. That's ok. You actually want your marketing to weed-out those people who are unwilling to take the next step. You want to work with those who raise their hand and say, "pick

me”. Or, as I once heard in a network marketing training seminar: “SW, SW, SW, N”. It stands for “Some will. Some won’t. So what. Next.” Work with the “some” who will, don’t try to convince the ones who won’t. Marketing is a game of sorting, not of convincing. (That’s a very important point, write that one down and paste it on your monitor.)

Then when your interested customers have identified themselves (saving you time and money and effort in the process), then you can market your top of the line, super-deluxe, extra special model, or package, or course, or service. In this way, you are creating a “funnel” by which to filter out those customers with whom you want to invest your attention.

Sell Them More, Bigger, Better, And Again

You may already have heard that the cost of acquiring a new customer is about 4 to 5 times more expensive than doing more or additional business with an existing customer. Taking that as advice, we should be investing more time working on the relationships (there’s that word again) with our current customers than trying to find new ones. So as part of your becoming a marketing master, think about how you can encourage your current customers to buy more per sale, or more often, or to buy additional products and services. (What, you don’t have additional products and services? Then get cracking – you need to innovate!)

Let’s say you’re a real estate investor specializing in buying homes from people who are upside down in their mortgages and need to get out from under a heavy debt load. You’ll buy their house for some percentage of its current value (a great investment for you), and the owner walks away ready to make a fresh start without the burdens of owing back taxes or paying off a mortgage he can’t afford. You flip the house and you’re done, hopefully making a tidy sum in the process. But what else could you sell? What could you put in your funnel?

Maybe you could team up with a company selling programs on debt-reduction. For \$199, you’ll sell on your website a set of tapes and a guidebook on reducing debt. (For which you get paid 50% to have drop-shipped to the customer from the manufacturer so you don’t have to inventory or handle anything.) In the process, you’ll get the names of people to prospect about their homes and debts for your next deal to flip, and you’ll make a few extra bucks besides.

Or, maybe you joint venture with local apartments and get a referral fee when those former

homeowners want to start over again with rental housing.

If you're selling a spray bottle formula for odor elimination, create a special offer that if you buy two bottles (one for upstairs and one for downstairs), you'll get a free applicator brush. Or, for just \$5 more, you can get the humongous size container.

Instead of selling your homemade noodles and sauce one package at a time, if your customers subscribe to the "Pasta of the Month" club with an annual membership (remember memberships?), you'll throw in a free book of recipes from the great Italian chefs and offer a 110% money-back guarantee (more about that later).

You've seen this before if you've watched TV for more than 30 minutes or ever attended a seminar with a "bookstore" in the back of the room. So what are you doing to create back-end offers, upsell products, or repeat buyers from your loyal customers? It's part of developing a profitable marketing plan and your competitors aren't taking the time or making the effort.

Marketing Should Tee Up The Sale

The best marketing should prepare your potential customers to become buyers. The more effective your marketing is in this aspect, the less you'll have to invest in sales to increase your closing percentages.

Referral programs. Did I mention this already? Create a "formalized" referral program – one where the requirements and rewards are clearly written out, then the program is communicated via your website, with your invoices, in each box, etc. We've found that when a prospective client is referred to us, we close the sale 85% of the time, instead of our typical 65% of the time. And we generally don't have to spend as much time getting the sale.

Create a form to give your clients right after they purchase or sign your agreement. (By the way, don't call them "contracts", they are now called "agreements" – sounds much better and less scary for clients. Instead of asking a customer to "sign", ask them for their "approval".) That's when your customer is happiest and ready to give referrals. When you ask, don't just ask, "Who do you know who is looking for a graphic designer?" Unless they're mind readers, they'll have no idea who is in that market. More effectively, ask "Who do you know who owns or manages a

small business in this area?” Give them some identifiable, observable clues to help them identify your prospects for you.

Just as with your marketing itself, your referral program should evolve. We tested and measured our website design referral program over the years. Initially, I offered a 10% “finder’s fee”. What I found is that even my own customers didn’t understand what that was worth. Would it be \$50 or \$5000? And since they had no influence on the size of the next sale, it wasn’t as effective as it could be. So we asked them if they’d prefer a set dollar amount and they said yes. When we changed to paying a \$200 referral fee, referrals went up.

But we kept tinkering, I mean, testing and measuring. So, I thought of creative ways to provide more value for less money. A friend of mine was selling vacation coupons worth about \$700 that I could get for \$65. We offered our referrers their choice: \$200 cash or \$700 worth of hotel and entertainment. Unanimously, they picked the cash. (I learned something.)

Then we called all of our referring customers and asked them what they thought about the \$200 reward and what might help them send more business to us. We learned several ways we could improve our services. And we learned that many of them felt guilty for “taking money” from the referred customer’s pocket. They figured that we were essentially charging new customers – their friends and associates – for the referral fee. (In essence, they’re right.) So, we asked them if they’d prefer a logo’d jacket or travel bag, or if they’d like a discount on their services. What we came up with was our current program. Send us a website client and we’ll pay you \$100 in cash AND give the person you referred to us a \$100 discount. Win-win-win. Referrals increased.

Risk reversal. This is another important way to “tee up” the sale with your marketing. Quite frankly, your prospective clients don’t trust you yet or at least they may be skeptical about your claims regarding your product’s benefits. So you need to find a way to reassure them and reduce or reverse the risk. That is, you’ll assume much or all the risk taking the burden off of the customer. Risk reversals can consist of adding a bonus which they’ll get to keep even if they return the main product. Or, give them 60 days to use the product before their credit card is charged. Or, tell them that if they find it at a lower price within 30 days of purchase, you’ll pay them 110% of the difference. (Most people stop shopping after they buy anyway.) The most

common way to reverse the risk is to offer a guarantee.

Offer a guarantee. Yes, this is part of your marketing that costs virtually nothing. (Assuming you are actually selling a quality product or service, otherwise it could get expensive.) As I already mentioned, when we build a website, we offer a full one-year money back guarantee. Any business can come up with a guarantee program. As in our case, you may have to set some criteria, but use your imagination. If you are afraid that someone will take advantage of your offer, well, that might happen. But you'll make so many more sales as a result, that you'll likely offset the cost of the returns many times over.

And here's a big tip: Extend the timeframe of your guarantee, say from 30 days to "One Full Year". It sounds more impressive and will help close more sales, but some businesses I've suggested this to were skeptical, concerned that they would simply be encouraging people to return old merchandise by giving them even more time to abuse the offer. In actual practice, my experience is that by extending the guarantee period, your returns/redemptions will actually go down! What tends to happen is that if you only offer a 30-day guarantee, a percentage of your customers will return it or cancel the deal as the end of the month approaches, even though they haven't even opened the package or used your service yet. Feeling time pressure to either use it or return it, they may choose to opt out and send it back. If you lengthen the guarantee period, you give them a lot longer to use the product. And usually, over a longer time, they get used to owning it, they feel more guilty about returning it after so long, or they simply forget about it in the meantime.

Make it easy to buy. How many websites have you been to where you were legitimately interested in buying something... but you couldn't figure out how to make the purchase? This goes beyond website usability. Many small businesses don't take credit cards, or personal checks, or are only open 9-5 Monday through Friday, or only deliver on Tuesdays, or don't take fax orders, or don't have an 800 number (some people won't pick up the phone for a 10-cent long-distance call). The easier you make it to do business with you, the more business you'll get. Be sure to leave it up to the customer, if they want to pay by credit card or check or cash, fine. If they want to phone it in, or fax it in, or mail it in, or purchase online, fine. More options equals more customers equals more sales for you.

Create a sense of urgency. “Hurry, only 5 left at this unbelievable price!”, “Limited seating available”, “Reservations required”, “Trial period expires at the end of the month”. These are all examples of how marketers create a sense of urgency. Getting your prospects to take action is a huge part of marketing. Getting them to take action sooner rather than later is a huge part of successful marketing. Think about it. How many times have you copied down a phone number from a radio spot, then you set it aside only to find it weeks later. By then your interest has waned to the point where you throw your note away. If they had given you a reason to act, rather than postpone your decision “until whenever”, you might have that product right now.

Even if you’re not selling products, you can create a sense of urgency. If you’re a service-based business, you have limited time, right? You can only serve so many clients at a time, right? Then let them know that. “Only four slots remaining.” “Send your down payment before Friday and we’ll serve you before the end of the month.”

And that leads me to the single biggest, most important thing your marketing can do. Most marketers and salespeople fail miserably at this. All successful marketers are masters at it. It’s simple, but amazing to me that more small and large businesses alike don’t do it. It’s something you absolutely must do, if you want to stay in business and prosper:

ASK! Ask them to pick up the phone; ask them to attend a seminar; ask them to use a coupon; ask them to visit your website or click here; ask them to download a special report; etc. Ask them to buy! Ask them to take action of some kind. Adjust how you see all of your marketing efforts to see them as “salespeople” helping your customers make purchase decisions. (The best salespeople don’t sell anything, they merely help people buy what they need to solve their problems or achieve their goals.)

You don’t always have to be so direct. Even still, you should at least suggest your prospects take some action. The best marketing sets up the sale, “seeding” in advance, while at the same time delivering value. The article on your website, interesting and valuable in its own right, mentions how you solved a problem and provides a link to the Services page. Your receptionist is trained to ask how long each caller’s supply of widgets will last and if they want to take advantage of your “reorder special”. During your helpful, free seminar, you provide illuminating examples which are also mentioned in your book. (“Which is available in the back of the room at the next

break. But we only brought 50 copies.”) If you don’t ask, you won’t get. So make sure all of your marketing asks your prospective customers to take action.

Don’t Let Competitive Pricing Pressure Make You A Loser

Be careful, your competitors are lazy and their laziness is infectious and will kill you. What I mean by this is that too many small business people, heck, all sizes of business people these days aren’t willing or able to be creative marketers. They fall back on reducing prices, making claims about being the lowest, running sales, and claiming “We lose money on every deal, but we’ll make it up in volume”. If you get sucked into competing based on price, your customers will suffer and you’ll be out of business. Live by the sword....

In my experience with the consumer electronics industry (VCR’s, TV’s, etc.) in the 1980’s I watched as several nationally-known retailers priced themselves into the grave. Many of them were shouting low-price mantras even as they closed the doors. So if you want to have a longer business life span, how do you compete if not on price?

If someone approaches you with a competitive bid, find ways to make it an apples to oranges comparison. Point out how your services are different in some way. Be unique.

Create value. If I told you that the widget I was selling was on sale for \$299 (normally \$399) would that be a good deal? Are you ready to buy? OK, in that case I’ll make it \$249. How about now? Well, if you’re going to be a tough negotiator, then just for you (but don’t tell my manager), I’ll reduce it to \$199, and that’s as low as I can go. Look, if you don’t understand the value in a product, the price is irrelevant, right? So why are so many marketers choosing to compete on price? Like I said, they’re taking the lazy way out.

The better approach is to create extra value. Yes, it’s more challenging. But it’s also more profitable. Simply treating customers with respect these days is providing extra value that the “box houses” or “warehouse clubs” aren’t capable of. Take the time to explain and educate your clients. Promote to your audience how knowledgeable and helpful your staff of “experts” is. Have you ever purchased something you didn’t use because you weren’t sure how? Did you then feel that the purchase wasn’t worth the money you spent? Teaching your customers how to use or consume your products provides extra value. (And gives you an opportunity to build on the

relationship, and ask for referrals, and offer back-end products.) Give them a free article or report, just for stopping by when they order more accessories or renew their “agreement” or monthly subscription.

Create new markets. In addition to lack of creativity, “scarcity mentality” is another belief that contributes to the low-price mentality. Many retailers tend to see only so many customers in their universe of prospects. This finite limitation means it’s a zero-sum game where either they get the sale or their competitor does. Someone wins and someone loses. Instead, create new customers by finding new applications for your products, find new products for your customers, find new ways to reach them and new ways to create additional value. If you want to be unique in business (which you do), then you absolutely must innovate or your business will die.

Create a buying guide or criteria list. Want to know a secret way to cut out the competition? Create a list of all the pertinent decision factors that go into buying your goods or services. Do so from a third-party perspective. Then set the criteria so you are the only logical choice.

For example, on our website (www.newtechweb.com/choosing.htm), we actually teach our prospective clients how to choose a website design or development company. In fact, we provide a downloadable, printable document which contains the most important buying criteria. (Notice how I’m “seeding” here?) We point out that you’ll want to look for a company which has been in business for more than 5 years so you can be assured they’ll be around for the long run. (This eliminates half of our competitors.) Not so obviously, we contend that it is crucial to work with a web company with a background in marketing and small business development. (This eliminates a good chunk of the remaining competitors.) And among the list of other important factors, you’ll want to choose the company which provides a full 100% satisfaction, one-year, money-back guarantee. (I don’t know of another website company which meets all these criteria.) We become the only logical choice to build a website for you.

If your prospective customers are taught to see you as the only logical choice, half your work is done before you ever even make personal contact.

My Turn To Be Marketer

When it comes down to it, the point of all this is to help you improve your marketing skills. Just as in your business a more educated client is usually easier to work with, and more loyal, my purpose here is to help you become a client of mine. Check out my main website, www.newtechweb.com to learn how your website will be more effective, will generate more leads and be more profitable when you work with us. In fact, if you mention that you read about New Tech Web in this report and when you select us to build and host your complete website, we'll give you \$200 off the total. Along the way, we'll also continue to provide more value and more education to help you become a better marketer.

And that's my real reason for writing this. While I would love to do business with you, one of my core values is "education". I absolutely love teaching small business people about marketing, sales, and technology. So where do you go from here?

Becoming A Marketing Master

It has been said that a "master" in any discipline will do one thing ten thousand times, whereas the mediocre person will do ten thousand things, one time each. If you really want to be a successful marketer, you need to become a perpetual student of the process. Being a student in this case, though, means learning by doing. With each campaign, each new offer, every adjustment to your plans, you'll learn – if you have the "student" mentality. No matter how much you know (or think you know), there's always more to learn.

Devour every book and audio on the subject you can. You'll learn to discern the good from the bad. Explore hundreds of marketing websites. But don't believe everything you read. Attend every seminar within range and budget. Observe how you are marketed to. Watch and listen to the thousands of marketing messages bombarding you constantly and note which ones cause you to notice and pay attention. Read your junkmail, look at those offers. Buy stuff online to see how you are treated. View each expense, not as an expense, but as an investment.

After all, the more you learn about marketing the more successful and profitable you will be as a small business, but you'll also learn about people and communication and psychology and economics and life. Have fun in the process!

Jim Rosemary's Recommended Reading/Listening List

Check out the library first. If you like the book, buy it at Overstock.com or Half.com. Many of these books are available as audio programs; check out NightingaleConant.com. These books are listed in no particular order.

Marketing

- "The E-Myth Revisited", Michael Gerber
- "Guerilla Marketing", Jay Conrad Levinson
- "62 Free Ways to Grow Your Business Profits", Jay Conrad Levinson (audio)
- "Guerilla Publicity", Jill Lublin and Jay Conrad Levinson
- "The Ultimate Marketing Plan", Dan Kennedy
- "The Ultimate Sales Letter", Dan Kennedy
- "Selling the Invisible: A Field Guide to Modern Marketing", Harry Beckwith
- "Being Direct: Making Advertising Pay", Lester Wunderman
- "The Power of Outrageous Marketing", Joe Vitale (audio)
- "Getting Everything You Can out of All You've Got", Jay Abraham
- "Secret Formulas of the Wizard of Ads", Roy Williams
- "Tested Advertising Methods", John Caples
- "The Psychology of Influence", Robert Cialdini

Sales

- "How to Master the Art of Selling", Tom Hopkins
- "The Secrets of Power Negotiating", Roger Dawson (audio)
- "High Performance Selling", Don Hutson (audio)
- "Integrity Selling", Ron Willingham
- "Sales Dogs", Blair Singer
- "The Psychology Of Selling: The Art of Closing Sales", Brian Tracy (audio)
- "No B.S. Sales Success", Dan Kennedy
- "How To Sell Network Marketing Without Fear, Anxiety or Losing Your Friends!", Michael Oliver
- "Endless Referrals", Bob Burg
- "The Greatest Networker in the World", John Milton Fogg
- "Ziglar on Selling", Zig Ziglar

Internet Marketing

- "Multiple Streams of Internet Marketing", Robert Allen
- "Permission Marketing", Seth Godin
- "Making Money on the Web", Seth Godin (audio)
- "Unleashing the Idea Virus", Seth Godin
- "The Big Red Fez", Seth Godin
- "The Insider Secrets to Marketing Your Business on the Internet", Corey Rudl
- "StrikingItRich.com", Jaclyn Easton
- "Online \$uccess Tactics", Jeanette Cates

More resources are available at www.newtechweb.com.