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MARKETING E-BOOK

FOR BUSINESS OWNERS

Volume I

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Written by RK Fischer & Associates

RK Fischer & Associates

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We offer our services in multiple formats in order to meet the needs of our clients and how they want to learn through a combination of facilitation, coaching, consulting, coaching with consulting, and training. Our services assist you so you are able to focus working more “on your business”. Though we are located within the GTA, we are able to provide many of our services to businesses remotely across Canada.

As business advisors, our main focus is on owner-operated businesses who are under 100 employees. Our two partners have significant experience in complex businesses, such as manufacturing, hi-technology (Fintech, SaaS), business services, as well as financial services. We have worked with clients in a variety of industries from retail, construction, transportation, manufacturing, professional services, healthcare, recreation, and food & beverage to name a few. We work directly with the business owner to understand their specific business goals and challenges, so we can implement the right solutions ensuring you have continued long-term success.

We have associations and affiliations with other professionals such as lawyers, financial accountants, business brokers, business valuers, lenders, and other service providers who help us in providing you with one-stop-shopping for your business requirements.

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What Is Marketing To Most Small Businesses?

What is Marketing To Most Small Businesses?



One of the biggest issues I see when I am talking to my small business clients about marketing is them actually understanding what marketing really is and how it can truly help their business. So many have been taken advantage of by the last vendor that called and said they needed marketing and was a single web developer who sold them a 6K website that no one can find, a communications marketing consultant who sold them a brochure that is out of date, or the social media guy who convinced them that even though they are a manufacturing company they need to Tweet. The worst part is all three of these mediums look differently as they were done in isolation and no one looked at the overall Branding for the company or the products and services. To quote Kevin O'Leary "The madness has to end."

What Is Marketing To Most Small Businesses?

Marketing is NOT a brochure or a website, in fact that is such a small piece of the puzzle. Whether you are from the 4P's era which was in my day or the 6 or 7P's of today, most people look at one component, Promotion and call it Marketing, So at minimum, let us look at the 4Ps:

Product

- What are the products and services you are selling?
- Who is the target market for the products and services you are selling?
- What problem or pain point does your product and service solve?
- Who is your competition in this market and is the market big enough to support another product/service?
- What are your features, benefits, and differentiators?

Price

- What are the costs associated with your products/services (cost of sales)?
- How are you setting your street price (MSRP) for your product/service?
- What is the margin obtained from the price you are charging after costs?
- If you want to add channels down the road, does your price/margin cover adding additional layers?
- Are you making money at the price you are charging / margin?

What Is Marketing To Most Small Businesses?

Promotion (or what most people "refer" to Marketing)

- Do you understand all of the promotional mediums available to promote your products/services?
- Do you know what mediums work and which ones don't for your market or industry?
- Do you set a budget for promotions and do you track your return on investment?
- If you don't get a return on investment, do you STOP using that medium, or continue because that is what you have done for years?

Place

- Where are you going to sell your products/services? (Retail, Online, Direct...etc)
- Are you going to sell your products / services through channels? (Resellers, Sales Agents, OEM...etc)

Marketing should be planned based on your goals and objectives. If you set a goal for your company of increased sales of 20% and you do not know how you are going to get there, that is a problem. Your marketing plan and budget needs to be tied to these goals and you need to know how to measure success. Some things are known within the industry to work or not work, but sometimes trying new promotional mediums is a bit of trial and error. The key is to know how to track a return. If you can't, don't spend the money. If someone tells you that you "need" a brochure and they can give you a deal for printing 5000, ask yourself - do you need a printed brochure? How long would it take you to get rid of 5000 and will it be out of date by the time you use 100.

What Is Marketing To Most Small Businesses?

Do not look at marketing in a piece meal fashion. If you don't understand it, then find someone to help guide you through the maze, but do not purchase based on "hoping" this will increase awareness or sales. Make an informed decision. You need to look at marketing as a whole for your particular business as it differs by industry and market. Retail, Manufacturing and Service Organizations have very different products and services, very different ways of pricing, and sell differently. If that is true, promotions are different as well, so make sure you look at all of it together before purchasing.

Marketing by definition is the action or business of promoting and selling products or services and encompasses all of the Ps, not just one. Before doing marketing for your business, understand what marketing truly is and how it will work for your business and how it will help in meeting your sales goals. Look at your marketing as a whole. You may not be able to pay for everything you need today, but understand what the key things you need are and wait for the others. Planning and doing it the right way with a budget will save you money in the long run.

So when you look at "marketing" for your business, you need to look at how all of these interact with each other, not just decide to do an online ad in isolation. You also need to understand when you spend money on marketing that there is a return. If you are spending \$500.00 a month on Social Media and you are not getting leads or new customers from it over time - that is probably not a good investment for your business. You could - but because it was done in isolation it maybe was not looked at properly.

Getting the Bang for the Buck for Your Marketing Spend



One of the reasons small businesses struggle with spending money on marketing is because they are not sure if they are getting the bang for the buck. There is only so much money to spend, but how do you know if you are getting a return on your investment? If you asked most business owners if the money they disbursed on marketing was well spent, they most likely could not tell you.

There are some marketing components that it will be hard to determine the actual dollar figure return because they are necessary and needed for your sales efforts. These include components such as marketing materials (brochures, case studies, white papers). On the other hand there are ways to ensure that you budget and spend wisely:

Keep your marketing materials fresh and up to date with your current branding and positioning and create PDFs that can be downloaded and emailed to prospects.

Getting the Bang for the Buck for Your Marketing Spend

If you have to print use print on demand and only print the quantity you need, so you are not left throwing out of date materials out. Do not listen to the printer that tries to convince you to print 5000 because the per unit cost is cheaper. Think how long it will take you to use that many brochures

For the many of other types of marketing that you will use to drive leads for your business, it is fairly easy to determine whether you are getting a return on the money you have spent. At a bare minimum you want to cover your costs.

In order to follow the logic, let us use a direct mail campaign example:

- We are going to run a direct mail campaign that is focused on an offer on a particular product. This is going to be sent to 2000 targeted recipients with a call to action.
- Keep track of all of the costs. This will include design, printing, and postage for the campaign. The cost of this entire campaign was \$4000.00 (\$2.00 per piece)
- The price of the product is \$1000.00 and you make \$600.00 on each sale.
- From the campaign, you received 40 leads for your sales reps to follow up on. (2% response rate)
- Lead acquisition cost is \$100.00 ($\text{Costs} / \text{Number of Leads}$)
- Out of the 40 leads, 15 actually turn into sales which in turn gave you \$15,000 in revenue and you cleared \$9000.00 in profit.

Getting the Bang for the Buck for Your Marketing Spend

Where most businesses fall short is in actually tracking the metrics as well as proper lead follow-up. For direct mail, telemarketing, advertising, and event marketing, there is no excuse to not know how many leads you receive from the campaign or an event. It is important for every campaign or event you have that you create a way to capture and track every lead. You also need to develop a process of how leads will be handled and this should be done before you ever spend a dime. Develop a head of time an estimate of how many leads that you need to get to break even and ask yourself if that is even achievable before you begin. If it will take a 10% return for a direct mail in order to achieve your goal that is unrealistic.

Once you have a list of leads, they need to be categorized and entered into a spreadsheet, database, or CRM system. You have paid good money for those leads, you would be remiss in not capturing and tracking them. Typically you would categorize leads into A, B, or C leads based on the potential to close and time frame and develop a process for your sales force to follow for each lead type. For example, the A leads should be followed up on within 24 hours with a direct call from a sales rep. As the leads close, you are now able to attribute the sale to a particular marketing campaign or event and track your cost for lead acquisition and your actual return on your investment.

There are other marketing components such as your website that may have to be measured a little differently and over time. If you are not utilizing forms, ecommerce, or other methods of capturing leads, it may be more difficult to determine the number of leads that you received from your website. One way is to make it a policy for those that answer the phone to ask callers how they heard about your business and track the information. A good rule of thumb is that you will want to recoup your initial investment in a website in 3-6 months at the most. If a web developer has convinced you a website is going to cost you \$10,000.00, then you need to ask yourself if that site is going to pay for itself in getting you enough leads in the next 6 months to cover that investment. If the answer is no, then you might need to rethink the functionality and amount you are spending.

Getting the Bang Out of the Buck for Your Marketing Spend

In addition to the actual dollar return on investment, be sure to calculate other benefits achieved. I belong to a Board of Trade that costs me \$200.00 a year plus around \$20.00 an event so I spend around \$400.00 annually. I have only gotten 1 direct client so far, but the contacts I have made through other members and partnerships that I have made are worth far more than a few direct clients. So be sure when you are calculating your return for each item at the end of the year, keep in mind the qualitative as well as quantitative return.

Not Kowing Your Target Market Can Cost You



How many times have you been asked who your target market is and depending on whether you are business to consumer or business to business, you have answered – anyone or any business? The reality is that this is not true and is usually where a start-up or small business owner can get in the most trouble and end up spending time and money that does not provide you the return you want or need.

Not Knowing Your Target Market Can Cost You

What is your target market? If you could select a business or consumer that was a perfect fit for your product or service - this is your target prospect. Once you understand their characteristics, you can then apply those broadly to come up with your target market. As you will find, this will narrow every consumer or business to the types of consumers or businesses that are best suited for your product or service.

Here are some questions that can help you in determining your target market. By not asking the right questions, you can be potentially be targeting the wrong audience.

Business

- What size of business would most benefit from the product or service? (number of employees, revenues)
- What industries are the businesses that would most benefit from the product or service?
- In what geographies are the businesses that your product or service is going to be sold? (local, regional, national, international)
- Is the product or service applicable to public as well as privately owned businesses?

Not Knowing Your Target Market Can Cost You

Consumers

- What is the sex of the consumer that would benefit from your product or service?
- What is the age or age range of the consumer that would benefit from the product or service?
- What socio economic bracket would benefit most from the product or service?
- What geographies can this product or service be sold

Determining your target market will now help you determine how to market and sell. If your target market is manufacturing companies that are less than 100M in revenues that are owner operated in Ontario, do you not believe that how you would market and sell to them would be quite different than just any business worldwide? If your product was best sold to consumers between 18 and 35 from households in Ontario where the income was 50K and higher, do you not believe you would market and sell differently than you would to anyone of any age anywhere and any socio economic level? The answer to both is absolutely.

Target markets will help you determine what marketing mediums you will utilize and even what branding you will use. If your target market is manufacturing companies and you are spending much of your marketing spend on Facebook and Twitter, there is a very large chance your return on your investment is less than 1%. If your product is a retail product targeted at 18 to 35 and you are not utilizing social media, you are missing out on reaching a good percentage of your market that use social media to help them make buying decisions.

Not Knowing Your Target Market Can Cost You

Target markets will also aid in determining how you sell the product. Does your target market expect to purchase products online? Does your target market usually buy the types of products you are selling directly or through distributors? Is your product one that would benefit from being in certain retail stores? If you are selling products in a manner that your target market is not use to buying an equivalent product or service, then this could be a very costly mistake, as you are spending money on the wrong channels.

Defining your target market can help in making you stand out from your competition. Your product or service may be able to provide value to other markets that your competition does not which can give you a competitive edge.

Once you know your target market it is very important to understand the size of that market and whether you have competition in that market. Understanding these two components will help you in determining your potential for revenue. If there are only 3000 companies that fit your target market and there are 3 competitors, this is quite different than there being 150,000 and you being the first to market.

Needless to say, focusing on the wrong target market or too broad of a target market can end up costing you in time and money. The more you understand who your real target market is and focus on how to market and sell to them, the more success you will see in your sales efforts.

Marketing on a Shoestring Budget



Over the years, having worked in marketing for extremely large companies and also for small ones, I found that there are some discrepancies when talking about marketing budgets. Typically in a company the marketing budget should be around 10-15% of your annual revenues, and when a company is starting the percentage is much higher in order to gain awareness in the market. The truth of the matter as we all know is that is the first budget that finance or investors go after to cut. Though we all know that is very short-sided on their part, unfortunately accountants don't really understand that just having a product and sales people does not a product sell. As hard as we all have tried to explain this over the years, it is a fact we all have to learn to deal with that will never go away.

Marketing on a Shoestring Budget

On the flip side of this extreme are the large marketing firms that many small companies go to in order to get marketing help. Most of these marketing firms have name recognition in the industry for doing an excellent job helping larger corporations brand and market their company and products. In order to do this they have budgets of a million dollars or more to work with to create what is needed. The problem is the same firm that knows how to help a large company does not understand how to aid a small company get up and running. They will tell you that you won't be able to survive without the large marketing budget. The truth is that is a huge fallacy and your investors will not give you that kind of working capital and even if you had it at this point, the investment would not give you the return required.

If you are a start-up or a small business, there are definite ways that you can market and grow your business with a limited budget. Also understand marketing is not just marketing communications. The first step is creating a comprehensive marketing plan that covers all aspects of marketing from product, branding, pricing, promotion, lead generation, public relations, and communications to name a few. Many of these, you should be able to do yourself with a little help without blowing your budget. The key is having a plan that outlines the requirements, the priorities and expected costs and getting help in figuring out how to get what you need done on the budget you were given. Listed below are just a few tips to help get you started:

Branding

There are some excellent boutique marketing companies that can aid with branding, if you don't have the expertise. You are not looking for the brand awareness at this point of Microsoft or General Motors. You are looking to create an understanding in the market of your product, understand your target market and how to reach them, what the perceived value is to that target market, and create a look and value proposition that is recognizable and understandable to the end customer.

Marketing on a Shoestring Budget

Marketing Communications

For your marketing communications strategy, you can find some excellent graphic designers to create the required elements that you require for your communication pieces or web. In most cases, a graphic designer or web designer are the first key employees in a start-up or small business. For this reason, for your website I would recommend looking at a CMS (Content Management System). The graphic designer can create the look and the templates for you and you can concentrate on the content. A CMS allows someone who does not know HTML, PHP, Forms, and other requirements of a web today to develop and maintain their web site with tools without going to a web designer for constant updates. This can get costly over time. The same is true of your other communication pieces.

Templates can be created for various pieces from datasheets, programs, press releases to case studies. These templates can be imported into Microsoft® Word, Microsoft® Publisher or other lower end tools which you can use to create professional looking collateral that you can maintain yourself without going back to a third party to make changes.

Direct Marketing

With the onset of SaaS (Software as a Service) products and other marketing tools, there are many ways to cost effectively perform lead generation without spending money on large direct mail campaigns where the return is around 1-2%. This makes sense still in a large organization, but the costs to create the mail piece and the lists cost the same for a small organization and are cost prohibitive for the return expected.

Webinars are excellent in drawing a crowd when there is a topic of interest to your target audience. You will be able to find industry partners who in many cases are happy to present and then the last few minutes of the webinar can be left for small and subtle sales pitch.

Marketing on a Shoestring Budget

Another product on the market that I found that was cost effective and was a wonderful lead generation/prospecting tool is called Goldmail. It is a SaaS service which allows you to create professional presentations with voice that creates a link for you to send to your prospects. Today cold calling in many ways has gone the way of the dinosaur. The decision maker you need to talk to hides behind voicemail, administrators, and various other walls that they create to avoid being bothered constantly. This tool allows you to create a professional short message which is personal, in your own voice and give you that 1 minute introduction that you would give if you were able to access them on the phone. You create the professional message / presentation and send the recipient the link. It even tracks whether the recipient read the message. It is at this point that calling will give you a better chance to get access to the person and get that appointment as they already have an understanding of your message.

Events

In the past, when most said events, the first thing thought about were trade shows. In a lot of industries, trade shows have dwindled and if you have attended one, you will determine quickly you will never receive in most cases the return on your investment. I am not advocating cutting out trade shows completely as it depends on the product and industry, but there are other cost effective ways to spend money and get a better return.

There are events such as associations, and networking groups to name a few that can get you a better return at a lower cost than a trade show. Many of these have targeted table top trade shows that as a member that you can participate in for a fraction of the cost. There are many times speaking engagements as well at these events that you can look to your executives to participate.

Marketing on a Shoestring Budget

New Marketing Mediums

There are many ways available today to market your company and products that didn't exist years ago. One such medium is Social Media which you can utilize for basically nothing. If the 30 year and under are one of your target markets, then here is another low cost way to get access to that market. There are also other tools such as marketing voice solutions, SMS, and other mediums that can help you and are cost effective.

This is just the tip of the iceberg for ideas that you can use to help you market your company and products on a limited marketing budget. Hopefully this will give you some ideas on how you can master this for your business. Just because your executive, board, or investors have not given you the million dollar marketing budget, you still can use the funds you have effectively to get your desired results with the budget you have.