

Marketing and business performance

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Does marketing improve business performance? This question is a follow up to an earlier article, regarding marketing's role in business success. One of our readers asked if I could elaborate on how marketing helps to improve a business' success - which I absolutely believe to be the truth. And our reader asked for case studies, which I can certainly supply.

Let me start by defining marketing as "announcements to the world." A company makes its presence known in many ways, starting with business cards, letterhead and email addresses. Additional marketing tools include brochures and websites, newsletters, information letters, telephone scripts, presentations, and web mail announcements. Marketing is conducted in any venue in which people come together, including the internet, telephone, radio, TV, newspapers, magazines, faxes, billboards and word-of-mouth. Face-to-face encounters happen in all kinds of settings including breakfasts, lunches, dinners, speaking engagements, networking events, business card exchanges, lead clubs and seminars, to name just a few.

Marketing addresses the following questions. How will people know that my company exists? How will my ideal buyer find out that the product or service they desire is out here waiting for them? How will people know they need me? How will I fill my pipeline?

Just because marketing is essential to every small business doesn't mean it's always well done. The quality of marketing varies widely. There is no central licensing organization to bless and certify services. Like beauty, results often vary depending on the eye of the beholder. And one vendor who is good at one set of services, many be terrible at another.

Additionally many business owners are not clear about who they are hoping to reach. Often they're not sure about the best way to reach their target market, once they've figured out who they want to go after. There is confusion about how and why leads come in the door. What works well in one season or economic cycle, doesn't do as well in another cycle or season.

Now if that isn't enough to discourage the average business owner, I don't know what is. And believe me, I've heard so many business owners lament, "I don't want to waste my money on marketing; I don't understand it; it's expensive and unpredictable; I'd rather do nothing." Nothing is about the only thing you can't afford to do!

What does it mean when a business owner says, "I guess I need marketing"? Around the 4th quarter of 2007 the volume of inquiries started to slow for many businesses - about the time the recession really started. Many businesses, and their customers, are experiencing a down market right now. In down markets buyers are more cautious about making contact and slower to respond to opportunities, even when they want something. Hoping a buyer will see, and respond to an ad, in a down economy, is expecting a lot. Attempts to reach prospective buyers have to be more persistent, more obvious, and more outgoing.

As a proactive business owner you might add a telemarketing program to beef up your outreach. Or, you can focus more on speaking engagements and Search Engine Optimization to get in front of more prospective accounts. Ask friends and clients for referrals to break through the, "do I know you" barrier. Learn how to make compelling offers in letters and ads.

Let's take a look at industry specific issues and solutions.

In construction, "doing well" is defined by how far out the job board goes. Last year most firms had lots of work and didn't have to do a lot of marketing to get it. This spring, job boards may be slow to fill up. To do well this year, construction owners need to get things rolling early, through strong, competitive, lead generation programs, so they can fund more aggressive competitive marketing throughout the year.

A number of manufacturing companies have built up a niches. They are now busy because their customers perceive them as having the best product / quality / price ratio. They educate reps and customers about what makes them the best solution, and that pays dividends in terms of opportunities to quote and get work into their shops. Their non-marketing oriented competitors struggle while the marketers stay ahead of the game with backorders.

Many service companies expand by buying up weaker competitors. They look for companies with solid customer lists. They use the acquired customer relationship to market additional services, in order to grow revenue.

How do you know if marketing is effective? You have to test. Start small, start early, try different efforts. Change one thing. Try again. Repeat again, until you find that you're getting leads and deals. Persistence, flexibility, attention to detail.

Looking for a good book? Try *The 22 Immutable Laws of Marketing: Violate Them At Your Own Risk*, by Al Ries, Jack Trout.

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