

Selling yourself on the importance of marketing

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“We don't do a lot of marketing. Funds are tight and I've cut back everywhere. I've never been sure what we got out of marketing – or even the difference between marketing and sales – but I'm afraid we might become invisible if I stop completely. What should I do?”

Many of the business owners I talk to are not clear about what separates marketing and sales. They're not sure about payoff – what to expect and what is realistic. That means they're hesitant to spend, and likely to cut back spending on marketing and sales just when they need it the most.

Gearing up

A recent Forbes survey of small-business owners with revenues between \$1 million and \$15 million gives some really interesting data. If your revenues dropped in 2009 you're not alone – 59 percent of respondents reported they were down. Many companies expect in 2010 to increase spending on marketing and advertising, primarily geared to lead generation. They're considering increasing marketing spending, even though in general they're planning to keep a lid on overall spending, after making spending cuts in 2009.

Most news sources agree that 2010 recovery will come slowly, if at all. We may have to wait for 2011 and 2012 for things to get much better. If that's the case, then in 2010 we're all going to be competing for not enough business. That's where effective marketing comes into play.

Small-business owners are cautious about where and how they spend money. They want to see some indications that sales will turn up, providing funds to pay for increased spending. Unfortunately, that may turn into a chicken-or-egg question. Without spending in the areas of marketing and sales, sales may not turn up fast enough to have the company's revenue keep up with or get ahead of the economy.

Marketing vs. sales

Let's get to work by starting with the reader's question about the difference between marketing and sales. Marketing is all about making announcements to the world. At this stage, you may or may not be speaking to your prospective clients. Marketing is much more generalized and wide ranging, as compared to sales.

Marketing is where leads, inquiries and referrals come from. If your sales were down in 2009, you're probably going to need more or better quality leads, inquiries and referrals than you had last year.

Sales is where you're having specific conversations with prospective accounts. You're qualifying prospects to determine if they're going to become clients. Sales is much more targeted and specific, as compared to marketing.

One measure that's important is to look at the conversion of leads (from marketing) to closes (from sales). If that conversion number is low, you want to figure out if that's because the quality of leads is low (marketing problem), or because sales does a poor job converting well-qualified leads (sales problem).

Get to work

Effective marketing takes work. You want to figure out where your target customer might see your message. You want to know who influences your customers and potential buyers and where they get their information.

And you want to identify the most cost effective ways to get your message across, as you motivate your target to contact you.

Effective sales is all about asking for the order, getting rid of prospects that aren't going to buy and building a stable of prospective accounts with realistic opportunity to do business. One big mistake is spending too much time with prospects that aren't going to close. This often happens when the company doesn't have enough leads to pursue. It's a lot easier to let go of weak prospects when there are plenty of other leads to follow up on.

At this point you may be asking yourself, "How do I find more dollars to put toward marketing? I get that we're going to have to push harder, talk to more prospects and have more opportunities to close business. Whatever happens, I don't want to lose any more ground in 2010!"

Try moving around expenditures. Ask people who aren't as busy (operations and administrative staff) to contribute to sales and marketing efforts – after all, by increasing sales they'll be helping to ensure continued paychecks for themselves. Look at low-cost initiatives like handing out fliers, buying a list and making phone calls to qualify target accounts, and increasing your presence on the Internet. Get everyone in the company focused on the importance of marketing by having a weekly marketing meeting.

Looking for a good book? Try "The New Rules of Marketing and PR: How to Use Social Media, Blogs, News Releases, Online Video, and Viral Marketing to Reach Buyers Directly," by David Meerman Scott.

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