

4 Key Marketing Do's and Don'ts

Want to increase Sales? Then here are 4 Key Marketing Do's and Don'ts

Not happy with your Marketing Plans? Spending a lot and getting little in return? Well, first off – you're not alone. Many of the company owners I talk to express frustration with Marketing. They feel it's a waste of money – echoing the famous quote "I know that 50% of the money I spend on Marketing is wasted – and if I knew which 50%, I'd cut it out". Here are 4 things you can do to cut the waste and get better results.

First, don't confuse Marketing and Selling. Selling is, in fact, only a method of promoting your products and services. Sales people have to be told which products to sell, how the products will benefit their prospects and customers and how much to sell the products for. (Have you ever tried letting sales people set selling prices? It's one of the faster ways to go out of business.) Marketing is deciding which products your customers will want and how much they will pay for them and then launching your products on time. Sales people have to be given "qualified leads" - they're too costly to use for generating and qualifying their own leads - so it's more cost effective to use the promotional techniques to do that. Marketing is figuring out which combination of the promotional techniques is needed to produce enough leads for the Company to achieve its sales targets.

Second, don't confuse Marketing with Promotion. Using advertising (print, radio, T.V., billboards etc.), public relations, direct mail, web sites, email, or telemarketing are ways of promoting your business. Promotion is only one of 4 Marketing tools, and, before we leave it behind for a moment, here are a couple of "don'ts" regarding promotion. Don't:

- Expect an advertisement to bring you results the first (or even the second or third) time you use it. Consistency of use is one of requirements for advertising to work.
- Be surprised if the response to your direct mail (or email) campaigns is "low". A 2 or 3% response rate may be all that you should be expecting.
- Look for a flood of visitors to come to your web site and buy your products – unless you spend time and money "optimizing" your site for search engines.
- Forget that you'll get better results by using several of the promotional techniques in an integrated campaign, for example follow up a direct mail or email piece with telemarketing.

Third, remember that you have 4 Marketing tools at your disposal. We've talked about 3 of them already – product, price and promotion. The fourth is your distribution channels – how you get your products to the end user. A couple of points to remember:

- Products – have a "life". Some will remain in demand longer than others but none go on forever (notice how hybrid engines are beginning to appear in cars and trucks, slowly replacing the gasoline engine which has been around "forever"). Develop and launch new products before your competitors do.
- Price – follow either a high quality/high price or low quality/low price strategy. Don't get trapped in the middle (it's slower than letting sales people set prices but you'll still go out of business).

- Promotion – budget to spend a percentage of your sales on promotion at the beginning of each year. Keep your promotional program going all year – don't wait until your reps. get short of leads or sales fall off.
- Place/Distribution Channels – should be changed either at different points in a product's life (how easy is it, these days, to find a small, independent retail store selling only computer hardware) or in the face of new technology (you can buy many of the same products from a Future Shop store or from their web site).

The 4 Marketing tools are like the promotional techniques in one way – you get the best results if you figure out the combination of all 4 that gets the best reaction from your market.

Four, check regularly that you are still focused only on that part of the total market that needs your products and can pay for them. Focus your resources on a well defined group of people or companies who share similar characteristics – including a need for your products. It's likely to be much more profitable than chasing everyone who might, one day, have a need for your services. You can perform a reality check by thinking about what your best customer looks like. Make sure that you are only dealing with (and looking for) more people or companies like them. But remember, there needs to be enough of them, each generating enough demand, to allow you to make a profit.

If you're doing all 4 of the things we've talked about you have an effective Marketing Strategy. Clearly identifying a "target" market and then applying the most effective combination or "mix" of the 4 marketing tools to it are the 2 ingredients for developing a great marketing strategy. To make it come to life – because after all it's all about execution – insist your marketing team (in-house or outsourced) expresses all of the things that they have to do to execute the product, price and channel management strategies and their promotional program as SMART goals.

Not sure what a SMART goal is? Send me an email at jimstewart@profitpath.ca or call me at 416-258-9610 and I'll be happy to tell you. To share your experiences, to take issue with anything I've said or to get some insight in how to execute, contact me in the same way.

One final tip - a couple of months ago we ran an article which gave 3 tips on how to make your Marketing programs more effective. It was called "Juice up the results of your Marketing programs" and you can read it at www.profitpath.ca/articles-detail-261