



Marketing on a Shoestring Budget™: Empty Pockets, Full Marketing Plan

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As business owners, we try to do more with less, but few of us really succeed. Despite our best efforts, it seems we're always running short...short on money, short on people, short on time. When those unlimited short-falls occur, marketing is often one of the first functions to be sacrificed on the altar of the bottom line. A potentially '**fatal error**' - and one that may be the key to why more than **90% of new businesses** wind up dead-on-arrival within a year of start-up.

For this reason, developing **cost-effective, business-building marketing initiatives** is the single largest challenge facing success-minded business owners today.

Defining Terms – What Is Marketing?

Why is Marketing so important to any business, no matter what size? To understand the answer, it's important to first understand just what marketing is...

**The process of identifying the particular needs and wants of
a particular target market and then taking action to
satisfy those needs *better than competition.***

Frequently mis-understood and often thought of as mere 'window dressing,' Marketing is in reality **the foundation** of any business success. It's where 'the rubber hits the road' because - when all is said and done - **Marketing is all about the customer**. No marketing or *bad* marketing means no customers. And no customers means no business... fast.

So, true customer-led companies (that is to say successful ones!) shouldn't make any decisions on *any* aspect of their businesses – whether it be **product design**, or **pricing, promotion, supply chain**, or **distribution channels** – without factoring in the marketing fundamentals of **understanding the customer and their needs**.

Searching For The Holy Grail

Given the critical nature of Marketing but the often-sobering limitations of company resources, savvy business managers are always on the alert for smarter marketing initiatives - **low on cost, high on results**. It would be great if a quick-fix solution or magic wand existed that you could wave to achieve instantaneous and permanent marketing success. Unfortunately, that just doesn't exist.

Instead of A Quick Fix, A Lasting Solution

However! For business owners who are prepared to roll up their sleeves and get to work to **build and maintain a solid marketing foundation**, a wide range of **low-cost and no-cost strategies** can help you achieve long-term marketing and, therefore, business success.

And the good news is that whoever you are and whatever your industry, there are **Five Marketing Resources every company already has** – yes, yours included – that you can leverage as great, business-building marketing resources, starting today. Use these five existing company resources effectively and you'll see **consistent customer – and bottom line – growth**.

Resource #1 – Positioning: Prime Real Estate in the Mind

Positioning is the way you want customers to **perceive, think and feel** about your brand or business vs. competition. It's the 'mental piece of property' that you and you alone lay claim to in the mind of a customer. Large companies may have time and the luxury of costly advertising on their side to help promote their brands... but, with less money to spend and no time to lose, those of us with fewer resources must 'work smarter' to identify and solidify that one particular "sweet spot" that we, and we alone can...and *want*...to own in the market place.

That is exactly what a well-crafted positioning can do.

Smart positioning helps **level the playing field** for businesses with less resources. After all, if *you* aren't exactly sure what your company stands for... how can your *customer* be sure? With that in mind, businesses without well-defined positioning statements are not in the driver's seat *or* the winners circle.

One reason is that consumers often think "parts is parts." Without positioning to **differentiate you in a meaningful way**, you often end up competing on price alone... a precarious position at best. Your product/service is thus reduced to 'commodity' status, virtually indistinguishable from the competition. That's definitely not good for business!

Assume the Position!

The question, then, is **how to achieve a unique market position?** Large companies may spend millions, but you can't... and you don't have to. To position your brand or business where you want it to be – head and shoulders above competition – you must **carefully identify what your business has to offer** by defining the six core positioning elements that make up the core of your specific brand.

Keep in mind that crafting and fine-tuning a brand position may take days, weeks, or even months, remember, too, that every journey starts with a first step, and that includes the journey to the type of smarter, more effective marketing that strong positioning and powerful branding can offer you. So let's take a moment to cover the very basics.

The Six Core Elements of Positioning

NEED - Positioning based on need addresses **a problem in the market that needs a solution** and/or a need that is not currently being met adequately that *your* brand can meet. A prime example is Starbucks, the single largest global coffee chain in the world. Starbucks identified a need in the market not only for a better-tasting cup of coffee (**a functional need**), but also for a coffee "experience" (**an emotional need**). Just go have a cup of java and experience it for yourself!

TARGET MARKET - Positioning based on your target group speaks to the most likely prospects for your brand that share **a similar set of needs and concerns**. In the world of computers, Apple has positioned itself as young, progressive, and hip to appeal to those computer users who think of themselves as young, progressive, and hip, too. While the company never quite says it, Apple definitely implies "We're not your grandfather's computer."

COMPETITIVE FRAMEWORK – This defines "what" your brand is. Often referred to as a 'Standard of Identity' or "Category," the best brands actually change their Competitive Framework (CF) to more of a "*Perceptual* Competitive Framework." This is why Asia-based Santa Fe Moving Company changed their name to Santa Fe *Relocation*. By broadening their competitive framework, Santa Fe can also broaden the services that fit in to that CF as well. They go from simply moving "things" to providing services around all activities related to relocating businesses, employees, or families: look-see visits, doing home and school searches, helping with visa-immigration documents, etc.

BENEFIT - What do YOU offer that the other guy doesn't? What is the **most meaningful promise** you can offer to consumers that is unique to you... and that you can absolutely, positively fulfill to the highest level of satisfaction? In the automotive industry, for example, Swedish maker Volvo 'owns' **safety** as its core benefit. This primary benefit of the Volvo brand packs a double-punch. It represents not only a *functional* benefit – a safely-designed car – but an *emotional* benefit, too: "I'm taking better care of my family by buying a safe car – I'm a good parent."

REASON WHY - Customers are suspicious of promises and will naturally doubt whether or not you can deliver. To overcome that suspicion, you need to present a powerful Reason Why (RW). Your Reasons Why can be **fact-based** such as "made with 100% Hershey's Cocoa" as the reason for a great taste. The RW could be **design-based**, such as having four blades like a Schick razor in order to provide a closer shave. Or, the RW can even be **experience-based** such as "4 out of 5 dentists recommend Crest toothpaste to their patients." Basically, **a reason why is a reason to buy.**

CHARACTER - Businesses and brands – just like people - are seen as individuals with specific **character traits** and personalities. Consumers seek out trustworthy brands and businesses the same way they'd seek out honest individuals. **Consumer-magnetic attributes** are people-friendly qualities such as thoughtful, friendly, helpful and creative. The Body Shop positions their health and beauty aids company as 'a white hat' in business: humanistic, environmentally-friendly, and socially conscious.

Resource #2 - CUSTOMERS: Love 'Em or Lose 'Em

No one wants to buy from a stranger. We want to invest our money with someone we trust to meet our needs, surpass our expectations, and give us more value for our purchasing dollars. So sales success ... and marketing success before that ... depends upon your ability to **create a dialogue and build a relationship** with customers and prospects.

Often, business owners *assume* they know their customers and their customer's needs. This is especially true for established companies who have been serving the same customer base for a long time. They forget that times change and people change. And **needs change, too**, because the marketplace and competition are constantly evolving. What your customer wants from you today may not be what they want from you tomorrow. This makes it essential that customer relationship-building is **an ongoing part of your business operation** and a veritable marketing resource fountain of ideas.

Information Gathering and Relationship Building

The first step in establishing a relationship is **getting to know your customer...** but how? Most owners don't have the resources for a full-blown market research initiative and don't have the time to sit down and have coffee with every potential customer who walks through the door or visits a company website. However most business people *do* have time for:

- **DIY Focus Groups** – Informal, in-house research sessions are ideal for testing new products, understanding attitudes, and getting **immediate feedback.**
- **"Man on the Street" Interview** - Intercept prospects, new customers, and returning buyers alike to interview them about their **current needs.**
- **Treat Complaints Like Gold** – A dissatisfied customer is your best resource for information on **how to make your business better.**
 - **Make it easy for customers to complain** so that you can get honest opinions to help you fix what's 'broken.'
 - **Track complaints and watch for trends** - otherwise you can fall into the trap of making changes based on the comments of just one or two people.

- **Silver and Gold** – There’s a saying that when it comes to new and old friends, “One is silver and the other is gold.” While it’s important to continue to grow your business with new prospects, it’s equally (if not more) important to **nurture relationships with existing customers**. Ensure that employees appreciate and understand the value of existing customers and the benefit of **turning a one-time buyer into a customer for life**.

Studies indicate that **it costs 6-9 times more to attract a new client than to keep an existing client happy**. So it pays to provide **continuous two-way communications** to build and maintain your client base.

Resource #3: PRODUCTS AND SERVICES – If you’ve got it, flaunt it! (and if you don’t, well, that’s alright, too...)

I often wonder if people who work at battery companies or household appliance companies every really try to open up the packages they come in themselves... The number of times I’ve cut a finger trying to open up one of those tough plastic packages...

I’m always surprised at how many clients tell me they rarely use the products they market. This is an enormous mistake. There’s nothing like **personal experience** to help you form an opinion. That’s why it’s an excellent idea to use your products and services regularly. They are a continuous source of marketing information! Of course, sometimes you can’t really use the products. I was training in a pharmaceutical company once and was giving the folks a hard time about not using their products regularly when a very polite 25-year-old gently pointed out to me that he was marketing prescription arthritis medicine!

But, if you can, you should try to **use your products or services regularly yourself**. Give them a ‘test drive’ and look at them with the fresh eyes of a prospect. Your never-used-this-before perspective will help you scrutinize every aspect of what you sell so you can improve.

Don’t Kid Yourself

This is no time to lie to yourself! Be honest about your product’s or service’s superiority over the competition. Are you really selling a better mousetrap? Do you sincerely – without a shadow of a doubt – have superiority that is visible and noticeable immediately? **If you do have superiority that is noticeably different** to your customer in a single use, then get it in the hands of potential customers – even if you have to give it away for free the first time. If it’s that good, customers will be back for more.

Here’s another question: can you quantify your claim of superiority?

Luxury hotel chains will often say their point of differentiation is **superior service**.... Maybe ... maybe not. Either way, it’s extremely difficult to quantify that claim. If you ask a client what the point of difference is among the big hotels, they may *say* service, but they may also respond with something that defines ‘service’ in a more quantifiable way, like “better food,” or “softer beds,” or “location to shopping malls.”

If you find that you don’t have superiority or your superiority is hard to prove, create a meaningful point of difference, and focus on it. For example, offer something that the customer can’t get from anybody else in your geographic area. Find a **niche** in the market place and cater to those people who need that particular niche filled. Turn that into a **competitive advantage** and make it ownable/exclusive.

Resource #4 – YOUR TEAM: Marketing Miracles On and Off the Job

No matter how big or small your company, everyone has a “team” of people they can enlist to help market their businesses. Whether a staff of thousands or a handful of friends and relatives, getting

everyone to understand your brand and what it stands for means those people become brand ambassadors. In short, **everybody's job description should include the word "Marketing."**

Do your employees know the full extent of your company's offerings and your desired positioning so that **they can be your company's biggest cheerleaders**? Each member of your team represents a **walking/talking potential billboard** for your company. They're literally **'free media'** for you, providing on-demand marketing for your business every time they shake someone's hand and introduce themselves.

Think how many hundreds or thousands of people all of your employees get in touch throughout any given year – both personally and professionally. Then think about the first question usually asked of someone when they are just meeting: "Where do you work?" You can turn that seemingly inconsequential question into a potential business-building one by **training your employees to speak effectively about your business to others**.

Remember: employees can't represent the company well if they don't understand what you do. Ensure that they have the key message you want them to get across by giving it to them 'pre-digested.' You may have heard the term 'elevator speech.' It's marketing shorthand for a 20-second synopsis of your brand that could be delivered in the time it takes to go from floor to floor in an elevator. Everyone on your team should **be trained and ready to deliver** that message in a convincing way.

One for All and All For One

When it comes to bringing in new business, be an 'equal opportunity employer.' **Offer incentives for all staff and team members** to bring in new business, even if they are not in sales or marketing. The incentives can be modest (buy them lunch) or more substantial (a small percentage of new revenues as a bonus when a new client signs up). You can have different rewards for employees who generate a good marketing idea, successful referrals, great customer service, etc.

It doesn't have to cost very much but it can be extremely motivating and helps drive home the marketing mindset you are trying to instill throughout your entire Team.

Resource #5 – COMPETITORS: Love 'Em and Learn From 'Em

It may seem counter-intuitive, but your competitors – "the enemy" – can actually play a helpful role in developing a marketing strategy for *you* that could ultimately put *them* out of business! In order to set a success strategy, you need to know **the strengths and weaknesses of your competitor**. There's why athletic teams watch and analyze the competition before they play against them...to assess their strategies, figure out how they operate it, and then **turn that information into a winning game plan**.

Successful sports franchises do it and so do successful multi-billion dollar corporations.

You can, too. You can **use competitive knowledge to craft a better marketing strategy** and win in the marketplace. And it doesn't have to cost a fortune to acquire that knowledge, either.

More Than Just A Name

You may know your competitors by name, but do you know the **product benefits** they emphasize, whether they are **meeting the needs of your niche**, or how they are **perceived by their customers**? It takes more than looking at a web page or checking out an ad in the Sunday newspaper to answer these questions.

To truly know your competition and to leverage that knowledge to your advantage, you should have a strong grasp of **all aspects of their operation**, including marketing plans and positioning. Companies that can afford to do so, hire other companies to conduct market research into how competitors are doing business. However, even the most financially strapped enterprise can **troll for information inexpensively**:

- **Create an in-house “clipping” service** – designate a member of your staff to gather website info, newspaper ads, and other materials on a daily or weekly basis
- **Become a Subscriber** – opt-in to your competitors’ mailings. They’re free and filled with exactly what you need to know.

If your budget allows, you can **create a rewards system** and offer incentives to staffers who bring in useful competitive information. You can also consider **becoming a consumer yourself**. Use competitive products and services often to get a sense of the level of quality and service ‘the other guy’ (or gal) is delivering. The goal is to uncover not only **what’s being done wrong and what’s being done right**.

Don’t Throw Out The Baby With The Bath Water

Don’t be too quick to assume your competition isn’t any good. Their customers obviously think differently ... so, take some time to find out why. **Be objective**. You will learn a lot more and possibly find **winning ways that you can emulate or – better – that you can beat**.

An Abundance of Marketing Assets!

So, there you have it – the five marketing assets ***your business already has*** that you can leverage to market your brand **every single day**. And the good news is: the few ideas shared above are just the tip of the iceberg – with a little ingenuity, there are dozens of additional *low-cost* or *no-cost* ideas out there just waiting for you to market your brand effectively. *That’s smart marketing!*

***For more information on “Marketing on a Shoestring Budget™” workshops, please see:
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