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Marketing During Tough Economic Times

How to Get Your Marketing to Generate More Sales Executive Summary

Target Audience:

Small business owners interested in learning how to radically improve their marketing to increase sales. Special attention is paid to best practices that will help you increase marketing effectiveness while saving money and time through the use of in-house printing solutions including: printers, PCs, web-based and/or software applications.

What You Will Learn:

This paper is divided into three key sections. These sections will demonstrate how to optimize your marketing to drastically increase your sales:

1. Introduction
2. Assessing Your Current Marketing
3. How to Improve your Marketing Effectiveness
 - a. *Maximize the Value of Existing Customers*
 - b. *Maximize Your Online Marketing, Not Just Your Online Presence*
 - c. *Produce Marketing Materials that Drive Sales*
 - d. *Get Out In Front, Stay Out In Front of Customers*
 - e. *Get More Out of Less*

Tools Included:

This paper provides specific how-to advice for each best practice cited so that readers can immediately implement the ideas that they find most compelling. Specific resources are included at the end of the document for those seeking more information.

Marketing During Tough Economic Times

How to Get Your Marketing to Generate More Sales

Introduction

The purpose of this paper is to help you, as a small business owner, to assess and improve your marketing to increase revenues, retain customers, and reduce costs. We will start by looking at the differences between in-house and outsourced marketing and the advantages of each method. Then we will focus on the three areas where small businesses struggle with their marketing: a) acquiring new customers, b) closing more sales, and c) retaining customers. We will conclude by providing you with five key ways you can fine-tune your marketing to start seeing results today.

During a recent survey, AMI Partners asked more than 150 small businesses what the biggest challenges they faced were; most small businesses answered:

- 1) Growing revenues (41%)
- 2) Increased competition (35%)
- 3) Increasing customer satisfaction and loyalty (30%)

In addition to trying to grow revenues, stave off competition, and increase customer satisfaction, businesses are also required to simultaneously find ways to take costs out of their businesses. How can a small business owner do all of this at once? By taking a fresh and honest view of how they market and sell their products and services today. "When the economy sours or business is in a cyclical downturn you try to improve your methods, policies, procedures, and product lines," comments Kelvin Ayala owner of PC Flex Touch Systems. "The worst thing I can do is stay stagnant. Now I'm working on a marketing plan to strategically add to my product lineup and offer new service." While this need is not new, it is certainly more intense as a result of the downturn. Before we get into this critical view of your business's ability to deliver effective marketing, let's start with how most small businesses market today. Figures 1 and 2 below show how small businesses typically market their products and services:

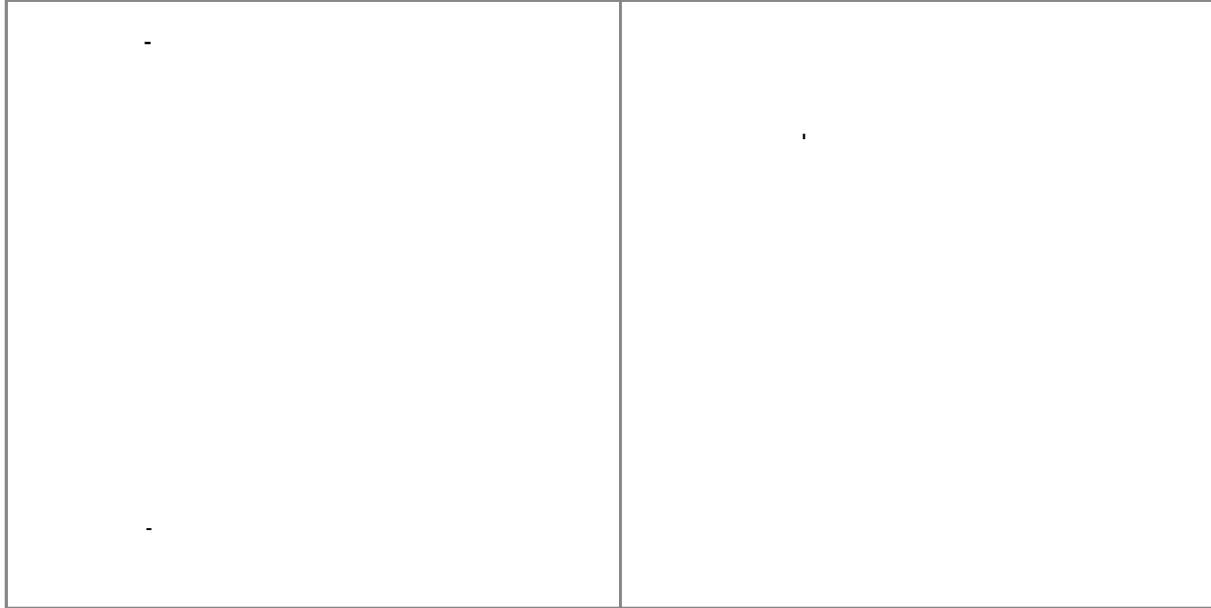


Figure 1: In-house and online marketing including developing marketing brochures, flyers, direct mail, e-mail marketing, blogs, podcasts, webcasts, Internet ads, etc. in-house. [AMI 2009 U.S. SB survey]

Figure 2: Outsourced marketing including telephone directories, local and/or national newspapers and magazines, professionally developed marketing materials (i.e. brochures, business cards, sales sheets, etc.).

In spite of these two major ways of marketing, many small businesses rely on word-of-mouth as their primary way to generate new business. Unfortunately customers' spending is so constrained during the downturn that relying exclusively on word-of-mouth won't be sufficient for most businesses. "We realize we have to fight harder now for business," said Melinda Partin, owner of a branding and advertising firm. "We are ramping-up demand generation, including customer referrals, emails and mailers, and we are engaging a PR firm."

Before moving on, let's review the reasons why you may choose to create something in-house vs. having it outsourced. Small businesses tend to outsource their marketing needs for the following reasons:

1. Perceived cost-saving benefits
2. Improved quality in outsourced marketing materials
3. Lack of internal marketing expertise
4. Frees-up staff to do other things

All of these can be valid reasons to outsource your marketing needs; however there are even more reasons for small businesses to explore ways they can improve their marketing by doing more of it in-house. According to InfoTrends, businesses can see up to 50% cost savings when they create their marketing materials in-house vs. using a copy shop. Interestingly, if you look at the revenue-to-employee ratio across small businesses in the U.S., you'll see that those businesses that exclusively utilize in-house printing for their marketing needs have an average 15 percent higher ratio than those that solely use outsourcing [AMI 2009 U.S. Small Business Annual Overview Study]. This could be due to

the fact that these small businesses utilizing in-house printing are successfully leveraging the basic advantages that come with printing in-house such as speed, customer responsiveness, and creative flexibility.

Small businesses need to be at the top of their games, especially when it comes to marketing materials. Looking professional and having effective marketing materials that drive sales is critical. Fortunately, some of these online services for small businesses have come down in price and increased in quality. For example, a small business can go online to create a logo or business cards in minutes for under \$50, or correspond with graphic designers who will create custom marketing material in under 72 hours starting at under \$300 using HP's MarketSplash service. There are numerous services like this, so be sure to consider these cost-saving online options when your company is ready for a "face lift" to sharpen its competitive edge.

As you review your various marketing needs, be sure to give thought to how well your company is utilizing or underutilizing your in-house marketing capabilities. The economic downturn has given some small businesses new reasons to keep key marketing needs in-house. These reasons include:

1. **Save Money:** small businesses can pick-up extra cost savings by developing fewer, more targeted flyers and brochures which lowers the expense of having them professionally done. According to InfoTrends in just one to three short printing runs your office printer can pay for itself! The costs savings add-up quickly.
2. **Save Time:** the current ultra-competitive climate requires businesses to be more responsive to ad-hoc customer needs. Printing in-house can provide much greater control for time-sensitive pieces and ensuring collateral is always up-to-date.
3. **Increase Flexibility:** in-house marketing gives you more flexibility to create the right marketing materials right when you need them. This flexibility can also lead to more sales simply because your marketing materials can be more targeted and personalized.
4. **Increase Quality:** many manufactures offer first-rate printing solutions that will help grab the attention of your customers. Even better, that quality doesn't have to come with a hefty price tag. There are printer solutions available to meet the needs of nearly every budget.

Assessing Your Marketing in Three Key Areas

Now that we have the basic advantages of having your marketing needs met in-house vs. outsourcing them, let's take a step back and discuss where to improve your marketing effectiveness in general. This is the critical and honest view of your marketing efforts that we mentioned earlier. The following provides a framework to help you quickly assess your marketing efforts and find where you can improve effectiveness. Once you have accurately assessed where your "gaps" are in marketing we will then review some key steps to help you get started and see your marketing efforts really pay off. For more ideas on increasing revenues and productivity, be sure to check out the whitepaper, "Getting Past Fear & Anxiety: 5 Best Practices to Manage through Challenging Economic Times."

The following three areas—acquiring new customers, converting interest into sales and retaining customers—are where most small businesses will need help during the downturn.

1. **Acquiring New Customers:** can you name the top three to five ways your customers find out about your products and services? As discussed before, in many instances small businesses over-rely on word-of-mouth to generate new sales. But this is no longer sufficient.

Take a step back and think about how customers would find your service if they didn't hear it from a friend or family member. Would they find it in the yellow pages, online, and/or by driving by your place of business? If you don't know the answer (and perhaps even if you think you do) it may help to ask a few customers/clients how they found out about your company. Often times small business owners are surprised by the answers they get. Many customers today turn to the internet before making a purchase. While online they can read reviews, customer testimonials and hopefully learn much more about your business by visiting your site. More and more customers are utilizing social networking and customer review sites such as Yelp, eOpinions, and Facebook to find out about companies and their offerings before they purchase. If your company doesn't have a presence online (or doesn't market online) this is an easy fix that we will discuss later on in the paper that goes well beyond merely putting up a website.

It's also important to think of your current customers as potential "sales generators" that will help you acquire new customers. Each one of your current customers is a company asset, and it's your job to maximize the value of those assets. How well are you doing your job today? Are you providing your customers with the proper tools to help maximize their value as a sales generator? What tools such as marketing materials, incentives, customer referral programs and more are you providing them to help your business grow? Are you leaving dollars on the table with each customer? We will revisit these questions once we get into how you can take immediate action on these fronts.

2. **Converting Interest into Sales:** are you giving your customers a reason to buy and, if so, are you giving them reasons to buy now and from your firm? Many times customers and prospects are familiar with a particular set of products and services from a company, but that general awareness doesn't result in a sale. This is a common problem for small businesses, especially during the downturn when spending is significantly constrained. In this environment you have to give customers a reason to *buy* and a reason to *buy now*. In all of your marketing materials there has to be a clear call-to-action with a sense of urgency. Think of your business as needing to build a case as to why now is the best time to purchase your product and/or service. Perhaps it's a limited discount, promotion or some other incentive within a very confined period of time. Every piece of marketing material needs to answer those two critical questions: a) *why buy* and b) *why buy now* from your company. If you can't answer them, neither will your customers.

3. Retaining Customers: are you giving your customers a reason to stay with you, even during these tough economic times? Can you point to specific examples of how your business is proactively and personally reaching out to its customers (e.g. thank-you cards, offers, promotions)? Studies show that it costs five to seven times more to acquire a new customer than it does to maintain an existing one. This fact still holds true for small businesses during the downturn, which is why you see more small businesses starting to prioritize ways they can keep their current customers. The question most small businesses ask themselves regarding customer retention is, "How can I reduce the number of customers I lose?" However, the real question that should be asked is, "How can I deliver more and more value to customers so they never leave and want to spend more?" Let your customers know how much they are valued. As a small business you have the advantage of having the one-on-one relationship with your customers and clients. Use it and back it up by showing how you're providing greater value to them now more than ever before. There is no question that your customers and clients will be targeted by your competitors due to the pressures of doing business during the downturn. Make sure you give them more than an adequate reason to stay with you and not go to the competition.

The above three areas – acquiring new customers, converting interest into sales and retaining customers – are areas you need to critically assess *where* you can improve your marketing efforts. However, that's only half the story. The second half is *how* you can improve your marketing in these areas. The following will give you concrete marketing ideas to help you systematically address and significantly improve these areas; and in doing so increase your revenues and profitability while reducing your costs.

Five Simple, Creative Ways to Improve Your Marketing

Maximize the Value of Existing Customers

You should start thinking about ways to generate and capture customer reviews and testimonials as just another part of doing business. Integrate this into every transaction by making it second-nature for your employees and simple for your customers to do. For example, arm your customers (especially those who have had a great experience) with specific website URLs, email addresses or other ways for them to share their experience with others. Make sure they have this in all customer touch points including at the end of your email signatures, on invoices and even a referral card that you can create and keep at the front desk. Provide customers (and employees if necessary) an incentive for doing so (e.g. referral program, raffle entry, etc.). Don't be afraid to ask current clients and customers for recommendations. It's no secret that business is down for everyone, so reach out to your customers and you will be surprised to find how helpful they can be to you on this front.

Maximize Your Online Marketing, Not Just Your Online Presence

For those small businesses who have websites, many of them believe they are “done” after launching a site. This is just the beginning. There is also the need to ensure your site can be found by search engines such as Google. The type of content on your site, the links on your site and how your company promotes your site directly impact how your site will be ranked in searches against competitors. “If you serve a localized area, be sure you input your business into the search engines’ local services database, such as Google Base (<http://base.google.com>),” says Travis Godbout, owner of Propellant, an online marketing firm. “This will allow your business information to show up in Google’s local results that are displayed when people use geo-specific keyword queries such as ‘hardware store Cincinnati’ or ‘ad agency Seattle.’ These types of queries are very common and could yield a great deal of traffic.” There are other low-to-no cost ways to improve how effectively your business is marketed online. If your business lacks funds to hire a specialist in this field, ask around and try to find someone like a relative or colleague who is well versed on the web and may be able to help you achieve some of the basics. However, if your company can afford it, hiring a professional web marketing consultant and/or firm will likely pay for itself in just a matter of months.

Produce Marketing Materials that Drives Sales

Remember back in high school English class when the task was to write with the “three C’s” – clear, crisp and concise? Effective marketing materials do much of the same, with a slight twist.

First, you need to grab the customer’s attention with a clear targeted message that resonates with the audience (there are many ways you can think of that would resonate with your customers right now as their pain points aren’t that far from yours).

Second, you need to build a clear and concise case as to why the customer or prospect needs to buy your product and/or service. Perhaps your offering has special appeal now during the downturn because it has the potential to save customers money or help them in other ways manage through these challenging times.

Last, you need to convince them to buy now with a promotion and call-to-action that inspires readers to act. Listen carefully to why the customers you have are buying and identify the patterns. Once you have identified and prioritized the reasons, include it in your marketing materials. Be sure to listen to the inverse – why customers aren’t buying now. Find ways to counter those concerns in your marketing materials.

When producing marketing materials in-house, take advantage of the many inherent benefits we discussed before: time/money savings, flexibility and quality. Often by producing marketing in-house, a small business can afford to produce more frequent and more personalized brochures, fliers, presentations, etc. that directly target the customers you’re trying to reach. There are many templates online that can help you get started while allowing you to customize to ensure your marketing drives the intended behavior you desire. For example, check out www.hp.com/print for help with everything from

your brochures, business cards or even getting started with a blog. These services and offerings (many of them free) can help your in-house marketing not only look professional but drive sales.

The important point to remember about producing in-house marketing is that you most likely have all that you need sitting in your office to create the most effective and professional sales and marketing materials. It's all in how you use it. With the tips included in this paper, along with the numerous templates and tools available to you online, you can produce the best marketing materials right there from your office.

Get Out In Front, Stay Out In Front of Customers

Customers' spending is constrained and the only way to get customers to spend is to get out in front of them. "You have to get in front of your customers and prospects and you need to have the right things to show them when you're there," said Jack Brock co-owner of DiTomasso Designs and Consultants. His company differentiates itself from its competitors by employing inexpensive and engaging college students to canvas targeted neighborhoods. These student workers go door-to-door with marketing materials his company created that includes pictures of previous jobs, customer testimonials and special promotions, and customized "door-knocker" pamphlets that are left behind at any homes where the home owners didn't answer the door. The more you're in front of your customer, the more likely they are to spend money at your business and the less likely your competitors are influencing their final purchase decisions. From retail to professional services, small businesses in various industries are all moving in this direction to help ensure their products and services are always top-of-mind with clients.

"The key is to make the information relevant and timely for customers," said Chad Thompson, VP of Marketing at AMI Partners. "Small businesses have a distinct advantage in the marketplace due to their size. They have the ability to establish and maintain a level of intimacy with customers that larger businesses struggle to develop." Simply finding a way to reach out to customers in a non-intrusive manner that delivers value has proven to be successful as everyone grapples with the downturn."

Get More Out of Less

This mantra of small businesses has quickly become a rallying cry for the downturn. These marketing efforts don't have to cost more than what you're spending today on marketing. In fact, you can save money by implementing some of these suggestions, such as creating a small number of targeted fliers in-house vs. having them printed elsewhere. In addition, use these same tips to help address other critical needs such as relieving cash flow issues your business may be experiencing.

Another way to think about getting more from less with your marketing is to think about targeting fewer vs. more prospects. This can cut down your expenses while increasing your sales conversions. This will require some careful targeting of high-value customers. The best place to start is to take a look at your current customer base and try to associate a dollar value to each customer. What you're looking for are patterns that these higher value customers share. Assess their needs, preferences and interest, and find out how they heard about your company. Find the pattern and then use it to develop very targeted

marketing materials that will reach and resonate with those types of customers. Bottom line, focus on your products and/or services that sell and the customers that buy them.

This type of high-value customer targeting can be done by looking *outside-in*, as well. “We know the right neighborhoods to target. It’s the ones where there is money, someone is home and you know the homes are a bit older and are always in need of a little help,” said Jack Brock, a co-owner of a small business who uses door-to-door marketing and sales to reach customers. Another way to take a more “outside-in” approach to high-value customers is by targeting customers who provide their address to you. These are high-value customers by definition because they have marked themselves as being interested in your company’s offerings. Whatever you do, you don’t want to waste this opportunity with a mass mailing or a general marketing message that you would send out to “cold” contacts. Target these customers with a personal and customized offering. Your concern should be on the returns of your efforts (time and money). During the downturn the returns of your marketing investments should be your greatest concern.

Conclusion: Take Action and Reap the Rewards

If this paper inspires you to do only one thing, then let it be taking on one of the above recommendations and making it work for your company. If you and your company are ready to take on a broader, and more critical view of your marketing efforts to find ways where you can improve your customer acquisition and retention efforts, then by all means do it. You will reap larger rewards in revenue and profit. However, if you simply don’t have the time or the appetite, then focus on a small, more basic opportunity like getting more creative with in-house marketing and targeting a discrete group of prospects and see what you get in return. Most likely once you start to see the rewards you won’t want to stop. Here are some additional resources on how to market effectively for higher returns:

Task Description	Owner	Deadline
Assess your current marketing		
Acquiring new customers: <i>1. Identify and validate the top 5 ways new customers hear about your business, products and services. [Note: Be sure to validate any assumptions you may have by asking new customers where they heard about you.]</i> <i>2. Review all the ways your business is helping your satisfied customers share their experiences with new customers (e.g. point customers to online customer review sites, incentives your business provides for referrals, etc.)</i>		
Transform interest into sales: <i>1. Identify the top 2 - 4 reasons your company is providing customers to <u>buy your products/services over a competitor's offering</u> (e.g. what reasons are given in your marketing today including promotions, new offerings, etc.)</i> <i>2. Review the top 2 - 4 reasons your company is providing</i>		

customers to <u>buy now</u> (e.g. what sense of urgency are you giving customers; how do you get this message across in your marketing materials)		
Retaining customers: 1. Identify the top 3 - 6 ways your company is actively working to retain customers including loyalty programs, customer outreach to let them know how much your firm appreciates them, etc.		
Marketing Assessment: Identify where your biggest gaps are in the above three areas. This will help you quickly identify which of the following 5 areas your firm needs to focus on the most in order to radically improve your marketing.		
Improve your marketing		
Once you have identified and prioritized where/how you can improve your marketing the below five key areas will help guide you to specific and meaningful action		
1. Maximize the value of existing customers: a) Make customer referrals part of the business transaction b) Provide an incentive for customer to refer your business c) Provide satisfied customers with the tools (e.g. a way they can submit a reference or customer testimonial) to ensure the process is simple and easy for them to complete		
2. Maximize your online marketing: a) Go to commonly used search engines (e.g. Google) and search for your type of business and city (e.g. medical clinic Austin) to find out what new customers may be experience when they try to find your online b) Checkout sites that help you optimize your online marketing like http://www.google.com/intl/en_us/services or http://www.networksolutions.com/online-marketing/index.jsp c) If you would like more one-on-one assistance to help optimize your online marketing you can find a local online marketing expert to walk you through the steps		
3. Produce marketing materials that drive sales: a) Review the checklist of items in this paper about creating a sense of urgency for your customer to buy your products/services and buy now with a clear and compelling message. b) Use the guidance in this section as a set of guidelines for all of your marketing materials c) Leverage the inherent benefits of in-house marketing to immediately put your newly honed marketing skills to the test by developing 2-3 new marketing/advertisements for your business		
4. Get out in front of your customers:		

a) Review this section and come up with 3 - 6 new ways to get out in front of your customers more frequently and in a richer way. Remember this includes using vehicles like email and direct mail.		
5. Get more with less: a) Find ways to identify and separate higher value customers to your business vs. lower value customers. b) Develop 3 - 6 ways to better target high value customers with offerings, marketing and specific promotional offers. [Note: this type of targeting is a great opportunity for in-house marketing]		
Measuring the impact of your marketing		
For each of the above activities track the returns each activity is providing your business in terms of <i>incremental</i> sales. Be sure to use each effort as a learning activity for you and your firm by identifying how each marketing material, advertisement, promotion, etc. can be improved the next time.		

- <http://www.google.com/services>: Google business services where you can find online tools to reach new customers
- www.icontact.com/smartdeals: where you can launch an e-mail marketing campaign, track its performance and find useful e-marketing templates
- www.hp.com/print: where you can find templates to create business and marketing materials, and marketing strategies from successful authors and business owners like Guy Kawasaki and John Jantsch
- www.score.org: Includes "how to" articles and tools in addition to helping you find a local small business mentor, at no cost, to help you on a one-on-one basis
- www.hp.com/go/learningcenter: HP's online learning center with free classes to help you learn about everything from using Word, Excel and PowerPoint to broader topics including how to increase revenues and profitability
- <http://www.entrepreneur.com/marketing>: A provocative and inspiring collection of articles written for small businesses who wants to see their marketing materials drive sales
- <http://www.microsoft.com/smallbusiness/resources/marketing>: Practical and very tactical advice (at times focusing on how best to use Microsoft products to achieve your goals) that can be very useful to the small business marketer
- <http://www.ducttapemarketing.com/blog/>: A common favorite for those small business marketers looking for something a little different to help drive new thinking, innovation and creativity in their marketing efforts.

- www.marketsplash.com is a one-stop, web-based shop that provides small businesses some of the industry's lowest prices and fastest delivery times for brand marketing services such as professional-quality design and print fulfillment.

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