

Cherish your marketing and the harvest is yours

In this month's business article **Andrew Scott**, Managing Director of Purplex, discusses marketing and explores why most companies still get it badly wrong.

It's a classic business problem, particularly amongst small and medium companies. Sales slow down, and you put your foot on the marketing gas. Sales pick up – putting pressure on operations - you take your foot of marketing.

Is this a formula for success? Of course not, it serves only as a quick-fix to plug short-term sales problems. Part of the reason is many bosses do not truly understand marketing, or the power it wields. They see it as a cost rather than investment.

Yet, marketing can transform a company. It can ramp up gross profit margins and dramatically improve net profit. It can build customer and staff loyalty. In the right hands it can increase order values, sales conversion rates, and customer spend. It will help you weather the storm of economic uncertainty, reducing the peaks and troughs.

The leading companies in every sector continuously market themselves. They didn't become top brands and then invest in marketing, they invested in marketing to become top brands.

"Yes but I'm not Tesco" I hear some people say. It doesn't matter. If you have a product or service to sell, whether your business is a local installer, national trade fabricator or international extrusion house, the principles are the same.

Marketing should focus on two elements; where you want to be in the future (strategic) and what you need to do right now (tactical). Let's review some of the key issues your marketing strategy needs to include.



Instead of a scorched earth policy towards marketing, businesses should see that there are fruits to be had from treating it as an investment

POSITIONING YOUR BUSINESS

Forget how you see your business. All that matters is how your customers and potential customers see it. Perceptions matter – it retains customers, attracts customers, and creates loyalty. Did you know that more companies lose customers through "indifference" than they do through bad service?

You can have the best products, best service and best value and still lose customers. Perceptions matter. When was the last time you asked your customers what they thought of your company?

Thinking about how to position your company and your products can have magical results. Molton Brown is a retailer of luxury skincare and bath/shower products. With mainly women as customers, their sales of men's bath and shower gels were relatively low. That is, until they re-branded these as masculine "body wash" products. Last month, men's body wash was their top selling product.

Perceptions matter. Perhaps that's why many of the window industry's top retailers are now home improvement rather than double glazing companies.

So how do you position your company and your products to build customer value and increase revenue? First and foremost, develop a strategy for communicating

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regularly with your existing customers – newsletters, reports, personal contact. When was the last time you called your top 20 customers just to say “hi”?

Loyal customers are repeat customers. What other products can you supply that they currently buy elsewhere? Do your existing customers know all the products you currently supply? Do you communicate this regularly?

Secondly, develop a strategy to establish your industry credibility. Use good editorial PR (not puff) to achieve this. Local newspapers want to run stories on successful local companies, and the trade press will carry stories that are news-worthy and relevant to their readers. Events, sponsorship, and awards are also excellent ways of building your creditability.

PR works well because readers aren't exposed to a sales pitch, giving you more credibility. It doesn't happen overnight, but committing to long-term brand building will form the foundation of a solid, successful company with better margins and higher customer retention.

DRIVING NEW BUSINESS

Once you have a marketing process for building your brand, generating new business becomes much easier. Prospects already know about your company and have good perceptions, and are therefore more likely to respond positively to your approach.

Before you commence any marketing activity, ensure you have a good database/CRM system to record leads, track prospects and manage sales activity. There is no point wasting time and money chasing new business if you can't monitor the results.

Next, take a multi-channel approach. As consumers, we are exposed to over 3,000 marketing messages every day and marketing experts agree that different marketing methods work for different people. Just because you respond better to direct mail or press advertising, for example, doesn't mean all your prospects will. They may prefer to receive emails or a telesales call because they haven't had time to read your literature.

Consider all your marketing channels, not just the ones you're most familiar with. This will vary between business-to-business and business-to-consumer markets, but the key is to communicate to different prospects in a way they most relate to – not the way you most relate to.

Once you've agreed your new-business strategy, invest in good creative. There's



Keeping up with the latest marketing and information technology developments will keep your business ahead of the opposition.

no point spending money on a marketing campaign if your prospect doesn't instantly connect and respond to your message. Change the headlines, test the copy, and use powerful imagery and photography.

MOVE WITH THE TIMES

Let's face it, digital marketing is here to stay. Developing a digital strategy in tandem with your traditional marketing can be a powerful cocktail. Email marketing is now mainstream yet most companies still don't really understand it, not realising that up to 80% of their hard work can end up in Spam filters and Junk folders.

Implemented correctly, email marketing can produce dramatic results with existing and prospective customers. Other digital marketing activities, such as blogs, forums and social media also have a growing role to play. With over 400 million members Facebook can no longer be ignored as a marketing platform, while businesses are now using Twitter to communicate instantly with customers and prospects.

In this digital world, it is crucial that your website is constantly updated and managed. Investing in search engine optimisation and pay-per-click is now seen as essential marketing, particularly for retailers/installers.

STEP BACK AND REVIEW YOUR MARKETING

Companies will spend a great deal of time investing in a new machining centre, extruder or toughening plant, evaluating productivity, return-on-investment and payback. The same approach should be taken with marketing. What do we want to achieve? What are the best tools to make this happen? How much should we invest and what will the ROI and payback be?

Market leaders already know this; they do it every day. But for most companies marketing is still a reactive tool used to boost leads when turnover drops. Those companies who do adopt a more strategic approach will reap the rewards of better margins, stronger customer loyalty and a more sustainable business. These companies will be the market leaders of tomorrow.