



Brought to you by
ADSOKA

6x is the online newsletter of Adsoka.

Its six sections—Smart, Craft, Creative, Trends, Praise and Results—cover different spheres of marketing, design and communications. 6x contains relevant and helpful information for clients and fellow marketers. The current 6x and archives act as a virtual library of best practices and sales commentary. See more on Adsoka.com.

Welcome to SMART. 6x's SMART articles focus on planning and strategy. Marketing concepts are distilled into easy-to-read formats.

20/20 Marketing in 2010: Know More, Spend Less

Regardless of the economic conditions, organizations have a constant high expectation about the future: ever increasing growth. As leaders within the organization, we need to not debate the veracity of this; instead accept it (at least for the purpose of this article).

So, how can we work with constantly high expectations?

Our agency, working together with clients, has developed field-tested ideas that are likely to help your organization to greater success.

THE SET UP

Define the height of the expectation. Ask questions to reduce it from vague and unattainable to something much more clear and possible. This is important for both the organization and you as a leader. If it isn't defined, you can't believe in it.

One example is an Adsoka client who wanted to double the size of their company in three years. At face value this may seem like hyperbole; it is certainly a bold statement—yet not well-defined. Still, it is much better than “let's do better!” which is extremely vague and is infinitely impossible to reach.

So, how to define, “double the size of the company?”

1. Predict normal growth based on the past (get as much historical data as possible to minimize error).
2. Use this to generate the amount of new source-new revenue.
3. Distribute the “new-new” revenue across product lines, territories, initiatives, etc.
4. Roll normal growth and new growth together to see measurable achievement points.

This exercise isn't meant to make big numbers “fun-sized” or to sweep them under the rug. It is meant to convert trauma-drama into to-do.

Recast for the aforementioned client-company, the statement “double the size of the company in three years” became “grow by 26 percent a year.” This ultimately meant they needed to grow at 14 percent more than they were already.

By defining the expectation in tangible terms, leadership was able to act.

It is actually very rare to find a single-voice in an organization that is so clear as to say, “We're going to double our size in the next three years.” It's typical to be in the situation of needing to craft and collect phrases and statements. Remember math word problems from elementary school? Look for grown-up versions of them in the workplace and ask questions to uncover the real-life versions of these. Use them to triangulate to a definition of high expectations.

OK, let's say we're embracing the high expectations and know what they actually mean. What's next? Put the following ideas to work in your organization.

(CONTINUED)

IDEA

No. 1 YOU ARE AN ISLAND

If Adsoka were to ask an auto repair shop owner located on a small island in the Pacific Ocean what the geometric boundaries of their market are, they would be quick to answer. When we ask clients what their organization's market boundaries are, the answer is often described in terms of the farthest outlier, the most unexpected customer. Instead of the top ten zip codes where customers are from historically, it is much more likely to hear prospective clients regale us with stories such as, "remember that one guy who came all the way from Nebraska?" or "we have customers in 40 of the lower-48 states" or "we work with 20 of the Global 100 companies." These are powerful and persuasive testimonial- and sales-supporting narratives. They are not, however, a big sip from a cup of reality.

Plot your customers: do a tally, add up by revenue or count by invoice/visit. What is the result? You are an island. Usually this

is a geographic island, sometimes it is a vertical or industry island and other times it is a customer segment island.

What to do with this information? Align sales and marketing resources with the island. Stop behaviors that are inconsistent with the market space. Don't run online ad campaigns outside of key zip codes or times when purchasing decisions are made; do more within the community that is your island. Be more visible, more active.

One client came to us in the midst of a year-long national ad campaign commitment when they only had limited geographic distribution of their products. For them, understanding their island opened the door to shifting dollars to more productive communications, more in-person and local events that were more supportive of their dealer channel and more consistent with where their customers were. Sales increased which allowed them to expand their distribution.

IDEA

No. 2 MORE MARKETING. LESS SALES

Minnesota is well-known for its fishing legacy. Fishermen and women have their favorite lake, time of day and lures. They have years of experience delivering extremely tasty, butter-infused pan-fried meals and equally delightful stories of the trophy-sized fish that live just beyond reach.

Would it be effective to hire a fisherman with limited experience, place them in an unfamiliar lake stressed by over-fishing, give them outdated equipment and tell them to deliver enough fish to feed say... 10, 100 or 1,000? Of course not!

Most organizations apply this flawed logic every day to growing the business. "Let's hire more salespeople" or "We need to switch up the territories" or "Everyone hit the phones today." Large or small, all organizations place pressure—often rather barbaric pressure—on sales to bring in the bounty.

Even when the organization is less boiler-room and more consultative, it still keeps the sales focus on new-new business and invests heavily on pioneering new territory. What is the better solution? Marketing. Loyalty programs, better sales support tools and clever communications that develop interest so transactions become more efficient.

In one instance a client was knocking their heads against the RFP wall. Each instance was like starting from scratch. The efficiency of the sales department went down each time a big opportunity presented itself. Tons of effort, stressful last-minute tweaks and a dash to deliver the response lead to

weeks of waiting and a less-than-stellar win-rate.

So, Adsoka first developed standard responses to classic questions. This is something many of you have probably accomplished. We put this together in two distinct formats. First, a bound book. Short-run bound books are easy to secure and are relatively inexpensive. Secondly, Adsoka developed a secure RFP-specific Web site. The site requires a login. When the prospective customer logs in, an email is automatically generated to the client company. They now know which prospective customers are reviewing their proposal and when. This information allows a multitude of follow-up options. Together these two developments created a positive impact and have been effective in delivering RFP wins significantly higher than prior attempts. And the tax on the team's time has gone down.

A strong customer loyalty program is a better investment than adding a new salesperson. It may be time to hire a salesperson, but ask yourself, "Have we invested well in customer loyalty?" before making the new hire.

There are two highly-common phrases uttered when talking about sales and marketing.

The first, "It is easier to keep a customer than it is to get a new one." So, confirm its truth. Invest in customer loyalty programs.

The second is, “We get most of our business by word-of-mouth/referral.” What this means is that the word on the street, your reputation, is strong. This reputation is your brand. It is not just the graphically designed logo. For people to talk about you demands that there are things to say. These things include the

totality of the customer’s experience. Their interactions with the sales team, the instruction manual, the Web site, ads, literature, commercial, etc. Marketing manages the message of your organization in a large way. In our experience, marketing often has the most prominent role. We say, “more marketing.”

IDEA | No. 3 EXPAND THE EDGE

We’ve talked about being an island (understanding the marketplace) and leveraging marketing for improved results (for instance how customer retention and loyalty produces more than cultivating customers from scratch). Now let’s talk about smart expansion, because the high expectations require the business to grow.

There is a natural expansion in many markets from general population growth. More people equals more stuff. So you should see expansion derive from this but have other more reliable ways to expand.

First, what other products and services go with your core products and services? Can you provide these? For example, analyzing sales at a computer hardware and software store, we found the majority of printers were sold without a cable. Even fewer were sold with paper and almost none were sold with backup ink—clearly lost opportunities to expand revenues.

If the printer was sold with these obvious add-ons the profit nearly doubled! A quick analysis of most clients uncovers similar obvious opportunities for expanding at the edge.

Second, looking at a client’s customer base we uncovered a new market opportunity—not requiring new products and services, just some redirection of effort. When working with a large glass manufacturer, it became clear that if they redirected effort into specialty glasses (solar, for one), they could increase profits significantly while also decreasing their reliance on the highly competitive flat glass markets.

So expand the edge by thinking about what else the customer has to get with the products and services you presently offer.

IDEA | No. 4 CLARIFY THE PATH

We’ve been focusing on the internal (your organization, current customers) to find how to get more without adding costs. This can also be accomplished from a look at the prospective customer. Clarify the path by exploring how your prospect becomes a customer.

For instance, many agree that early in the process prospects work hard at taking in information. This active pursuit by prospects is often mis-read by the organization as an eventual win, like it’s just a matter of time. Not so. Prospects move from information gathering to another state—alternative checking—before moving to transaction. Alternative checking is when the prospect is trying to talk themselves out of buying and buying from you!

Does your organization have an answer for this often unspoken obstacle? Send a note from a team of people in your organization to prospective customers after a significant information share (such as a presentation or site visit). This personifies your organization and puts an appropriate amount of pressure on prospects. It’s easier to decline one salesperson than a whole team.

Another is to be pre-emptive. Host open houses that bring in prospects who may not even be in the start of a buying cycle. You know they are likely buyers. So, build up transparency between the prospect and your organization. Become their friend; people like buying from friends.

In one case a client was able to show a ten-time return on investment for open house events within six months of holding the event. It worked and continues to work for them. It is part of their regular marketing mix.

We often look at things from our side of the interaction between prospect and company. Reverse it. Be a potential customer of your own company. Try it with competitors. Who would you choose if it was your money, your decision?

You need the answer to be “I’d choose my organization!”

IDEA

 | No. 5 **NAME IT OR SHAME IT**

Perhaps you can name the top five products or services you market. You may have model numbers or be thinking of characteristics of the item, project or service. Your leadership team probably gets together and reviews spreadsheet data with sales ranked by product, product category, etc.

Now, if Adsoka asked you to describe characteristics of the people who represent your top three demographic customer, or the similarities of your typical business customer, you would be able to make a good list. But it is likely that you'd be working from anecdotal evidence. While intuition is powerful, it is often weakened as the best and brightest are promoted away from the field and away from the hand-to-hand work and into the corporate environment.

So work diligently to "name it." What is the age, size of family, vehicle they drive? Think you are a B2B company? For this you are not. Every organization wins because it wins in the relationship game between people. You are all B2C. People sign contracts and make decisions—not buildings.

There are plenty of examples of businesses identifying customer segments—personifying their customer so they better understand how to work together. It is the intersection between the numbers on a financial report and the entries in a marketing database. You author the organization's success by measuring success in how well you do with segments, not products.

In our recent work with a client, three main customer types came to the fore. The gender mix leaned extremely "male" in each—logical based on their products. Still, it seemed out of alignment with other information about the gender roles in decision-making. We dug deeper and uncovered a 60 percent to 40 percent mix instead of the anecdotal report of "99 percent of our customers are men."

Name it: do the research to really know, or shame your own work to try and grow.

IDEA

 | No. 6 **PRODUCTIZE YOUR DIFFERENCE**

In interviewing prospective clients we often hear, "Our customers choose us because of our superior customer service" or "People choose us because of our main product, but they keep coming back for the whole experience." These are great insights for a marketing agency and even better for our clients. Why? Because they can take these statements and turn them into a revenue-generating opportunity.

For instance, one health care center had established a series of great services for women. They knew that this was one reason that women came to the clinic, but they hadn't done anything to centralize them into a package that made obvious sense to their market. Together we created an umbrella brand that brought these services into a clarified package that would align with their customer's experiential feeling. This allows their customers to tell others about it—it gives them a vocabulary that turns them into salespeople.

What is your big difference from the competition? Are you more fun? More environmentally aware? Youthful? Innovative?

Turn it into something that is packaged in a way that makes easy sense to prospective customers. Take a perceived weakness and turn it into a strength. One of our clients used their entrance into a market as an opportunity to present fresh ideas and new thinking as their package. This led to sales and has become the "word on the street." Exactly what they wanted.

In another case, the experience itself can uncover opportunities. This often occurs in the restaurant business. Not long after you proclaim you love their food, a cookbook is available to purchase. For one of our clients, we noted an opportunity to bring in merchandise that supported their superior experience. It wound up generating ten percent of their ensuing year's revenue. What started as retail space decor and specialized insights became revenue opportunities.

A few minutes of thinking about your organization will likely uncover similar opportunities.

SUMMARY

Do more with less. This is the charge we face no matter what the economic conditions. So, be smart. There are a number of ways to get more by spending fewer dollars. We talked briefly about six. We're happy to talk about them in greater detail.

Marketing is a discipline that should be the brainpower behind the organization's growth. Marketing, when done properly, should not only help find more peaks and fewer valleys, but it should extend the duration of the successful time and minimize the down cycle.