

Chapter 1

Boosting Your Business with Great Marketing

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Marketing can't be reduced to formulas. Not completely. There is always a little magic in it. The magic comes from a mix of imagination, know-how, and experimentation. Gradually, as you work with these three powerful tools, you will develop your own formulas.

Did I say marketing can't be reduced to formulas? That isn't entirely true. Your marketing — the specific methods *you* develop to boost *your* sales and improve *your* profits — will eventually crystallize into a tried-and-true formula that works for you. But this formula will be unique to your business, and you can't copy it from anyone else. In this chapter, I help you work on your formula — the formula that will put you in your marketing zone with reliable results from an efficient, effective marketing program.

The goal of this chapter is to put you in your marketing zone.

Finding Your Marketing Zone

Your *marketing zone* is the right combination of strategies and tactics to bring you all the business you need (see Figure 1-1). Finding your zone means exploring marketing options until you develop a formula that really works, a formula that you can rely on with only minor adjustments from time to time.

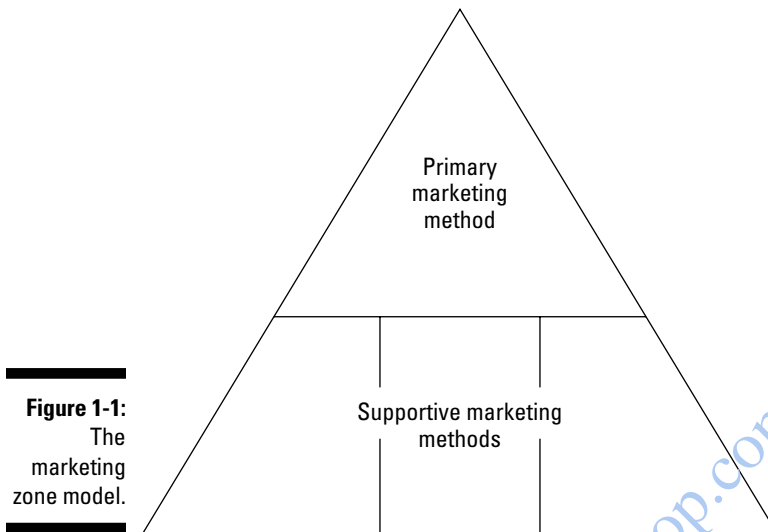


Figure 1-1:
The
marketing
zone model.

Businesses that are in their marketing zone are able to count on a healthy flow of sales, which allows them to be forward thinking. These businesses are covering the basics so that they can focus on what exciting new things to do next.



For example, a dental practice has worked out, through several years of experimentation, a formula that is based on friendly service (from the person who greets you through the person who treats you), a good location, and regular customer contact via phone calls and postcards. These three elements constitute their marketing program. (The primary element of their marketing is their friendly service and great staff; the secondary elements are their location, calls, and mailings.) The practice knows how much it needs to spend to sustain this program and get consistent results. The business is profitable and successful. Now the practice can think about opening a branch office, or adding another dentist, or expanding into orthodonture, or any number of ideas that can grow the business beyond its current base. But until the dental practice had worked out its basic marketing formula and entered its marketing zone, starting any new initiatives would have been foolhardy.

How do you know you're in the zone? In your marketing zone, you should find that

- ✓ **You get reasonably consistent results every time you use a marketing tool.** For example, if you do a mailing, you should be able to predict within 10 percent how many responses you'll get.

- ✔ **You operate in the black.** Your marketing activities should return a profit. Successful marketing can be defined as any marketing that reliably returns more in profits than it costs to do.
- ✔ **You should know what your top three to five marketing activities are and how to do them well.** And you should probably be investing close to half of your marketing spending in the single most effective marketing activity.

When you have satisfied these three requirements, you'll know you've found your marketing zone. The searching is over! Now you just need to work on repeating the formula with small improvements and watch your sales and profits grow.



No formula works forever. Eventually, you'll begin to find that results are slipping or profits are shrinking. If performance deteriorates, you'll need to search again. Perhaps it's time to alter your formula and update your plans. Should a new lead marketing method replace your old one? Do you need to make a major change in one or more of your top five marketing tools? Take a close look and be prepared to spend time and effort revitalizing your zone if performance slips and you no longer can say "Yes" to the three indicators described in the preceding list.



For example, Corporate Apparel Unlimited (CAU) of Anderson, Indiana, exemplifies a contemporary approach to selling customized clothing for team use and business promotions. Traditionally, such firms always used a color catalog as their primary marketing tool, with a call service center and smaller direct mail pieces in secondary place to support it. But when CAU started in 2000, it redefined the formula with a well-designed, informative, interactive Web site as its primary marketing tool. By now, most of its competitors have had to switch to the Web as their lead marketing tool, too. (See www.cauinc.com for a great example of how these products are now marketed.)

Pinpointing Your Top Three Sales and Marketing Tools

If your business has been operating for a year or more, then you're probably doing one or more marketing activities that work fairly well. Start by examining the methods that have been most productive for you so far and see whether you can refine them to make them work even better.



Your past experience is your most powerful source of information about what your top marketing tools should be.

Next, take a calculated look at other businesses. Start with your most successful competitors (but don't try to copy businesses that are more than three times your size, as their budget puts them in a different marketing class and you probably won't be able to afford to use their formulas right now). A good idea is to search for a successful similar company in another region and then study what they do. This approach isn't out and out copying; it's *benchmarking* (or learning from others' successful examples), which takes advantage of the fact that ideas are free and anyone can try them.



Don't copy the text or art of their marketing materials directly — those are copyrighted. Only benchmark general ideas — for example, if they use a large display ad in the Yellow Pages, try the same strategy with an ad of your own.

After you've examined similar businesses for marketing ideas, take a look at dissimilar ones. Sometimes the best ideas come from outside your industry.



For example, the owner of a small company that makes fishing lures was inspired by a friend who wrote a blog about business insurance and how to buy and use it. Nobody in the fishing equipment field was writing blogs, but obviously they were an up-and-coming marketing medium, so he started blogging and soon had more orders than he could fill. His blog became his lead marketing tool, and he supported it with a Web site, a traditional printed catalog, and a toll-free number for people who wanted to order by phone. This marketing zone formula worked well, and the business grew without high-cost, traditional marketing. His more traditional competitors advertised in magazines, but his unique formula worked just as well and cost much less. (See Chapter 9 for advice on using newsletters and blogs to grow your business.)

Change your mix until you get a formula that is predictable and highly profitable. Often, when I look at marketing plans, I find myself suggesting that the current lead marketing tool be demoted to secondary status, and a new tool put in top place. Be willing to experiment until you find a lead marketing method that really pulls its weight.



Here's a great example of the search for a successful marketing formula: A friend of mine who owned a landscape firm was doing a mix of residential and commercial work for office buildings and stores. Her business struggled with marginal profits until a large, stable, profitable contract with a big office building pointed the way toward a lucrative marketing zone. Now she avoids residential customers and instead focuses on making sales calls to commercial property owners and managers who can commit to large annual contracts. She sells using a professional-looking sales binder with testimonial letters from customers and a detailed listing of service and price options. Gone are the small, low-profit accounts. Now she has a dozen annual contracts that support a staff of ten and provide a healthy profit. She pays her staff well and

hires reliable, stable people who deliver professional, consistent service. Trucks with her signs on them are often parked in front of upscale professional buildings, helping build her brand. She follows up all leads personally with a well-rehearsed office visit that often produces a new contract. Her goal is to add one to three new accounts each year — and so far, her simple marketing formula has met or exceeded that goal. (See Part V for how to make a professional sales call and close big accounts like she does.)

Adjusting for the Economic Cycle

It would be nice if the marketing formula that worked last year would work perfectly this year, too. However, even a great marketing formula needs to be improved. New competitors, new tastes, and new technologies can outdate your products or antiquate your marketing message, pushing you out of your zone. Marketing is inherently creative for this reason (and that is what I love about it!). So you should anticipate and welcome changes.

And if the economic cycle is shifting, then you *really* have to be on your guard because your marketing formula probably will need to change dramatically in order to keep ahead of the economy. Think of the economic cycle as the key to whether you should be playing defense or offense as you formulate your marketing game plan.



Economic cycles are inevitable. If you adjust your marketing-zone formula accordingly, you'll survive the tough times and grow in the good times, for an overall effect of faster growth and higher profits than the typical marketer who fails to adjust rapidly to changing economic weather.

Tightening up for tough times

The 2008 rise in energy and food prices created a lot of cost and price pressures on businesses. Restaurants found the cost of ingredients going up by 30 percent at the same time that customers were trying to cut their fuel use by avoiding drives to distant restaurants. Hotels and other travel businesses also suffered from the rising cost of travel by car or plane. Book sales, casino revenues, movie ticket sales, and many other categories declined. And because banks had way over-extended their credit-card and home mortgage lending in the earlier boom period, loans became extremely tight that year, too — which meant that consumers were cutting back on spending across the board, not just in areas effected by energy and food prices.

What to do? These three steps help smart marketers get through that tough period and emerge stronger:

1. Control your own costs.

Sales fall because *your customers* are trying to control their spending. If *you* don't cut your costs more aggressively than they do, your profits will be squeezed. Renegotiate contracts whenever possible. Switch to lower-cost suppliers or ingredients. Lay off idle workers. Find ways to reduce your use of energy, even if it means doing your baking at night when electricity is cheapest or closing off part of your space and not heating it. Be a miser. Don't make the mistake of waiting to see what happens. Take the lead in changing the rules of your business.

2. Change your offerings.

The things people buy in good economic times are different from the things they buy in bad times, but people still buy. Figure out what you should be selling in a down economy by imagining that you're starting a new business for this economy, using the assets of your old business as building blocks. For example, if you own a luxury restaurant, think about what kind of food establishment you can convert it to that will be profitable with a menu based on lower-priced ingredients, a smaller, less-highly-trained kitchen staff, and fewer wait-staff. As soon as you've worked out the details, print a new menu and make the changes.

To hesitate is to lose money, so make those changes right away. You can always go back to the old formula next year or whenever the economy turns around. Ideas for adjusting your offering (if you're a restaurant adjusting for a down economy) include smaller portions, less expensive ingredients or components, shorter-term contracts and options, and anything that reduces the price, risk, or upfront investment for your customers. Scaled-back offerings are considerate and appropriate in harder times.

3. Keep marketing!

Don't disappear from customer radar screens. Once you've controlled your costs and adjusted your offerings for the current situation, get back out there with modest, short-term investments in new signs and local newspaper ads, listings in Web directories, radio ads, a mailer, or whatever you think might work to reach gun-shy consumers. (See Part III for ways to promote your business without a big ad budget.)



Increase your use of search-term ads (pay-per-click advertising) on Google and Yahoo! because these search engines target only those customers who are still shopping in spite of the bad economy. Even though sales are down, some people will buy. Be the visible, realistic choice for them, and you may even grow your business in the bad times — and emerge a stronger leader come the next economic boom. (See Chapter 19 for more ways to market on the Web.)

These three simple steps work pretty well for any business, so long as you're capable of controlling costs and avoiding large losses. However, if you find your costs are out of control, and you're bleeding money, consider a more radical response: Shut down, sell, or convert your business into something that can make money. Never go down with the ship! In every economic downturn, many businesses are too poorly prepared or too weak to survive. You can tell whether yours is one of them if it proves impossible to control your costs in spite of a month or two of hard effort. If so, stop bailing and bail out. However, most businesses can be adjusted to survive the downturn and emerge stronger (although perhaps smaller) when the economy recovers.

Another word of warning: You have to use these three steps *in order*. If you try to fix all your problems with a new advertising campaign or other marketing gimmick (Step 3) before you've controlled costs (Step 1) and adjusted your offering for the current economy (Step 2), your marketing initiative will lose money and put you further behind. Don't say I didn't warn you!

Taking advantage of a growth economy

What about when the pendulum swings the other way, and the economy starts to grow at an accelerated rate? This situation also requires adjustment. Marketers who continue to be conservative get passed by flashy new competitors.

Here's how to adjust to a growth economy after you've survived the downturn:

1. Pick your fastest-growing product or service and invest in it.

Whatever seems to be sharing in the economic momentum should be promoted aggressively. Find new customers. Do more sales and marketing. Run more ads. Expand your territory. You need to grow sales in the easiest way possible, in order to start bringing in extra profits right away. Otherwise, you won't accumulate the cash needed to invest in growing your business rapidly during the upturn.

2. Redesign your product line and pricing with the single-minded goal of raising the size of the average purchase.

Add options and extras. Cross-sell with a special two-for-one or trial offer. Increase the size of your packages and offer a quantity incentive. Ideally, you should at least double the average sale during an economic boom.

3. Look for new products and/or customers.

Expanding into new categories and territories is your next source of growth, after you've successfully leveraged your most promising product and doubled the size of the average purchase. Now is the time to innovate. Pick up a new line of products that seem exciting and different.

Go after an emerging group of customers with new tastes or needs. But don't forget to keep your core business healthy and profitable (see Steps 1 and 2) because a profitable core business gives you the capacity to try exciting new growth ideas.

Marketing Smart to Avoid Costs and Risks

Marketing can be a dangerous game. I've seen many businesses commit to a marketing plan, only to find that the expected sales didn't materialize and they ran out of cash. What happens if you use most of your marketing budget to buy a mailing list and print and mail a new catalog, but hardly any orders come in? This event happens all too often. As the author of books on marketing, I get requests for help from people who have made this kind of mistake every month.

Here are some rules to keep you from blowing your marketing budget on things that don't bring in a good return:

- ✓ **Spend no more than 10 percent of your marketing budget on unproven ideas.** If it hasn't worked several times for you already, it's unproven for you, no matter what others may say. You have to test it for your business before you admit it into your marketing zone.
- ✓ **Test each marketing idea several times on a small scale before committing to a big buy or large run.** You don't know enough to draw firm conclusions until you've seen what happens with repetition. (A small Web site needs to bring orders before you invest in a big, expensive one.)
- ✓ **Make sure the ad, mailing, Web directory, or other marketing tool reaches *your* customers.** Many media buys sound great because they promise a big reach — large audience — but who cares? What matters is whether your good customers and prospects are in that audience. For example, if your customers don't listen to public radio, avoid the temptation of sponsoring your local public radio station, even though it's cheaper than buying ad time on commercial radio stations.
- ✓ **Don't try to imitate the big spenders.** The Coca Cola brand is maintained in the public minds through millions of dollars of TV and outdoor advertising every day. Obviously, most businesses can't afford to flood the world with their brand identity. Nor can they print glossy catalogs every month that look as fancy as the latest Victoria's Secret mailing. These highly visible marketing role models are completely useless for 99.9 percent of my readers! Look for successful *local* marketing and advertising because successful small and mid-sized businesses offer the most practical and affordable benchmarks.

✔ **Collect junk mail.** One person's trash is another's treasure. Many of the best marketing talents are busy writing postcards and pitch letters, designing coupons and special offers, or brainstorming new ways of making the outside of a mailing so intriguing that it actually gets read before it's recycled. Learn from their work. Also, a lot of your junk mail is from local and small-scale marketers, and they're your best sources of good ideas if you're a small to mid-sized marketer, too. I keep a file drawer of hanging folders just for the latest junk mail, and I often browse through it for fresh ideas. I also keep a bookmark folder on my computer where I have links to interesting Web pages and blogs. When I need a new idea, I look for *low-cost* examples to fuel my marketing imagination. The bigger my file of examples, the more likely I am to come up with something that will do the trick at a modest cost.



In addition to these risk-reducing marketing tips, I strongly recommend that you keep a close eye on cash flow. Sometimes marketers get new-idea fever: They get so excited about a new marketing concept that they gamble too much on its success. Don't overspend on marketing! The best marketing budget is the one you can afford to lose if nothing goes the way you hoped and planned. Yes, that is a pessimistic statement, but it's born of reality.

For example, an expensive ad campaign may or may not work. If it produces few or no sales, you better make sure that you can survive to try another idea. My recommendation is that you spend your *extra* cash on your marketing. Don't spend money that you have to earn back by the end of the month to pay the rent and electric bill. Nothing in marketing is guaranteed. Everything is a gamble. As you refine your formula and find your marketing zone, the risk goes down — but it never goes away completely.

Strengthening Your Marketing Skill-Set

Some people are much better at marketing than others. You can continue to feel challenged in this arena, or you can commit to strengthening your skill-set and becoming one of those all-too-rare expert marketers.

Skilled marketers are rare because marketing requires a wide range of skills: creativity, problem-solving, communications, forecasting, research, budgeting, and pricing, plus technical knowledge of printing, the Web, database management, and more. Not to mention presentation and sales skills, customer service and service recovery skills, and the ability to shift rapidly from one of these skills to another . . . and another . . . and another. I think marketing is incredibly challenging and difficult, and I rarely meet anyone who is truly great at it.

I do meet a lot of successful businesspeople who have one thing in common: an enthusiasm for strengthening their marketing skills. They've gradually gotten pretty good at the majority of these skills. To follow in their footsteps, you need to be willing to be an adult learner. Pick up a good book, learn a new software program, talk to someone who knows all about something you know nothing about — be open and interested, and you'll expand your skill-set, too. (I include a workshop-style section on marketing skills in Part IV of this book.)

Design, copywriting, creativity, and more

In this book, I help you work on a variety of marketing skills. Graphic design comes to the forefront in ad and business card design (see Chapter 6). Copywriting surfaces in Chapter 9 when I address blogging and newsletters and in Chapter 10 when I address publicity. Communication is so essential to good marketing that I also cover the basics of persuasive writing in Chapter 13.

Research skills are invaluable to the marketer, and I share some of them (along with tools for your customer research) in Chapter 11. Creative thinking is perhaps the most important marketing skill of all, and I hope that the creative examples and ideas in every chapter of this book will help you power up your marketing imagination — but to be doubly sure, I include skill-building information in a miniworkshop on creativity in Chapter 12.

Artful persuasion: Sales skills to the fore

What is the most important marketing skill? Is it communicating? Thinking creatively? Researching new opportunities? Planning? Pricing? Wow, it sure is hard to decide, because so many skills are important. Some people would say that the single most important skill is salesmanship.

I know a lot of excellent salespeople, and I know a lot of business owners and managers, but honestly, the two lists don't really overlap. Most of the people who read my marketing books don't feel very confident when they have to do sales. That is why I recommend studying Part V carefully. You have so many opportunities to use a little salesmanship — make sure that you have the skill-set needed to take advantage of every opportunity!

Quick skill-building tricks and tips

You have plenty of time to refine your skills, so I don't go into depth on the topic now (Part IV goes into skill-development in depth). However, I want to pass on several skill-building tips that you can begin to practice right away, and that ought to improve your marketing performance even before you get to any of the later chapters:

- ✔ **Say it in half the words.** That advice means cutting the other half. Almost every letter, slogan, e-mail, ad headline, blog, product description, sales pitch, or Web page is too long. Discipline yourself to communicate succinctly. You'll be amazed at the impact.
- ✔ **Be concrete.** Give examples. Quote satisfied customers. Give specific information (statistics, specifications). Let the facts do the selling for you.
- ✔ **Know your customer.** If you can describe your target customer very clearly, you're probably ready to grow your sales. Too often, marketers have only a vague concept of who they need to reach and make a sale to. A lack of clarity about your target customer makes your entire marketing program poorly focused, which dooms it to low response rates and low profitability.
- ✔ **Give your brand a winning personality and make everything consistent with it.** Customers need to *like* your brand, so please try to imagine it as a person, and make sure that it goes to work each day with a cheerful demeanor and appropriate attire. Inconsistent, unappealing presentations are the bane of good marketing. Make sure that everything the customer sees (from a billing statement to a storefront) is appealing and consistent with the image you want to project.

If you're not already doing these four things well (and most marketers aren't), then get to work on them right now. There is no time like the present for boosting your marketing skills — and your marketing results!

Designing Your Marketing Program

Your *marketing program* is the coordinated, thoughtfully designed set of activities that put you in your marketing zone. (For more on this topic, see the section "Finding Your Marketing Zone," earlier in this chapter.) As you may recognize from Figure 1-1, earlier in this chapter, good marketing programs usually have a primary marketing method, supported by several strong secondary methods.

In addition, good programs usually include a range of small activities that make up a learning foundation at the bottom of the pyramid. All together, these small foundation blocks should not add up to more than a fifth of your budget. They include basics like your business cards and telephones, as well as experiments with new marketing methods that may some day rise up to replace older methods in the base or top of your marketing pyramid.

Your marketing program may consist of any one of the hundreds of things marketers do to spread the word about a brand or ask customers for a sale. It's almost impossible to make a master list of all the possibilities. For example, think of how many options you have just for displaying an advertisement. You can place it in a consumer or trade magazine, a newspaper or newspaper insert, the phone book or other printed directories, Web pages with high traffic, bus and bus stop signs, highway billboards, airport posters and backlit displays, subway car posters, automobile signs and bumper stickers, sponsorship signs at sporting events, and so on. Which of the many of advertising options should be in your program?

To make program design even tougher, many alternatives compete with advertising. You can mail postcards, free samples, catalogs, direct response sales letters, e-mails, or other communications directly to prospective customers. Hundreds of list brokers and printers are eager to design and deliver a direct response marketing piece for you. Do you think this approach is a better use of your marketing buck than print advertising. Or what about the old saw that the three secrets of success in marketing are location, location, location? Maybe you need to emphasize having a storefront or accessible office or showroom in a good location, with plenty of appealing signage or window displays to draw customers in. Then again, perhaps all these marketing ideas are too costly, and customers would rather you keep it bare-bones and offer them a rock-bottom price instead. Speaking of price, what about coupons, discounts, and other special offers? You have lots of options in this area, too.

It's no wonder that most marketers throw up their hands and just do the same thing they did last year. Changing their marketing mix and planning a new program seems daunting. However, I promise you one thing is for certain: If you use the same program you did last year, you'll get worse results. Marketing programs need to be studied and improved from year to year.

The variety and complexity of choices makes getting organized and focused difficult. Fortunately, you can use the Five Ps to organize your thinking, decide what to do, and document and budget your program.

The *Five Ps* stand for the five broad areas (product, price, placement, promotion, and people) you can look to for ways to boost sales or accomplish other marketing goals as you build customer commitment to your brilliant products, services, or brands. As you design your marketing program, decide which of the five Ps is most important for you right now. Rank them by importance so that you'll know where to focus your efforts and spending.

For example, if you're the inventor of a hot new product, then product is probably your No. 1 priority. You need to put the most resources into refining and producing the product because it's the star of your program. To sell it, you probably should focus on giving away samples and getting people to test it. Then your product can sell itself.

The following sections explore each of the Five Ps.

Product

To marketers, *product* is what you sell, whether it's a physical product or a service, idea, or even another person (like in politics) or yourself (like when you search for a new job). When you think about ways of changing your product offering to boost sales, you can look at anything from new or upgraded products to different packaging to added extras like services or warranties. And you can also think about ways to improve the quality of your product. After all, people want the best quality they can get, so any improvements in quality usually translate into gains in sales as well.

Price

To marketers, *price* is not only the list price or sticker price of a product, but it's also any adjustments to that price, such as discounts and other price-oriented inducements to buy, including coupons, frequency rewards, quantity discounts, and free samples. Any such offers adjust the price the customer pays, with the goal of boosting sales.

Price-based inducements to buy are generally termed *sales promotions* by marketers, just to confuse the issue hopelessly. As I delve further into this subject in Chapter 8, you'll also find out how to use price-based promotions to boost your sales and attract new customers. (I also cover pricing in depth in the companion book, *Marketing For Dummies*.)

Placement

Placement is where and when you present your product to customers. You have many options as to how you place the product in both time and space. Whether you're dealing with retail stores, catalogs, sales calls, Web pages, or 24-hour-a-day telephone services that can process customer orders, you're dealing with that placement P.

If you want a feel as to how valuable this P is to the marketing mix, just think about how valuable shelf placement at your local grocery store is to, say, Coke or Pepsi. Imagine what that placement is worth to the marketing of those products!



Oh, by the way, marketers stretch a point by calling this third P “placement” because it’s more conventional to call it “distribution.” But that starts with a *d*, so it doesn’t sound as good. However, just remember that when people talk about distribution, they’re talking about placement, and vice versa.

You’ll hear one more term that relates to placement: logistics. *Logistics* is the physical distribution of products — shipping and taking inventory, and all the fancy transportation and information technologies that you can harness to improve the efficiency and effectiveness of your distribution processes. Logistics is another useful path to go down when you want to think about where products should be placed for easy purchase.

Distribution concerns where and when products are offered for sale, whereas logistics addresses how they get there. These are related concerns, of course, so they both fall under the list of options when you want to think hard about placement. You can play around with either or both in your efforts to build a strong marketing program. For example, if you add distributors and enhance your Web site to offer online ordering, you’re boosting placement by enhancing both distribution and logistics to create more ways to get the product to customers. Some marketing programs place distributors in the primary spot at the top of their marketing zone pyramid.



If you have something unique and can afford to sell at *wholesale* (at least 50 percent off the list price), then seriously consider finding distributors and letting them do the heavy lifting when it comes to finding customers and making sales. The more marketers, the better!

Promotion

Promotion is all the sales activities, advertising, publicity, special events, displays, signs, Web pages, and other communications designed to inform and persuade people about your product. I like to think of promotion as the face of marketing because it’s the part that reaches out to ask customers for their business. It ought to be a visible and friendly face because you can’t just tell people what to do and expect them to obey. Instead, promotion must find ways to attract prospective customers’ attention long enough to communicate something appealing about the product.

The goal of all promotions is to stimulate people to want to buy. Promotions need to be motivational. They also need to move people closer to a purchase. Sometimes a promotion's goal is to move people all the way to a purchase. That's what a so-called direct-response ad is supposed to do. A *direct-response ad* invites people to call, e-mail, fax, or mail in their orders right away. Many catalogs use this strategy. Readers are supposed to select some items, fill in their order forms, and mail them in with their credit-card numbers, for example.

Other promotions do less. For example, a 30-second television spot may be designed only to make people remember and like a brand so that they'll be a little more likely to buy it the next time they're in a store where it's sold. But all promotions work toward that ultimate sale in some way, and when you think about all the creative options for communicating with prospective customers, you should always be clear about what part of the customer's movement toward purchase your promotion is supposed to accomplish.

People

In most businesses, people are responsible for many aspects of product or service quality. The personal connection between your people and your customers and clients may be a powerful influence on *referral marketing*—where your customers serve as a sort of mini sales force for you. They refer others to you because they've had a positive relationship with your people. In many businesses, people are directly responsible for the customer contacts through personal sales and service. If your employees work directly with customers, then add training, recognition, and reward to your marketing program, because it will help to make those people positive and enthusiastic.

You can find many connections between how employees feel and how customers feel. For example, I often work with companies where the salespeople or service people say that they're frustrated because they have to deal with angry, uninformed, or otherwise difficult customers. If the employees feel this way about the customers, then, of course, they tend to be negative (impatient, curt) with customers, which makes the customers even more difficult. In my training and consulting work, I explore a variety of interesting techniques based on building the motivation of salespeople and other employees, improving communications with customers, and handling service problems and customer frustrations. (See Chapter 16 for some of the most important ways of improving customer service.)



The people side of marketing is often the least visible — that's why people aren't traditionally included in the list of marketing Ps. But adding people to the list offers you another powerful lever for achieving your sales and marketing goals.

Profiting from the Five Ps

I should tell you that the Four Ps is the first thing taught to students in a formal marketing class. It's just like my list, except it leaves out the people (a big mistake in real-world marketing, if not at business schools). To profit from the Five Ps, use the list as a mental tool to think about these five broad ways of growing your business and boosting your sales. The Five Ps are just a starting point — the street signs along the road to a great marketing program — and to benefit from them, you have to explore the blocks they mark.



One way you can profit from the Five Ps is to systematically look for weaknesses and strengths in each of the five areas: your product, pricing, placement, promotions, and personal connections with customers. CD0101 is a form you can use to do a quick planning exercise based on the Five Ps. Print a copy of it and sharpen your pencil, and your wits, to see whether you can brainstorm some ideas for improving your marketing program in one or more of the Five Ps' areas.



A good way to profit from your knowledge of the Five Ps is to do some creative thinking about each of the Five Ps every day. Stop and ask yourself these five simple, powerful questions and see whether you can find ways to build your sales by doing something new and creative in at least one of these vital marketing areas:

- ✓ What can you do to make your product more appealing?
- ✓ What can you do to make your product more accessible?
- ✓ What can you do to make your prices more appealing?
- ✓ What can you do to make your promotions more visible and persuasive?
- ✓ What can you do to make your human interactions with customers more friendly and helpful?

Notice that these questions are open-ended. They don't have right answers. Instead, they invite exploration and experimentation. They're the kind of questions you can even ask your employees — and offer incentives for new ideas. These questions tease the imagination. That's because a considerable amount of imagination is necessary to grow any business or boost the sales of any product. You won't find any pat formulas that are guaranteed to work.

Marketing isn't like chemistry or algebra or bookkeeping: Marketing has no right answers — only the answers you invent, test, and develop. After much thinking and trying, you develop new and better formulas for yourself and your business; formulas that'll give you pretty good results, at least for a time, and then you'll have to update or replace them in order to keep sales flowing and growing.

Exercising Your Marketing Imagination

What's marketing imagination? It's the one term I wish everyone would associate with marketing if they remembered only one thing, because it's even more important than the Five Ps. (See the section "Designing Your Marketing Program" for more on the Five Ps.) In fact, marketing imagination is the most important factor in marketing. *Marketing imagination* is creative questioning about everything and anything that may help boost sales and make for more satisfied customers. And marketing imagination is what drives growth and development in your business.

Look at any successful business, and you find that it's done innovative things and tried many new ideas. Business leaders are imaginative and willing, even eager, to try out new ideas and approaches. They have active marketing imaginations. Good marketing is creative marketing. Having marketing imagination is always seeking new and better ways, always looking to perfect all five Ps.

Oddly, creativity is often left out of books and courses on marketing. People tend to think of advertising as creative, but they overlook the importance of creativity in all aspects of marketing. Yet a creative approach to your basic marketing strategy can also be very powerful. Think about the success of Ebay.com, the first company to offer virtual auctions that you can participate in from any computer in the world. I guarantee that you can innovate in your distribution and logistics in order to win more sales through placement, if you're willing to be open-minded and inquisitive about your options. (For more on marketing strategies, see Chapter 3. For more on using the Web in your marketing, see Chapter 19.)

Similarly, plenty of examples of creativity exist in pricing and product offerings. How many times does a business succeed by offering a new or different product selection?



Here's a simple example from the town where my offices are located. Quite a few gyms in the area compete for customers, and one of them recently made two simple changes:

- ✔ **Product innovation:** They introduced a new class on *capoeira* — a blend of martial arts and dance to Brazilian drums — featuring a high-energy workout that appeals to younger people who are looking for something new and exciting to do.
- ✔ **Pricing:** They advertised a first-class-free policy for the new capoeira class because they felt that people would really like it if they just tried it. The price promotion worked. It attracted a whole bunch of curious people, many who liked the free course so much that they signed up for ten more courses at full price. And some of them went on to become full members of the athletic club, using the weight machines and other services, too.

This example illustrates two important points about the exercise of marketing imagination. The first point is that you don't have to come up with something dramatically new. Sure, a patentable new invention might be a great product innovation. But in general, you can make plenty of progress simply by coming up with many small ideas. I'm not talking rocket science here. Anyone in business has enough intelligence, imagination, and funding to be a great marketer. And the second point is that you have to go out and try your ideas; try them in simple, easy ways that don't expose you to excessive risks of failure. (For more on risks, see the section "Marketing Smart to Avoid Costs and Risks," earlier in this chapter.)



Great marketing arises from frequent cycles of thinking (or intuiting) and trying. You have an insight or idea. You think of ways to try it out. You test it in the real world and see what happens. You learn from how customers respond. Their responses fuel more imagining and planning, which then leads to more testing and trying. And so the process goes on in an endless loop driven by your marketing imagination but firmly rooted in the real world of customer opinion and action.

What you want to remember about marketing imagination is that it's not only creative, but it's also experimental. Great marketers wear two hats — the hat of the artist and the hat of the scientist. A great marketer may have an "Ah ha!" experience in the shower one morning and show up at work thinking, "Wouldn't it be cool to do such and such?" By lunchtime, she's changed hats and is carefully reviewing her options for trying out the idea. By the time she goes home, she's already said to herself, "I think I've figured out how to safely test my cool new idea."

Reframing Your Presentation

Every marketing program has a common theme — communications that present the product offering in a persuasive manner. Whether you rely on advertising, packaging, a brochure, catalogs, Web sites, signs, or even public relations (news coverage), you're relying on the persuasive power of information.

A great use for your creativity is to rewrite your marketing communications. Bump them up. Make them more persuasive.

And before you start working on clever or humorous ad concepts like the expensive ads you see on national TV, I want to ask you to focus your creative communications more simply than that. Just try to get across a few compelling facts. Figure out what information you can share with prospects that will help convert them to purchasers. The better you support your information, the easier it is for people to take a chance and make a purchase.



The persuasive power of information

I want to illustrate how to use information to pump up your marketing by introducing you to the sport of squash. This very fast-paced indoor racket sport is popular internationally, but not well known in the United States. However, my daughter and I happen to play it, and we both broke our rackets recently. You can't walk into a typical U.S. sporting goods store and buy a good racket, so I went online to www.just-squash.com to shop and was interested in the new Feather Heavy Hitter racket. Why? Because, according to this Web site, the racket was recently used by three British Open winners. That fact gets a shopper's attention.

I should also add that the Feather (which is made by an entrepreneurial Los Angeles company founded by top squash players) costs \$160, which is about 50 percent more than the last racket I bought. So before buying, I needed to feel confident that it was worth the higher price. I Googled the maker (www.feather-sports.com) and followed the link to its news page (www.feathersports.com/news) where I quickly read stories about young winners who use the racket. For example, Karim Ali Fathi of Cairo, Egypt, won the British Open in the

Under 15 category while playing with a Feather. A photograph on the Web page showed a handsome young man setting up for a mighty shot, his red and yellow Feather racket firmly in hand. I decided my 15-year-old daughter would be okay with the idea of playing with the same racket that he plays with.

The manufacturing data on the Feather was also impressive: Reinforcement meshes of titanium and nickel and a frame of 100 percent carbon with a string weight of 148 grams, which may mean little to you if you don't play, but to a squash player it suggests high performance. I decided to run up the credit card and buy Feathers for both of us.

I recommend the Feather if you want to win the game of squash. And I highly recommend harnessing the power of information if you want to win the game of marketing. What information can you assemble to make as strong a case for your product as Feather Sports does for its racket? Make your case clearly and well with a short list of impressive facts, and you're sure to increase sales. You may even be able to raise your price.

The Five-Minute Marketing Zone Plan

This plan is a quick exercise that will help you design a winning marketing program. Do it now or wait and use it as the foundation for a more detailed planning process based on Chapter 2. It's the perfect transition into that topic and chapter. Oh, but what, exactly, is "it"?



Print the files labeled CD0102 and CD0103. The first is a worksheet for listing and analyzing all the marketing activities that are candidates for your marketing program. Use it to focus your search on the most appropriate and powerful marketing activities for your particular business. The second file is another worksheet, this one in the form of the marketing zone pyramid. Use it to create

a sketch of your marketing program by filling in the blanks. This sketch will help you structure the plan by defining your primary marketing method or tool (which should receive roughly 40 percent of your marketing budget), your several secondary tools (which together should receive no more than 50 percent of your budget), and your tertiary options (which receive no more than 15 percent of your budget).

It's possible — and sometimes desirable — to do more detailed and laborious planning. However, the results from these quick worksheet exercises are often fairly good and can improve your focus and clarity about how to market your product. If you think these exercises have done the trick and you know enough now to forge ahead without more formal planning, be my guest. You can skip to later chapters that apply to your primary, secondary, and tertiary marketing tools. (Also keep in mind that you can find additional information in my companion book, *Marketing For Dummies*, and on the Web site I maintain for my readers at www.insightsformarketing.com.) Or if you want to be more thoughtful and careful about your planning, take your worksheet results and flip to Chapter 2.

On the CD

Check out the following items on the CD-ROM:

- ✓ Five Minute Marketing Plan (CD0101)
- ✓ Your Marketing Zone Program Worksheet (CD0102)
- ✓ Your Marketing Zone Planning Diagram (CD0103)