Chapter 1

Maximizing Your Marketing Program

In This Chapter

- ▶ Focusing your marketing by understanding your customers
- ▶ Clarifying what your marketing program is
- Leveraging your marketing program with focus and control
- ▶ Figuring out what to expect
- ▶ Maximizing the appeal of your product, service, or business

In case you think a program sounds too formal for you, think again. All organized, planned, and focused marketing or sales activities are (in marketing lingo, at least), *programs*. Without the structure of an organized program, marketing efforts are inefficient and uncoordinated. If you don't know whether you have a marketing program, then you probably have an inefficient one that you can improve dramatically before the end of this chapter. And if you do have a defined marketing program, this chapter can help you increase its impact.



A marketing program ought to be based on a *marketing strategy*, which is the big-picture idea driving your success. The program shows all the coordinated activities that together make up the tactics. In other words, your program is the way you want to implement your strategy. And if you want to make both strategy and program clear, write them both up in a *marketing plan*. But you don't have to get fully into the technicalities of strategies and plans right now, because in this chapter, I go over lots of simpler, quicker things you can do to leverage your marketing activities.

Knowing Your Customer

The first and most important principle of marketing is: Know your customer. When you understand how customers think and what they like, you can find appropriate and appealing ways to communicate with them about the product or service you want them to buy.



Make 7-Up yours!

Imagine this scene: A group of teenage boys is sitting around, talking and laughing. One of them makes a joking insult to another, and the second one shoots back the phrase, "Make seven." Everyone bursts out laughing. What just happened, and what in the world does it have to do with marketing?

For further insight into this scene, you may also need to know that one of the teenagers is wearing a T-shirt that says "Make 7" on the front, and on the back, "Up Yours!" The phrase **up yours** is a rather coarse insult, and the T-shirt represents a play on the phrase "Make 7-Up Yours." For those in the know, the "Make 7" from the

front of the shirt can replace the traditional insult on the back of the T-shirt.

Not laughing yet? Chances are, you're not in the 12- to 24-year-old demographic group that the Make 7-Up Yours! ad campaign targeted. It was used to increase the appeal of the beverage to a contemporary teen audience in the United States, and it worked. The brand won the interest of teens and young adults with this campaign, especially males in this age group. And they happen to be heavy consumers of sodas, so they can increase sales and market share if they like a brand.



You need to understand your customer on two levels: the rational, functional dimension of making a purchase decision, and the irrational, emotional dimension. Every purchase, whether of a soda, a software program, a consulting service, a book, or a manufacturing part, has both rational and emotional elements. So to truly know your customer, you must explore two questions:

- ✓ How do they feel about your product? Does it make them feel good?

 Do they like its personality? Do they like how it makes them feel about themselves?
- ✓ What do they think about your product? Do they understand it? Do they think its features and benefits are superior to the competition and can meet their needs? Do they feel that your product is a good value given its benefits and costs?

Sometimes, one of these dimensions dominates for the customer you want to sell to. In other instances they're equally important. Which is true of your customers? You need to take one of the three following approaches:

✓ Informational approach: The approach you use if your customers buy in a rational manner. This is the case for many business-to-business marketers. It involves showing the product and talking about its benefits. Comparisons to worse alternatives are a great idea when using an informational approach. Use this approach when you think buyers are going to make a careful, thoughtful, informed purchase decision or when you have strong evidence in favor of their buying your product or service instead of others.

- ✓ Emotional approach: This approach pushes emotional instead of rational buttons. For example, a marketer of virus-scanning software may try to scare computer users by asking them in a headline, "What would it cost you if a virus destroyed everything on your computer right now?" That emotional appeal can be much more powerful than a pile of statistics about the frequency and type of viruses on the Web. Use an emotional approach when your customers have strong feelings you can tap into and relate to your product or service, or when you think people are going to make an impulse decision.
- ✓ Balanced mix: This approach uses a combination of informational and emotional appeals. It is what I would choose to sell anti-virus software, and many other products, because it engages both the rational and emotional sides of the buyer's mind. For example, after a scare-tactic (emotional) headline asking what would happen if a virus destroyed everything on your computer, I would follow up with a few statistics such as, "One out of every ten computer users suffers a catastrophic virus attack each year." The facts reinforce the nervous feelings the headline evoked, helping move the prospect toward purchase.

Decide which of these three approaches to use, and use it consistently in all your communications. And when in doubt, use the balanced mix to hedge your bets.

Getting focused

You begin to organize and focus your marketing program when you define as clearly as possible who you're targeting with your marketing. Your marketing may include sales, service, product design and packaging, all marketing and media communications, and anything else that helps win loyal customers. A marketing program can encompass tens to hundreds of contributing elements, so you need a clear focus to keep them all on target. Remember that your target is a clearly defined customer.



To help you focus, write a detailed description of this customer, as if you were developing their character for use in a novel or screenplay you plan to write. (The plot of this story is, of course, that the character falls in love — with your product.)

You further increase your focus when you decide whether your target customers prefer marketing that takes a rational, information-based approach, an emotional, personality-based approach, or a balanced mix of the two. By simply being clear about whom to target and whether to market to them in an informational or emotional manner, you have taken a great leap in providing a clear focus. You know whom to target, and you have an important clue as to how to target them and communicate with them in every element of your program.

Another aspect of your customer focus is whether you want to emphasize attracting new customers, or retaining and growing existing customers. One or the other may need to dominate your marketing program, or perhaps you need to balance the two. Marketing to new prospects is usually a different sort of challenge from communicating with and satisfying existing customers, so knowing what is most important helps you to improve the effectiveness of your marketing.

As a marketer, you face a great many decisions and details. Marketing tends to be fragmented, so that marketing efforts spring up with every good idea or customer demand, rather like rabbits. In most organizations, hundreds of marketing rabbits are running around, each one in a slightly different direction from any other. Focus gets every element of your marketing program moving in the right direction.

Finding out why customers like you

In marketing, always think about what you do well, and make sure you build on your strengths in everything you do.

You can't be all things to all customers. You can't be the best on every rational and emotional dimension. If you try to meet the competition on their ground, you remain in second place. So now I want you to clearly and succinctly define (notes, please!) what your special strength or advantage is. Start your sentence like this: "My product (or service) is special because . . ."

Your answer to that question reflects whatever the special brilliance of your product or business is. I'm borrowing this term from Celia Rocks, a marketing agency director who developed a concept called *brilliance marketing* and who works with marketers to identify their most fundamental strengths before trying to do any advertising, sales, publicity, or other marketing. Then she makes sure that everything they say and do is based on their strengths.

Use this strength-based marketing method to add an additional degree of focus to your marketing program. Take a minute to think about what makes your firm or product special, and why customers have been attracted to the light of your brilliance in the past. Then make sure your program amplifies and reflects your light and never loses sight of it.



For example, if you're known for good customer service, make sure to train, recognize, and reward good service in your employees, and to emphasize good service in all communications with your customers and prospects. A photo of a friendly, helpful employee ought to be featured in your advertising, brochures, sales sheets, or Web page, because friendliness personifies your special brilliance in customer service. You can also quote customer testimonials that praise your service. And you may want to offer a satisfaction guarantee of some sort too. Focus on your strength in all that you do, and your marketing program becomes more profitable.

Figuring out the best way to find customers

I periodically survey managers of successful businesses to ask them about their marketing practices. And the first and most revealing question I ask is, "What is the best way to attract customers?" Now, the interesting thing about this question is that the answer differs for every successful business. So, you need to answer this question yourself; you can't look the answer up in a book.



Take a look at the following list to see some of the most common answers — things that businesses often say are most effective at bringing them customers:

- ✓ Referrals: Customers sell the product (see coverage of word of mouth in Chapter 11 for how to stimulate them).
- ✓ Trade shows and professional association meetings: Contacts sell the product (see Chapter 12).
- ✓ Sales calls: Salespeople sell the product (see Chapter 17).
- TV, radio, or print ads: Advertising sells the product (see the chapters in Part III).
- ✓ Product demonstrations, trial coupons, or distribution of free samples: Product sells itself (see Chapters 14 and 15).
- ✓ Web sites and newsletters: Internet information sells the product (see Chapter 10).
- ✓ Placement and appearance of buildings/stores: Location sells the product (see Chapter 16).

As the preceding list indicates, each business has a different optimal formula for attracting customers. However, in every case, successful businesses report that one or two methods work best. Their programs are therefore dominated by one or two effective ways of attracting customers. They put one-third to two-thirds of their marketing resources into the top ways of attracting customers, and then use other marketing methods to support and leverage their most effective method. And they don't spend any time or money on marketing activities inconsistent with their best method and that rob resources from it.



So, you need to find the one best way to attract customers to your business. If you already know, you may not be focusing your marketing program around it fully. So you need to make another action note and answer another question: What is your best way to attract customers, and how can you focus your marketing program to take fuller advantage of it?

When you answer this question, you're taking yet another important step toward a highly focused marketing program that leverages your resources as much as possible. Your marketing program can probably be divided into three lists of activities:

✓ Works best

✓ Helpful

✓ Doesn't work

If you reorganize last year's budget into these categories, you may well find that your spending isn't concentrated near the top of your list. If not, then you can try to move your focus and spending up. I call this the *marketing pyramid*, and in workshops, I challenge marketers to try to move their spending up the pyramid so that their marketing resources are concentrated near the top. What does your marketing pyramid look like? Can you move up it by shifting resources and investments to higher-pulling marketing activities?

Defining Your Marketing Program

Peter Drucker, one of few justly famous management gurus, has defined marketing as the whole firm, taken from the customer's point of view. This definition is powerful, because it reminds you that your view from the inside is likely to be very different from the customer's view. And who cares what you see? The success of any business comes down to what customers do, and they can only act based on what they see. That's why marketing and advertising gurus often say, "Perception is everything." You must find ways to listen to your customers and to understand their perceptions of your firm and offerings, because your customers (not you) need to define your marketing program.



This section requires you to think about and write down some ideas, so get out a pencil and some paper to jot down notes while you're reading.

Finding your influence points

From the customer's point of view, identify the components of your marketing program. (The components include everything and anything that the customer sees, hears, talks to, uses, or otherwise interacts with.) Each customer interaction, exposure, or contact is an influence point where good marketing can help build customer interest and loyalty.



I want to warn you that, if you have a marketing plan or budget already, it probably doesn't reflect this customer perspective accurately. For example, in many firms, the marketing department is separate from product development, yet customers interact with your products so, to them, this is a key component of the marketing program.

Similarly, some of the people who sell your product may not be in your plan or even on your company's payroll. A salesperson in the field, a distributor, a wholesaler, or anyone else who sells, delivers, represents, repairs, or services

your product is on the marketing front lines from the customer's perspective. All these people may be seen to represent or even be the product, from the customer's point of view. Are they all representing your firm and product properly — with the focus and professionalism you want in your marketing program? Are they available when and where needed? Are they likeable? Is their presentation and personality consistent with your strategy for your marketing program? If not, you must find ways to improve their impact on the customer, even though you may not have formal authority over them.

Analyzing your five Ps

In marketing, the only things that really matter are points of contact between the customer and your communications, products, and people. These interactions with you constitute the marketing program, from the customer's point of view. I call them influence points, and I find that most of them aren't itemized in a firm's marketing budget or plan.



When does your customer interact with your people, your product, or information about your people and product? Take a few minutes to make up your master list of influence points, which will form the basis of a more extensive and accurate marketing program and plan. To help you do this, I suggest you use the five Ps of marketing: product, price, placement, promotion, and people. Now think about your influence points using these five Ps.

Product

What aspects of the product itself are important — have an influence on customer perception and purchase intentions? Include tangible features and intangibles like personality, look and feel, and also packaging. Remember that first impressions are important for initial purchase, but that performance of the product over time is more important for repurchase and referrals. (And remember that by *product*, marketers mean whatever it is you offer your customers, whether physical and tangible or intangible and more service oriented.)



List the aspects (both rational features and emotional impressions) of your product that influence customer perception.

Price

What does it cost the customer to obtain and use your product? The list price is often an important element of the customer's perception of price, but it isn't the only one. Discounts and special offers are part of the list of price-based influence points too. And don't forget any extra costs the customer may have to incur, like the cost of switching from another product to yours. This can really affect the customer's perception of how attractive your product is. (If you can find ways to make it easier/cheaper to switch from the competitor's product to yours, you may be able to charge more for your product and still make more sales.)



List the aspects of price that influence customer perception.

Placement

When and where is your product available to customers? Place is a big influence, because most of the time, customers aren't actively shopping for your product. Nobody runs around all day every day looking for what you want to sell her. When someone wants something, she is most strongly influenced by what is available to her. Getting the place and timing right is a big part of success in marketing and often very difficult. When and where do you currently make your product available to customers?



List the aspects of placement (in both time and space) that influence accessibility of your product.

Promotion

This fourth P incorporates any and all ways you choose to communicate to customers. Do you advertise? Send mailings? Hand out brochures? What about the visibility of signs on buildings or vehicles? Do distributors or other marketing partners also communicate with your customer? If so, include their promotional materials and methods because they help shape the customer's perception too. And what about other routine elements of customer communication, like bills? They're a part of the impression your marketing communications make too.



List all the ways you have to promote your offering by communicating with customers and prospects.

People

Almost all businesses offer a variety of human contacts to customers and prospective customers, including salespeople, receptionists, service and support personnel, collections, and sometimes shipping, billing, repair, or other personnel, too. All these points of human contact are important parts of the marketing program, even though they may not all be working well to help keep your program focused and effective right now.



List all the points of human contact that may be important to the success of your program.

Adding to your list

You need to find efficient, effective ways to positively influence customer perception. You want to use elements of your marketing program to motivate customers to buy and use your product (service, firm, whatever). The list of your current influence points for each of your five Ps is just a starting point on your journey to an optimal marketing program. Now ask yourself what

else can be added. Think about each of the five Ps and try to add more possible influence points. Look to competitors or successful marketers from outside your product category and industry for some fresh ideas. The longer your list of possibilities, the more likely you are to find really good things to include in your marketing program.



For example, Guthy-Renker prints up brochures describing its Rodan & Fields Proactivity Solution acne mediation and has them stuffed in bags at Staples during the fall back-to-school shopping season. Teenagers shop for their school supplies at Staples, and they're big users of acne mediations. These medications are traditionally sold via expensive TV advertising, but Guthy-Renker finds the shopping bag stuffers are a powerful supplementary way to influence customers to choose their brand over others.

Can you think of one or more new ways to reach and influence your customers and prospects in each of the five Ps? If so, add them to your list as possibilities for your next marketing program.

Determining what works best for each P

Within each of the five Ps of marketing, one or two things have the biggest impact and give you the most improvement for your effort. Make your best guess or do some research to find out what works best.

Observe the results from different activities in an experimental way and then focus on those activities that produce the biggest results. Or you can ask customers or industry experts their opinion to find out what elements of each of the five Ps have the biggest impact on your customers and their purchase decisions. Should you concentrate your resources on a bigger presence at industry trade shows, or build up your Web site? Should you use print advertising or hire a publicist to get editorial coverage? Depends on what works best for you program, customers, and industry.

Deciding which P is most important

Ask yourself which of the five Ps needs to be most important in your marketing program. If you've already identified what customers like about you (for example, your marketing brilliance or a distinct point of difference from competitors), this may point you toward one of the five Ps.

The company that sells the quality of its service, for example, obviously needs to emphasize people in its marketing program and business plan. In contrast, the company whose products are technically superior needs to make sure its marketing investments focus on maintaining the product edge.



Don't be tempted to make price the main focus of your marketing program. Many marketers emphasize discounts and low prices to attract customers. But price is a dangerous emphasis for any marketing program; you're buying customers instead of winning them. And that is a very, very hard way to make a profit in business. So unless you actually have a sustainable cost advantage (a rare thing in business), don't allow low prices or coupons and discounts to dominate your marketing program. Price reasonably, use discounts and price-off coupons sparingly, and look for other things to focus on in your marketing program.

Are Parts of Your Program Uncontrolled?



I want to give you a simple example to show how hard it is to control all the influence points in a marketing program, for a company whose marketing I recently evaluated. American Marine is a Singapore-based manufacturer of high-quality, attractive Grand Banks motor yachts. Their products are handsome, rugged, and seaworthy, and customers have an almost fanatical love of and loyalty to the product. (In other words, the product sells itself, if you can just find people who have enough money to buy it.) This manufacturer showcases the product in its well-designed, full-color brochures and product sheets, with both attractive color photos of the boats and detailed specifications and floor plans. (The company recognizes that customers have both informational and emotional elements in their purchase decision, and it covers both bases well in its printed materials.)

However, Grand Banks yachts are sold through regional distributors, who occasionally fail to maintain the same high standards when they add their own cover letter or other printed materials to the manufacturer's marketing materials. Recently, I was asked to evaluate a regional distributor's presentation, so I requested information over the Internet. In response, I received a plain, low-quality brown envelope with a boring, black-ink cover letter lacking any picture or logo-type drawing of the product. Hidden beneath this unimpressive packaging and form letter were the truly impressive corporate brochures about the product. The product in this case costs (for a used boat) a half million dollars or more, and a new one can cost more than a million. To make a sale like that, you need to put some extra care and effort into making sure everything you show the prospect is sophisticated and impressive.

I see communication problems like this all too often with my clients. The Grand Banks mailing would have been much more effective if the entire package were done to the high standards set by the corporate marketing materials and the product itself. My recommendation was that both envelope and cover letter ought to:

- Demonstrate high-quality design and materials to represent the fine craftsmanship of the product.
- ✓ Show the product, because the product makes the sale in this case.

Little details can and do make all the difference in closing a sale! Does your marketing program display this kind of inconsistency and does it also miss opportunities to get the message across fully and well? If so, you can increase your program's effectiveness by eliminating these pockets of inconsistency to prevent out-of-control marketing. Given the reality that some of your influence points may be partially or fully uncontrolled right now, I want you to draw up a list of inconsistent and/or uncontrolled elements of your marketing program. I think you will find some in each of the five Ps of your program — these inconsistencies are common. And if you can make even one of them work better and more consistently with your overall program and its focus, you're improving the effectiveness of your marketing. Use Table 1-1.

Table 1-1 Focusing Your Marketing Program for Fun and Profit	
Customer Focus	
Define your customers clearly: Who are they? Where and when do they want to buy?	
Are they new customers, existing customers, or a balanced mix of both?	
Understand what emotional elements make them buy: What personality should your brand have? How should customers feel about your product?	
Understand what functional elements make them buy: What features do they want and need? What information do they need to see in order to make their decision?	
Product Attraction	
What attracts customers to your product?	
What is your special brilliance that sets you apart in the marketplace?	
Do you reflect your brilliance through all your marketing efforts?	
Most Effective Methods	
What is the most effective thing you can do to attract customers?	
What is the most effective thing you can do to retain customers?	

(continued)

Table 1-1 <i>(continued)</i>	
Which of the five Ps (product, price, place, promotion, people) is most important in attracting and retaining customers?	
Controlling Points of Contact	
What are all the ways you can reach and influence customers?	
Are you using the best of these right now?	
Do you need to increase the focus and consistency of some of these points of contact with customers?	
What can you do to improve your control over all the elements that influence customer opinion of your product?	
Action Items	
Draw up a list of things you can do based on this analysis to maximize the effectiveness of your marketing program.	

Clarifying Your Marketing Expectations

When you make improvements to your marketing program, what kind of results can you expect? As a general rule of thumb, the percentage change in your program will at best correspond with the percentage change you see in sales. For example, if you only change 5 percent of your program from one year to the next, you can't expect to see more than a 5 percent increase in sales over whatever their natural base would be.

Projecting improvements above base sales

Base sales are what you can reasonably count on if you maintain the status quo in your marketing. If, for example, you have seen steady growth in sales of 3 to 6 percent per year (varying a bit with the economic cycle), then you may reasonably project sales growth of 4 percent next year, presuming everything else stays the same too. But things rarely do stay the same, so you may want to look for any threats from new competitors, changing technology,

shifting customer needs, and so on, and be careful to adjust your natural base downward if you anticipate any such threats materializing next year. Your base, if you don't change your program, may even be a negative growth rate, because competitors and customers tend to change even if you don't.



After you have a good handle on what your base may be for a status quo sales projection, you can begin to adjust it upward to reflect any improvements you introduce. Be careful in doing this, however, because some of the improvements are fairly clearly linked to future sales, while others aren't. If you have tested or tried something already, then you have some real experience upon which to project its impact. If you're trying something that is quite new to you, be very cautious and conservative about your projections at first, until you have your own hard numbers and real-world experience to go on.

Planning to fail, figuring out why, and trying again



Start small with new ideas and methods in marketing so that you can afford to fail and gain knowledge from the experience, and then adjust and try again. Effective marketing formulas are usually developed through a combination of planning and experimentation, not just from planning alone. In marketing, you don't have to feel bad about making mistakes, as long as you recognize the mistakes and take away useful lessons.

When it comes to marketing, I'm a positive pessimist. My philosophy is, "What can go wrong, will go wrong . . . and we'll be fine!" I try to avoid being too heavily committed to any single plan or investment. I keep as much flexibility in my marketing programs as I can. For example, I don't buy ads too far in advance even though it would be cheaper, because if sales drop I don't want to be stuck with the financial commitment to a big ad campaign. And I favor monthly commissions for salespeople and distributors, because then their pay is variable with my sales and goes down if sales fall — so I don't have to be right about my sales projections.

Flexibility, cautious optimism, and contingency planning give you the knowledge that you can survive the worst. That way, you have the confidence to be a creative, innovative marketer and the courage to grow your business and optimize your marketing program. And you can afford to profit from your mistakes.



Don't expect to solve all your company's problems through your marketing program. If the product is flawed from the customer's perspective, the best thing you can do as a marketer is to present the evidence and encourage your company to improve the product. Marketing can't make a dog win a horse race, so don't let others in your company try to tell you otherwise.

Finding More Ways to Maximize Your Marketing Impact

I want to end this chapter by sharing my conviction that you can improve a marketing program and increase the sales and profits of your business in an infinite number of ways. You have looked at some of the most important ways to focus your marketing, but I want to encourage you to keep searching for more ideas and to implement as many good ideas as you can.



Here, for example, are some additional ways to maximize your marketing program:

- ✓ Talk to some of your best customers. Do they have any good ideas for you? (Ignore the ideas that are overly expensive, however. You can't count on even a good customer to worry about your bottom line.)
- ✓ Thank customers for their business. A friendly "Thank you" and a smile, a card or note, or a polite cover letter stuffed into the invoice envelope all are ways to tell them you appreciate their business, and people tend to go where they're appreciated.
- ✓ Change your marketing territory. Are you spread too thin to be visible and effective? If so, narrow your focus to your core region or customer type. But if you have expansion potential, try broadening your reach bit by bit to grow your territory.
- ✓ Get more referrals. Spend time talking to and helping out folks who can send customers your way. And make sure you thank anyone who sends you a lead. Positive reinforcement increases the behavior.
- Make your marketing more attractive (professional, creative, polished, clear, well written, well produced). Often, marketing programs can pull better simply by upgrading the look and feel of all the marketing communications and other components. (Did you know that the best-dressed consultants get paid two to five times as much as the average in their fields?)
- ✓ Smile to attract and retain business. Make sure your people have a positive, caring attitude about customers. If they don't, their negativity is certainly losing you business. Don't let people work against your marketing program. Spend time making sure they understand that they can control the success of the program, and help them through training and good management so that they can take a positive, helpful, and productive approach to all customer interactions.
- ✓ Offer a memorable experience for your customer or client. Make sure that doing business with you is a pleasant, memorable experience. Plan to do something that makes it memorable (in a good way, please!).

- ✓ Know what you want to be best at and invest in being the best. Who needs you if you're ordinary or average? Success comes from being clearly, enticingly better at something than any other company or product. Even if it is only a small thing that makes you special, know what it is and make sure you keep polishing that brilliance. It is why you deserve the sale.
- ✓ Try to cross-sell additional products (or related services) to your customer base. Increasing the average size of a purchase or order is a great way to improve the effectiveness of your marketing program. But keep the cross-sell soft and natural. Don't sell junk that isn't clearly within your focus or to your customer's benefit.
- ✓ Debrief customers who complain or who desert you. Why were they unhappy? Could you have done something simple to retain them? (But ignore the customers who don't match your target customer profile, because you can't be all things to all people.)

Every time you put your marketing hat on, seek to make at least a small improvement in how marketing is done in your organization and for your customers.



Marketing programs need to constantly evolve and improve. Most fall far short of their full potential, which is why for every hundred businesses, only a few really succeed and grow. The others don't have the right marketing programs needed to maximize their success. Think big when it comes to marketing. You can always do something more to improve your effectiveness and maximize your results.