



GOOD MARKETING PAYS FOR ITSELF

Most companies ask themselves this question: "How much will this advertising cost us?" when they should actually be asking themselves this: "How much will it cost not to do this advertising?"

If your company spends \$1000 per week on marketing then you could save \$1000 per week by not doing any marketing. That is true but it is the simple and shortsighted view of the situation. However, if the revenue generated from that marketing is \$1010 you have actually just lost \$10 by not doing it.

Most times the margin is not that slim. We generally bring in around 10 times what we spend in any given week. That means for every \$1000 we spend on marketing we bring in \$10,000. If we decided that we were only going to spend half of what we were normally spending we would automatically save half of our budget. That is great but we would likely lose up to half of our weekly sales income. In trying to save half our budget we actually lost 9 times that amount.

It all comes back to your Return On Investment. That's the ROI I am always talking about. If you only make what you spend on your marketing it is not doing its job. The money that you spend on your marketing is your investment. The money you bring in on sales is the Return On that Investment. That is why your ROI is the most important statistic to consider when trying to divide up your marketing budget. Putting more money into a marketing strategy that has a higher ROI doesn't cost you more money, it makes you more money. Saving money by lowering your marketing budget doesn't sound so enticing when you think about it that way. Unfortunately many businesses cut their marketing budget first when trying to stay afloat during slow periods. They are actually hastening their downfall.

You have heard it time and time again, "It takes money to make money." It is as true today as it ever has been. You have a good product or service, you run your business well, the only thing that you need is good marketing and that will eventually pay for itself.

Perhaps by now you are convinced that you need to spend some money on promoting your business.

Maybe you are still stopped by the big question, "How?" What do you really need to know, and how can you actually make it work?

Let's start with the "Basic Principles" of promotion.

What is Promotion?

Promotion *n.* Anything, as advertising, public appearances, etc., done to publicize (get the attention or interest of the public) a person, product, event, etc. *The New Webster's Concise Dictionary 2003 Encyclopedic Edition*

Why do you promote?

The purpose of promotion is to bring in more business and enlarge your customer base. Always try to bring in as much business as you can. It sounds like an obvious thing to say but many people still don't follow this rule. Don't assume any number of new customers will be too much for you to handle. If you have that much business you can always bring on temporary or temp-to-permanent staff to handle the work load.

How do you promote?

There are more ways than you would ever think. Have you ever heard someone say, "I never promote and I am always busy" OR "I don't have to promote, all my business comes from word-of-mouth"? They may not be aware of how they're doing it, but I promise you they are promoting somewhere. Maybe they just go around telling everyone they talk to, that they don't promote. (Sound funny? It's still promoting.) Maybe their canary yellow window ledge with the bright red apples on the shelf behind it attracts so much attention that they don't need to do anything else. Well here are some ideas you can do "knowingly" to drive in the business.

Every action that every member of your staff engages in is promotion. Whether good or bad every action is giving someone an impression of how your company is or does business. Here are a few examples.

- a) Greeting your customers with a smile is a great place to start.
- b) Calling your customers after they have had a chance to use your product is a good way to promote that you care about their experience with your organization. It can also create an opportunity to make more sales.
- c) A neatly packaged product, the shipping label on straight, promotes that you take pride in what you do.
- d) Always keep updated brochures or catalogs in your reception area for people to see and take with them.
- d) If you have customers coming into your business, make sure they are greeted pleasantly, professionally, and immediately.

I suggest you sit down and write out all the things that your company actually does to promote using the above definition. Sit down with your staff and do a pow wow. Not only will it bring you all closer together and going for the same goal, it will open your eyes as to all the ways you can make your business well thought of.

Every little detail counts. Thanks for reading and good luck.