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Small Business, Big Marketing™

A practical guide to Marketing for Small Businesses



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INTRODUCTION

It's not easy being a small businessperson, is it?

You work long hours, take few if any holidays, and you bear the responsibility for the overall success of your company.

And of course, you are always looking for ways to improve your bottom line profitability.

Since you downloaded this book, I'll assume you believe that effective marketing could be a big help to your business. The problem is that hiring a marketing consultant can cost you a ton of money, and you probably can't afford it. And without some background in marketing, it's tough to come up with all the answers you need to put an effective marketing plan into place.

That's where this book comes in. I've been marketing services and products for years, always for the underdog. Although you would recognize some of the company names I've worked for, every company I have marketed for has been looking up at larger competitors. We worked with smaller marketing budgets than our main competitors, and we were always looking for innovative and cost-effective ways to improve our bottom line and steal business from the big boys.

Sounds like someone who might be able to help you, right? You're probably in the same situation, looking up at larger competition and trying to keep costs down. At the same time, you realize "you have to spend money to make money".

This book will show you how to do it. I wrote "*Small Business, Big Marketing*" with people like you mind. You have a small business, maybe even a fairly successful one, but you are frustrated by competing against larger competitors. Starting today, you can turn the tables on them.

This book offers you my experiences as a Marketing Manager for small companies. We'll show you how to put an effective marketing plan in place that will improve revenues while keeping marketing expenses in check. We'll help you to take advantage of all kinds of low cost or no cost methods of marketing your products and services that will help drive your business down the road to success.

It's like having a marketing consultant for your small business, without the price tag.

CHAPTER 1

THE MARKETING CHALLENGE OF THE SMALL BUSINESSPERSON

In a word : money.

In a few words : money, time, and expertise.

Traditional Marketing is not cheap. A sizable advertisement in any major newspaper will easily cost you hundreds of dollars (at least), to say nothing of the cost of creating the ad itself. Even if you can afford to do it, you competitors can do it ten times over. You can't match them in terms of money, you are busy running your business and don't have a lot of time for marketing activities, and although you're an expert at what you do, you probably don't have hands-on marketing experience.

So what's a small businessperson to do? Well, you've started out on the right foot by reading this book. We'll give you the ideas you need to start marketing your company more effectively.

Have you ever wondered how to get your business on TV, Radio, and in the newspaper at NO COST....I'll show you how.

Have you ever wondered what radio and newspaper advertising sales reps don't want you to know.....I'll tell you.

In fact, I'll tell you all you need to know to market your business more effectively, *starting today*. So let's get to it....

What Business are you In?

First things first...figure out what business you're in. Sounds easy, but really think about it for a moment because this is important. It defines who your competitors are and how you will fight them for market share and for business.

A quick example : You own a catering company. You deliver hot lunches to local factories and also stock vending machines in those factories with food, snacks and beverages. You also cater to business functions and corporate picnics.

If you think you're in the food business, you are competing with all of the other alternatives that your customers have to your product when it comes to food. That means major fast food chains, frozen dinners from the grocery store, sandwiches from home, and so on. When you make marketing decisions, you must keep these competitors in mind. Don't offer a new frozen dinner product for \$2 if your competitor (the grocery store) sells them for \$1.50. (unless yours is better)

Maybe you looked at the examples and determined that you are in the hot food business. That eliminates the cold sandwiches from home, but still leaves you up against the fast food outlets and maybe the microwave dinners from the grocery store.

What if you determined that you are in the business of providing food services to local factories. Now that's a different outlook, isn't it? The focus is now off of the individual buyers and onto the factory that provides you with the space and opportunity to sell your product to their employees. If you look at it that way, you are in competition with catering trucks and other companies who stock vending machines. You are not in competition with fast food outlets, since they don't market group meals to companies. Sure they might sell meals to factory employees and you need to be aware of that, but you won't be focusing your competitive efforts on fighting them off.

Why does all this matter?. If you want to market on a tight budget, you need to know who you are up against. You also need to know who NOT to fight with. Remember, your resources are limited so let's focus them on the competitors who stand to directly impact on your market share and our business. On your tight marketing budget, you won't win a battle with any fast food outlet I can think of, especially if you divide your attention between that and other forms of competition.

By deciding which of the above markets you are in, you can focus in on the competitive activities of your opposition and use the tips in this book to go after their business.

Don't Limit Yourself

Let's continue with the above example. Let's say that our catering friend sees himself as being in the business of providing food services to factories in his local area. He's not worried about competing with fast food chains or items from the grocery store. His main focus is getting his vending machines and food into the factories, and letting the quality of his food do the rest.

So on a typical day, our friend visits 5 or 6 factories to check up on his machines. Since he is focused in on servicing factories, he decides to take a look around to see what other services he can offer to his factory customers to strengthen his relationship with them. The answer : office coffee.

Every office has a coffee maker. Without 2 cups a day, some people would keel over and die. Most companies have an outside supplier that delivers ground coffee to their office. Our catering friend, being in the business of servicing factories, realizes that he could offer an office coffee service. Moreover, since he's already going to these factories anyway, there's no additional effort involved in throwing a box of coffee on the back of the truck and bringing it along. Sales increase, effort remains constant, and naturally, profits inch upwards.

Notice how the business owner's focus in that example helped him to identify a good business opportunity. Once he had defined himself as a company whose primary business is servicing local factories, he could shut out the competitive activities of fast food chains, grocery stores, etc. By focusing on his core business, he found a new service that he could provide to his existing factory customers at no additional cost. Had he not defined his core business, he would have had so many competitive influences working against him that his attention would have been very divided, and he may well have missed the opportunity to add office coffee to his list of services.

****Get thinking about what core business you are in. In the long run, a good focus on your core business is what allows you to locate additional sales opportunities and increase your profits.****

It's All About Value

In marketing, there's a lot of talk about the "**value proposition**". That's a fancy way of saying "What's good about whatever it is that you are selling, and why do I want it?"

So, what's your answer?

Think about the product or service you are selling. Then think about all of the benefits that your product or service offers. If you sell vacuum cleaners, what's different about the cleaners you sell than those sold by anyone else? If your competition is selling the same vacuum cleaners, then how are you different? Better price? Better service? Free vacuum tune-up every year for as long as you own the vacuum?

They call this "**differentiation**". What is it that you do that makes you stand out? Why should I buy from you, and not from your larger competitor down the street?

The key to differentiating your product or service is selling the benefits, not the features. Again this goes back to the "value proposition" concept we discussed earlier. The key to marketing your business effectively is to let people know about your value proposition. Whether you do so through advertising, the media, or the mail is secondary in importance to the offer itself.

Here’s a quick primer on features vs. benefits:

Features	Benefits
This vacuum features the most powerful suction nozzle in the business	This vacuum gives you the cleanest carpets possible in no time at all!
The new BMW325i features a new durable engine design	This car offers unmatched reliability and provides worry-free driving for many years
This book features information about marketing on a tight budget	This book will help small business owners market themselves more effectively, leading to higher sales and profits.

Once you know your value proposition, you make that your message and that’s all you talk about from then on when you are trying to attract customers. You don’t sell vacuum cleaners, you sell the **best** vacuum cleaners. Or you offer the **best** warranty in the business on your vacuum cleaners. You won’t have the time or space in any of your ads to explain everything about your product or service, so just stick to the “value proposition”. That’s what matters, because that’s what makes people buy something.

This is the reason that you never see any ads on TV that say “This vacuum cleaner will clean your floor”. Where’s the value in that? That’s no different than other vacuum cleaners. The ads always say “This vacuum cleaner will clean your carpet better than any other”, or “This vacuum cleaner will clean the carpet and it is the cheapest cleaner available.”

In short, the “*value proposition needs to mean something to your customer*”. It needs to be a benefit, just like those listed in the chart above.

Here are some additional examples of value propositions:

Business	Value Proposition
ABC Roofing Co.	Quality Service and the Longest Guarantee in the area
Local Donut Shop	Convenience – Open 24 hrs to serve you
Al’s Plumbing	Reliable service backed by 20 years serving the community

Each of these businesses is different, but no matter that they do they can still boil down their value proposition to a single statement. Why should a customer hire the

roofing company? Well, the longest guarantee of any company in the area will appeal to those who are looking for a high quality, worry free roofing job. The donut shop plays on the convenience of its 24 hours operations. And the Plumber's value proposition is that he's local and has a long history in the area. This makes customers feel more comfortable calling him, because his value proposition is all about serving the local community, and with a long history, customers will feel more confident that his business practices are legitimate.

****Think about your product or service. Think about what makes what you stand out from your competition. Make that your value proposition and tell your customers about it...over, and over, and over.....****

Now that you've put some thought into who your competition is and what your value proposition to your customer is, it's time to discuss the marketing tools you can use to promote your business. The next few sections will outline some of the key marketing practices that will help you promote you business and improve your bottom line results.

CHAPTER 2

START MAKING HEADLINES

Most businesses focus all of their marketing efforts on paid advertising or sales activities. We'll talk about those topics a little later. First, let's cover the most overlooked weapon in the small business marketing arsenal : free publicity.

Be The Local "Expert"

If you could afford it, you would buy TV commercials wouldn't you? And if you currently run TV commercials, you'd like to run more, right?

The problem is that it gets expensive in a hurry. Each 30 second spot on local TV is costing you hundreds of dollars (at least). So how do you get more TV time or newspaper space at a lower cost? It's easier than you think. *Start making headlines!*

Think about the last time you watched the 6 o'clock news. There was the usual variety of depressing stories about car accidents and house fires. But there were also stories about local issues, and usually in those stories people appeared on camera from the local area to offer a comment. For example, when summer barbecue season rolls around, a local reporter will often visit a local retailer who sells barbecues to ask about what's new this year for backyard barbecue enthusiasts. They might also consult a local food expert to talk about great BBQ recipes for the summer. They may also have the local fire chief on to cover off some safety tips for using BBQ's. Three local residents or business people all received free exposure on a well watched local newscast, and all they had to do was talk about what they do everyday.

It's called *publicity*, and it's probably the best marketing weapon a local businessperson has to get added exposure for their company at no cost. But how do these people get on air or in print? They must know somebody, right? Actually no. In fact, when you're watching a news related show and they consult an "expert", chances are that person is no more an expert in their field than you are in yours. And they got on air by pitching the story idea to the station. Of all of the times I have appeared on TV, I was the one who initiated the story idea at least 80% of the time. And the story was always about the business that our company was in.

The local newscast is one hour every night. It doesn't matter whether or not there was one hour's worth of news during the day, they still have to fill the airtime. On slow

news days, newspeople are looking for local stories just like the one I mentioned above that will appeal to a wide audience (who doesn't like a BBQ in the summer time?!) and that they can put together without a lot of research or effort.

The same is true of newspapers. Reporters often need to generate a story idea for tomorrow's paper, and they would jump all over a good local story that is of interest to a wide audience.

So How Do You Get "In The News"?

So how do you get on air or in print? Follow these tips:

- a) *Send a news release in to a few local TV/Radio stations and newspapers. Remember, it has to be NEWS, not shameless self promotion:*

"Shameless" Self Promotion	Positive News Spin
Visit my auto repair shop today because I want to tell you how hard I work to please my customers.	As the winter approaches, now would be a good time for your viewers to have their vehicle inspected to ensure worry-free winter driving. As a local mechanic, I can help by offering practical information about what to look for in a mechanic, and what safety systems you should have checked on your car before the snow flies this winter.
I'm a new chiropractor in the area and I'd like to build business by running an article in your newspaper.	Back problems are becoming a major problem for people in our society, and may lead to a significant strain on the health care system in the future if not treated properly now. As a local chiropractor, I'd be pleased to share with your viewers the 3 most common types of back problems, and the steps they can take to correct them now before the problem gets out of hand.
My new toy store took a lot of work to get up and running, and I think people would be interested in hearing about the exciting products that I have to offer.	With the Christmas season rapidly approaching, parents are looking for quality toys that their kids will enjoy for years to come. As the owner of a local toy store, I'd be happy to give you information on the latest toy crazes for the festive season, including what's hot, what's not, and some toy buying tips for parents to help them stretch their shopping budget.

See the difference? The negative quotes were saying "look at me". The positive quotes put a "news spin" on your story. They said "Here's a great story idea for you, and I'll help you put the news piece together." Don't worry...if they do send a camera or reporter to run the story, they'll put your name and business name on the screen or in the paper without you even asking. It's common practice. And that kind of exposure, my friends, is very good for business.

****Remember, the news does not maintain its credibility by promoting businesses. However, offer them a news story that involves your business, and it is no longer promotion. *It's news.*****

b) follow the news

When something newsworthy happens, the news likes to cover it from a few different angles. Remember the catering company that I mentioned earlier? Imagine you are the owner of that business and you hear about a local story where 6 children fall ill because they were at a BBQ where the hamburgers weren't fully cooked. The local news is going to cover the story, but they'll also try to add some helpful hints for viewers about how to avoid this situation in the future. And since you know all about food preparation because you run a food related business, guess what that makes you : ***the local expert!*** Call them up and offer to do a quick demo at your place of business on how to tell when burgers or other foods are actually cooked and safe to eat.

This works with all kinds of businesses.....

More News Examples

NEWS : A rash of break-ins in the local area has residents wondering about their safety.

Anyone who owns a security company should be all over this one. You could offer your local news station safety tips, information about how home alarms can protect your home, and so on. When something is in the news it gets people's attention, and they are much more receptive to hearing about what they can do to avoid the problem themselves. In a situation like this where viewers are concerned about their health and safety, they will be very attentive to any news item about securing their homes. The newspeople know that if they interview you to discuss safety, they're feeding the public's appetite for safety related articles. Just remember you are not on TV to pitch your product. Just talk about alarms in general and general household safety tips. It will add to your credibility and the phone will be ringing off the hook the next morning.

What other companies could benefit from this type of news. Self-defence classes? Neighbourhood watch programs? Private security patrol companies? The list goes on and on.....

What About My Business?

My experiences with publicity center around the employment market, as my company is mainly involved in the recruiting business. I was constantly watching the news for any story that was related to our business. Just look at the following list of news topics that I used in my business to generate publicity for our company. On the left is the story that appeared in the news, and on the right is the release that I sent out to gain publicity:

News Item	News Release Topic
Unemployment Rate Increases	Tips for finding work in a tough economy
Major layoffs at a local employer	Guide to surviving layoffs, both emotionally and financially
Major workplace accident occurs	The importance of workplace safety and steps companies can take to ensure a safe working environment
First day of Summer arrives	A look at this year's summer job market

You can see that as long as the news story pertained to employment in any way, I could generate a news release. In many cases, simple story ideas like these landed me on local television or radio, where I gave a brief interview on the topic...and naturally, I mentioned our company name and how viewers could contact us for further info. The switchboard always lit up on days when I appeared on TV or Radio.

As I mentioned, the news is much more likely to run your story if it's *on topic*. So when major layoffs were in the headlines, I was on TV and radio and in the newspaper giving interviews about what to do to protect your job and your financial situation because I was the local expert on the topic, and because I called and faxed my local stations and newspapers offering advice. I tied our company's expertise and experience into a local news story, effectively making our company into a news story.

The only tools you'll need to increase your publicity are a knowledge of local news stories and the ability to craft a decent news release. The latter is not always easy, and if you don't fancy yourself to be much of a writer, you should either hire someone to do the job for you on a contract basis or use the services of a good writer that you know. I've crafted news releases and appeared on TV, Radio, and in newspapers, all because of the releases I've written.

****Publicity is a deadly weapon for you to use against your competition. When your company's name appears in print or on TV, you get instant credibility and you get noticed, at NO cost. Publicity should be a part of every small businesses marketing strategy****

A Word About News Release Writing

Any small business can make the news, I promise you that. Newspeople want stories, regardless of whether they come from major corporations or small businesses. In fact, small businesses have an edge when it comes to local news broadcasts.

To get yourself on TV or in the Newspaper, you'll need a news release. And it needs to be a good one, the follows proper formatting and delivers your message to an editor or producer in such a way that they immediately recognize the value of your story.

One of the services I offer to small businesses is a News Release writing service. Many small business owners are full of great ideas, but the missing link is the ability to channel those ideas into a format that will make waves in the newsroom. I've seen too many small business blow a great idea by writing a poor news release that an editor simply tossed aside.

If you look around the web, you'll find that most professional writers charge \$200 and up to write a news release for a small business. The problem that many small businesses find with this approach is that by hiring a writer, they are not hiring someone who is a small business expert or a media relations expert, but rather a person who knows how to write. The result is often a news release that sounds great, but has no teeth whatsoever when it comes to actually generating some free media attention for their business.

As a recognized small business expert, I write news releases that are designed to be good for business and appealing to the media. The price – **just \$179 US**, about 25% lower than most of the major sites out there.

[Learn more about how I can write your next news release for your small business by clicking here.](#)

Or by visiting www.MarketingYourSmallBusiness.com

CHAPTER 3

PAID MARKETING TOOLS

Publicity is a great way to draw attention to your business. Still, at some point almost every business will use some form of paid advertising to communicate with potential customers.

This is a major challenge for the small businessperson. An ad in your local newspaper will cost hundreds of dollars. Major dailies cost even more, and radio and TV get expensive in a hurry. To be successful at advertising, you must keep the concept of “payback” (or Return on Investment) in mind.

You need to measure the cost of the proposed ad against the potential payback. If you sell widgets and you generate \$5 profit per widget, and the proposed ad in the newspaper will cost \$100, that ad needs to directly contribute to the sale of 20 widgets for you to break even. (20 widgets X \$5 per widget = \$100 payback). Once you’ve worked this out, take a step back and ask yourself if you can really achieve this goal with ONE ad in the paper? That’s what you need to determine before you spend the money.

Choose your Weapons

Before entering into a discussion over how to use advertising vehicles, here’s a quick marketing 101 primer for you if you need it:

Newspaper : There are two types of ads in newspapers – display and classifieds. Display ads usually start as small as the size of a business card and go up to 1 full page. Classifieds are self explanatory, and less expensive than display ads.

The issue with display ads is the cost of “**creative**”, which is the marketing term for the actual creation of the ad. Display ads often contain logos, specific typefaces, graphics, etc. Big companies pay big advertising agencies to create the look of these ads, and then they provide the ad to the newspaper. Most small business people don’t have access to an agency, so you’ll either be relying on the newspaper to create the ad for you or you’ll be doing it yourself. Be sure to ask the newspaper if there is a cost for the creative before you buy the ad and agree to have them create it.

Magazines: Generally more expensive than newspaper ads because magazines have a longer “shelf life”. (Newspapers are thrown out at the end of the day, while magazines are usually good for a month. They also have a habit of hanging around in your doctor’s waiting room for much longer than that).

Another reason that magazine ads cost more is that most magazines are national. It's not like buying an ad in your local newspaper, where a few thousand people will see it locally. Magazines are usually sold across the country, and thus your ad will be seen by people in some very far away places. If you run a company that only services your local area, steer clear of major magazines. You're spending money to reach people that are outside of your trade area.

Radio: Radio ads have a very short shelf life, about 30 seconds. Once they're over, that's it. You can't read the ad again like you can with a printed ad. That's why radio ad sales people are always looking to sell you campaigns, made up of a certain number of ads per week for 15 weeks (called a "**flight schedule**"). Each ad is relatively inexpensive, but in total they really add up.) Radio ads are called "**spots**". So when you are discussing the purchase of radio ads, you ask the rep "How many spots am I getting?"

Most radio stations will write the scripts for your ads and provide the voices at no charge as long as you buy a flight from them. For the local businessperson who is looking to spend a few thousand on ads, radio is not a bad choice. A solid 12 to 15 week campaign on the right stations will definitely get your message out. If you're looking to save some money, go with 8 weeks. It's almost as effective and will cost you less.

Don't bother buying a 2 or 3 week campaign on radio. Your ads won't be running long enough to make an impact on your business. If you really want to save money and you can only afford 3 weeks of 30 second ads, buy 6 weeks of 15 second ads instead. Make your message shorter and get it heard more often.

Radio ad pricing is determined by two things: the popularity of the station and the time of day the ads are running. The most popular station in the city during the morning show (when everyone is in their car on the way to work) will be an expensive advertising proposition. A flight will usually contain a mix of ads at different times of day. The radio folks have a word for the different segments of the day : "**dayparts**". Morning drive is a daypart, midday is a daypart, so are drive home, evening, and overnight. The two most expensive are the morning drive and the drive home.

So if you do buy a radio campaign, make sure that your "flight" contains a healthy mix of morning and afternoon drive spots, to help get the most bang for your buck.

TV – This is usually out of reach for most small businesses because of the cost. Not only is TV time expensive, but also you need to supply the station with **creative**. In other words, you need to hire an agency or production company to put together your 30 second ad. That can be very costly, usually \$1500 to \$3000 for a very basic 30 second "spot". Local TV spots will cost about \$200 to \$500 for 30 seconds, and that means that on a shoestring budget, you would not be able to run many ads before your budget was used up. That's why I leave TV ads for my larger competitors. I get more bang for my buck elsewhere.

Direct Mail - More commonly referred to as “junk mail”, direct mail actually comes in many forms. There’s addressed direct mail, which is probably too expensive for your needs. You need to hire a list broker to get the names you want, then a print production company to actually create the mailings, then a “**mail house**” to actually distribute the mail through the post office. And that gets expensive.

There are options though. Many communities have “Valu-Pak” type mailings where one envelope contains a number of coupons and offers to customers. You usually can’t control the distribution of these mailings – in other words, you provide the coupon and they mail it out. You don’t really know who will end up getting the letter, because all you know is that the envelopes are being distributed in a certain geographic area. This is ok if your business is tied to geography, such as a pizza company servicing a local area, or a local dental office, as long as you have some idea that the mailing will be delivered to the area you serve. It’s probably not ok if your business only targets senior citizens who are looking buy golf vacation packages. (unless the geographic area that you deliver the mailing is a neighborhood filled with senior citizens.)

Keep in mind that the best direct mail campaigns generally elicit a response rate of between 2 to 3%, and a common response rate is less than 1%. Experienced marketers with reasonable budgets are getting 1 in every 100 people to contact them after getting a mailing. Can you afford 99 of your 100 letters to be tossed in the trash? Think about it before investing in a direct mail campaign.

****Paid marketing is important. You need to understand how the various types of advertising are bought and sold, and how to strike the best deal for your business. We’ll give you more information on advertising costs later on. For now, make sure you have a basic understanding of the advertising types listed above. The info we’ve provided should give you the inside track over many of your competitors.****

CHAPTER 4

MONEY SAVING MARKETING TIPS

So how can you use these paid advertising vehicles to your benefit? How do you maximize the impact of your ads so that people will notice you, without breaking the bank. I've been doing it for years...here's what you need to know:

Classifieds Work – When you wade into the advertising wars, start small. If your product or service is one that is generally in demand, classifieds will probably serve you well for starters. They're cheap (maybe \$30 to \$70 per day) and you'll reach a large audience, especially in the major daily newspapers. Depending on the product or service you're selling, it won't take much to generate a return of \$30 to \$70.

Always look to your local newspaper first. Studies show that people pay more attention to the classifieds and articles in their community paper than they do to the major dailies. That's not to say that more people read your local paper---just that people tend to spend a bit more time reading the articles and tend to give more credibility to the ads they see, since they are from right in their community.

Don't pay the asking price – Buying ads is a bit like buying a used car. The price really isn't the price. It's the starting point. Obviously classifieds are non-negotiable because they cost so little to begin with. A 15 week radio campaign on the other hand, could easily come down 10% from the proposed selling price before the deal is done. The same goes for TV ads or newspaper ads. Any ad space that's not sold by the station or newspaper generates \$0 in revenue. So if the \$100 radio spot they were going to sell you ends up being sold to you for \$50, the station is still better off than if they don't sell the ad space at all.

I was recently approached by a local radio station to run a 15 week campaign, with a price tag of \$15,000. This included the spots as well as a promotion we were running. I also proposed a contest to accompany the flight.

I didn't have the budget for a \$15,000 radio campaign, so I started working on the price. My first step....do nothing. I left the pitch meeting and never called the sales rep back. I made her call me. I explained that \$15,000 was too much. Quicker than you could say "radio campaign", the price magically shrunk to \$13,500. Then we talked about dropping the contest spots and running just the regular spots for under \$10,000. In the end, I passed on the opportunity. I didn't believe that the station was large enough or had the right audience for our company to make a profit on the deal. Still, it was a clear example of how quickly an ad campaign can come down in price.

The same happens with our newspaper ads. Every month or two, the major daily in our city runs a special employment related section. And they always approach us to advertise. The asking price is always quite high, but they justify it by saying that because the section was focused just on companies in our business, the ads are worth the money.

In fact the opposite may be true. Why would I want to put my small budget up against the larger ads of my larger competitors? So instead of jumping in, I sat back. As the ad deadline approached, the price for the remaining ads started to fall. By the time the ad deadline arrived, the back page of the section was still not sold. The original asking price was over \$3,000. I paid \$1,500.

Spend a little bit on your Publicity – As I mentioned before, publicity is free and offers your business a great chance to get local recognition. But it won't work without well crafted news releases. So don't be afraid to spend a few bucks to get a writer working for you on a freelance basis. It's cheaper than you think...I write press releases for less than the industry average for those who have purchased this book. The news releases are \$179 US Funds each and they're yours to keep. (The industry average runs somewhere around \$200US to \$500US). One small mention in a local newspaper would easily get you to your break even point, and anything else is profit at a price of \$179. One significant article in the local paper could be worth thousands of dollars in additional sales to your business.

If you're local, stay that way – Before you go and place an ad in the newspaper or on radio, ask yourself : Who will hear this ad? If you service a relatively small area, don't buy ads on a radio station that reaches far beyond the area in which you do business (your "trade area".) Same goes for the newspaper. You are paying for coverage that you are not interested in. Buy local ads that local customers will be exposed to.

Now there are exceptions. If you found a station or newspaper that speaks to your demographic perfectly, then that's the place to advertise, regardless of geographic reach. All things being equal though, you shouldn't pay to advertise in markets that you don't serve.

Common Mistakes

In my business dealings, I've seen so many small businesses fall victim to marketing mistakes. Remember, dollars are scarce and time is limited, so you can't afford to waste your resources on marketing pitfalls.

Here are some common marketing mishaps at small companies:

Spreading your investment too thin

Too many entrepreneurs fall into this trap. They scrape together a small marketing budget, then they spend it on a small newspaper ad here, then 6 weeks later on a small radio purchase there. Always doing small, disjointed marketing activities with long gaps in between.

It doesn't work. In fact, it's a colossal waste of money. It's tough to have a small budget, but the least you can do is use your money in spurts so that people actually become aware of your business. The public is bombarded with advertising every day. If you run a handful of ads on the radio, or one small ad in the paper, you won't break through the clutter. Nobody will notice you.

Instead, focus on making an impact with your limited budget. Run as many radio ads as you can afford for 6 or 7 weeks in a row, then stop for a few months. (In the business, they call that a "**pulsing strategy**"). That's a lot better than running a few ads per week. By focusing in a brief campaign period with some repetition, you'll have a better chance of motivating people to buy your product, or at least getting people to remember who you are.

Don't mimic the big guys (when it comes to marketing)

There's really no point in trying to copy your larger competitors marketing tactics. They have bigger budgets, and no matter what you do, you'll get steamrolled. 10 people will notice them for every one that notices you. Instead, look for advertising opportunities where your competitors are not strong. If your competition advertises in the major daily newspapers, focus on community papers and buy bigger ads that are more noticeable. Or get modest sized ads and put them in many community publications. Companies are always looking to advertise where their message will encounter little or no competition from direct competitors. (Big companies buy "**exclusivity**" in certain newspaper sections on certain days for just that reason---so that they can be the only company in their industry talking to customers that day.)

In short, advertise where your competitors don't often advertise. It's tough enough to get customers, you don't need your ad going head to head with a larger competitor on top of it.

Buying “brand advertising”

Here's a crash course in brand vs. retail advertising. **Brand advertising** (or “image advertising”) is carried out by beer companies, cola companies, and car companies, among others. They invest millions of dollars just to tell you about their product. They don't tell you where you can get it, or even how much you might have to pay for it. (In the last cola commercial you saw, did they tell you that it was 99c for a 2L bottle? No, they just told you about the product by showing you some cute polar bears or a bunch of happy people drinking the stuff).

Retail advertising is just the opposite. It's the grocery flyer that is contained in your newspaper or the ad on TV from the local car dealer. It says “We're not going to tell you about this product since we know the company has already done that for us. We're just here to tell you we have the product, and it's on sale this week, so you should buy it from us instead of any other store in the neighbourhood”.

As a small business owner, you probably have to do some of both to be successful. Since the majority of your potential customers are not aware of who you are and what you do, you'll need to tell them. But you can't afford the millions of dollars spent by the cola companies promoting their product, so you also have to sneak in the message about where they can buy it.

Where am I going with this? A lot of ad sales people will try to sell you on the idea of branding your business through advertising. You say you want to run a 4 or 6 week ad campaign because that's what you can afford. They talk you into buying ads for 12 weeks to help “build brand identity”, or “build brand awareness”. Don't believe them.

Remember two things:

- What you really want to do is make people aware of your product/service, and then sell it! Leaving a lasting impression on a non-buyer doesn't pay the bills, does it? Don't be talked into buying a bunch of ads on the notion that everyone in town will start recognizing your name and beating down your door for you product. Conserve your resources and focus on selling. When you're rich, you can run all the ads you want, I promise. Until then, don't blow your budget on a sales rep's recommendation.
- Your larger competitors have done a lot of groundwork for you. Remember our catering friend? The two or three major catering companies around town have spent thousands advertising the virtues of having a good catering company. They are spreading the word that companies should have hot lunches for their staff, or good quality vending machine snacks to improve employee satisfaction. *DON'T SPEND YOUR MONEY TELLING THE COMMUNITY WHAT YOUR COMPETITORS ARE TELLING THEM ALREADY.* Let your larger competition sell the idea for you. Focus your dollars on pitching your company as the

better alternative to the top companies in your area. (Remember the “value proposition”). You offer the same products or services, but with better client service, a more local feel to business, and a few unique features not offered by the competition. Let them open the doors for you with their advertising. You focus on walking through the doors. Got it?

CHAPTER 5

DIRECTORY ADVERTISING (YELLOW PAGES)

Directory Advertising, commonly referred to as “Yellow Pages” advertising, is often a major tool employed by small businesses in an effort to generate sales. Most small business people believe you **MUST** be in the Yellow Pages to keep up with your competitors, and they are right. A basic line ad in the Directory for your area ensures that your name will be seen by every potential customer looking for your product or service.

But how big should your ad be? Is a line ad enough? Should you dump all of your money into a massive Directory ad, hoping that every person who looks up your category will be blown away by your huge ad and will call you first? The answer depends on what type of business you’re in. Don’t worry, I’ll give you all the guidelines in a minute, but first, a quick story.

I once attended a focus group for small businesses. A focus group is essentially a market research session paid for by a big company, in this case, the local phone company responsible for the Yellow Pages in my area. They assembled a group of small business people and asked them what they thought about advertising in the local Yellow Pages, including topics such as after sale service, value of the ads, results, etc. As the Marketing Manager for my company (one of their advertisers), I was invited as well.

The differing views on Directory advertising from around the table were quite interesting. Some people, like the appliance salesperson, were convinced that they needed the biggest ad in their category to be noticed at all. Others said that the Yellow Pages was their only form of advertising, including the plumber, the bicycle shop owner, and the flower shop. Still others lamented that fact that although they did get business from the Yellow Pages, they found that it was “low quality” business. (He was a lawyer, but a really nice guy).

Why the differing viewpoints from small business people? Simple...they are in different businesses. Some categories in the Yellow Pages are very crowded, some are not so crowded. Some have one or two identifiable companies in them while others are comprised mainly of small businesses without significant brand recognition.

What to do, What to do

In my opinion, there are two ways to handle directory advertising:

Go as small as you can – Check your category. For example, let’s say you’re in the Flower Shop category in the Yellow Pages. Your main competition comes from two

major flower shops in town that just about everybody has heard of. Being a small business, you are not as well known.

Think about your customers for a minute. Why do they use the Yellow Pages? Well, probably because they are looking for a product or service and need to find a business that offers it. If these two major flower shops are so well known, why did the customer open the directory to seek out a business? Didn't they know about the "big" shops in town?

Maybe they didn't, and when they see their big impressive ad, they will call them. Or maybe, they went looking for an alternative to the big shops. They knew about your large competitors, but they chose not to deal with them. They went to the Yellow Pages looking for a local florist who could help them.

In cases like this, it's not always a case of the biggest ad wins. When a customer is seeking alternatives, they are looking beyond your larger competitors, and that's where a line ad or small display ad does the trick.

If you are in a business category dominated by a few, well known businesses, don't bother trying to outspend them in the Yellow Pages. Your customers wouldn't have opened the Yellow Pages if they were looking for the big guys. Go small and use the leftover money to fund other marketing ventures, like generating publicity or investing in an ad campaign on local radio.

Buy the biggest ad you can afford

There are some cases where you will need to spend a little extra on advertising in the Yellow Pages. Imagine you are a lawyer just getting your business started. There are scores of lawyers in your local directory, and some of them have sizeable ads. In general though, the market for lawyers is generic. In most cities or towns, 99% of the lawyers are unknown businesses who people only look up when they need them.

In cases like this, where you are in a large generic category that is not dominated by one or two well known businesses, a slightly larger ad than the basic listing will provide additional visibility for your business. You still don't need to purchase a full page, but a small display ad or even a highlighted listing may serve you well. When people consult the local directory, uncertain of just who they will call, your more noticeable ad will help steer more callers to your business.

The overriding message is that directory ads can be a useful part of your overall marketing campaign, but don't rely on them for all of your business. Remember, anyone can put an ad in the local business directory. As a small business, you can't buy the biggest ad or buy enough space to dominate a particular category. If you do what all of your other competitors do, you're not doing everything you can to get more than your fair share of the market.

****The small business focus group I attended opened my eyes to the fact that many businesses just don't have this whole marketing thing figured out, which is an advantage to you. Some of these small business people had never considered generating publicity for their company, or building a strong, profitable referral program (which we'll talk about later on). They looked at the Yellow Pages as their entire marketing plan, and that's far too limiting. As I mentioned, it's a part of your overall marketing plan, but it's not the entire plan. Don't count on one ad in one book to keep you thriving forever. Anyone can buy a bigger ad than you, but very few people will have an effective marketing plan in place or even an understanding of how advertising and publicity work. That's your advantage!****

CHAPTER 6

THE INTERNET

I couldn't write a book on marketing your small business without mentioning the Internet. It is the single biggest innovation of the last quarter century, and probably ranks next to television as the most life changing invention in recent memory.

If you run any kind of business, chances are you've been approached by computer consultants or other tech-savvy folks to persuade you to spend money on a flashy internet site. They tell you that you can advertise free and that people from all over the world will be exposed to your product. It's a "can't miss" opportunity, right?

Forget the Hype...

Let's tackle some of the myths of the internet right now:

It's free - Well, yes. You do have to pay a designer to actually create your site, and you must pay a nominal monthly fee to keep your web site up and running with your hosting company, but the monthly costs are minimal. Just remember, if it's virtually free for you, it's virtually free for everyone. That means the Internet can be a cluttered place.

You get business from all over the world – This could be true, as people everywhere have access to the same Internet. Think about your business, though, and ask yourself if you want business from around the world. Are you a plumber who services a radius of ten square miles around your house, or a writer who could send your work via e-mail anywhere in the world and receive payment on-line? The more local you are, the less valuable the Internet becomes. If someone is looking for a local carpenter, they'll just look one up in the phone book or ask a friend who they use.

Furthermore, people are somewhat biased geographically. Given a choice between purchasing something from a business in another country, or one that's 50 miles away, they are more likely to choose the latter.

It's a virtual cash machine for your business – If this were true, Worldcom wouldn't be bankrupt and all those dot.com companies wouldn't have fizzled out in 2001. It has great potential, but the Internet by itself does nothing to make you money unless you use it wisely as part of an overall marketing plan.

There are Two Types of Internet Sites...

Having said that, there are two ways to look at the Internet for your business:

- 1) It's like the yellow pages, a directory of web sites. All I want from my website is for potential customers to be able to find me , to briefly describe my product or service, and direct customers to call or e-mail me for more info.
- 2) It's my "store". I sell my products through it, receive payment, and communicate with my customers with it.

If you fall into category one, you might be in one of these businesses: dentistry, plumbing, landscaping, catering, cleaning, carpentry, auto repair, dog walking, child care, and so on. Your business relies on the local area for success.

Category two means that you are likely in a business like resume writing, collectible figurine sales, book sales, etc. If your business is information based, or involves a product that can be shipped out, the Internet would be a great place to invest some money since anyone from anywhere in the world with a credit card can buy your product.

In keeping with our categories, let's have a look at how Category 1 and 2 businesses can capitalize on the Internet.

Category 1 – Local Business

Your internet site will probably serve as more of a directory site. It may only have one or two pages to it, and all it does is lay out who you are, what you do, and talks about your value proposition to clients.

To build your site, you might want to consider looking into a local college or university and hiring a "web designer in training" to draw up your site for you. Students from a reputable college will often have the skills necessary to help you and will work at a very reasonable price. You don't need a Picasso, just a decent functional site that points customers in the direction.

Alternatively, you can try a product like Microsoft Front Page. It's fairly simple to use if you are familiar with computers. You could publish a decent web site after about 2 to 6 hours of work, depending on your comfort level with computers.

Another alternative is to find out if your town or city operates a business website for the area. Many internet design companies have deals with individual cities to build a website to promote the services of local businesses. You can usually advertise with these

companies without actually designing a site yourself. They will prepare a one page company website for you with your agreement to purchase one year's worth of advertising.

Category 2 – Worldwide Business

If you are relying on your site to drive transactions and sell your product or service, then you may want to hire a professional web designer for your website. You need more than just a display site; you want your site to actually do something, like take orders or offer an on-line catalogue of your products. BE CAREFUL....consult with a number of web designers before you proceed, and get a good idea for what your cost will be before you invest. Web design is not cheap – almost \$60 an hour in some cases. Be clear about your expectations, get it in writing from the company you hire, and specify your budget up front.

As for the design of the website, you'll find that a good web designer has all kinds of good ideas for you. Just remember to be clear about your budget up front and compare prices.

Regardless of what type of Internet site you desire, there is definitely value in having some presence on the Internet. It's just that it is more valuable for some businesses than others. Spend your money accordingly, and remember that the Internet itself won't sell your products or services without a strong marketing plan to back it up.

I could write all day on this topic, because the Internet is such a phenomenon. Ultimately though, you must decide how important the Internet is to your business, and if you're serious about it, you should consult with a qualified web designer to find out what technical options are available to you.

CHAPTER 7

WALKING ADVERTISEMENTS

So you've used the advice contained in this book to gain some customers. You are proud of your publicity efforts, and you've applied some of my tips to cut your marketing costs and increase the effectiveness of your overall marketing plan.

Now what? You're not just going to sell your new customers a product and let them walk away, are you?

Not when you're marketing on tight budget! You now have to use the customer in front of you to build your business, and you do that with a successful referral program.

Referrals work. Word of mouth advertising is still the most powerful form of advertising available. (Most marketing people who are paid to buy ads and run radio campaigns would rather you didn't know that, but it's TRUE!). You need to make every customer who buys your product or service into a walking commercial for your business.

Here's how:

Give them a reason : Offer your customers a discount on their next purchase if they refer a new customer to you. A lot of companies do this already, but amazingly, not many of them publicize it. If they remember, they mention it to you on your way out the door.

Well I say you make *damn sure* your customer knows before they leave that you want their business, and you want them to bring their friends in to buy your product or service as well.

Think of your local mechanic. They might have mentioned to you at some point that if you refer a friend, they'll give a small discount next time around. But they could do much better than that, couldn't they?

If I owned a garage (and believe me I never will because I can barely hold a wrench let alone use one), I'd make sure that after every transaction I told my customers that if they refer a client to me, and that client brings their car in for any kind of repair at all, I'd give them a free lube oil and filter on their next visit. That's a retail value of about \$20. It would cost me about \$10. You can't tell me that if you were in the auto repair business you wouldn't buy a new customer for \$10!?!

Just give your customer a reason to make the referral. Deliver good service, charge a fair price, and make it worth their while to send a friend your way. (By the way, the referral program also helps to bring the original customer back in to get their free oil change, so it's really like getting 2 follow up visits from just one referral.)

Another Example

What about the plumbing business? Here's a quiz for you. Name 2 plumbers in your area. I'll wait.

Couldn't do it, could you? Most plumbers are independent businessmen and women. They don't have big advertising budgets, and they only service a local area.

So you can imagine that a plumber, who sees 4 or 5 or maybe 6 clients a day would be well served by offering a referral program. Turn those 6 clients into 12 by having them each refer a friend who has a plumbing problem.

Now you're saying that this is not possible. You only call a plumber when you need one, so what good is a 10% discount off your next plumbing job? It's not like the mechanic who does regular maintenance on your car. You might use a plumber once, and then never again. How would a plumber come up with a referral program?

I'm no plumber, but here's my idea. You refer any client to me who has a job of \$100 or more, and I'll install a brand new kitchen faucet for you at no charge. The faucet won't cost a plumber much, because he's got the inside track on deals in the industry. So a nice \$80 faucet at the store probably costs him \$40. And he can put it in about 15 minutes or less. Now who wouldn't want a nice new kitchen faucet, installed free! All they have to do is mention you to their friends. If one of them calls, you make \$100 less \$40 for the faucet, and gain another client for the future. Do that for a few years and watch your business grow.

****Any business can do this. Think about the connections and knowledge that you have, and what value it represents to your clients. Then package it up, just like the mechanic or the plumber did in these examples. It could be simple as 10% for a referred customer, or a little different like our plumbing example. Either way, it creates business at low cost. And that's just the point, isn't it?*****

****Another point...you couldn't name two plumbers in your local area. Imagine if a plumber had taken the time and effort to gain some publicity for their business on the local news or in the newspaper, or taken advantage of our money saving tips to advertise more effectively with a small investment. In a business filled with no-names, that plumber would probably stand out in your mind.****

CHAPTER 8

PROMOTIONAL ITEMS

This will be a brief chapter, because Promotional Items are not a big part of most small business marketing plans.

What do I mean by promotional items? Have you ever received a free calendar from your bank with their logo on it, or a memo pad from your local insurance agent with their phone number on it? These are called Promotional Items, or “promo items”. They are small gifts or items that companies use to promote their business.

Marketing folk have another name for them...”Trinkets and Trash”. I don’t know how these items ended up getting such a bad rap, since almost every major company uses them, but that’s the name they have inherited over time. This is likely because most of the items are small and inexpensive, like pens or letter openers.

Most small businesses can’t afford to make volume purchases of promo items, and that’s why many stay away from them. The fewer you buy and put your logo on, the higher the cost per unit.

The goal of promotional items is simple : give your customer something to remember you by. A mug with your logo, a pen with your phone number, and so on.

There are a few good promotional items for certain businesses that customers tend to hang on to.

Fridge Magnets : everybody has magnets on their fridge, especially if they have children. (How else would they display their child’s latest report card or drawing). If you sell a product or service that is sold to consumers (not businesses), then putting your logo and phone number on some fridge magnets might not be a bad idea. They are generally inexpensive, and people tend to hang on to fridge magnets for quite a while. It puts your phone number in a prominent location in their home, and if they ever need your product or service, they will likely think of you first.

Pens : The old standby of the promo item business. Pens are very affordable (usually around 50 cents to \$1.50 each, including your logo) and everyone uses them. Pens are a handy item whether you deal with business or consumers.

CONCLUSION

I hope you can see it now. You don't need big budgets to market your company effectively. You CAN compete with larger competitors using clever marketing techniques.

You can use publicity, the small businessperson's number one weapon against big budget marketing. It's free, people believe what they see/read in the news, and it takes minimal effort. That's a very powerful weapon.

You can use your enhanced knowledge of advertising that I've presented to you in this book to help guide your marketing decisions towards things that will generate a good payback on your investment, and away from advertising vehicles that are priced too high for the average small business.

You can avoid the common mistakes of small business people, like spreading your marketing too thin or trying to copy the big companies marketing strategies.

And finally, you can use clients as your walking advertisements for your business by giving them a reason to send business your way.

The Last Word

I sincerely believe that if you invest some time and effort into publicity, and take the marketing knowledge I have given you in this book to heart, you will have the tools you need to run a more successful, more profitable business. I wish you success in your endeavors, and encourage you to contact me with any questions or comments about the book or about small business marketing in general. You can reach me through our website www.marketingyoursmallbusiness.com.

Now, go out and show your larger competitors how it's done. They won't know what hit them...unless they downloaded this book too!