

**Marketing for Start-Up
Companies and those
with limited funds.**

I can't afford to market!

If you are like most start-up business owners, you probably have not had any formal marketing training. But you are very passionate about what you do, and no doubt very good at it – exactly the reason why you decided to build a business.

To be successful, you need to be able to attract, sell and then re-sell customers, which basically is what we call marketing. This is the front end of your business, and what brings in the sales revenue.

In this special report, I will share with you how to do what I call **results-based marketing**. It's marketing that does more than generate business - it brings in the sales!

Most small business owners tell me they cannot afford to market. What they are really saying is they cannot afford to do any ineffective marketing. **I agree!** Marketing has one role, and that is to bring in sales. If you market right, the end result will be a sale. If you do it wrong, you'll go broke very quickly. No business can survive without marketing. **Marketing makes the invisible visible and the visible valuable!**

As I point out in my book *Marketing is King!*, marketing is about bringing value to the marketplace. This value is the value others perceive to be important to them. Once others clearly see **the advantage for them** to purchase your product, service or idea, they have no problem paying you for it. The goal of any marketing professional is to show others how they can benefit from your offering.

"In marketing, it is all about them, and never about you."

Many people think marketing is advertising or “slick” commercials. However, **creating awareness is no guarantee that people will buy your product.** This is why most advertising dollars in the U.S. go into lining the pockets of advertising agencies and actually result in very few sales.

The point is there has to be a reason to buy. And this is where “true marketing” comes in. True marketing is all about value, **the value you bring to others.** Unless you show in no uncertain terms why people should build a relationship with you and buy your product, your marketing will be ineffective.

Remember that marketing is made up of two components, what I call the two M’s of Marketing.

Message - the value proposition

Messenger - the promotion or advertising.

The message is what I call the value proposition.

Why should customers be interested in what you have to offer? How will it benefit them? How will it enrich and improve their lives? To be effective, this has to be at the core of any communication with a customer. Most marketers call this a USP (Unique Selling Proposition). To understand the power and significance of a well-crafted USP, recall the growth of Federal Express and Domino’s Pizza. Both went from virtually nothing to major corporations in a short period of time, once people understood their unique USP/ VP.

Fed Ex: When it absolutely has to be there on time

Domino’s Pizza: Hot pizza delivered in less than an hour

The message (the value proposition) is real marketing.

Call in a marketing consultant for a few days to help you develop a USP, or do it yourself. How? Interview your customers and management team. Identify in very simple terms what it is that makes you different, unique, and appealing in the eyes of potential customers. What is the reason they should do business with you?

Don't fall into the 80/20 trap!

Once you clearly understand the value you bring to the marketplace, you are in a position to communicate it to the world.

Unfortunately, many companies fall into the 80/20 trap. **They spend 80 percent of the time promoting their products, services or ideas, without a clear value proposition. They are disillusioned when they get few results.**

Motivational speaker Anthony Robbins says he can cure any phobia in one hour – **a very clear value proposition**. People clearly see the advantage. His message is very clear. All he does is get the message out by using the messenger (the media).

So you only need two things for your marketing to work effectively:

1. A clear message: The Value Proposition
2. The right vehicle to communicate the message:
 - i. Sales Force
 - ii. Trade Shows
 - iii. Direct Mail
 - iv. Seminars
 - v. Newspapers
 - vi. Radio
 - vii. Special Events
 - viii. Formal referral systems

The purpose of the messenger is simply to maximize and multiply the message (the value proposition).

I recently helped a friend who owns a pest control company. His business card read something like, "If you've got the bug, give us a call."

I told him to re-word the card, "If you have problems with household insects, give me a call for a FREE home inspection."

He made up a thousand cards for \$39 at Staples and handed them out. His phone started to ring, just because he did two things:

1. The message (value add) to the customer was clearly understood.
2. The multiplication medium (the messenger) was cheap and effective, yet appropriate for his business.

It really does not have to be difficult!

Do the same thing. **What makes you unique, different and valuable to others? Define it, and then find the right messenger to get the word out. This is your marketing plan.**

There are only three ways to grow sales in any business:

1. Get people to buy
2. Get people to buy more
3. Get People to buy more often.

It goes back to the basic sales equation:

Sales = Units x price x frequency Buy x buy more x buy more often

It's a systematic, defined and logical marketing plan of attack!

The first instance, attract and sell, is the hardest part of starting any business. The cost to get new customers is substantial. **Most start-ups underestimate the cost and consequently go out of business.** McDonald's may spend a few million dollars to get new customers, but once they have them, they're usually for life, and the repeat and referral business kicks in.

Since most of us don't have the advertising budget of McDonald's, we will review how to promote and evaluate the different messengers. But let's go back to the heart of the marketing message first.

How to get people to buy

People will only purchase your product, service or idea if they are **able to see some value in it for them.** **Your message must be powerful and compelling.**

Any quality sales book will surely mention WIIFM: "What's in it for me?" Every single customer is always looking out for his or her own self-interest.

Make it easy for people to buy. Ideally it should be a "no-brainer." You want to be considered the only game in town - the only solution to their problem. Be critical in defining why someone would want to develop a business relationship with you.

Marketing starts with the message or value proposition clearly articulated down to a few words or a paragraph.

Cost effective vehicles for delivering your message (promotion)

Once the message is clear, it needs to be communicated well, using the appropriate vehicle for your business. Let's discuss numerous cost effective alternatives.

Offer Referral Fees

Referrals are not only for well-established businesses. **Referrals can be used by any business to quickly establish a new customer base.**

It costs money to acquire new customers, irrespective of the form of promotion chosen. So why not simply define how much you want to spend on promotion and offer it as a referral bonus? It's a more effective spend, since you only pay referral fees once you get a paying customer. **It's what I call true results-based marketing!**

For instance, if you define your promotion budget as two percent of sales revenue, and sales revenue per unit is \$150,000, you could easily pay up to \$3,000 per unit sold. It is after all what you budgeted to spend on promotion. There are a lot of people who'd be more than willing to refer you to others for the chance to earn \$3,000! If you can't give cash, offer another type of incentive.

Getting the word out is easy: Simply e-mail your friends and network database. Or rent a list and send direct e-mails.

The best form of marketing is always word of mouth, but when you put an incentive in place, the word will start to spread a lot faster. What I like most about this approach is that you determine how much you want to spend and how many people you want to acquire. That's exactly what to do: pay to acquire new customers.

Post Cards

Some people might laugh at the idea of sending post cards. In my experience, post cards are a very cost effective way to get the message in the right hands, **regardless of the type of business.**

And they're not just for mortgage brokers and dentists. Large multi-nationals can benefit from the advantages as well.

They're inexpensive
They deliver the message with pinpoint accuracy.
They're not thrown away. People post them on the fridge!
They can look very attractive and appealing.
They work within a defined promotional budget

The response rate for postcards is 1.5 percent on average. Calculate upfront how much to invest to generate the sales leads you need. In most cases, postcards (like trade shows) are really nothing more than lead generation vehicles. Let's say you need 100 new customers. You'd have to send out 6,666 post cards, based on a 1.5% response rate. You know exactly what it is at the outset.

Here's a typical example of what a 5,000 piece mailer would cost:

5,000 Post Cards	\$38
Design	\$15
Handling	\$20
Postage	\$97
Total	\$1,714 per 5,000

To rent a list of names for your target audience, companies charge from five to twelve cents per name. Of course, if you have your own database, you don't have to pay for a list. Simply provide it to the post card fulfillment house.

Including the name list, the total budget to do a post card promotion is about \$2,300 to get the message to 5,000 people (about 46 cents per person). There is one key advantage over other forms of advertising.

Your message actually gets into the hands of those you target. With a high degree of accuracy, databases segment your market by age group, income, zip code, life style, etc. The best place to find these is at www.srds.com.

Even a few thousand dollars may seem a little high to you at this stage, but remember one thing: ***"It costs money to get customers. They don't turn up for free."***

On average a company will spend about 30 percent of sales revenue to get and retain customers. Once you get a customer and treat him or her well, you will earn repeat business and referrals.

Give Talks and Seminars

People always pay for value. The more value people see in you, your product, your service, your ideas, the more they will pay. The way to create value is through education.

It's important to take every opportunity to educate people about what you do at every occasion. It can be in-house or external.

Start-ups can focus on arranging in-house talks and inviting relevant people. This in itself can be a profit center. The world is always looking for an expert, and there is no reason why you can't become one of them! Obtain a list of prospects from trade magazines and your own network of contacts and invite them.

Arrange a special event, perhaps a luncheon or tea. People love to get away from the office for a while! At this meeting, your goal is to educate others on how they can benefit from your knowledge, service or idea. Don't overtly sell - let them make the decision. When there is sufficient interest, give them a contact name (ideally your chief marketing person). This is the person who will follow up and close.

Another effective way to get your message out is to become a speaker at an upcoming trade show. All trade show organizers look for speakers. Just call the organizers and ask if you can submit an article for a talk. I have done this on many occasions, and it works beautifully. Once you have spoken at one conference, you will have the opportunity to speak at others. Best of all, it's free, and you can attend the trade show and network with other people!

Attend Trade Shows

Trade shows can be a goldmine or a disaster - it all depends on the approach. Trade show success takes planning and preparation.

1. Pre-planning
2. Make the most of the event
3. Follow up with all leads

Trade shows in my mind have only one goal, and that is lead generation. **One quality lead at a trade show can change your entire business life!** Prior to attending any trade show, get a list of all the people registered from the show organizer. **Marketing is all about information, and making the most of it.** Marketing people know who has the key information, and in the case of a trade show,

the organizers have all the information needed. It may cost you a bit, but **you populate your database at the same time.**

Next, send a personal invitation, a well-written letter to each person you would like to visit your booth. **Don't hope they'll just show up.** People want to feel important and special – it's your job to do it.

Follow up with a phone call. A phone call behind a mailing will increase the effectiveness of the mailing by some 300 percent! Sure, it takes effort, but capturing one quality lead can literally be worth millions of dollars in sales.

As part of the pre-preparation, get a list of exhibitors. Call the ones you think you can partner with. Ask if you can leave some businesses cards or maybe a little sign at their booth. Of course, these people are those who offer complementary, not competitive, services.

This will generate traffic to your booth, not too dissimilar to the affiliate program on the internet. Like the internet, the name of the game at a trade show is to get traffic and get quality leads. It's a lot more effective than cold calling, since they come to you!

Make the most of the event, and ensure you get the most of each and every promotion opportunity.

- Call the trade show organizers and ask about the publication used to promote the show. Tell them you want the back page. All visitors look at the back page. **Make an offer and commitment at a discount. You will find they will normally agree to this.**
- Make sure your booth has a headline that clearly shows the benefit or result of people using your product, service or idea. The headline is considered to be the ad of the ad. **Nearly 95 percent of people attending the show will walk by and read the headline.**
- Schedule a time for talks at the show, perhaps in a pre-arranged room at the site. Information about the talk should be prominently well posted in the booth, as well.
- Train your sales folks to make good opening remarks: "Hello, we manufacture x-y-z. May I give you a demonstration of how our product works?"
- Go around and collect business cards from others at the show. You may want to recruit some of these people later on.
- The best way to capture names is to offer a FREE report

Follow Up After the Event

Follow up is everything in the world of marketing. Sales is a process, and takes a series of well-defined steps. The result of the trade show should be a series of well qualified leads. Follow up on these leads in a systematic and defined way. **Put a procedure in place to do it!**

The best way to follow up with leads is not to immediately ask for a sale. Instead, offer a series of value items to position you as a value added resource.

Here's another idea: Publish a series of white papers, perhaps special reports that educate the prospect on the value you can add. They're very much like the one you're reading now.

Send one of these reports once a week to "hot prospects." Please don't send product brochures, **but articles, reports, special papers. These items educate, inform and enlighten your customer, and give them ideas to make life easier. That makes them see you as a business partner and value added resource.**

If you don't have such articles, you can easily get them from the world's biggest library, the internet. Even a hyperlink is fine. But again, your goal is to educate and build loyalty and trust. This will bring you the sale. If customers do not call after a few weeks, call and suggest a meeting.

Managing trade show marketing is not as simple as getting a booth and showing up. It's all about being able to follow a systematic and logical plan of attack. If done correctly, it can give you very high quality leads that can do nothing but generate significant sales growth for your organization.

Automated e-mailings

The biggest challenge we face as marketing professionals is getting people's attention. It is estimated that each person is bombarded with 15,000 to 20,000 advertisements each day, from morning until night. And on average, it is estimated that someone needs to see something six times before they even take it seriously. Six times!

So it's critical for a start-up business to have a system in place to consistently get in front of potential customers in a professional way. I call it having Marketing PC: **P**ersistence and **C**onsistency. And it's the only way to get people's attention.

Another good and effective way to keep in front of people in the right way is to **set up an automated e-mail system**. People will always be able to see and understand the value you offer. Send out value items to prospects every week.

Many customers today are unable to distinguish products and services. So they simply buy from whoever is closest when the need arises. This is why consistent mailings are critical. Set up regular e-mailing to your suspects. Make your e-mails value items, items they find useful. Send out interesting articles and information. Such a system can be easily set up, and companies can do the work for you. The rates tend to be reasonable.

2,500 e-mails: \$25 per month

5,000 e-mails: \$40 per month

Without much expense, you can set up an automated e-mail system that keeps you in your customer's mind.

Press Releases

There are two forms of advertising - paid and unpaid. A press release is a perfect example of unpaid advertising. It's usually part of a press kit sent to the media for an interview. I've found this far more effective than conventional advertising. A professional press kit may cost a few thousand dollars, but if it is picked up and publicized, the impact is significant for your business.

Writing a press release is not difficult. It is usually only one or two pages like a resume, and contains details about your company and product line.

Articles

The press loves nothing more than to supply readers with interesting and exciting articles. Have a marketing staff person interview a technical person on staff and write an article for a local trade magazine. To submit the article, call the editor directly to sell the story before it is written. **Believe me, editors are interested. I have used this method successfully.**

After publication, the article can be used as promotional collateral.

Summary

If you market effectively, you will see an exponential growth in sales. Clear direct marketing clearly shows customers and prospective customers why they should buy from you, and the value you bring to them.

Make the value proposition compelling, appealing and attractive. Then use the messenger or multiplication medium to get the word out.