

**THE TEN THINGS THAT
EVERY CEO NEEDS TO
KNOW ABOUT MARKETING**

Welcome to the world of marketing.

As a business owner and entrepreneur you probably have very little experience in the subject of marketing. If you are a CEO of a large corporation, you probably have had some contact with it. But either way, you are now faced with running/building an organization in which the front end of your business is called marketing, the ability to attract, sell and retain customers for your products, services, or ideas. You know marketing is critical, but you may struggle with it. You are putting a vast amount of your company's time, energy and resources into the marketing effort, and have little to show for it. So what's wrong?

The problem is that your marketing is not effective. In this special report, I am going to share with you ten things CEOs and/or business owners absolutely need to know about marketing. These are things I have discovered by working very closely with CEOs and business owners around the world.

1. Marketing in the business world only has one function, and that is to generate sales revenue. If your marketing is not generating sales, it simply is not working!

You probably don't have the luxury to hire many full time marketing professionals unless your sales are over \$1 billion; so most probably outsource this function to an agency. You most probably allocate a set amount of funds or an advertising budget based on the importance of your product lines.

The agency has taken your money, and came up with a "media plan" to match your budget. Can you attribute any sales to this effort? If yes, why don't you spend more on advertising? If no, why are you wasting money?

I would dare to guess you are finding it difficult to make any correlation between advertising and sales, because there is none. If you really want to find how effective your media campaign is, just stop it. Your sales may go up! Why? Because your sales force is still out there, and a quality sales force will always keep sales rolling in.

Most advertising dollars spent in the U.S.A. are “ransom” dollars. Companies spend it out of fear, because their competitors do. They assume if they don't spend as much as their competitors, they will go out of business. But **smart marketers don't compete, they create better alternatives.** For instance, how about replacing paid advertising with unpaid advertising (PR)? How's that for an idea? Never lose common sense when it comes to marketing!

For your marketing to be effective, you need to ensure every dollar you spend is accountable and traceable to sales revenue that it brings in. When I consult for companies, I tell them not to spend more on marketing, but to simply make the most of what they spend. Shifting your marketing dollars to higher and more effective marketing vehicles will have a dramatic effect. For instance, replace ineffective and inefficient advertising with PR or unpaid advertising, and install a formal referral system versus hiring more sales people, can immediately double the size of your sales force at no extra cost!

Bottom line: make your marketing work for you, instead of you working for it. Then you will start to see explosive growth in your sales.

2. Never forget the best form of advertising is always a satisfied customer.

Some companies have developed millions of dollars in sales without spending a dollar on formal advertising. How can this be? Because the best form of advertising is always a satisfied customer.

Satisfied customers will tell others, and this is the basis of referrals and networking. At the end of the day, products stand on their own merit. They win and lose because of how well they perform. You may be able to fool the market in the short-term, but never in the long-term.

Even products you think of as "bad" actually do have good qualities. That's why people continue to buy beer, cigarettes and soda. The point is that marketing does not make things right or wrong, it simply reveals them.

An advertising campaign can either kill a product or make it successful, if it doesn't deliver on its promise. Bottom line, customers are your best sales force and leverage.

3. Advertising is no more than your opportunity to sell.

Any quality advertising agency will tell you that advertising should do only one thing: sell! But 99 percent of all ads simply create awareness. Unless you are in the "win mind share game," you are wasting your time.

Advertising, as I point out in my book, is simply a component of marketing. It is not marketing in itself! Its goal is to communicate to customers that you have something of potential value to them.

Depending on the maturity of your business, you will use different forms of advertising. A start up may run Yellow Page ads in conjunction with newspaper ads. A multi-national may go to trade shows and advertise heavily in trade magazines. Either way, make sure your ads bring in the business. Here are a few basic rules to follow:

A. **Drop the cute headlines.** Your headline should within 10 seconds tell readers **the result or benefit they will enjoy if they buy your product, service or idea.** Books have been written on the power and impact of headlines. A headline is no more than the Ad of the Ad. A headline is salesmanship in print, it's the first thing that appears in a sales letter, or is written on the top of your booth at a trade show, and the first thing said in a sales call or over the phone.

B. **Treat ads as your extended sales force.** A top advertising executive once sat me down and explained the way to view ads is as an extension of a sales force. If your field salesperson is ill, could the letter or e-mail convey the same message?

C. **Ask AIDA for help.** Always communicate with customers by using AIDA.

A Attention

I Interest

D Desire

A Action

AIDA is the golden formula for any good copy. Any good copy should first get **attention**, and next create **interest** in the subject. Follow it by getting the reader to **desire** to purchase your offering, and show a clear plan of **action** as the final step.

This is the bare skeleton of how to make your advertising dollars work hard for you. Never pay for advertising that cannot be tracked, measured, or that does not bring in sales. As you know there is no room for ego in business. It's all about margins, profitability and cash flow, which comes through quality marketing.

4. Always focus on Rolls Royce Marketing!

Rolls Royce is the premier salon vehicle, standing out clearly and distinctively against its competition. Several years ago I developed the Rolls Royce marketing concept. If you implement it in your organization, you will see your sales double, maybe even triple.

R- Referrals

R- Recommendation Letters

RR = Referral / Recommendation letters

The basis of the Rolls Royce principle is the ability to ask for referrals and recommendation letters from your customers based on the quality of your work, or the results that you deliver your customers.

Referral basically allows you to turn your customers into a 24 hour, perpetual sales force at no cost! The recommendation letters should be used on your web site as marketing collateral to give you instant validation, credibility and distinctiveness. Both of these working together can be explosive.

By implementing a Rolls Royce marketing strategy, you (like the car) Will stand out in a crowd!

5. Know the 3Ps of marketing

A. The 3 Customer Ps

The academic basis of marketing is the 4Ps of marketing. Product - Price - Place - Promotion. But what will help you sell more products, and services is getting to know the 3Ps of marketing. The three customer Ps is something I developed several years ago. It refers to three types of customers you will find in your business.

- P- Present
- P- Past
- P- Potential

To be successful in growing your business you need to hit all three!! But most business owners focus on only present and potential (new) customers. Never forget that the easiest customer is one who's already bought from you! Unless you are in touch with past customers, you probably are losing about a third of your potential sales revenue. You must have a database in place of all your past customers. Even a simple excel spreadsheet is fine.

Now, work that list, call all your past customers, ask them why they stopped buying from you and give them an incentive to come back. You will be amazed. Don't make it more difficult that it needs to be.

B. **The 3 Telephone Ps**

The most important lesson that I think I teach sales people, is the power of the telephone. The telephone is the most powerful sales tool in the world. If you can't handle the phone, you will never make it in business. Always focus on communicate clearly and effectively, leave short and crisp voice mails, and know how to sell over the phone.

These telephone 3Ps are the golden rule when using the telephone.

- P- Polite - Be polite
- P- Professional - Be professional
- P- Point focused – Be point focused. Get to the point!

A telephone allows you immediate access to another in a matter of seconds - Wow! This is with 100% accuracy!

As a business owner or CEO, you should be spending at least 30 percent of your time on the phone, talking to customers, employers, potential customers. The phone is the life line of your business. The phone can change your world of opportunity in a matter of seconds.

The old ads use to say "let your fingers do the walking." You'll save a lot of time and effort if you and your sales people use the phone correctly.

How did I learn this? A top CNN executive once picked up the phone and yelled at me, "Ali, don't you understand all the deals are done on the phone? Then you see them in the real world!"

People can pick up your tone, tonality, energy over the phone. It is sometimes even better than being there in person.

Donald Trump makes about 50 calls in four hours. On a good day I can do about 30 in the same period. Activity equals results. Quality activity equals quality results.

Activity creates opportunity. I am amazed how many people call me back, because over the years I have worked hard on my phone manners, and know how to make quality value propositions over the phone. I have brought cars, done re-financing, resolved major insurance litigations, and sold products over the phone.

Make the phone your best friend. On the way to work, call at least three customers. It can only generate a long term relationship that will lead to increased sales.

6. Know there are only three ways to grow sales.

Don't let anyone fool you. There are three ways, and only three ways to get more sales revenue. These are, buy, buy more, buy more often. This comes from the basic sales formula

Sales Volume = Units x price x frequency.

To get more sales revenue, you either sell more units, sell them at a higher combined price, or sell more often.

If you want to know how effective your marketing strategy is, simply ask yourself:

- What are you doing to continuously make your customers buy your product, service or idea?
- How are you getting them to buy more?
- What are you doing to make them come back more often?

Most business owners are reactive, not proactive. They will assume because they send out a mailing, have a store location or run an ad, people will respond. Marketing, like any other business function, is work. You have to work hard to have a constant stream of customers. People need to be constantly informed and managed.

7. Remember you are in business for the customer and not for yourself.

I asked a very successful business person the secret to building a business. He said it's the desire or passion to solve someone's problem with your product, service or idea.

I believe that businesses come into existence and some outlast others because they find and continually solve problems their customers need solved.

The passion to solve other people's problems is the ultimate secret to business life. Once this dies, so will your business.

This is where your marketing comes in. Marketing will allow you to research customers and find the opportunity to add value. This is done using market research. Once you have found problems to solve, remember that problems are ongoing. Your goal as a true marketer is to improve the lives of your customers, so be in constant touch with them.

8. Get your salespeople to sell!

Selling is most probably the single most important marketing tool used by most companies. However many organizations spend very little time and effort in trying to develop an effective sales force. The quickest things you can do is develop more sales is to develop a well trained sales force.

In the book Meaningful Marketing, Doug Hall points out that a one percent increases in sales effectiveness will lead to a 6.5 percent increase in sales volume. Yet **few CEOs and business owners take the selling profession seriously. Most of them have had little training in professional sales.** There are so many excellent and inexpensive books, tapes, and CDs, available in the marketplace today, from leaders such as Tom Hopkins, Brian Tracy, and Joe Girard.

The worst mistake that I have found that most sales people make is that they sell features when they should be selling benefit. What's the difference? Features are what something does; benefit is what it does for me. Always make it a rule to **educate your customer on the benefits derived by them, when they use your product, service or idea.**

Great leaders don't just provide inspiration - they also provide troops with the ammunition needed to win the battle. I believe that professional sales training for you and your sales team on an ongoing basis is one of the best investments you can make.

Your sales people cannot be order takers and they cannot afford to just create interest in today's business environment. They need to sell! Persuade and convince people to buy your product, services or ideas.

9. Do your homework! The 5Ps of marketing.

Prior to meeting any customer, do your homework. Where is the opportunity to add value? Do market research. What do you know about people in the organization? Their products? Their technology? Their challenges? Where is your opportunity to add value?

The secret to a successful business meeting is the 5Ps of marketing. Prior Preparation Prevents Poor Performance. So many people in sales try to sell something without understanding how it can add value to their customers. This is called the "hard sell."

No matter what your business, it is your business to solve other people's problems. Take time upfront to find out what they want, desire and need, and your meeting will not only be productive, but fun! Do it with market research. Think before you act. As a general rule, spend double the time planning and preparing as you expect for the length of your meeting.

10. Always Network, Network, Network!

The shortest distance from you to the person you need to get to is a network. Networking is one of the most powerful of all marketing tools.

Don't make life more difficult than it needs to be. What do you do if you need a reputable doctor, dentist, optician, plumber or good restaurant?

You ask your best buddy. So to build a business, the question you need to ask each and every one you meet is

"Who else do you know?" You never know who knows who, or where the network will take you. **Well respected and professional business persons all have a well established network in place.** Network with every single person you know.

Summary

So here you have it, some of the very fundamentals of marketing. Marketing is not a license to throw money out the window. **If done correctly it is actually a license to print money! True marketing folks don't simply take your money. They make you money!**

I would be willing to bet the most inefficient part of your business today is your current marketing activities.

Do you have policies, systems and procedures in place to monitor the effectiveness of your current marketing activities? Many companies have elaborate systems, procedures and policies for accounting, manufacturing, and product development, but not for marketing. Since none of the marketing activities are tracked, measured, monitored or compared, they have no way to determine the effectiveness of the marketing. And **without measurement there will be no improvement.**

The front end of your business also needs to have an SOP (Standard Operating Procedure) to ensure that all your sales people go about the sales process in a standardized, systematic and logical manner with defined, written operating procedures proven to work.

Marketing is like any other area of business. It is a process and as such can be broken down into sub-processes, and these can be analyzed and subsequently improved. It's not rocket science.

When marketing is done systematically and logically it can produce incredible results. If you are doing your marketing right, you should not have to look for customers - they will come looking for you! Your organization will generate a steady stream of revenue, irrespective of the market, economic or business conditions. Leave those excuses for your competitors!