

online marketing white paper



Understanding the
Marketing Process



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White Paper

The U.S. Small Business Administration (SBA) reports that nearly 90% of new businesses fail in their first year and that nearly half fail within the initial three years.

When you start a business (or want to grow an existing one), the cards are already stacked against you. If you want to succeed, your first step is to identify the most common reason other businesses fail to avoid the same problems.

So, why do most businesses fail? Poor financing? A dip in the economy? Staffing problems? Lack of sales? The answer will surprise you!

Every consulting firm has a theory about why new businesses fail. Financial consultants state that business failure is caused by lack of adequate working capital, or lack of money. Business coaches theorize that businesses shut down because they lack foresight and fail to establish (and reach) business goals. Attorneys will state that businesses are too vulnerable due to poorly written contracts or a failure to implement legal measures to protect business assets.

The reality is, however, that businesses fail because their owners/operators lack the training of basic business practices! (SOURCE: SBA.gov) Examples of basic business practices include accounting, marketing, organization, and sales.

Thankfully, success can be skewed in your direction. You have the power to learn the strategies you need to survive in the business world, and to keep your business from failure.

Building your business empire starts by creating a team of qualified experts to guide you on your way. No matter how brilliant you are, or how extensive your skills may be, there is no substitute for the experience and knowledge of a professional!

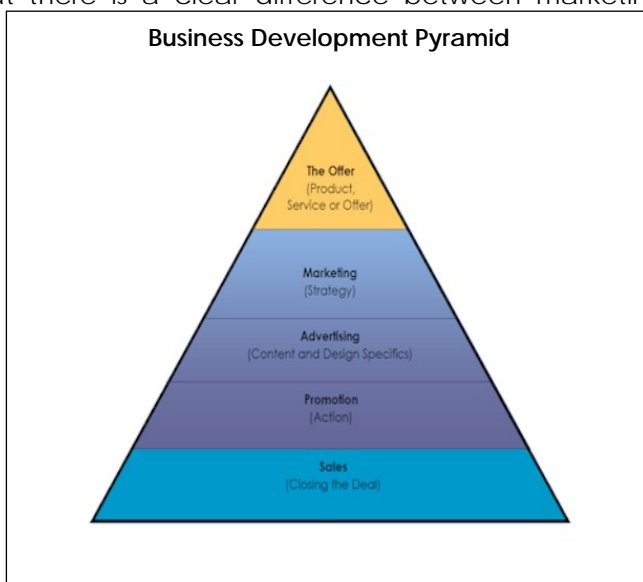
This white paper directs attention to the problems businesses encounter when trying to sell products and services.

■ ■ ■ ■ ■ Marketing, Defined

One of the most common misunderstandings about marketing is that good marketing equals an increase in sales dollars. But, the reality is that marketing (which includes advertising and promotion) is only a portion of your business development pyramid.

Before continuing, it's important to understand that there is a clear difference between marketing, advertising, promotion, and sales. Let's start by defining them.

- **Marketing:** The commercial processes by which products and services are introduced to the marketplace. Marketing devises plans to attract customers to your business and to encourage them to express interest (e.g. to become a sales lead) or to purchase products/services.
- **Advertising:** The presentation or introduction of an offer (such as a product or idea,) in order to induce individuals to buy, support, or approve of it. Advertising involves capturing the attention of the desired audience to draw consideration of a product or service through the creation of content and/or design services.



- **Promotion:** An activity designed to increase visibility or sales of a product. Promotion is the physical act of implementing the marketing strategy.
- **Sales:** The act of converting a sales lead (or prospect) into a customer. Sales typically involve the exchange of goods, services, or other property for money.

It's easy to see why so many people are confused about basic practices used to attract a customer base, build brand loyalty or increase sales!

■ ■ ■ ■ ■ Breaking it Down

Marketing, advertising, promotion and sales are all closely tied together. While they can stand on their own, the best results are achieved when they work in conjunction.

Marketing

Marketing is the strategy portion of business development. It establishes a set of clear objectives (e.g. increasing market share) and evaluates common factors such as the offer itself, the target audience, and the competition to formulate an action plan.

The action plan, known as a marketing plan, outlines factors necessary to create and implement a strategy (or series of strategies) designed to achieve the objective. It provides an overview, rather than specifics, (such as the specific content which will be used in an advertising campaign,) needed to establish a winning campaign.

Most marketing plans provide valuable information critical to content development. For example, knowing the details about a target market sector (or target audience) can help design an ad campaign by providing insight into how the target audience makes its purchasing decisions.

Marketing alone only provides insight and strategy. By itself, it will only serve as an informative tool. Therefore, other business building tools such as advertising and promotion become necessary to the overall success of the plan.

Advertising

The marketing plan suggests a target audience and possible angle to reach the audience group. However, it is advertising that provides the specific components necessary to properly reach the objectives defined in the marketing plan. For example, if the goal of the marketing plan is to win a presidential vote from a senior, then a marketing plan might suggest that possible angles include issues concerning retirement, health insurance, etc. However, it will be advertising which determines what components (e.g. content, design, structure, etc.) will appeal to the most people within a market segment to prompt a certain, desired action.

Contrary to popular interpretation, advertising is not limited to the creation of ads which will be used on radio, television or in publications (such as newspapers or magazines.) Rather, advertising is the creation of any material which is necessary to achieve the goals outlined in the marketing plan. A simple brochure, for example, is a form of advertising.

Other forms of advertising include (but are not limited to):

- Direct mailers.
- Websites.
- Business Cards.
- Ads (Banner, Text or Display).
- White Papers or Articles.

Effective advertising relies on intimate knowledge of both the offer and the audience. It must find the triggers which invoke action. This often means that ad campaigns be tested, refined and re-tested until a desired outcome is achieved on a small scale. Then, once a desired outcome is achieved on a small scale, the advertising campaign is officially ready for implementation.

Promotion

Once an advertising campaign has been deemed ready to launch, promotion is the act of implementing the campaign on a larger scale. Examples of promotion in action are:

- Placing ads in trade publications specific to a target audience.
- Distributing marketing materials at an industry trade show.
- Sending out a direct mailing piece.

Promotion is deemed successful when a desired action or outcome is reached, such as a request for more information, an increase in website traffic, a jump in search engine position ranking, or an increase in the number of sales.

Sales

Marketing (including advertising and promotion) is responsible for attracting prospects to your offer. Sales, on the other hand, is the physical act of converting a prospect into a customer.

Sales are contingent upon:

- attracting the best audience/market segment,
- the product/service you offer,
- the demand for such product/service within your market segment,
- your knowledge of your position in your market segment,
- your competition's offering,
- the competitiveness of your price,
- the perceived value of your product/service (e.g. how will it benefit the customer),
- your ability to close the sale.

■ ■ ■ ■ ■ Making Marketing Work

Marketing is only as good as your product, your dedication to the plan, your finances and your ability to close sales. If you want to reap the most marketing has to offer, consider the following:

Sell a quality product or service

- a. Must be quality, free from defects or substandard production.
- b. Must reach an existing target market.
- c. Must be competitively priced, or alternately the price correlates with its value.
- d. Must be something that you and/or your sales staff believe in and stand behind.

Prepare a well-researched marketing plan

- a. Must clearly define your product(s)/services(s).
- b. Must clearly define the features and benefits of each product/service your offer.
- c. Must clearly define your position in the marketplace:
 - i. Who is your target audience? (What is its size? Geographic location? Sending profile?)
 - ii. Who are your competitors?
 - iii. How does your product/service stack up against that of your competition? (What are your strengths/weaknesses? What are the strengths/weaknesses of your competitors?)
- d. Must identify potential problems (factors which might hinder the implementation of the marketing plan) and opportunities (new markets where sales can be gained.)
- e. Must outline:
 - i. The overall objectives (e.g. increase market recognition, generate more sales leads, etc.)
 - ii. The overall marketing strategy.
 - iii. Cost estimates- what will be the price to implement the marketing strategy?
 - iv. The overall advertising strategy
 1. Overview of advertising objectives.
 2. Overview of the advertising plan.
 3. Potential ideas/concepts for ad campaigns.
 4. Overview of where (e.g. publications, specialty radio/TV/cable stations) ads will be placed.
 5. Estimate of advertising costs.
 - v. The overall media strategy – how will you gain publicity? (e.g. press releases? Donations/contributions? Expert column/show segment?)
 - vi. The overall promotion strategy
 1. Overview of promotional objective.
 2. Overview of promotional plan.

Work with a qualified marketing professional

Marketing plans are best written and implemented when you work with a marketing professional. This is mainly because professionals have the experience preparing and implementing winning marketing plans. Consider working with a marketing professional with the following qualifications:

- 1) Has experience and education as a marketing consultant.
- 2) Is established as a marketing expert.
- 3) Has a proven track record.
- 4) Listens to your business goals and objectives, AND is willing to treat your business as his/her own.
- 5) Can implement the entire marketing plan using staff or strategic partners.

Develop a strong sales team

While marketing focuses on attracting the right audience, you can maximize your results by ensuring that your sales team has the tools to close the sales.

There's an old saying... "you can lead a horse to water but you can't make them drink." *If the traffic is coming to you, but you're not reaching your revenue goals then the likely culprit is your sales process, not your marketing strategy.*

Closing sales is all about preparation. If you can anticipate question, you'll be better equipped to answer it. Some common issues to address are:

- 1) What's your sales conversion ratio? (e.g. How many people contact you vs. how many of them actually purchase.)
- 2) What are the most common objections? (e.g. Price, quality, delivery, etc.)
- 3) How effective are you at overcoming objections" (e.g. "You mentioned that you're concerned about the price. I know that we're higher than our competitors. But, we also offer you more than they do. We offer a 3 year onsite warranty but our competitors only offer you a 90 day warranty. This means that if you have any problems with our product, we'll send someone to fix it. And this can save you a lot of money in the long run.")
- 4) How easy (or difficult) is it to place an order? (e.g. Is there a great deal of paperwork to complete? Are their financial aspects which could delay the sale?)
- 5) How familiar are you with your product/service line? (e.g. Do you know how to position your product/service against your competition?)
- 6) How good is your sales follow-up process? (e.g. Do you follow up on sales leads multiple times?)
- 7) Do you know how to sell benefits, not features? (e.g. Do you listen to your customer's needs and then position your features to fill those needs? For example, "Our equipment features a security feature so that you can keep your data safe from others.")

If you are having difficulty answering just one of the above questions, then likely your sales process may be hindering your profitability. And, even the best marketing in the world won't be able to help you close your sales.

■ ■ ■ ■ ■ Marketing Pitfalls

Let's face it. Most people assume that marketing equals sales. But, that's simply not so. Marketing is about planning and attraction of your desired audience—*not* closing your sales.

Marketing efforts are like weight loss programs. If you are willing to stick to the plan, you'll succeed. But if you stray from the plan—no matter the cause—you won't see the results you desire.

Common Pitfalls to Effective Marketing

There are a number of common pitfalls which prey on even the best marketing strategy. These demons eat at the credibility of good marketing because they give the illusion that a lack of sales is caused by ineffective marketing. However, they are often induced by a lack of dedication to the marketing plan.

If your marketing efforts are failing to generate sales, before assuming that your marketing plan is at fault consider hindrances to marketing such as:

- 1) **"If I build it they will come" Syndrome**—Unrealistic thoughts that marketing is only necessary for new products or services.
- 2) **Lack of finances**—Failure to implement the marketing strategies (including advertising and promotion) due to lack of money.
- 3) **Penny-pinching**—Decisions to implement only part or parts of the marketing strategy are driven by a desire to conserve money or other resources.
- 4) **"Been There, Done That" Syndrome**—Rejection of the marketing strategy in full or in part OR refusal to cooperate.
- 5) **Objective Switching**—Changing objectives of the marketing strategy so frequently that strategies must be modified and implemented in small, isolated segments.
- 6) **Desperation**—Marketing is implemented only as a last resort to try to breathe new life into already volatile sales efforts. (Also see I-Want-it-Now Syndrome and Pie-in-the-Sky Syndrome.)
- 7) **I-Want-It-Now Syndrome**—Failure to allow the marketing plan adequate time for full implementation.
- 8) **Pie-in-the-Sky Syndrome**—Expectations of majestic results in a very short period of time.
- 9) **Smoke & Mirrors Syndrome**—Failure of staff to follow up with contacts discovered through marketing efforts, provide appropriate pre-sales support, or close sales.
- 10) **Gate Keeping**—Poor processes or inexperienced staff make the sales process next to impossible. Examples: a defective shopping cart, inability to accept sales by telephone, etc.

Overcoming Marketing Pitfalls

Focus on What You Can Implement on a Small Scale

If you opt to begin marketing your business, product or service, you must do so with an open-mind and with a dedication to implement the strategy. If you don't have the budget to implement the marketing plan in full, you will be better served to scale it down rather than omit large segments.

For example, instead of advertising to multiple markets, select the best one and implement a full blown marketing strategy for that specific market segment. This would be a better option than nixing an entire campaign simply due to its total cost. Often niche marketing is more effective with limited budgets than selective promotion to many market segments.

Staying Dedicated to the Plan

Perhaps the most difficult pitfalls to overcome involve the failure to stick to the plan. This can typically be resolved by setting clear goals as applicable to the marketing plan rather than to revenues, profits or sales. Instead, focus on setting objectives such as:

- Increasing your requests for sales quotes by 14%.
- Sending out 25% more catalogs.
- Increasing the number of unique visitors by 38%.
- Having your ad listed in 7 trade publications.
- Boosting your ranking in the search engines from position #28 to position #4.
- Increasing your link popularity by 100 quality links.
- Earning a Google PageRank of 8/10.

Since marketing is based upon the principle of attraction, rather than on the closure of sales orders, setting goals specific to the marketing plan will keep the efforts in perspective.

Create a Sales Handbook or Other Sales Tools

Even an inexperienced sales staff can sell any product, if they are given the proper instruction. Often this can be as simple as creating a sales handbook. Include information such as:

- 1) Qualifying Questions (e.g. What's your budget? What features do you need? How soon do you need it?)
- 2) Features and Benefits for Each Product/Service You Sell.
- 3) How your products/services stack up against the competition (e.g. What their strengths/weaknesses?)
- 4) The most common objections and how to overcome them. (e.g. create a "script" that can be used as a guide to overcome objections.)

Make sure that you have sales processes clearly defined and easy to implement. This will allow you to create a powerful sales team in a matter of weeks, instead of months!

Remember, the most common problem is directly related to problems closing the sale, so the more information you make available to your sales team, the better your results!

Confused about your marketing?

Let us help you devise a winning strategy!

Contact us for more details.

Toll-free (866) 493-3693.
