



Ten Cardinal Sins of Small Business Marketing: Part I

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A local bank here in Maryland recently held a seminar series for their clients. I gave a seminar focused on some of the most common marketing mistakes made by small business owners. For the next several columns, I will discuss these 10 Cardinal Sins of Small Business Marketing and give some examples of how to do it right. Here are the first three sins.

Sin #1: Penny-Wise and Pound-Foolish

The first sin is one you've seen a hundred times. Many small businesses simply do not invest the money and time required to build a consistent, professional image. Like it or not, your image is like your vocabulary: if it's lacking, people will view you in a negative light. I'm not talking about image in the negative context of form-over-function, or a fake-it-'til-you-make-it, I'm simply talking about the level of professionalism upon which people will judge you.

What are some of the tell-tale signs that "I'm Small"?:

- Perforated business cards from your local office supply store or free cards from the internet. I've actually seen some that have "Free Business Cards" printed on the back with the accompanying web site!
- Do-it-yourself flyers
- "Letterhead" that you've made on your inkjet printer
- No website
- No URL-based email address (e.g., careyswelldrilling@aol.com vs duane@careyswelldrilling.com)
- No logo
- Poor follow-through
- Bad company name or product name

The images created by these missteps are damaging to your credibility because they indicate one of three things. Either you're not confident that you will be in business very long, you're too cheap to invest in the company, or you simply don't know any better. Either way, these all portend a bleak future for the business.

A nice example of the importance of image, and how simple it can be to do it right, is a market research study that was done for a dental practice doing direct mail. The campaign was split into three segments. The first segment included only the basic information about the dental practice, the second also included a biography of the dentist, and the third included the biography and a professional headshot of the dentist. It's certainly no surprise that the headshot segment was by far the most successful. People want to feel like they know who you are. If you put forward the correct image, they will feel much more comfortable with you. You could have your spouse take a photo of you standing against the living room wall, but it's very unlikely that the photo would be properly composed and professional looking. Instead, for less than a hundred bucks, you could have a professional do it and you'll have a nice, inviting photo to place on your website and other promotional materials, where appropriate.

Sin #2: "Budgets? Budgets? We don't need no stinking budgets."

Many small business owners feel like they are not in control. They are often reactive and seldom proactive. A well-conceived budget, however, can go a long way toward introducing rationality and predictability to the business, which helps you feel in control. Budgets

don't just help to prevent overspending, they also prevent underspending. If you set a monthly marketing budget, and actually set aside the money to fund it, it forces you to proactively do the things to build the business and maintain that important image. Think of it like the financial planning advice that suggests you pay yourself first each month, by funding your retirement plans, prior to paying the other bills. That forces you to do it and not find an excuse not to in the end.

My most successful clients set marketing budgets based on a percentage of total sales, either on an annual or monthly basis. This approach can give you a little flexibility to spend less in down months, but still be actively engaged. People always ask for rules of thumb on what percentage of sales makes a good budget. As much as I hate to cite rules of thumb, because they can be wildly inappropriate, the most common percentage among our clients is 4 to 6 percent, but the range is from 1% to upwards of 20% depending on the type of business.

Sin #3: Casting a Line Instead of a Net

Most people know what a target market is, but how should it be defined for you? In short, it should be more than just your direct customers who actually pay your invoices. There are many more people who need to know about you. Who needs to know about you and hear from you on a regular basis?

- Customers past & present
- Influencers
- Vendors
- Referral sources
- Employees
- Community organizations that are resources

- Select Competitors
- Media

Let's talk about a few of these. Influencers are people whose opinions will influence the decisions of the ultimate buyer (client). If you're an environmental consultant, for example, the opinions of the regulators overseeing your clients or potential clients are very important. Although they are barred from formally recommending consultants, their reactions can lend tacit approval in the eyes of the clients. So you need to market your company to these very influential regulators. Include them on your email newsletter list to keep them up to date on your news, communicate with them often, send them reprints of articles that they might find of interest, etc.

It may seem counterintuitive to market to your competitors, but these people can often send you a lot of work if you manage the relationship correctly. Treat each other fairly and respectfully, and there may be many opportunities to send each other some work. In some cases, one of you will have a special expertise that can better serve the client, and in other cases, you may simply not have enough staff to handle the work. Obviously, you need to tread lightly when it comes

to competitors, but there's also a lot of opportunity in this target market. In my own company, for example, there is one business in my local market who is a true competitor, but we work very closely together, and I have become their largest client! It's the old adage: keep your friends close, and your enemies even closer.

Finally, don't forget to frequently communicate with the media. Remember that they are not there to report the news, they are there to sell advertising – the news is just filler! Ninety percent of what's reported in the news is generated by public relations these days, not old-fashioned gum-shoe reporting. Producers and editors receive hundreds of emails and faxes every day with "news" items and they use these to follow-up with the senders and write stories. Stay in touch with them and they will think of you the next time a geologic phenomenon makes news. You will instantly be the expert once they quote you in the paper or put your face on TV.

Watch for the next several sins next issue. Until then, go forth and sin no more!

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