

Handbook of Marketing



Build Your Business...

Make a Difference!



Marketing Builder®

Handbook of Marketing

Sell more stuff to more people at higher prices.

~ Sergio Zyman



JIAN Business Power Tools LLC
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*Tell me and I'll forget.
Show me, and I may not remember.
Involve me, and I'll understand.*

~ Native American Proverb

Dear Marketer,

To some, marketing is a necessary evil or an expense that must be minimized. To others it is a process that drives success. I've worked as a sales rep for companies who respected and appreciated good marketing and had good brand recognition. I've also worked for companies who had little or none (even though they had a superior product). With good brand recognition it was much easier to complete a sale. Without it, sales were always an uphill struggle.

...but, our product will sell itself!

“If a man... makes a better mouse-trap than his neighbor, though he builds his house in the woods the world will make a beaten path to his door.” These words, spoken by Emerson in the nineteenth century, still draw mixed reactions from marketers. Yes, your product needs unique and well-crafted elements, but the world must also know about it and have ready access to it. With MarketingBuilder, we want to help you lead this process with as many useful resources as possible. We want to help you to do it right... to substantiate your ideas, prove your concepts, and convince others to follow your lead and ultimately become the hero of your company for substantially increasing sales and profits.

Marketing is an investment; you should expect a return on your investment.

We wanted MarketingBuilder to be a practical, down-to-earth marketing tool. This isn't an academic explanation of marketing concepts from 10,000 feet in the air, but the ground-level information you need to create and measure demand for your products and services for the least amount of money and effort. We incorporate what some call guerrilla marketing tactics; we also incorporate sophisticated analysis so you can learn what's worked and what hasn't. Sure, we give relevant theory behind the action, but the tools inside MarketingBuilder apply real experience to help you actually get the job done successfully.

From experts who understand marketing.

Those involved in the creation of these marketing tools have been actively working in marketing for 10 to 20+ years each...people who've been to the marketing seminars and read the books, and who have actually sold a variety of products and services to all kinds of customers face to face. With the input of very influential marketers, including Alexander Hiam, the author of Marketing for Dummies, and Mark Jordan, former marketing manager with Hewlett-Packard, Radius, and Sun Microsystems, MarketingBuilder adds depth to both ends of the marketing spectrum.

We understand the practical realities you must live with in marketing your business. We live with them also. We have a sense for the non-marketing people you must work with. We've worked with them also.

Maybe no single thing will succeed...but the synergy of all of your efforts will. That means you must coordinate your advertising with your packaging, with your direct mail, with your website — everything. Sometimes you have the luxury of planning an entire campaign from scratch. Usually, you have to get one project at a time out the door. Ideally, each marketing project or program should ultimately flow into an overall brand strategy that you continue to build and continues to grow in the minds of your customers. You now have the planning templates, supporting tools and guidance to do all of that.

All the best to you as you enjoy and succeed with MarketingBuilder.

~ The JIAN Product Team

About this Manual

All that is necessary for evil to triumph is for good men to do nothing.

~ Edmund Burke

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Not copy protected, but can you imagine...

starting or managing your business on a foundation of stolen property? May the fleas of 1,000 camels nibble on your _____ for eternity if you give MarketingBuilder away, sell it, or in any way use it or provide it to anyone in an inappropriate manner. We've put a lot of research, work, and refinement into this product to help you build and build and manage a successful business. So do yourself a favor—if you have not paid for this software, call 1-800-346-5426 and order your own copy today!

NOTICE:

We wish we could provide marketing planning templates that are tailored exactly to *your* business. While this is not always possible, we feel that we've come extremely close and that these documents provide you with the head-start that you need to effectively manage your marketing campaign. Nevertheless, we must make these disclaimers:

- 🚫 **Do Not Use These Documents "As-Is."**
- 🚫 **These Documents Are Not Legal Advice.**
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Remember to bookmark our website:

<http://www.JIAN.com>

Please Tell Us About Your Results!

And tell us what you're doing—maybe we can help! It's important to us that you are successful with your business. We're always interested in what you have to say about our products—good or bad. While we enjoy the good, it's more important that we're made aware of any problems you may have encountered. If you have a suggestion, idea, complaint, comment, or success story—anything we can do to improve our products, services, or better run our company—we'd like your input.

Please feel free to call us: **530-267-6293**.

Or, visit our website and [give us your suggestion](#) or [share your success story](#).

Best of luck in your business!

We hope that MarketingBuilder will assist you.

Thank you very much!

Welcome to JIAN

*Any fool can make things bigger, more complex, and more violent.
It takes a touch of genius - and a lot of courage - to move in the opposite direction.*

~ Albert Einstein

What's a JIAN?

You might think of it this way: while a Black Belt is a master of the martial arts, a “Jian” (pronounced: jee'on) is *a master of every art*—the ultimate human with extraordinary acumen, power and resourcefulness. JIAN, the company, is a contemporary software publisher providing project-specific, expert knowledge in time-saving flexible packages that work easily with popular word-processing and spreadsheet programs.

Simplifying business

Our purpose at JIAN is to simplify business with tools to help you run with your ideas and build better companies—faster, easier and more economically. We started out with many combined skills that evolved into a business software development company. Over the past 20 years, we've learned a lot through our own hard-won experience what it takes to organize, build and promote a successful business.

This is all we do

Since 1988, we've focused only on developing time-saving software tools for important business projects. We've engineered valuable inside information and the best materials from a variety of sources into our software for building a business quickly and efficiently.

We address projects that are not usually within the scope of most business people's expertise. We provide a complete solution to management problems. Each JIAN package is a “do it yourself consulting kit” that includes all of the needed forms and documents you'll need, along with simple step-by-step instructions.

All JIAN packages are developed and refined by experts with successful, real-world business experience. We've gathered input from these specialists as well as commissioned accountants, consultants, lawyers and other experts for further guidance. Most of the people at JIAN as well as the consultants and independent contractors who work for JIAN are, or have been, owners of companies. Plus, we've incorporated feedback from thousands of customers over those 20 years into our products. Together, we engineered these materials, insights and experience into tools you can use.

More than electronic versions of the same old thing

In the process of converting these materials into software, we added state-of-the-art methods to harness the power of the computer. As entrepreneurs ourselves, we appreciate the blend of art and science needed to give you just the right amount of information in just the right format to get the job done.

We use our products to build our own company and we're succeeding because of it.

Thank you very much for choosing JIAN.



Burke Franklin, *Founder & CEO*

This is the Newest Version of Marketing Builder

*You have to have your heart in the business
and the business in your heart.*

~ Thomas J. Watson

Welcome to JIAN's update to our popular marketing planning software. We first developed MarketingBuilder in 1992—long, long ago in the digital universe, however; over the years, we've used it ourselves as an integral component of our own business success. All along we have added refinements and new ideas so we could build our own successful company as well as pass the “refined wisdom” along to you.

This marketing plan development system is designed to get you and your management team past writer's block and keep this important project moving. To make it easy for you to incorporate this product into your business, we've designed it with a number of built-in features to assist you. As you progress you will naturally edit, update and refine the text. If a particular passage or section doesn't make sense or doesn't seem to apply to your business, simply return to it later or deselect or delete it.

MarketingBuilder is more than a business promotion tool — it's a business education, a management tool, a collaboration workspace, and a lot more. The final result is a printed “marketing plan” that you can use to manage your business as a money-making machine.

We've deliberately made MarketingBuilder *overkill* for most businesses. That's good because you have plenty to work with—you'll think through many different possibilities for building your business. There's nothing “cutesy” or “full-of-fluff,” and no blank pages leaving you to agonize over what to say.

Also, as an entrepreneur, business owner, or marketing manager you must familiarize yourself with the newest marketing tools / channels (and fads) and blend them with the proven (old-school) techniques. Basics about marketing plans, planning, as well as tools to measure and substantiate (or let go of) certain ideas... MarketingBuilder contains more than 100 templates that you can use to create comprehensive marketing plans to help you build your business. We've organized the documents and worksheets into eight logical business-related categories, and provided pertinent information on each and every one: the what, who, why, when, and how of marketing plans! Each document also comes with detailed expert comments throughout each one to help you understand what you're doing, and step-by-step instructions on how to “fill-in the blanks” to complete your marketing plan that fulfills your business requirements.

Besides the marketing plans collection, we provide this “Handbook of Business Marketing” to help you to further understand marketing as it applies to your organization, and to put your plan together.

MarketingBuilder is the most comprehensive software product of its kind. We think it's the most useful tool available for your growing business' marketing and promotional needs.

Remember to visit our website for more ideas, useful articles, and best practices.

Optimized to make completion easy and fast

Since MarketingBuilder was first introduced, many competitors have tried to imitate it. We believe that we're both very fortunate that you found us before you bought from the other guys. Few, if any, can compete with the quality of our content (except perhaps an expensive and experienced marketing consulting team you hire to produce a custom marketing plan). Now, with our new high-performance Multi-user Interactive Document Assembly System (MIDAS), you have the latest content as well as the finest user interface. Plus, you can now collaborate over the Internet! Watch for our entire product suite to be integrated and updated with this technology.

Your marketing plan must make sense...

and it must be designed in a way that expresses your commitment to managing your organization. This is a document that you will live with day in and day out. Think through your choices with an eye on the next three to five+ years and make sure that you can and will enforce these marketing plans as they are written.

Be sure also to read the first few chapters of this handbook before starting to edit your plan. They're a brief reality check on writing plans—years of wisdom crammed into a few pages. You'll become a smarter, more effective business person as you successfully complete this important project.

The context for making important choices

Some software products present you with a screen and some check boxes or radio buttons expecting you to make your decisions, out of context, then and there with the system taking over to produce your agreement. We think that is more difficult for you as well as a bit dangerous – at JIAN we look for “out of the checkbox” solutions and ideas that may actually work better for your company. First, you need to be shown the bigger picture, offered some choices and provided with thorough explanations before you commit your business to a certain choice. Therefore, we do not limit you to checkboxes and radio buttons, instead, we provide the entire plan where you can read the options and edit the text your way. Throughout, we provide expert comments explaining each choice and making suggestions to consider for each marketing plan point within the context of your entire agreement and management desires.

Expert comments are in green:

To turn them Off/On, just click the bullhorn icon in the top menu.

Customizing Your Plans

As you read through the text, you will need to customize all items identified within the “[]” brackets with your own text, numbers and dates. To make sure you have filled in all the variables, use Word's Find function to locate any “[]” containing an uncompleted variable. (Pull-down under Edit in the Word menu.)

You may format this document any way you like. We've used Word's “Styles and Formatting” capabilities to manage all of the formatting. Pull-down under Format (above) to “Styles and Formatting” and a window/menu will open on the right.

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*"It is not what we read, but what we remember that makes us learned.
It is not what we intend but what we do that makes us useful.
And, it is not a few faint wishes but a lifelong struggle that makes us valiant."
~ Henry Ward Beecher, 1813-1887, American Preacher, Orator, Writer*

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Contributors

A friend is one to whom one may pour out all the contents of one's heart, chaff and grain together, knowing that the gentlest of hands will take and sift it, keep what is worth keeping and, with the breath of kindness, blow the rest away.

~ Arabian Proverb

We at JIAN extend our special thanks to our many customers – marketers and marketing consultants – as well as to all of our in-house staff, in recognition of their outstanding efforts in producing this product. Without their immeasurable contributions, Marketing Builder would not have been possible.

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- Desktop Publisher - Pat Napoles Publishing
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- Special Thanks To - Neal Novotny, Burke Franklin, Alex Hiam, and Mark Jordan for their contributions

Marketing Alchemy

"Who designed your site?", "Do you know a good web designer?", "I like this design", and (maybe), "What shopping cart do you use?"

In other words, most companies, most of the time, are focusing on design and technology.

Rarely does anyone say, "Who wrote your site copy?", "Who helped you decide what information to include?", or "Who helped you market your site?"

Am I saying design and technology don't matter? Absolutely not. Attractive, professional design and appropriate technology are critical for a successful business site. *But not to the extent of investing 95-100% of the thought, time and money in only these two aspects of the website's construction and use!*

People come to your site for what you have - nothing else. And they buy because of how well you tell them about that. So for maximum effectiveness and profitability, you need to put more focus on two factors that are frequently under-addressed: crafting the site as a powerful marketing and sales tool, and promoting the site effectively.

Ultimately, it's not WEB marketing. It's **MARKETING** on the Web. The key word isn't "Web", it's "marketing". So make your site a powerful marketing tool and promote it effectively.

A WEBSITE IS NOT A WORK OF FINE ART, NOR AN EXERCISE IN TECHNOLOGY. . .

It is a BUSINESS TOOL, and, more precisely, a MARKETING TOOL.

Michael Linehan has helped us tremendously and we strongly recommend his services to you.

<http://www.marketing-alchemy.com>

Your Step x Step Marketing Planning System


The world makes way for the [person] who knows where s/he is going.

~ Ralph Waldo Emerson

There is no reason to develop a marketing plan from scratch. The people who contributed to this tool have *each* been professionally involved in marketing for more than 20 years. We've preferred to be paid upon our successes and have been willing to work harder and smarter because we're convinced we can do better. In the process, we've answered questions, gathered ideas, made a lot of sales calls (!), and tried many different things – from all of that, we built these tools to help ourselves succeed over and over again in a variety of industries. This is not an academic exercise... salaries, bonuses, and house payments are on the line. To be sure, we believe that there is more included with MarketingBuilder than most business marketing planning software products.

We help you with everything we can so you can build your business, build value at every step, inspire managers and employees alike, as well as be mentally prepared with the ideas and materials you need to build your business as you envision it. Remember, the world is set-up to help you – it's all around – this can be easy. Maybe even fun!

Marketing Plan Checklist:

- 1) Install the software (it's all automatic, but we must start here!)
- 2) Put your shared files on a drive/server where you can access them from every computer you want.
- 3) Add other users (as desired) and provide access to your shared files.
- 4) Choose MarketingBuilder from the menu.
- 5) Check the box for the section(s) you want to include.
- 6) Open each Word document and edit to suit your business.
- 7) Utilize the narrative and expert comments to determine which approaches best suit your needs.
- 8) Review this Handbook.
- 9) Solicit input from your team or consultant(s) – click the [little man] icon to request a consultant nearby.
- 10) Visit <http://www.jian.com> and review the Business FAQs
- 11) Review other available documents and use as needed.
- 12) Click the  icon above/right and send us your success story!

MarketingBuilder Templates

*If you don't know what you want,
you won't recognize it when you get it.*

~ Author Unknown

The following is a listing of all of the Word & Excel templates provided in the Marketing *Builder*.

Marketing Plan Sections

These are the actual Word docs you will edit, fill-in the blanks, and complete the sentences to produce a comprehensive marketing plan.

- **Cover Page**
Got to have a nice cover – add a graphic/logo...
- **Table of Contents**
A plan can be comprehensive and complex, but your reader can quickly find what they want.
- **Executive Summary**
This is automatically generated – assemble your entire plan, then edit the TOC.
- **Overview of the Company**
This is good for those needing to be brought up to speed on who you are – optional.
- **Market Analysis**
How big is the market, what are the segments – quantify the opportunities
- **Objectives**
What do you want to accomplish – what is the investment in marketing buying?
- **Customer Analysis**
Who are the people in 'pain'? What is their world like? Why will they buy?
- **Competitor Analysis**
Who else thinks they have a better mousetrap and what are they doing?
- **Risk**
If you win, who loses... What can go wrong along the yellow brick road? Flying monkeys?
- **SWOT Analysis**
Strengths, Weaknesses, Opportunities, Threats – Show us the puzzle pieces and the box cover...
- **Present Situation**
Given all of the above, where are we now? What do we have today?
- **Product Plan**
For an individual product, this is like a marketing plan within a marketing plan.
- **Marketing Strategy**
There can be only one overarching 'strategy', then multiple tactics to achieve the strategy.
- **Sales Strategy**
Given the environment created by marketing, how will you make contact with your customers?
- **Pricing**
The moment of truth – good to look at this from a variety of perspectives...
- **Distribution Channels**
How best to get your products / services closer to your customers.

- **Internet**
This marketing tool works for you 24/7 – think through what you want the programmers to build.
- **Strategic Alliances**
Others would benefit by working with you... Why? Who are they? What synergies exist?
- **Marketing Communications**
How will you get the word out?
- **Advertising**
If you must buy advertising, where should it be and what should it say?
- **Public Relations**
How can you make your product, service and or company interesting to the news media?
- **Implementation Plan**
All of the above sounds good – how do you roll it out?
- **Team & Milestones**
What gets measured gets done... Who will get the credit for a job well done?
- **Forecast & Budget**
Do the math, prioritize your cash flow, and get buy-in to move forward.
- **Appendix**
Here's where you include additional research data, articles and documents to support your plan.

Pre-Planning Worksheets

Some of your marketing plan items require prior deeper thinking and organizing before being presented. Use these worksheets to develop the background of each category.

- **Brand Development**
Establish the meaning you want to convey with your brand
- **Communications**
Determine which vehicles will be best to get the word out
- **Creative Brief**
Provide the foundation and framework for each of your promotional pieces.
- **Naming**
Play a game that helps you develop just the right names for your products or services
- **Package Design**
Before you build a box... list and prioritize everything it must do to make out the store door.
- **Positioning / Company**
What perception do you want people to have of your company relative to your competitors?
- **Positioning / Product**
What perception do you want people to have of your products relative to the alternatives?
- **Product Requirements**
Given your customers' needs, what must your products/ service accomplish to be viable?
- **Web Strategy**
What are your expectations for your website?

Marketing Tool-Kit Spreadsheets

These are the individual planning & analysis tools included with MarketingBuilder.

- **AD/PR Agency Selection Matrix**
Set up your hiring criteria, priorities, expectations, then grade each candidate.

- **Alliance Priorities**
Sometimes you can drown in opportunities... who will bring in the most money?
- **Association / Affiliate Pricing Analysis**
Associations represent thousands of potential customers – calculate a deal that works for everyone.
- **Break-Even Analysis**
Do the math on your product/service.
- **Bundle Offer Pricing**
What if you offered a bundle deal—what to include, discount, and how much might you make?
- **Collateral Material Optimization Matrix**
Can you save money with fewer pieces of literature and make work harder?
- **Commission Worksheet**
Motivate your money-hungry salespeople with this – show them how they will prosper.
- **Competitive Analysis**
Keep your friends close. Keep your enemies closer... List your competitors' strengths & weaknesses alongside your own.
- **Customer Lifetime Value**
How much is each customer worth to you? (Great for business valuation!)
- **Customers Desired**
How many of each kind of customer do you need to reach your sales / exit goal?
- **Department Operating Budget**
Manage your marketing team like a fine –tuned machine.
- **Direct Mail Analysis**
Project costs, response, and profit potential for your marketing program.
- **Email Analysis**
Project costs, response, and profit potential for your email marketing program.
- **Hiring Matrix – VP Marketing**
Compare and contrast the best candidates on a number of weighted criteria.
- **International Priorities**
Want to sell around the world? Based upon certain criteria, where should you go first?
- **Market Potential**
How much will this thing make anyway? Test the feasibility...
- **Marketing Budget**
How much will you invest in marketing, and where will you focus your attention?
- **Media Selection Matrix**
Optimize your choices and investment in media channels.
- **Pricing Calculator**
Factor in costs of goods, costs of selling, volume, break-even... arrive at SRP, street, and wholesale pricing.
- **Pricing Matrix & Price List Generator**
Set up your pricing on page one – then just click on the price sheets for every customer type.
- **Product / Service Launch Schedule & Budget**
Set your street date, what needs to be done between now and then... Put together your entire plan and cash flow to do it right.
- **Product Development Priority Worksheet**
Based upon how many you'll sell in a variety of channels, which projects will generate the most profit?
- **Project Status Report**
Demand and get the updates you need as your people work toward milestones.

- **Retail Merchandising Budget**
If you sell through retailers, then you need some in-store horsepower – here's your plan and budget.
- **Retail Promotion Package**
If you offered your resellers volume incentives, how much would it pay off?
- **Sales Forecast**
How many units of which product are your salespeople going to sell?
- **Sales Incentive Program**
What if you offered an incentive to your salespeople for performance?
- **Sales Representative Report**
What are your salespeople doing every day? Have them complete this form and you'll know.
- **Sales Source Analysis**
It's crucial to know where your sales are coming from – which ads & promotions generate sales?
- **Sales Source Keys**
Use this worksheet to manage the codes you'll use to track every ad & promotion
- **Tradeshow Booth Duty Schedule**
Use this simple page to manage your booth staff.
- **Web Banner Analysis**
Do the math on your banner advertising first!

Supporting Documents

Your marketing plan may require a few additional things.

- **Ad Codes**
Track each of your promotions by including a 'Priority Code' / 'Discount Code'
- **Conference Sponsorship**
Make more money on your conferences by offering sponsorships – use this handy template.
- **On-Hold Script**
What do people hear while they are waiting for the next person to pick the phone?
- **Product Survey Script**
What do you want to know from your customers? Use this handy phone script to find out.
- **Trademark Application – Product**
Apply for a trademark with this handy paper template.
- **Trademark Application – Service**
Apply for a servicemark with this handy paper template.
- **Trademark Classifications**
You can get this from the PTO, but we made it handy (and prettier) for you here.
- **Tradeshow Checklist**
Prepare for your next tradeshow or conference.

Getting-Started Guide: Windows

*You couldn't get a conversation started...
everybody was talking to each other.*

~ Yogi Berra

System Requirements

Windows

MarketingBuilder is a Windows® /2000/XP/Vista compatible software application requiring::

- PC-Compatible Computer
- Windows 2000/ME/XP Operating System
- 256MB RAM
- 60MB Free hard disk space (About 200MB if you download the video)
- CD-ROM Drive
- MS Mouse or compatible pointing device

MarketingBuilder requires / works with:

- Microsoft® Word® 2000/XP/2003/2007 or later
- Microsoft Excel® 2000/XP/2003/2007 or later
- Or... Microsoft Office 2000/XP/2003/2007 or later

Headings

in bold in these instructions (like the heading above), match screen headings in MarketingBuilder.

Downloading Instructions

This presumes that you only have this manual so far and not the software!

- Click the link in the email sent to you.
(If the link is inactive, copy the link into your browser address window.)
- On the next page, click on just the 'filename' link...
- In the top "Save In:" window, select your desktop.
- When prompted to Open or Save, click Save.
- Please be patient for a few moments while the system downloads the software (it's about 13MB)
- Then double-click to install.
- The program will automatically replace any previous application, but leave your working files in place.

Installing From a CD

Before You Begin:

- Install the latest Windows and Office updates.
- Click your START button (on your desktop)
- Click “Windows Updates” (or visit www.microsoft.com – look for 'downloads') Follow the Microsoft instructions.
- Turn off all other programs before installing MarketingBuilder.
- Make sure one of these operating systems is running on your computer: Windows 2000/ XP/2003/Vista.
- Place the MarketingBuilder CD-ROM in your CD-ROM drive.

Installation Screens

Follow the on-screen installation instructions.

Read the **License Marketing**. You must agree to the terms of the license agreement to complete the installation.

- Click “I Agree;” then click “Next.”

Choose Destination Location

We strongly recommend that you allow MarketingBuilder to place your program files in the preset default locations. If you should need technical support, our support staff will be able to help you locate your files more readily. If you choose a different destination, please note it in your in the “NOTES” section of these instructions on the last page of this booklet.

Access your project from various locations

The default setting is for sharing your project. No one can access your projects unless you give them a username and a password. The MarketingBuilder license enables you to install the application on three machines for yourself – we presume: work, laptop and home.

We recommend keeping the shared mode to enable you to store your documents in a separate folder on a server (or a web-based server) – anywhere you want to put your files to enable yourself to work on them from different locations. If you want to enable collaborators, they will need their own copies of MarketingBuilder (we offer package deals on www.jian.com). You will find that it is very easy to add more users and tightly control their access. Click “Next”

This will take you to the Start Installation screen. To install MarketingBuilder:

- Click “Next.”

Installation time will vary with the speed of your processor, and your system configuration. An average installation takes about 6 minutes.

The next screen will tell you that your installation has been successful.

How To... Use the Software

*It's easy to sit up and take notice.
What is difficult is getting up and taking action.*

~ Al Batt, Humorist

We use the same system – MIDAS (our Multi-user Interactive Document Assembly System) to manage all of our products. This way, all of our products work the same way, plus you can share sections between them. Information entered into the next three Product Information screens will be used to complete recurring variables in your plan, and part of it will also be used to register your software.

Log In

The first time you log in, make up a 6+ character alphanumeric username and a 6+ character alphanumeric Password (use just letters and numbers – no other punctuation characters). The system will open the “Add User” for you to verify your password with a duplicate entry.

(Although it usually goes without saying... make up something that will be easy for you to remember!)

When you are done entering your log-in information, you will return to this screen where you must re-enter your Log-in Name and Password to get started for the first time.

Remember my Password – To support your sanity, from here on, the system will remember your Log-in Name and Password when you access it from the same PC.

If you want to **add more users**, you can click the ‘Add User’ button and insert them here. Learn more about adding users under “User Permissions” below.

File Location

The system automatically creates a new folder within your “Shared Documents” folder called “JIAN Documents.” The default path puts the plans you create into this folder. (Please do not delete this folder!)

This folder also includes some Microsoft Access database files. If/when you want to move your project/plan to a thumb drive, server, or web-based folder, you must drag/copy the entire “JIAN Documents” folder to the new location. If you have moved the “JIAN Documents” folder, then click the

The screenshot shows the JIAN login interface. At the top, it says "Welcome to JIAN" and provides a brief overview of the system. Below this is a "PRIVATE" sign graphic. The main form contains the following elements:

- Username:** A text box containing "burkefranklin".
- Password:** A text box with masked characters "*****".
- Remember my Password:** A checked checkbox.
- File Location:** A text box containing "C:\Documents and Settings\Administrator\Desktop\Business Plan".
- Make Default Path:** An unchecked checkbox.
- Login Mode:** Two radio buttons: "All Access Full Control" (selected) and "Work locally on checked-out plans".

Buttons for "More Information", "Add User", "Change", "Cancel", and "Next" are also visible.

Change button to browse to the new folder location – this points MarketingBuilder to the proper data files.

Make Default Path to make your selected folder the new default folder for your plans / projects.

When you login from other PCs, be sure that the Shared Path from each one points to exactly the “JIAN Documents” folder in the same network/server location.

Your Plans are Secure

No one can access your projects unless you give them a Login Name and a Password. You can store your documents in a separate folder on a server (or a web-based server) – anywhere you want to put your files to enable yourself to work on them from different locations. If you want to enable collaborators, they will need their own copies of MarketingBuilder (we offer package deals on www.jian.com). You will find that it is very easy to add more users and securely control their access.

Document Management System

As you continue building your business and add more projects, like your marketing plan, PR campaign, employee policy manual, etc. they will appear in this window.

To Start a New Plan

If this is your first time using MarketingBuilder, click the “Start a New Project” button on the right. Below, under “Choosing the right JIAN product and its components,” we describe in detail, each of the marketing plan prototypes which will appear on the next screen.

To Open a Current Plan

To get back to a plan you are currently working on, just click on the title of your project in the **Open existing project:** window.

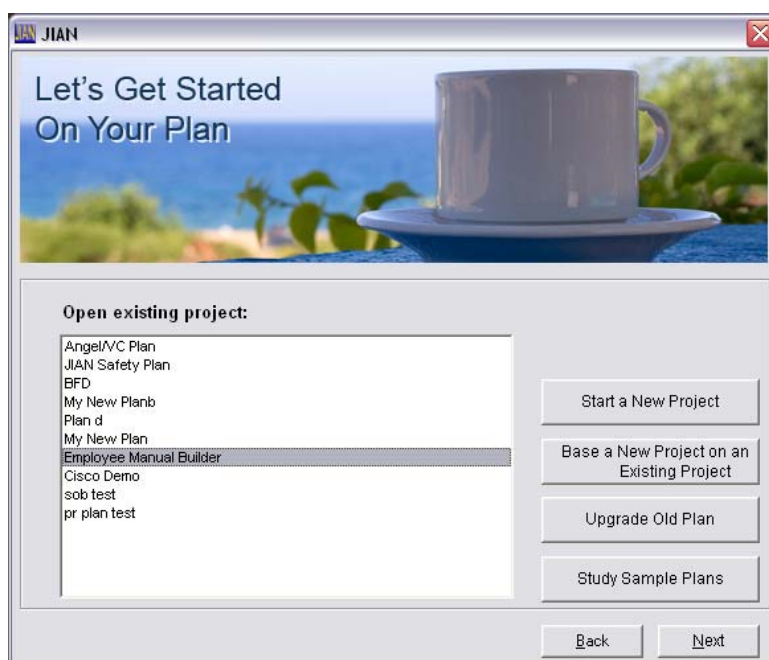
The projects/plans listed will be for all of your current projects in the folder selected under the username and password when you logged in.

Click the plan/project you want, then click the Next button.

Create a New Plan Using a Previous Plan as a Template

If you have developed a marketing plan and want to use it as a template for a new plan, first click on the plan title you want to use, then click the “Base a New Project on an Existing Project” button on the right.

The system makes a copy of the previous plan and will enable you to save your new plan under a new name (it will not overwrite the previous plan).



Study Some Sample Plans

The link at the very bottom left will take you to a few sample plans.

One very important thing we have discovered from many customers is that our process of researching marketing planning, investor and lender response, as well as the entrepreneurs who came before you and successfully used MarketingBuilder is that it is much easier to edit the text and multiple-choice variables than to try to undo, then redo an industry-specific plan.

The reason is that most so-called industry specific plans start with a generic template and change enough to lead you to believe that your industry is properly addressed. Customers who have converted to MarketingBuilder tell us otherwise. Investors and lenders are less interested in your industry specifically than they are in your business as a money-making machine – our cross-pollination from many industries gives you a ton of ideas to incorporate into your unique plan.

Take a look at a few of our complete marketing plans to see for yourself. You can edit them and use them as they are, but I would use the automated MarketingBuilder system for more control and to make it easier.

To Upgrade Your Plan(s) – Made From MarketingBuilder v1.x/2.x

Marketing plans created from earlier versions of MarketingBuilder or other marketing plan software can easily be pasted into a new plan, section by section.

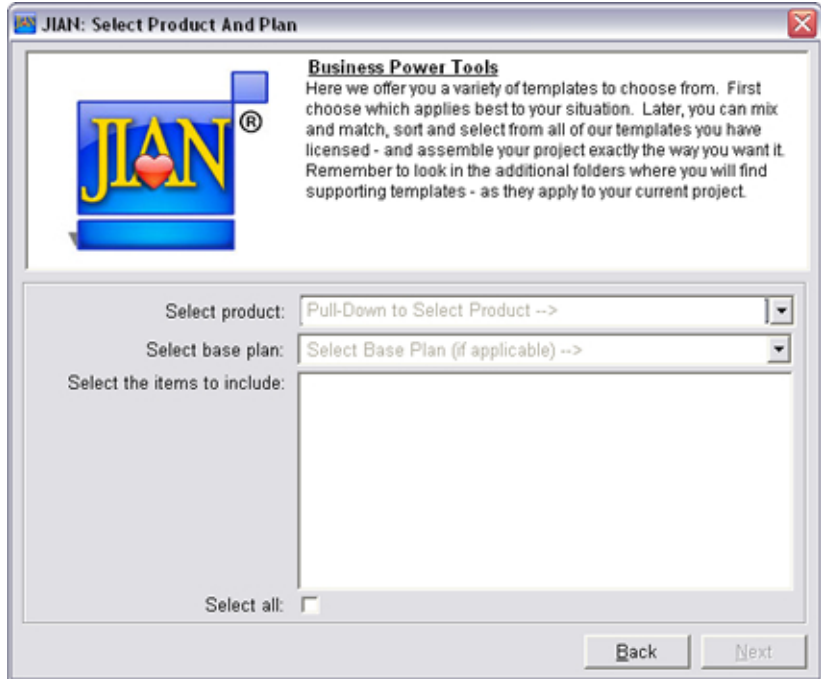
Choosing the right JIAN product and its components

We use the same MIDAS system to manage all of our Business Power Tools products.

Select MarketingBuilder:

First, select MarketingBuilder from the top “Select product:” pull-down menu.

The way to really succeed in your business is to do it better than anyone else, and do it a little bit differently. Here we offer you several fundamental marketing plans to choose from. Rather than be limited by any specifics of an industry, you can use the best ideas cultivated from many industries over many years, and cross-pollinate them into your business to produce the best marketing plan for yourself. First, choose which one applies best to your situation. Later you can mix and match, sort and select from all of our plans—and put your plan together exactly the way you want it.



Select Your Base Plan

MarketingBuilder offers several plans to start with based upon the type of business you have as well as the point of view of potential investors and/or lenders.

In the second pull-down window you can choose which marketing plan system you want to start with.

Below are brief descriptions of each plan type to help you make your selection.



Business to Business (B2B)

Choose this marketing plan system if you run or work for a business that sells products and/or services to other businesses. This is our most comprehensive marketing planning system. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Service

Choose this marketing plan system if you are starting or building a service business and want to carefully plan how you will promote your services into your community. Use this plan even if you will also offer products with your service. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website. (Photograph © 2008 Jack Gescheidt, www.jackphoto.com)



Retail Store

Choose this marketing plan system if you are opening or operating any kind of retail store. It's important that you consider many promotional opportunities then prioritize and test responses. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Internet

Choose this marketing plan system if you are starting any kind of internet-based business. (If the internet is part of a larger business better suited to one of our other plan types, you can still cut and paste sections from this plan type into your main business plan.) Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.

Choose this marketing plan system if you are starting any kind of internet-based business. (If the internet is part of a larger business better suited to one of our other plan types, you can still cut and paste sections from this plan type into your main business plan.) Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Product Launch

Choose this marketing plan system to prepare a marketing plan for any specific product / service you wish to sell. Useful mostly for product managers or marketing teams launching an individual product or product line. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Consulting Practice

You support others in a variety of ways. Choose this marketing plan system if your business is to advise others on how best to proceed. Use this plan even whether you are a management consultant, a PR professional, or a consulting firm. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Personal Performer

You're it. Choose this marketing plan system if you are promoting yourself and your unique talents and skills. You may be an independent contractor, salesperson, an opera singer or some other kind of specialist. By using Marketing Builder, you're taking on the marketing sophistication of a big business. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.



Not for Profit

Choose this marketing plan system if you are promoting a not-for-profit organization. Especially when grant money or donations are at stake, you want to produce a carefully crafted promotional plan to maximize your resources. Like all of our plans, you may also use sections from other plans and supporting documents, drag and drop them into the order you want, edit and format to your liking, then print a hard-copy, a .pdf, or post to a website.

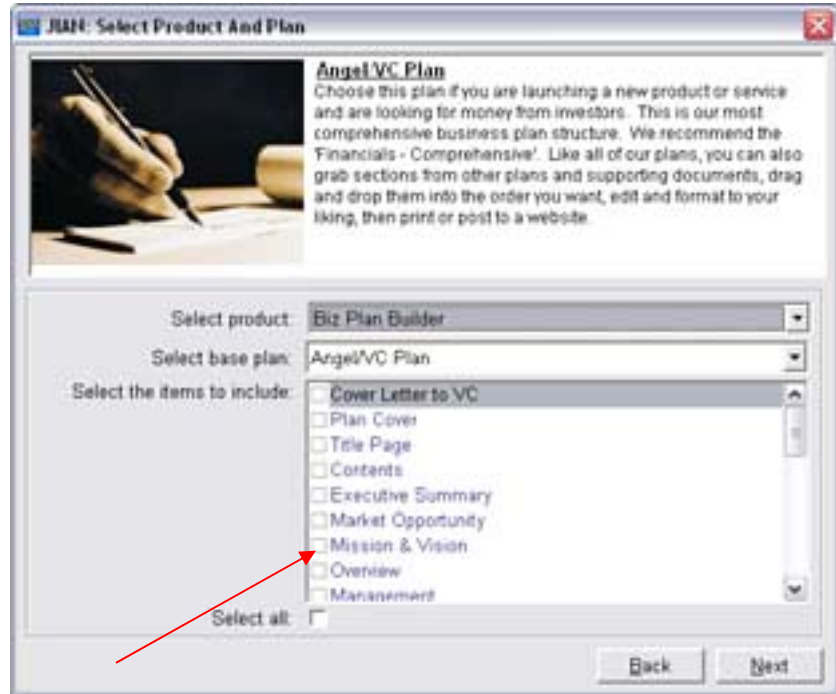
Choose the Sections to Include

In the third window you can select the sections of the marketing plan that you want to include. Choose the sections you want to include initially, or choose all of them. Later you can always add more sections, start from a blank section, add documents from your own files, as well as choose from the many supplementary documents we have included.

As you can see from the sections shown, we have designed MarketingBuilder to enable you to jump right to a section you may feel most compelled to work on at any time.

Likewise, your audience will be able to jump right to the parts they most want to see.

To include them all, simply check the box.



(Rather than forcing you to write a marketing plan in a lock-step sequence, we have turned the process inside-out and constructed it to enable you to work on your plan any way you like. The modularity will also appeal to your audience who likely jump around looking for what they want to read.)

Click Next.

User Information Form

What you enter here will be used throughout your project documents to replace recurring variables.

Be sure that [Company Legal Name] (eg. JIAN Tools for Sales, Inc.) and [Company] (an acronym or shorter name like: JIAN) are correct for your business.

If you do not change/fill in the variable(s), then your plan will include the variable(s) as shown below.

Variables are tied to specific plans

Each set of variables is connected to a specific marketing plan. In the event that you are writing multiple plans, you will likely want each plan to use a different set of variables. If you have already started a plan, then start another/new plan, the variables will initially show what you had in the previous plan – when you change them, they will remain specific to the new plan.

Change Variables

If you pull-down under Options to Edit Variables while you are editing your plan, you can change these variables on-the-fly. (You will need to close and reopen the current section for the variable change to take effect.)

JIAN: User Information Form

Supply/Edit the following information for use in creating your documents:

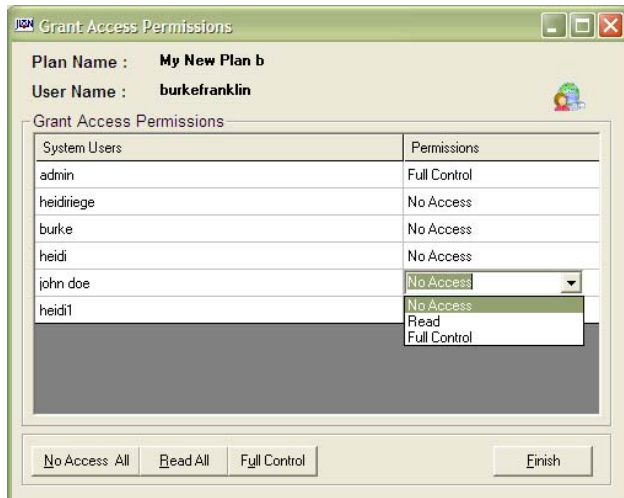
Plan Name:

About You: First Name: Last Name:

About your business:

Company Legal Name	<input type="text" value="[Company Legal Name]"/>
Company/Acronym	<input type="text" value="[Company]"/>
Address	<input type="text" value="[Address]"/>
City	<input type="text" value="[City]"/>
State	<input type="text" value="[State]"/>
Zip Code	<input type="text" value="[Postal Code]"/>
Telephone	<input type="text" value="[Telephone]"/>
WebSite Address	<input type="text" value="[Website]"/>
Owner/Founder	<input type="text" value="[Owner/Founder]"/>
Founder First Name	<input type="text" value="[Founder First Name]"/>
Founder Email	<input type="text" value="[Founder Email]"/>
Founder 2	<input type="text" value="[Founder 2]"/>
Founder 2 First Name	<input type="text" value="[Founder 2 First Name]"/>
Founder 2 Email	<input type="text" value="[Founder 2 Email]"/>
Year Started	<input type="text" value="[Year Started]"/>
Competitor 1	<input type="text" value="[Competitor 1]"/>
Competitor 2	<input type="text" value="[Competitor 2]"/>

Select Industry:



User Permissions

When you are starting your first project, this screen will appear after the User Information Form. **You are “Admin”** – Click on the down arrow and give yourself, “Full Control” (Full control... yes!) This means that you (and anyone else given full control) can access, read and change the documents.

Permissions for Each Project

You can add an unlimited number of users to the system. For each project you are working on, you must grant access to each user respectively. This way you can add all of the people you want to

work with to the system, but selectively grant access levels per each project...

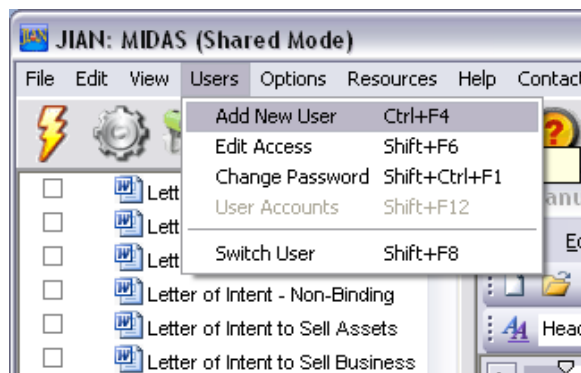
- *No Access* means that the user cannot even see a listing of a project.
- *Read* means they can look, but not edit.

Add Users

You may add as many additional users as you like. (They will each require their own licensed copy of MarketingBuilder.) When you add a user, s/he can be given access to all projects. You’ll need to enter them once while you are logged in the local mode + once while you are logged in the shared mode.

When a user is added in the local mode, they’ll get access to local files only (no access to the shared area). Log-in to MarketingBuilder in ‘Local’ mode, click on “Add User” and add their name and password.

For adding a user in the shared mode you must log yourself in Shared mode, then click on “New User” on the log-in screen (or pull-down under Users to Add New User) and add their name and password.



To share projects

Others must log-in to their copies of MarketingBuilder using exactly the same login name and password as you have given them.

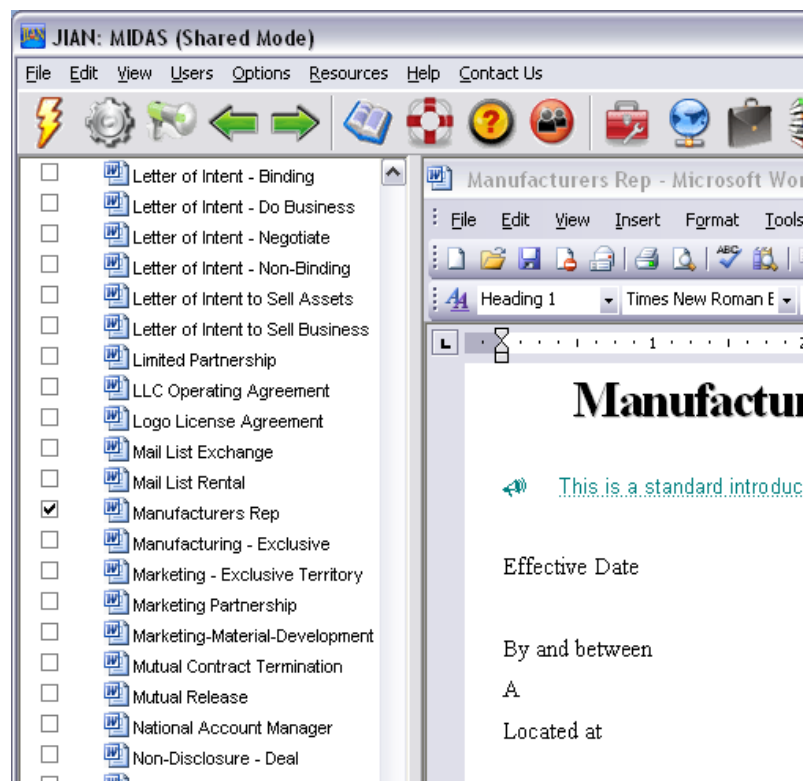
When you are finished adding users, open the project you wish to share. Then, pull-down under ‘Users’ to ‘Edit Permissions.’ There, you can control other users’ access privileges for this project..

Access to each project is controlled separately

Even though many users may be added to your system, you must first login using the login name and password used to create a specific plan/project. Open that specific Plan/Project. Then, pull-down under Users to Edit Permissions – these permissions will apply only to that specific plan/project.

Starting a New Marketing Plan

Once you've selected your plan and confirmed your recurring variables, your plan window will look something like this (below). Be sure to add your financial model or statements.



Screen Sections

The Index or Item List on the left side of your screen includes:

- *White Current Project Area*—the elements you've already selected
- *Dark Gray Masters Area*—more project elements, tools and files.

As you can see from the sections shown, we have designed MarketingBuilder to enable you to jump right to a section you may feel most compelled to work on. Likewise, your audience can jump right to the parts they most want to see. (Rather than forcing you to write a plan in a lock-step sequence, we have turned the process inside out and constructed it to enable you to work on your plan any way you like. The modularity will also

appeal to your audience who will also likely jump around looking for what they want to read.)

Renaming a Section

Just right click any of the section titles and you will be given options to rename, delete, set as active/inactive (same as checkbox), and add another element.

Increasing Your Work Area

MarketingBuilder uses the commands and functions you already know from using Word and Excel. You can enlarge the window for working on your plan several ways:

- **Maximize** — use the Maximize button in the far upper right corner of the MarketingBuilder program window (not the Word or Excel window, please.)
- **Hide Item List** — Pull down under View to "Hide Item List." The item list disappears, and the working area fills the space.
- **Partially Hide Item List** — Click on the vertical separator bar between the Item List and the working area to the right. A double arrow will appear. Drag it into place.

Print a Preview

If you want to print a hard copy to review, there are several options.

1) To print just the active section you are working on, in the Word window, either click the printer icon or pull-down under File to print and you will print just the section you have open.

2) To print the entire plan, first notice which sections have a . Make sure that all sections that you want to print have a next to them, then pull-down under File at the upper left of your screen (just under the JIAN logo) and click on Assemble Plan Preview. In the Word window, either click the printer icon or pull-down under File to print and you will print the entire plan.

Note: While you can turn the expert comments off/on with the above ‘bullhorn’ button, they will not print unless you click ‘ Hidden text’ (pull-down under Tools to Options, then click the Print tab).

Do not edit the preview – A Plan Preview actually exports all of the marketing plan sections, assembles them and creates a new Word document that is now outside of the MarketingBuilder application. Keep your hard copy, but close this preview and proceed to edit by double-clicking section by section. You can print again and again, and again finally when you want to save a final copy (which will be editable using Word, but outside of MarketingBuilder).

Writing Your Marketing plan

Better three hours too soon, than one minute too late.

~ William Shakespeare: 16th-17th century English poet and playwright

Using MarketingBuilder to write your plan is very easy – as you will see, much has already been written for you. As you work through MarketingBuilder, your challenge will be to complete the sections applicable to your business, consider new ideas and how they might apply and add value to your business, and delete sections that do not apply.

Also, to make this process easy, we use native Microsoft Word (in fact it is your own copy!). Hopefully you are familiar with this application. From here, there are three things to do next:

- Open
- Edit
- Assemble & Print

1. Open

Just double-click any of the titles of documents on the left and they will open in MS Word on the right.

For the narrative portion of your plan, this opens Word in the right-side window, with the document in Word. As the document opens, the screen may flash very briefly. This is the system replacing variables with the information you entered previously for your business.

We use Microsoft Word’s built-in “Styles & Formatting”

Every line of text is governed by a Style (pull-down under Format to Styles and Formatting). The nice thing about Styles is that you can change the format of the text in one place and it changes to match everywhere else—wherever that style is used. In the word documents you will see several kinds of text:

*Quotes appear in blue and are characters that will print.
These are intended for you to insert a quote of your own
usually some kind of relevant comment to make a point.*

Headings & Body text appear as black text

The headings are different styles, depending on the section’s level within the agreement. Until you have saved your final version, the styles applied to the different types of text are protected, as they are necessary to assemble and paginate your final agreement. You can make formatting and style changes in your final “assembled and saved” document.

Paragraph text is named ‘Body.’ We recommend using at least 11 point type. You can change text within a paragraph like underline, **bold** or *italics* without affecting the entire Body style. Highlight the entire paragraph, change its formatting, and Body text throughout changes to match your formatting changes.

Note: The Table of Contents uses Heading1 and Heading2—the big section heading and the blue subheadings (like “Writing Your plan” and “1. Open” above, respectively). While you may change the

formatting of these heading styles, be careful when you add another heading or change one of these. You may inadvertently alter the way your Table of Contents is compiled.

2. Editing the Narrative

To customize your plan, you'll need to open each agreement element and edit it to suit your particular business situation.

Variables that you will need to customize for your business are inside [square brackets]. You can read and edit as you go, or you can move directly from variable to variable by clicking the forward and back buttons in the toolbar (inside red box).



Jump from variable to variable:

Using the forward/back buttons will highlight the entire variable with all its options. To keep a portion of the variable options: click once in the document to deselect the text, then click and drag across portions you want to delete, and

Press “Backspace,” leaving words or phrases you want to use.

To completely replace the options provided with your own words: while the variable is still highlighted, simply start typing. The entire variable, including brackets, will be replaced with what you type.

Save Your Work as You Go! (Please!)

When you have been working in an agreement element or any of the supplementary tools, be sure to click “Yes” to save your work. Even if you have only opened an element to review it, the variables that have been replaced will be retained. (The only place this does not apply is just after you “Save Assembled Plan As...”).

When you finish editing an agreement element, click the blue diskette icon in the Word toolbar or pull-down under file to Save.

Warning: Use only ‘Save’ to save your work. The system will automatically manage the filing of your documents. If you “Save As” and save a page somewhere else in your computer or network, the MarketingBuilder system will not know where to look for it in the future.

When you double-click on another section to edit, the system will automatically save your edits, put away the file, then open the new section.

Click “Yes” when it asks if you want to save your work. Otherwise, the element will revert to the original version and all your work will be gone. Ugh!

Edit each agreement element and each supplementary tool you’re including in your plan.

Be sure to save your changes.

3. Assemble & Print

After you've edited and customized all the elements of your plan, you're ready to assemble a preview of your entire narrative. Once you have completed your plan and performed a file "Save Assembled Plan As..." saving the document with a new name, these functions become accessible again.

Review the order of your plan – does the sequence best build your case?

Review the check boxes – which sections do you need right now for this purpose?

Either click this icon:



Or Pull down under File to "Assemble Plan Preview."

This dialog box will appear:

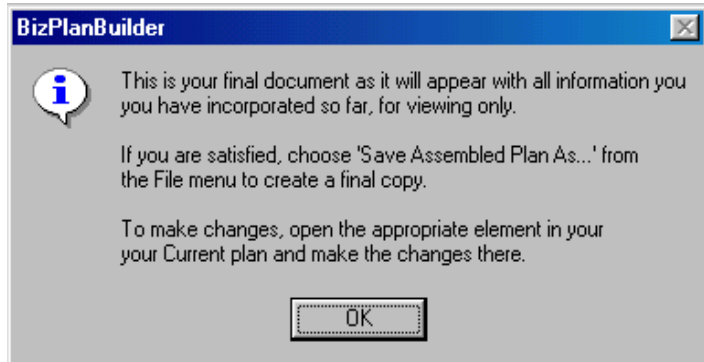
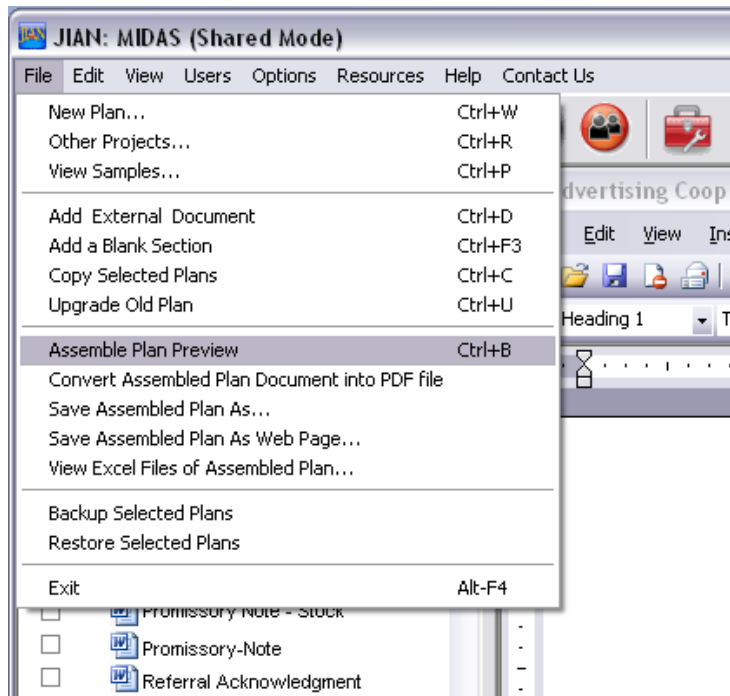
Your plan then assembles for your final review. If you want to change the order of some of the elements, or modify some of the text, be sure you close the assembled preview (without saving changes) and go into the elements themselves to revise. This way, your changes are stored permanently in your plan. Once you've made all your changes, reassemble the Plan Preview and make your final review.

NOTE: It takes a while for the larger agreement narratives to assemble due to the length of these documents. If you have selected a large number of supplementary tools, the process may take a little longer as well.

Printing Your Marketing plan

Print your plan from your Saved Assembled Plan.

For all other elements, when you have the file you want to print, open in your program window, use the File > Print command in the menu bar for Word or Excel within the MarketingBuilder program window. This will be the lower menu bar that you see just to the right of the Index/Item List area.



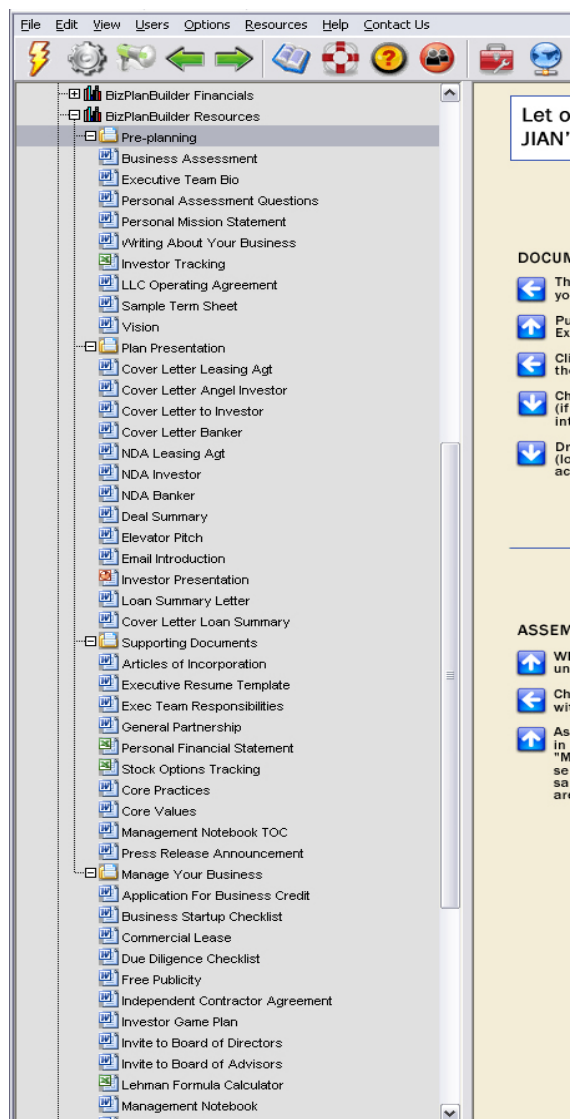
Adding Other Marketing Planning / Supporting Documents

We have added many supporting documents that you can use with your marketing plan. In the lower, gray area on the left, click on the ‘+’ symbol to open the various folders. You may click on any of them and simply drag them up into your active plan, into the order that you want them.

You can add a copy of any element from the Masters area to your Current Plan. Plan elements from other plans will go into the white area, and will be included in your assembled plan (as long as their checkboxes just to the right are checked). Example: You might want to add Vision and Mission statements from the Product Plan to your Service Plan. Once you’ve added a plan element, you can move it anywhere you like in the Current Plan. If you decide you don’t want to use it in your final plan, simply uncheck the box to the right of the element name.

Add any supplementary tools and documents you want to work with to your Current Plan, and they will be saved and stored as part of that project.

To see contents of the various Masters folders, expand folders (click the box with the minus sign to the left of the folder name). Click on the item you want, and hold for a second, then drag to the Current Plan area. As you drag, a gray bar will appear in the Item List. Drag it above the dark gray area into the Current Plan area; or right-click on the item, and select “Add to Current Plan” from the pop-up menu that appears (this is the fastest, easiest way to add elements.)



Save Your Work as You Go

When you finish editing a plan element, click the blue diskette icon in the Word toolbar or pull-down under file to Save.

Warning: Use only Save to save your work. The system will automatically manage the filing of your documents. If you Save As and save a page somewhere else in your computer or network, the system will not know where to look for it in the future.

When you click on another section to edit, the system will automatically save your edits, put away the file, then open the new section.

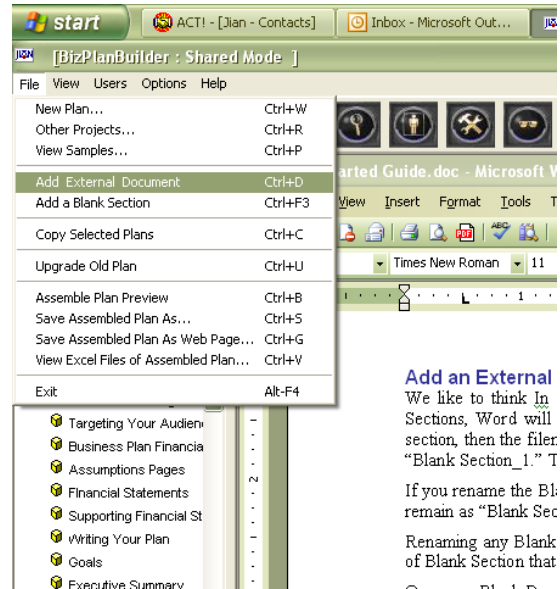
Click “YES.” Otherwise, the element will revert to the original version and all your work will be gone.

Edit each plan element and each supplementary tool you’re including in your plan. Be sure to save your changes.

Add an External Document

If you have other documents that you want to include with your marketing plan, it is easy to click and browse for the file you want to include. Just pull-down under 'File' to "Add External Document." A familiar Windows browser window will open enabling you to look through your system (and network) for a document to add to your plan. When you find it, click on it, then click on 'Open.'

Initially, it will be added to the bottom of the white navigation tree on the left. Use drag & drop to move it into the sequence where you want it in your plan.



Add a Blank Section

You can add an unlimited number of Blank Sections. (One more step down in the above menu.) As you add Blank Sections, Word will give each one an incremental filename name. For example, if you add one blank section, then the filename will be "Blank Section." If you add another blank section, the filename will be "Blank Section_1." The next will be "Blank Section_2."

If you rename the Blank Section or any other document (Right-click --> Rename), it will appear to you in the menu as your renamed document; however, the computer filename within the system will remain as "Blank Section_1."

Note:

When you rename a document, the system does not change the internal filename of any document.

Check-Out & Check-In

Ordinarily, while you are working on a section of your plan, if another user opens that section, they will be notified that they can Read-Only until you have completed your editing [for the moment] and closed that section.

Now, let's say that you want to take a section (or several sections) with you for editing elsewhere or later for private editing – for example, on your laptop on a business trip...

We recommend backing up your files first.

Pull-down under Options to Check-Out documents to temporarily remove them from the system.

(The documents will appear as Read-Only to other authorized users until you check them back in.)

Check-In returns the files to the active, shared project file.

It will overwrite the existing file.

To retrieve your Checked-Out file(s) for private editing

The checked-out file(s) go into a local folder with the same title on the same PC.

(For example, if you have “Plan A” created by UserA on your shared server, the checked out files will appear in “Plan A” under UserA in your local folder.)

Make sure you have a copy of MarketingBuilder installed on your laptop or other PC.

Add your *same* Login name and password to your copy of MarketingBuilder installed on your laptop or other PC.

Copy the file(s) in your local folder under your Login Name to your laptop or other PC.

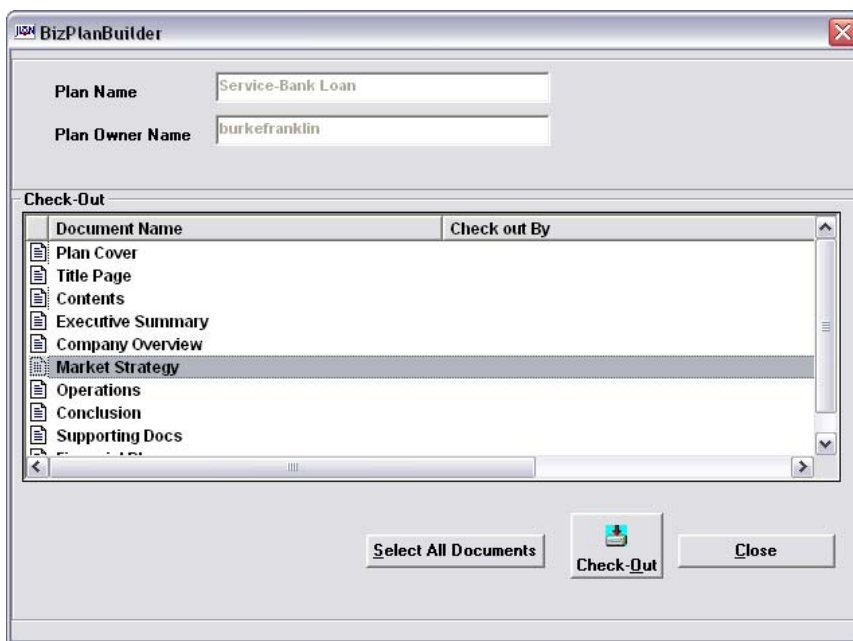
If there is no user by name UserA in your local PC the system will give error “No User Found.”

To Check-In your previously checked-out file(s)

Be sure to first copy the revised file(s) from your laptop or other PC back to the local folder on the original PC.

(You can use Back-Up to browse for the local folder.)

To check in the file back to the server, you must first open “Plan A” on the original server, then the Check-In option will be enabled, and you can simply click Check-In to copy the revised file(s) back into the master plan.



Saving Your Final Plan Narrative



When you are satisfied with your changes, in the File menu, select “Save Assembled plan As...” Or click this icon... When you assemble your marketing plan, it is *exported* and saved in a folder called ‘JIAN Documents’ on your desktop.

This is an active Word document which you can edit with Word; however...

Once you have saved your plan in this manner, any changes you make in this exported version **WILL NOT BE REFLECTED IN YOUR PLAN ELEMENTS**. This is now a static plan that you would use to print copies for distribution; save to media for someone to review; send to an investor or consultant, etc. When you want to make subsequent changes, it is best to do so in the original plan elements, then reassemble the next iteration of your plan.

NOTE: A marketing plan is a dynamic entity, and you will probably change it quite often, especially as you talk with potential lenders and investors. You will want to incorporate their suggestions; make changes based on what you’ve learned; and potentially rethink your direction—which would require some changes in your plan.

Back-Up Your Files



Losing your work sucks. Period. Part of our BS minimization philosophy includes helping you to make sure that you do your work only once. To make a back-up copy of your marketing plan, either pull-down under the File menu and let go on Back-Up or click the icon (left) at the top of your screen.

The best way to move a plan from one PC/server to another is to use Copy/Move. The Backup/Restore is built to make a backup (then restore) on the *same* PC in case the current plan is corrupted or is to be rolled back to the previous saved version.

Another method is to simply copy the entire ‘JIAN Documents’ folder on your desktop to another disk/server or burn it to a CD. You can then simply replace it, in its entirety in its original location or onto your desktop.

Troubleshooting

Update Windows & Office

Please be sure you have all of the latest Windows and Office Service Packs installed... this makes a world of difference! They are available *FREE* from Microsoft.

- Click your START button (on your desktop)
- Click "Windows Updates" (or visit www.microsoft.com – look for 'downloads')
- Follow the Microsoft instructions.

If you are using **Vista** and **Office 2007**...

Please check to see that you have the [Vista Service pack 1](#) (SP1) loaded...

[Office 2007 Service Pack 1](#) (SP1)...

[Office Compatibility Pack](#) installed...

Norton Utilities / Anti-Virus | McAfee

You may need to disable Norton and/or McAfee before installing MarketingBuilder. (Best to remove MarketingBuilder, temporarily deactivate Norton and/or McAfee... Reinstall MarketingBuilder.)

Online Technical Support FAQs

For late-breaking technical support tips and trick, please refer to www.jian.com.

Look for “Support” in the menu, then select MarketingBuilder.

User Notes & Reminders

As you open elements, you may notice a slight screen flash. This is the engine locating and replacing recurring variables with the information you entered as you were installing MarketingBuilder. In some files, you may be able to watch as, for instance JIAN or JIAN Tools For Sales Inc. are replaced by the short company name and the legal name, respectively, that you provided.

When You Finish:

After you have “Save Assembled Plan As...” if you are finished working with MarketingBuilder for the time being, be sure you click the MarketingBuilder program close box in the far upper right corner of the program window (DO NOT click the close box for Word or Excel at this stage).

CAUTION:

If you mistakenly close Word instead, and it asks if you want to save changes at this point, click “Yes.” You have already saved your plan to the new folder, along with any other elements and tools you selected for your plan.

Getting-Started Guide: Macintosh



The great thing is that Apple's DNA hasn't changed.

~ Steve Jobs

Templates Only — Edit & Print

The Mac version is a collection of Word and Excel templates that contain the very same content as the PC program. Unlike the Windows-based program with its document assembly system, we have taken the content and formatted it directly into complete word-processing and spreadsheet templates for you—documents that you can easily edit using Word & Excel. Your download will include a folder containing the documents neatly organized within sub-folders, with an “About” page to introduce the JIAN business tool you have chosen.

No Windows-like Application

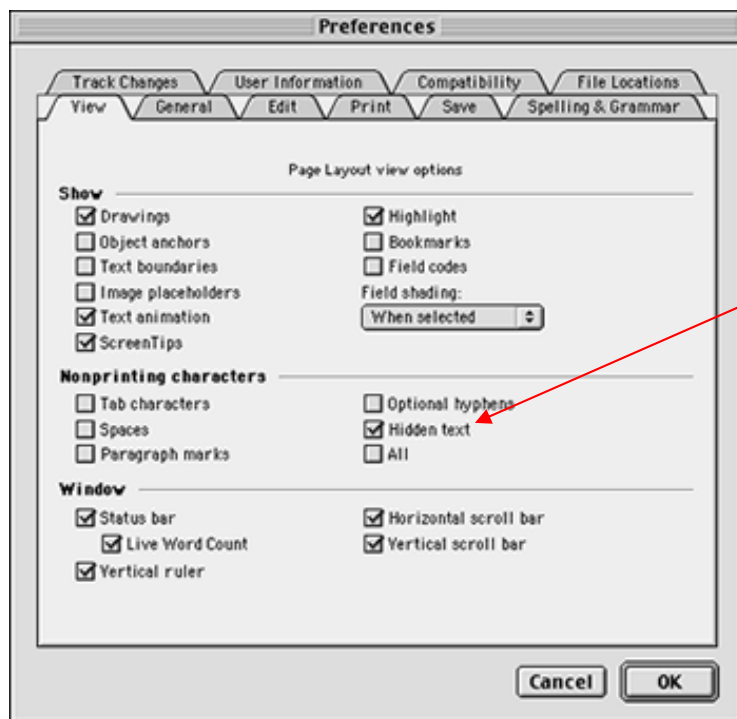
Although the Windows “wizard” is not there, the financials calculate just the same way as the PC financials. The text is fully editable—we have already assembled the documents for you for editing in Word. We wanted to offer a version of MarketingBuilder for Mac customers, but R&D on Apple products is astronomical and is not in our current budget based upon the percentage of customers we have that use the Mac platform. We hope to have a cross-platform product out within the next 6 months that is collaborative for all of our users. We will honor our 6 month free upgrade to you at the time that product becomes available... Please send us a copy of your email receipt (or just email us and we will look you up) when you see a newer version of the product on this site. Thank you for understanding.

You will need this free decompression software.

Please download a copy of “[Unstuffit](#)” which will enable you to immediately and automatically decompress the JIAN files downloaded.

- Macintosh OS 9 or 10, Jaguar, Tiger, Leopard
- Power PC® processor
- 32MB RAM, (200MB or more recommended if you want to download the video)
- 24MB hard disk space
- CD-ROM drive, 4x or faster
- 24-bit/true-color display
- Mac MS Office 2001, 2004 OR Mac MS Excel & Word 2001, 2004 or newer
- Requires full Office installation, and may not offer full functionality in some system configurations.

Expert Comments Throughout



We have added expert comments to help you understand what to do and why. These appear as green text between the paragraphs that you will edit.

If you cannot see them, please pull-down under Edit to Preferences.

Click on the View tab (as shown).

Click on the Hidden text box.

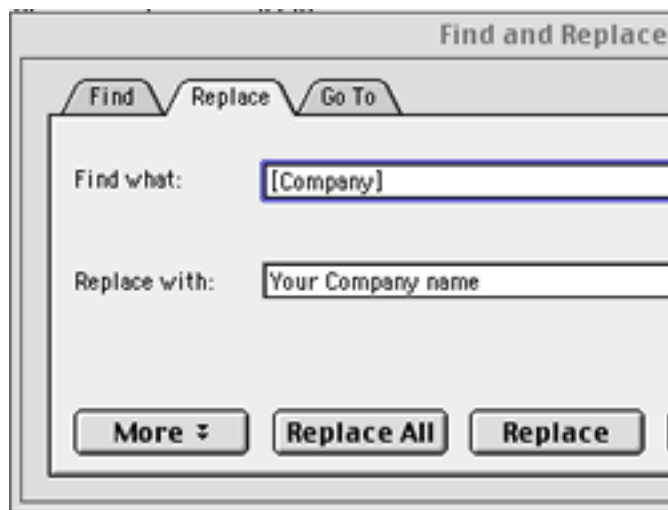
Click on the Print tab, repeat this procedure if you [don't] want to print the expert comments as well.

Click OK.

Be sure to look in the additional folders where you will find 40+ forms and memos useful for many everyday HR functions.

Customizing & Editing Your plan

You can customize your plan for your industry in just a few seconds.



The first thing you likely will want to do is insert your company name throughout your plan.

In Word, pull-down under Edit to Replace.

Type in '[Company]' in the upper box, then type in your company name as you want it to appear throughout your plan. (Although our company is officially 'JIAN Tools For Sales, Inc.,' we would use just 'JIAN' here.

When you click OK, your company name will automatically replace '[Company]' throughout your plan.

Go ahead and edit the plan template to suit your business.

Collaborating Over a Server

*Mindfulness is sexy, it is touchy-feely.
As an art, it is the ability to consciously navigate yourself through life,
around or through any experience elegantly and safely.*

~ Debbie & Carlos Rosas

MarketingBuilder incorporates a multi-user capability enabling you to share your active working files with others on your management team or workgroup. Even if you want to share files with yourself (say, between your office, laptop and home computers), this is an excellent feature.

JIAN Software License:

You may install a JIAN software program on up to 3 computers for your own use. Other users will require their own copies with serial numbers.

One benefit is that you can control specific access to each of your projects. Another benefit is that each user can check out a section of your marketing plan and the system prevents another user from opening, editing and overwriting the first user's work – until the first user finishes their editing and closes the document.

Here are the steps setting up file-sharing:

- Establish a Network folder or Server
- Drag the “JIAN Documents” data files folder to the new server location
- Add Users (Collaborators)
- Point the app to the new data files folder location
- Share Files!

Sharing a Folder on your PC or Network

Select the folder in where you want to store your plan to share.

Next, make sure that your Windows File-Sharing is enabled. If you are keeping it in your “Shared Documents” folder, the sharing should already be enabled.

However, to be sure, right-click the folder. (Make sure File-Sharing is active with the boxes checked like in the image to the right.)



Move the “JIAN Documents” folder

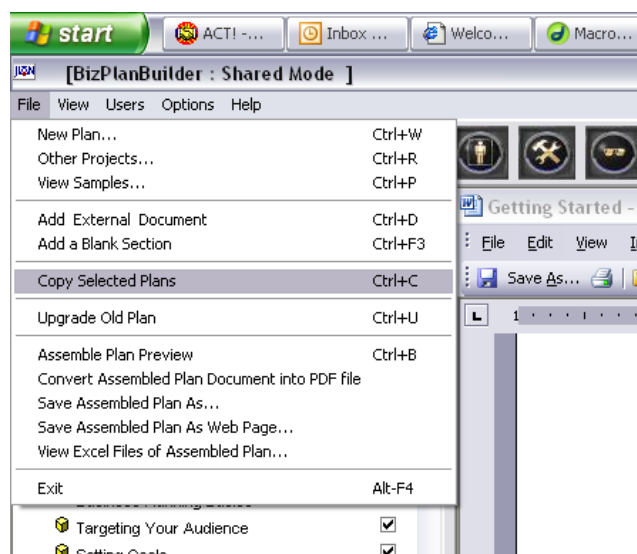
This is easy because you can simply drag & drop the entire folder to wherever you want to keep it.

Since we include the database records for your marketing plan variables, other users, their permissions, etc., you must move the entire “JIAN Documents” folder – not just extract a single marketing plan file.

Another way to do this...

You may also move the folder using the JIAN MIDAS system to help you... First, login with the path pointing to the default folder (or possibly the ‘JIAN Documents’ folder).

- Pull-down under File to Copy Selected Plans.
- You will see a list of plans/projects in the currently active folder. (The one you logged into when you started this session.)
- Check the boxes for the projects you want to copy, then browse for the folder location to where you want to move your project(s)/plan(s).
- Click Copy.



Your project(s), plus the necessary system files will all be copied and moved together to the new location. Before you delete the ‘JIAN Documents’ folder, first complete these instructions, then test by connecting to the new folder location by logging in again with the path set to the new folder location. If you are able to log in successfully, then the ‘JIAN Documents’ folder in its original location can be safely removed.

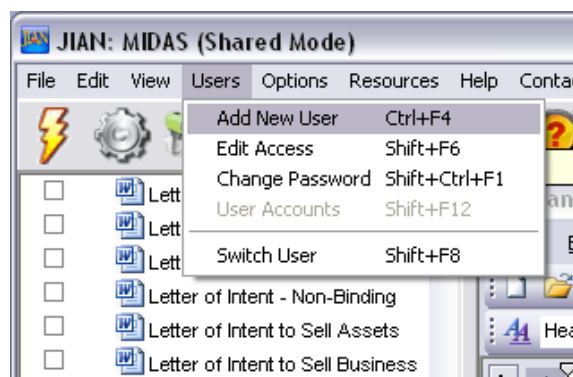
Add Users / Collaborators

Each project (Business Plan, Marketing Plan, Safety Plan, etc.) requires its own list of approved collaborators.

You may add as many additional users as you like. (They will each require their own licensed copy of MarketingBuilder.) When you add a user, s/he can be given access to all plans, local or shared. You’ll need to enter them once while you are logged in the local mode + once while you are logged in the shared mode.

You can add these additional users in either of two places. On the log-in screen, click ‘Add User’ or on the workspace screen (right), pull-down under ‘Users.’

When a user is added in the local mode, they’ll get access to local files only (no access to the shared area). Log-in to MarketingBuilder in ‘Local’ mode, click on “New User” on the log-in screen (or pull-down under Users to Add New User) and add their name and password.



For adding a user in the shared mode you must log yourself in Shared mode, then click on “New User” on the log-in screen (or pull-down under Users to Add New User) and add their name and password.

Access to each plan is controlled separately

When you are finished adding users, open the plan you wish to share. Even though many users may be added to your system, you must first login using the login name and password used to create a specific

plan/project. Open that specific Plan/Project. Then, pull-down under Users to Edit Permissions – There, you can control other users’ access privileges for this project.

These permissions will apply only to that specific plan/project.

Point MarketingBuilder to the new file location:

All you need to do next is to point MarketingBuilder to the new data file location.

When you log in to your plan, you can tell the JIAN system where the data files are located.

In the File Location window, you will see the address of your JIAN Data files – the documents that compose your marketing plan. These will be in your ‘Shared Documents’ folder under ‘JIAN Documents’ (If you have installed them elsewhere during installation – browse for them there.)

Click the Change button to browse your system (or network) for the new folder where ‘JIAN Documents’ are now stored. Click just on the ‘JIAN Documents’ folder – not anything within the folder.

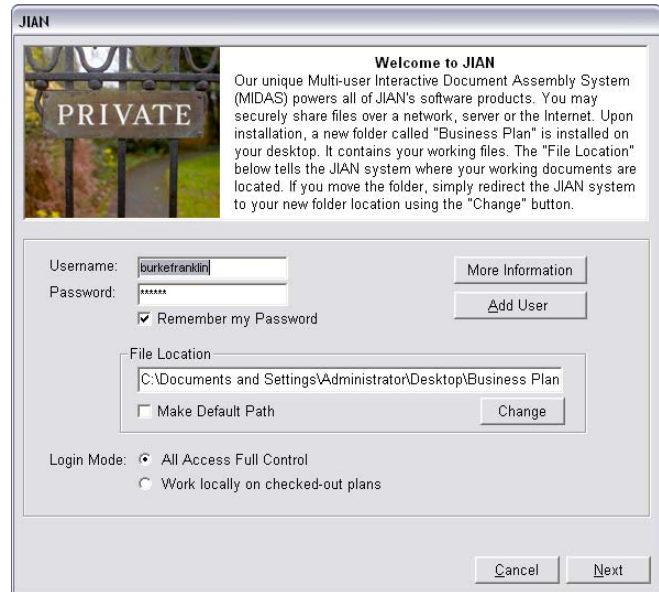
‘Make Default Path’ to set the JIAN system to automatically return to this same folder location the next time you login.

To Share Plans & Files

Communicate to your collaborators their designated usernames and passwords, as well as the path to the “JIAN Documents” data files.

Others must log-in to their copies of MarketingBuilder using exactly the same login name and password as you have given them.

They will click on the Change button when they log in to the JIAN system and point their copy of MarketingBuilder to the shared folder containing the active data files you established when you created your plan.



Collaborating over the Internet

If your company operates an online fileserver, and you want to use it for file-sharing, please ask your system administrator to “map the drive to your desktop.” This way, you can easily browse to find the drive as if it were your “C:” drive, etc., then open and access the folder where you will share your plan files. You would follow the above procedure; however, **if you do not have an online file-server...**

- 1) We recommend using [IBackup \(www.ibackup.com\)](http://www.ibackup.com)
(You can get 500MB online and accessible from anywhere/anytime for about \$10/month)
- 2) Sign-up for one of their “Workgroup Plans” as these will enable file-sharing, collaboration, back-up, etc. over the Internet.
- 3) Download their “IDrive” software and install it to automatically map their web-based “disk-drive” to your desktop.
- 4) Drag your “JIAN Documents” folder onto the IDrive.
- 5) Log-in to MarketingBuilder on your PC.
- 6) Click the ‘Change’ button...
- 7) Browse to the “JIAN Documents” folder on your new IBackup drive which should now appear on your desktop
(Start → My Computer → Drive on I Drive (I:) → JIAN Documents)
- 8) Click: Make Default Path
- 9) Communicate to your collaborators that they must visit IBackup and follow steps 3 - 8.
- 10) (You will need to provide them with your IBackup log-in and password.)

The Handbook of Marketing

*“Be still when you have nothing to say;
when genuine passion moves you, say what you’ve got to say, and say it hot.”*

~ D.H. Lawrence

Welcome to the world of marketing

JIAN’s MarketingBuilder software is designed for your ease of use and peace of mind. You don’t even need a manual! On-screen directions guide you step-by-step as you fill out your plan.

This handbook is not a manual. It is a tool to unravel the complexities of marketing for you and introduce the essential principles you need to get market-smart quickly.

You’ll find the latest thinking in demographic segmentation (slow to change) and winning strategies for marketing on the Internet (changing even as you read this).

The global, instantaneous, and interactive nature of the Internet is redefining traditional marketing disciplines. We offer you a long chapter on the thrills and chills of doing business on the Internet.

Practical advice, case studies, and specific techniques used by big-name as well as small start-up companies show you how marketing works, how to plan your own strategies and how to measure their performance.

Is it a Service or a Product?

We think so. After all, your service is the product you provide. Whenever the handbook refers to your “product,” it means either your product or service.

More Useful Articles & Best Practices Online

In addition to the marketing guidance provided in this manual, we constantly gather relevant articles on our website:

- [Business Plan & Planning](#)
- [Import / Export](#)
- [Managing](#)
- [Marketing](#)
- [Media & PR](#)
- [Selling](#)
- [Legal & Intellectual Property](#)
- [Web Site Design](#) & Search Engine Optimization (SEO)

What Is Marketing?

How to sell more stuff to more people at higher prices.

~ Sergio Zyman, Former VP Marketing, Coca Cola

Officially, marketing is all the activities that are involved in moving goods from the producer to the consumer, including market research, product development, pricing, sales, packaging, shipping, advertising, public relations, and more.

Marketing determines who wants or needs your product and under what conditions they will buy it, use it, and buy it again (and again) (and again).

Bottom line, the purpose of marketing is to create satisfied customers.

How Sales & Marketing Differ

*Marketing is what you do to bring someone to the table;
selling is what you do to close the deal.*

~ Ginger Pine, Senior Vice President, Investments, Josephthal, Lyon & Ross

Marketing deals with the overall product: Development, pricing, and positioning. It creates interest in your product and an environment where sales can occur.

Sales takes the product and customer information provided by marketing and convinces a customer to buy. Smart marketers complete the loop by soliciting feedback from their customers and salespeople.

Why a Marketing Plan? Why a compass in the wild? Why a rudder on a ship? Marketing is a process, constantly changing to adapt to the rough terrain of the marketplace. A comprehensive, well-thought-out marketing plan allows you—among other good things—to track your efforts and, if necessary, change course quickly. It is one of the most important documents you create.

Neither sales or marketing can stand on its own. The goal of a company is to make money. Since selling brings in revenue, everything ultimately revolves around sales. Yet, sales rely on marketing to be effective.

In order to engage in successful marketing, you absolutely must start out with a marketing plan. Rest assured, the difference between many a success and failure is the market planning and nothing else.

~ Jay Conrad Levinson, Guerrilla Marketing

You are busy. Competition is keen. Markets change quickly. The reasons often given for not planning are the very reasons why planning is essential.

As you spell out how you are going to market your product, your plan:

- solidifies a programmatic, coordinated approach

- identifies your objectives
- estimates market size
- predicts market trends
- establishes production capacity
- creates methods to promote awareness
- supports the sale of your products
- forecasts sales and revenue
- manages your products' appeal to customers
- encourages the participation of your employees
- serves as a benchmark for your objectives
- projects how marketing will enhance profitability

"Everything is marketing."

~ Alexander Hiam, Marketing for Dummies

The Marketing Mix

The combination of marketing initiatives that make up your program is called the marketing mix. Some of the variables are traditionally summed up in the Four Ps: Product, Place, Promotion, and Price.

PRODUCT

- Name
- Packaging
- Sizes
- Features

PLACE

- Inventory
- Channels
- Locations
- Transport

PROMOTION

- Advertising
- Publicity
- Sales Promotion: trade and consumer
- Personal Selling

PRICE

- Discounts
- Credit terms
- Warranties
- Returns

After a national survey of managers and executives in the early '90s, Dick Berry, a University of Wisconsin-Madison professor, added three new elements to the marketing mix:

CUSTOMER SENSITIVITY

- Employee attitude
- Customer treatment
- Response to customers

CUSTOMER CONVENIENCE

- Availability
- Convenience
- Selling

SERVICE

- Pre-sale service
- Post-sale Service

Customer convenience

Add Research and Development, Market Research, and Public Relations to this list and you have all the elements at play in the marketing plan.

A successful marketing mix is always changing, never static. Depending on what your objectives are and where your product is in its and the industry's life cycle, you will have varying marketing mixes. And, if you sell multiple products, you will have multiple marketing mixes.

You can't determine the "perfect" mix that will remain perfect from product to product and/or season to season. If for no other reason, this is true because a successful marketing mix involves chance as much as it does research. (So, go thou, and make sure your research is comprehensive and thorough.)

The marketing budget section below discusses allocating funds between all the elements of the marketing mix.

Your Marketing Objectives

Customer satisfaction is the overriding objective for every company because no company makes money over the long haul without recognizing and satisfying customer needs.

Marketing objectives are the central focus of your plan. They are what you hope to accomplish.

To determine your objectives, make a detailed assessment of your present situation (including a separate assessment for each product in your line):

- What is the consumer need you are fulfilling?
- What unique benefits do you offer?
- How do your current customers and prospects see you?
- How successful are your current marketing communications, public relations, and advertising?
- Is it time to obtain different results?
- Where is your product in its life cycle? Have you been around a long time or are you the new kid on the block? Is this life cycle different within each of your current or potential markets?
- Are your employees experienced? Trained?

- How will the world be different in the next year? How will any changes affect the market for your product?

Your assessment will give rise to your objectives; for example, you may decide to:

- reposition your company or product
- improve competitiveness
- increase the effectiveness of your sales people
- increase your customer base
- attract more profitable customers
- improve your product to expand sales
- expand or maintain present market share
- develop a share of new markets
- improve product image
- improve customer service
- strengthen perceived value
- expand or maintain name recognition
- change name
- change price, packaging, and/or distribution channels.

Then, based on your research and assessment, make the objectives SMART: Specific, measurable, achievable, realistic, and time-based; for example:

- increase sales by 30% in the next 12 months
- reposition your product to appeal to seniors immediately
- expand market share by 2% by the end of the 3rd quarter
- implement direct sales on the Internet within 6 months.

Marketing Strategy

Objectives are what you want to do. Strategies are how you accomplish your objectives.

If your objective is to increase sales by 55%, your strategies might be:

- offer a frequent user card to current customers
- send out discount coupons to past customers
- introduce your product to a new market, either domestic or international.

If your objective is to expand your market share by 2%, your strategies might be:

- introduce a product upgrade
- advertise “free trial” special offers.

Strategy is all the steps you take to put your product in front of that customer whom you hope will buy it over and over again.

Your Marketing Budget

Scientific apparatus offers a window to knowledge, but as they grow more elaborate, scientists spend ever more time washing the windows.

~ ISAAC ASIMOV

A budget schedules spending estimates tied to specific revenue allocations. You, like your competitors, have a limited budget. In creating a marketing strategy, you focus on and fund those variables that you believe will create a hit.

What if you spent your whole budget on great packaging? Your product would look good on the shelf but you wouldn't have any money left to promote it.

Allocation is key: Devote some money to features or sizes, a bit to advertising, some to promotions, a bit to discounts. Don't forget to allocate some money to train all employees whose work affects customers. Balance the variables and emphasize those that appeal to your customers needs and wants. At the same time, factor in profitability. This takes planning.

Your marketing budget can cover a multitude of expenditures from equipment for new product development to general sponsorship of public events. By and large, your budget is derived from your marketing objectives. Thus, a good way to begin is to design your program first, write your plan, and then make a budget.

Don't allocate 100% of your budget all at once. Hold some money in reserve for unique, one-time opportunities. Unexpected publicity for your product or the sudden celebrity of your spokesperson can require immediate spending for an active marketing push.

There are no accepted formulas for making a marketing budget. Every marketing activity costs money and because marketing costs vary from industry to industry (and within industries), there are no rules of thumb to follow. You can rely on past experience, market research, and a handful of resources.

1. Your banker. Bankers are familiar with industry standards and ratios and can determine how "normal" your budget is relative to other companies in your industry.
2. A competitor's annual report or series of quarterly and annual reports. Even if the company is larger or smaller than yours, you can see the ratio of marketing costs relative to the other costs of doing business.
3. A marketing consultant. Hire a specialist in your industry who knows exactly what others do, or have done, in your situation, who can crunch complex data, and who has been through it all.

Guidelines for Budgeting

- Design your budget to support your most important marketing objectives—satisfy your customers, not office politics. Budgets introduce discipline. By anticipating costs in advance, everyone has a clear picture of parameters and commitments.
- Make each expenditure relate to the overall marketing plan. This serves to focus everyone on common goals and expectations.

- Review your marketing budget at regular intervals to assess the success of your allocations. If one approach is cooling and another is cooking, re-allocate!
- Categorize your budget so that you can measure results from each activity supported. Over time, you can predict trends. If direct-mail results are declining and trade show yields are increasing, you can plan accordingly.
- Watch your sales. If they pick up after you implement different strategies, you are on the right track. If nothing is happening, re-think your budget, your marketing activities, and your product.

Marketing Ethics

*I would rather be the man who bought the Brooklyn Bridge
than the man who sold it.*

~ Will Rogers

According to psychologist Abraham Maslow's theory of motivation, human needs are basic and few: food, clothing, shelter, safety, someone to notice when you don't come home at night, esteem, and self-actualization. Wants are desires for specific goods. The magic act of marketing creates wants out of needs. You need clothing? You want an Armani. You need safety? You want a Volvo.

Good marketers make a product attractive and available. In the process of influencing desires, marketers make a considerable effort to change people's behavior. As an exercise in power, marketing falls within ethical boundaries.

Aristotle expressed the belief that the organization of a just society must foster the morality of its citizens. Now, 2400 years later, economist Milton Friedman argues that business's only responsibilities are to make a profit and obey the law.

The quest for competitive advantage and profits can lure marketers to skirt the law and engage in unacceptable business practices. Friedman notwithstanding, marketing ethics has become a major concern.

Giving fair value for the money received, producing a product that makes life better for your customers, and telling no lies in your advertising or public relations are only the elementary basics of ethical standards of corporate behavior.

*Marketers must accept responsibility for the consequences of their activities
and make every effort to ensure that their decisions, recommendations and actions function
to identify, serve, and satisfy all relevant publics: customers, organizations and society.*

~ American Marketing Association, Code of Ethics

Taking Candy from a Baby

Just as there is more to personal integrity than not lying or stealing, companies also face dilemmas that, though within the letter of law, violate ethical standards. Questions to ponder: Do you pretend to care more than you do to make a sale? Would you market a toy that does tricks in your television commercials that can't be duplicated by the children who buy it? Would you re-call a product if you discovered it didn't perform as well as promised but the user might never notice the difference?

Privacy

The right to privacy raise ethical questions. When a major video chain announced they would sell information about their customer's viewing habits, they received thousands of angry letters. Issues of privacy, as well as security, generally prompt government regulation. The acceptance and growth of commerce on the Internet will be determined as much by privacy as security issues.

Exploitation

When American companies such as Nike began outsourcing manufacturing operations to foreign countries, their contractors engaged in practices that are considered abusive or illegal in the United States.

At the time the outsourcing decision was made, it is unlikely that Nike anticipated that they would be called to account for hiring young children at low pay to make sneakers and soccer balls in sweatshop conditions. If anything, Nike probably thought they had made a good business decision. The company would lower manufacturing costs and pass the savings on, if not to their customers, then to their shareholders. When the practice came to light, some American consumers thought they were guilty of unethical behavior.

Life's a Pitch

AT&T and MCI regularly sent consumers checks for amounts ranging from \$25 to \$100 to switch telephone service. This marketing stratagem, instead of fostering brand loyalty, demolished it.

At best, the checks were viewed as an insincere sales ploy and, at worst, as a bribe. Whatever short-term advantage AT&T and MCI enjoyed resulted in consumer disloyalty toward all telephone companies.

Supermarkets routinely offer to accept competitor's coupons and may come up against the same marketing challenge the telephone companies now face: How to stop the constant churn of customers and engender loyalty.

Do No Harm

Like the medical doctor's oath of "Do no harm," a code of ethics that is voluntarily adopted and enforced engenders trust. It not only lessens the possibility of lawsuits or fines, it positions you as a company that cares about its customers.

Situation Analysis

*Those who wish to succeed must ask
the right preliminary questions.*

~ Aristotle, Metaphysics

The decision to buy or not to buy your product is made by an individual or group of individuals—this is your market.

Your situation analysis defines where your company competes in the marketplace. It is the cornerstone for all your marketing and sales efforts.

Situation analysis is sometimes called Market Analysis and JIAN's MarketingBuilder labels it "Current Marketing Situation."

Most companies engage in situation analysis, even though they may not call it that. Noticing whether a certain product's sales have risen since you lowered the price or seeing that your new store has higher sales than the others is a form of situation analysis.

In addition to noticing trends, if you understand why they happen and how you can influence them, the more successful will be.

Identify Your Target Market

Where do you fit in the market? Who are you trying to reach? A market profile pinpoints where your product fits, if there is room for growth, and the size of your market.

Before doing a situation analysis, you might think “I sell greeting cards.” After a situation analysis, you can say “I sell greeting cards for birthdays and all major holidays that appeal to 25-to-40-year-old single, professional men, and I sell them to two major retail chains.”

A target market profile determines your marketing communications and sales activities. If you sell clothing for teenage girls, you advertise in *Seventeen*, not in *The New Yorker*. By the same token, you sell your clothes at *The Gap* rather than at *Nieman Marcus*.

While you can sell your product in other markets, the bulk of your profits are derived from customers in your target market, and you can always use more of them. Twenty percent of all customers generate eighty percent of demand. It makes sense to target your marketing efforts on your most profitable and influential customers.

Your Target Market

The components of a thorough analysis of your target market include an Industry Analysis, a Market Segment and Market Niche profile, and a SWOT Analysis.

Industry Analysis

What makes companies in your industry successful? How do they stand out? How are other industry players marketing their products? What tactics are they using? Examine the size, structure, and growth rate of your industry as a whole, then look at the companies and products that are successful and those that are not successful. In each, what is propelling or holding back sales?

Why do you care about your industry as a whole? Let’s say you own a bus company. While your market segment is bus transportation, you are part of an industry that also includes airplanes, freight trucks, and trains. A change in fares in these other segments can impact your business and influence your pricing and advertising campaigns.

Find information about your industry in trade journals, from your chamber of commerce, through online services, and in the public library’s business section.

Market Segment/Market Niche

Defining a market segment is simply narrowing a broader market by certain criteria, such as geographic location, income, age group, and desires. A segment of the cereal market is kids who eat sugar-coated flakes. The narrower the segment you define, the more directly you can target that group.

You can target two or more segments of a market. You may need to come up with promotions and advertisements that serve several target groups or just one at a time. Kellogg’s has different advertisements for Frosted Flakes; one type aims at kids, the other at adults.

Look at a market segment’s size and growth characteristics. How large is the market segment you have defined? How many competitors are there? How much do you expect that segment to grow? At what rate do you expect that segment to grow?

Profile Your Customers

To profile your customer, study the individuals in your target market. If you sell clothes to teenage girls, look at what they’re wearing, the kind of music they listen to, where they get money from, what they like to do in their free time. Feature a music group that teenage girls love in an ad or make reference to a line from a song.

Your goal may be to become the market leader within your segment, or you may be satisfied with a stable piece of a large market. For example, some supermarkets sell their own brand of colas. They would be hard pressed to surpass Coca-Cola and Pepsi but the supermarket brands do appeal to a stable part of the market.

In defining your market segment, look at who your customers are, the kind of products they are buying, and when they are buying those products. Sources such as industry analyses, census reports, and trade journal studies will help you define and understand your market segment.

Some market segments are so small, they are considered “niche markets.” Smaller companies can fill niches that larger companies don’t bother to enter because the return is too small. For example, if you are a baker and your segment is health breads with whole grains, you can define your niche by aiming at customers who want only organic ingredients. A large bread company may consider the organic bread market too small to enter.

A risk in mining niche markets is if you do your job too well, larger companies will go after it. Shoes for skateboarders and snowboarders were a niche market for generally obscure makers of athletic footwear like Vans and Airwalk. Board-riding appeals to Generation Y—children born after 1981. It is definitely not their father’s sport: it has a dangerous edge and courts a rebellious attitude. Once-hip organizations like Nike are viewed as the “establishment” and some boarders wear “Don’t Do It” buttons to mock Nike’s marketing slogan. Nevertheless, after board-riding was featured at the Olympics, companies like Nike and Converse began bringing out skateboard sneakers and manufacturing snowboards.

Despite the head-start of smaller companies like Vans, their budgets are small beer compared to the marketing muscle of giants Nike and Reebok. Vans’ chance for continuing success is to hold its own and expand in its niche—shoes for skateboarders—and not compete across a broad product line with the big boys.

SWOT Analysis

A broad-based SWOT Analysis is a quick and easy way to examine your company. It involves looking at your company’s strengths, weaknesses, opportunities, and threats.

One of your company’s strengths is that you introduced a new product and built up a large and loyal customer base before the competition entered the market. Marketing is one of your company’s weaknesses because of a lack of experienced management. Your main competitor is declaring bankruptcy and that’s looks like an opportunity. A possible threat could be that your main competitor is planning to merge with a powerful company that will provide it with a stronger financial base and more market access.

Strengths

Most companies and products have strengths and weaknesses, and many businesses forget to look at them, which itself is a weakness. By also looking at your competitors’ strengths and weaknesses, you can position your product so that your strengths shine through. Strengths include resources, skills, market position, patents, and so forth.

Your company may have different strengths depending on your target market. For example, if you have defined your target market as college students, the fact that you have a young staff with many recent college graduates would be a strength. Your staff would have insight into your target group and the ability to judge which marketing approaches will likely be successful in reaching that group.

Weaknesses

Weaknesses lead to poor performance. A young staff might turn out to be a weakness if your company lacks strong, experienced leadership to guide the young energy. The lack of a track record could be a

weakness in trying to reach your target market. If you want to sell consulting services to businesses in Latin America but your company does not have a track record there, you may have a hard time selling to large corporations. You may then decide to target smaller companies that can't afford to pay large multinational corporate consultants. In this way, identifying your weakness helps you define a realistic target market.

Opportunities

Small opportunities are often the beginning of great enterprises.

~ Demosthenes (383-322 B.C.)

An important part of success in business is finding unexploited opportunities. These new opportunities may be in the form of demand for a new, yet similar product such as an identical auto part made of carbon fiber instead of steel. The opportunity may be an external condition you can use to improve your performance. "Saving the environment" became an opportunity for paper companies to make products from recycled paper.

Threats

Analyzing potential threats that could come from a particular target market will help you decide if you have found the right market. If your target market is price sensitive, this is a threat if another company can beat your price. Is your product easy to copy? If companies can simply copy your product, without having to spend much money on research and development, they can undercut your price. A deep-pocketed potential competitor looming on your target market horizon is a threat.

Know Your Competitors

Track what your competitors are doing and position your product with the competition in mind. How have they packaged their product? Where do they sell? What is their sales literature like? Find your competitors' weakness, and fill the gap they have left.

Study your competitors. How is their company set up? How strong is the company financially? Are there any shifts in top management? Keep an eye on them so that you can predict trends or anticipate changes that affect you.

Competition is not the only threat. External conditions like war, earthquakes, fires, tornadoes, and floods can all threaten your market position.

Your Product

Would you buy your product if you saw it in a store? Does your product should satisfy a need and offer a clear benefit?

Take an objective look at your product. Understand it as an outsider, not as an enamored parent. Find out how your product is perceived in the market through surveys or tests.

If you find weaknesses, ask yourself how they impact your product. Can you adjust your product to make it better? Or, should you go ahead and sell a product that is great but has one little problem, and be ready with answers to complaints?

Portray your product honestly and positively. Never lie about its quality or performance, but choose to highlight its strongest features in your promotions.

Product Life Cycle

Most products have a life cycle that can be broken down into four stages: introduction, growth, maturity, and decline. Each stage offers opportunities and risks.

Phase 1: Introduction

This phase can either be the beginning of a whole new industry or the presentation of a new product within an existing industry. This stage holds great promise if you are the first company to introduce a new product. Customer perceptions, expectations, and preferences are not yet formed in the introductory phase, and there is no competition. You also take the risk that no one will like your product and that your business will fail.

If you are introducing a new product to the market, consider how long the introduction phase is likely to last. If there are high barriers to entry, meaning that other companies can't just copy your product without large investments, the introduction phase may be long. This will affect the marketing strategies you use. You may charge more for your product or you may try to sell as much as possible before competitors enter the market.

Phase 2: Growth

In the growth stage, sales expand and the product becomes broadly known. Customers have developed clearer expectations and stronger preferences, and companies try to establish brand loyalty. This is the most risky stage in the product life cycle because competition is at its highest. In the growth stage, companies with new twists on the product enter the market. Competitors look for underserved market segments or weaknesses in your strategy to move in on your customer base. Sometimes large companies see potential in your product and directly attack your market segment.

If you enter the market in this stage or your product has moved into this phase, you use different marketing strategies than in other stages. Your advertisements are no longer geared toward creating customer awareness of your product. Instead, you want to differentiate your product from the competition. You may lower prices, especially if you charged higher prices before competitors entered the market.

Phase 3: Maturity

It is difficult to enter a specific market during the maturity stage because a few strong companies usually dominate the market. They are the ones that survived the growth stage. At this point, customers have developed brand loyalty and are unlikely to try something new. If you have a new twist or something unique about your product, you can successfully enter the market and gain market share. The key to entering this stage is to be different with some feature that grabs consumers' attention.

One of the marketing strategies that companies use in this stage is to get customers to use more of their product. If a company sells chocolate chips, they may do an ad campaign in the maturity stage that stresses that chocolate chips shouldn't only be used in cookies, but also in muffins, cakes, trail mix, and other things. Companies may also try to win over the competition's customers and convert non-users.

Phase 4: Decline

The final stage of a product's life cycle is characterized by decreasing sales and companies exiting the market. Typically at this stage, companies are liquidating inventory or other assets in an attempt to raise cash. Over their lifetime, most companies market several different products, so a company will simply withdraw a product from the market when it hits the decline stage and continue to sell its newer products. For companies with only one product or a heavy dependence on revenues from that product, the decline stage can mean an end to their business.

The decline stage represents opportunity for some companies. When a product enters the decline phase, there may not be enough demand to support eight different companies. But demand does not disappear overnight, and one or two companies may find it worthwhile and profitable to keep producing an older product.

In recent years, the time it takes for a product to complete the life cycle has accelerated. As a result of the quickened pace of product upgrades and improvements, consumers are better informed and demand the latest technology.

Many products face obsolescence much earlier than they used to. The typical life span of a kitchen appliance used to be more than five years; it is now three years or less. Where computers and electronics had three-year life cycles in the 1980s, many now have 18-to-24-month cycles.

Companies that identify market needs accurately and act rapidly to meet those needs with high-quality goods are the ones that survive and prosper. Consider a product portfolio that includes items in various stages of the life cycle. In this way, your company will always have new products ready to take the place of ones entering the declining stage.

Positioning Your Product / Service

*Positioning is an organized system for finding a window in the mind.
It is based on the concept that communication can only take place at the right time
and under the right circumstances.*

~ Al Ries & Jack Trout, Positioning

Positioning is fixing the image of your product in the consumer's mind. Once implanted, it is difficult to re-position. Even after multiple outbreaks of illness and the death of patrons due to the presence of e-coli bacteria in hamburgers, millions of people still frequent fast food restaurants. One successful re-positioning: When demographics showed women having fewer children, Johnson & Johnson re-positioned their baby shampoo by telling women "If it's soft enough for your baby, it's soft enough for you."

To successfully position your product in the market, you must know what your competitors are doing and differentiate your product from all others. How are your competitors positioned? Studying your competitors' niches will help you find one of your own, or at least teach you how not to position your product.

How does your track record compare to that of your competitors? Are they well known in the industry and have they been successful in meeting customer demand? Customers like stability and consistency. If your competitors are neither, creating an image of your company and product as stable will help you gain a foothold in the marketplace.

Do you want to be known as the "low price leader" or as the "high quality leader?" Pricing, if used properly, can play an effective role in positioning.

Set the Right Price

Price is an extremely important factor in positioning your product. Price is often the first thing a potential customer looks at. Many factors, from your break-even level to your competitors' prices, need to be taken into account. What is your customer's perception of the value of your product? Can this perception be enhanced? Understanding the consequences of several different pricing structures will assist you in finding the best price for overall success.

You may find that one price will not allow you any profit for the year but would likely increase your market share. In another scenario, you may earn a profit but lose overall market share. Is one of those things more important than the other? Do you have flexibility in your pricing?

Customers do not like prices to rise. Set a realistic price that you will not have to raise in the short term. If a price does not allow you to break even, consider what the consequences will be when you raise your prices.

Direct Mail Testing to Determine Price

If your product or service can be purchased through the mail or over the phone, an effective way to determine the best price is direct mail testing. This is very simple, more reliable than focus groups, and much cheaper.

A statistically respectable result is possible using 3,000 to 5,000 names. Mail four to five batches of from 3,000 to 5,000 pieces that are identical except that each batch promotes a different price point; for example: \$49, \$59, \$69, \$79, \$89, and \$99.

Focus groups give you theoretical numbers, whereas direct mail testing provides the reality of real customers voting with real money.

~ Burke Franklin, [Business Black Belt](#)

Return on Investment

View Return on Investment (ROI) from two different perspectives: your consumer's and your company's. Just as customers weigh several factors (most prominently, getting their money's worth), so too should you consider the impact your marketing investments are making on your revenues, the value you bring to your customers, and your profit levels.

The traditional ROI formula is to take the net profit (after taxes) that your product generates and divide it by the total amount invested in product development and marketing.

ROI = Profit ÷ Investment

Generally, your ROI increases over time because you don't need to invest in product development in proportion to your revenues. In fact, you may not have a positive ROI in the short run if your product requires a great deal of investment for development. Determining how long you can wait to recapture your investment is one of the fine arts of planning. Consistently measuring ROI by product is an intelligent way to track your team's level of marketing success.

Your Brand Name & Logo

*An image...
is not simply a trademark, a design, a slogan or an easily remembered picture.
It is a studiously crafted personality profile of an individual, institution,
corporation, product or service.*

~ Daniel J. Boorstin, Historian

What is a brand?

Everyone and her sister has already written one—but it's an oversight, because much of what you read about branding and communication in this column is based on a very simple idea:

Brand = Personality

Let's review. Properly managed, the brand does eight things:

- The brand stands for the organization (it has a purpose)
- The brand embodies ethics, attitudes, and affiliations (it has a character)
- The brand expressions create an image of the company (it has a face)
- The brand image acquires meaning in people's minds (appearance matters)
- The brand is as the brand does (it's an active agent)
- The brand develops and changes over time (it's alive)
- The brand is more emotive than logical (it's human)
- The brand lives at the point of contact (it's the front man)

It's the face, the spirit, and the spokesman that carries the character of the organization to the world. It's a personality. If your brand was a person, who would it be? (Nancy Bernard)

Strong brand name recognition is a great asset in marketing. The rule of thumb in creating a brand name is keep it simple.

A clever company or product name that no one knows how to pronounce or that different people pronounce different ways is a handicap. Choose a name that will be timeless and easy to recognize and remember.

The same basic rules apply to a logo as well. Keep it simple, easy to recognize, and memorable. The Nike “swoosh” is a successful logo. It often appears as the only identifier on Nike products and it's immediately recognizable. (Can you remember the logo for Reebok, one of Nike's competitors?)

A logo that speaks for itself is powerful. General Electric, Proctor & Gamble, and Coca-Cola all use logos that, in some cases, date from the turn of the 19th century. New logos can be as powerful. Apple Computer, with its clever name and logo, is known worldwide but has only been around since the early 1980s.

Every advertisement should be thought of as a contribution to the complex symbol which is the brand image.

~ David Ogilvy, Confessions of an Advertising Man

Since developing product names, logo design, and packaging are important elements of your promotional strategy, consider hiring professionals. Not everyone is a designer or can come up with a dynamic style alone. You may better serve yourself and your company by hiring an outside design firm to do your logo and packaging, while you dedicate your efforts to what you know how to do best.

Your Trademark

A trademark is the name, symbol, logo, letter, word, short phrase, or mark you use to represent your product and distinguish it from others. As your trademark is one of the most important ways you establish a presence for your product in the minds of consumers, it is essential to branding. Their power is reflected in the fact that among the first objects children recognize, remember—and often clamor for—are brand logos like McDonald’s and Taco Bell.

Statisticians report that every person in the U.S. is exposed to about 1,500 trademarks every day. When you think about it, that figures out to 93 brand exposures per hour or 1.5 each minute, presuming you only sleep eight hours a night ...

~ Richard Wagner, Communications Manager, International Trademark Association

Register your trademark with the U.S. Patent and Trademark Office. The trademark, like the copyright and service mark, is property. After registering, it belongs to you and cannot be infringed upon legally. If your competitor uses your trademark, you can obtain a court injunction and momentary damages. Though many people refer to all facial tissue as “Kleenex,” and photocopies as “Xeroxes,” those names are protected trademarks. Not only can no competitor use them with impunity, non-competitors cannot use them either. Budweiser once sued a small flower shop in the mid-west that used “This Bud’s for You!” as a slogan. Budweiser prevailed.

Facts and ideas are free. A copyright protects only the words with which a writer expresses the facts and ideas. A service mark is a trademark for a service name. Your business name is a trade name.

Trademarks, service marks, copyrights, and trade names all enjoy protection under law. While registration is important, using the trademark or trade name is equally if not more important in the U.S. In other countries, sometimes only registration protects your trademark. Check with authorities in each country where you plan to do business.

Trademark Registration

To register your trademark, contact the U.S. Patent and Trademark Office at 1-800-786-9199. Or, call the Library of Congress at 202-707-5000, and they will send you an instruction booklet and the forms to fill out.

While you can register your own trademark in the U.S., you’ll have to contact an intellectual property lawyer or service to perform a “trademark search” to ensure that the name or symbol you want to register is not already taken.

Competitive Analysis

In a general sense, everyone is your competition because everyone wants to lure consumers to buy their products. A stereo equipment store doesn't only compete with other stereo equipment stores. It also competes with travel agents, restaurants, clothing stores, and so on.

Consumers have a limited amount of income. If Jane Doe has \$200 dollars to spend, you must convince her to spend that \$200 on your product, not your competitor's.

Know your competition. Keep tabs on who might enter your market and compete for your customers. Follow developments in your industry and keep abreast of new directions that can affect your business.

Examine and compare the following aspects of your competitor's business to your own.

What Do Your Competitors Offer?

How is your competitor's product different from your own? Compare size, price, color, functions, packaging, and availability. Put yourself in your customer's shoes and evaluate what you see.

*I probably have traveled and walked into more variety stores than anybody in America.
I am just trying to get ideas, any kind of ideas that will help our company.
Most of us don't invent ideas. We take the best ideas from someone else.*

~ Sam Walton, founder of WalMart

Read your competitors' sales literature. What impression does it give you? Buy the product. Ask salespeople about it and listen to what they say. Get to know your competitor's product as well as you know your own.

What's Their Price?

If the competition charges a lower price than you do, how do you justify your higher price to the customer? Are you a market leader? Are other companies reacting to the way you set your prices or are you reacting to them? Knowing your competitor's price strategy will help you find ways to combat it. (See the detailed discussion of price in Marketing Tactics & Strategies.)

Packaging

Packaging conveys an image. What are your competitors trying to achieve with their packaging? Are they using minimal packaging for the environmentally concerned crowd? Is it child-safe? Do they have a gimmick like a pop-up handle to make carrying easy?

Where Are They Located?

Does their selling location impact your company? If you offer a product for college students and your competitor has opened shops on college campuses, how will that affect your ability to reach the same target group? Although you may have to locate further away, you can find another way to lure customers, such as lower prices.

Location gives you an idea of what your competitors production and overhead costs are. A company located in New York City will pay much higher overhead, including labor costs, than a company located in Omaha.

Service & Customer Relations

Consider the research done by the Forum Research Corporation. They analyzed 14 major service companies in terms of customer satisfaction. Their results show that:

- * 15% of customers switched to another business because of quality problems.
- * 15% left because of price
- * 70% departed because they didn't like the human side of doing business with the prior provider of the product or service!

If service is an essential part of your product, compare your service and customer relations policies to those of your competitors. Companies with satisfied customers usually command a larger market position than others. Find out how the competition's service and customer relations policies work by visiting their stores and calling them for information.

Promotion: "Buy now and..."

Knowing the promotional strategies your competitors use can help you to counter—or copy—they. Do they offer coupons, samples, free trials, or product warranties? What kind of advertising messages do they send to the customer? How effective is that advertising? What media mix do they use to reach their target market? How much do your competitors spend on promotions and how does that amount compare to what you spend?

Distribution: What Channel Are They On?

Through what channels do your competitors sell their products? If they sell direct, what sales techniques do they use? How does your sales strategy compare? Do you think their sales strategy is effective and has a real impact on their sales volume? Choose the same sales strategies as your competitors if those strategies appear to be the most effective way to reach your target market. Also try other sales strategies to reach a different target market. Maybe your competitor sells through retail chains, but you believe mail order would also be successful. You may then choose to tap into that market instead of competing head-to-head.

Are They "Techies"?

In industries such as electronics and computers, integrating the latest technology is important. Companies that use "leading-edge" technology are likely to lead in sales and charge a premium if the target customer is informed and sees the value. Do your competitors develop new technologies and implement them? Or, are you the leader? If you can't lead you may want to gear your marketing efforts toward the message that people really don't need the latest and most expensive technology to be successful.

How Do They Manage?

Knowing your competitor's management structure will provide a basis for understanding their marketing decisions. In a large company with several thousand employees, marketing decisions may get caught up in bureaucracy and interdepartmental competition. A small company may have the agility to respond quickly to changes in the market. Do you think your competitors make quick and accurate decisions? Could they react quickly to changes you might make in your marketing strategies? If you launch a new and innovative product, will your competitors adapt their strategies immediately or will there be enough lag time for you to reap the benefits?

Competitive Analysis: The Price / Feature / Performance Chart

You have collected samples of your competitors advertising from all the regions in which you compete. You have obtained or estimated your competitors' budget numbers. You've compared your competitors products, image, demographics, and market share, with your own. Now what?

Create a chart that compares, item-by-item, each of your products and services in their various markets with that of your competitors according to price, features, and performance.

When you see how your products stack up against the competition, you get a dose of reality and immediacy unavailable any other way. The comparison highlights any weaknesses in your products and/or marketing stance and shows you how to improve your products or services and how to best market them.

Analyze Your Risks

All adventures, especially into new territory, are scary.

~ Sally Ride, Astronaut

By the nature of competitive markets, risk always exists in a business environment; every business must contend with it. No one can anticipate all types of risk, but you can analyze those you see.

As in the stock market, an excellent way to reduce risk is to diversify. If you sell several products, your company won't depend on the success of only one. If you have multiple suppliers, and one goes out of business or starts selling exclusively to your competition, you will not be left helpless.

You can also diminish certain risks by purchasing insurance for fire, theft, and illness. You cannot avoid risk, but you can anticipate and minimize the negative effects of potentially risky activities. Risk can be broken down into two main categories: business and environmental.

Business Risks: Business Risks

The first and perhaps largest business risk you encounter is your industry's cost structure. This determines the amount of capital and fixed assets you need to operate your business.

If you enter an industry that requires complex infrastructure and manufacturing capabilities, your initial investment is tremendous. For example, if you decide to launch a new airline, you need to buy airplanes, rent space at major airports, and hire a large staff. You have large monthly expenses whether your planes are full or not.

If you want to launch a housecleaning business, your initial investment and fixed costs are much lower. You need to advertise, but you could use your clients' cleaning equipment and hire other people on a job-by-job basis. This is a low risk-business. If no one calls you for a month, all you lose is the money you put into advertising.

Another type of cost structure risk is the need to expand your facilities. If you reach a point where you can no longer produce enough of your product to satisfy the market and need to build new manufacturing facilities, your company's growth could be adversely affected by the large investment.

Try to foresee the need to increase production or modernize your facilities as an integral part of your long-term financial strategy. Examine ways you could expand your production capacity without building new capacity from scratch.

Look at basic issues to determine the risk of competition. How much investment does a company need to produce your product? The more investment needed, the lower the risk. Do you have key experience or technology that would be hard for another company to acquire? Do you have contracts with large-scale buyers? Do you have a strong distribution system? Is the industry expanding sufficiently to support the business of multiple competitors and you?

Competition and Industry Growth: Snapple, or Bust?

Competition is a risk for every business. Even if you have a new and innovative product or service that no other company is offering, it is just a matter of time before someone tries to take part of your market away. Large national companies are especially dangerous because they usually have the resources to

compete successfully with any company. For several years, Snapple's flavored iced teas had little competition and were very successful. Coca-Cola saw the success of flavored iced teas, wanted a piece of the action, and created a drink called Fruitopia to compete with Snapple. Quaker Oats jumped on the bandwagon by buying Snapple for \$1.7 billion! Meanwhile, other players joined the fray and 3 years after entering the market Quaker sold Snapple to the maker of RC Cola for a measly \$300 million.

Business Risks: Product Liability

In this litigious day and age, companies are all vulnerable to lawsuits. You can control this risk factor by purchasing product liability insurance. A large damage award that is inadequately covered by insurance could devastate your company's financial standing. Tie the costs of protecting your business from product liability claims to the cost structure of your industry and market.

Business Risks: Profit Margin

Your profit margin, or the percentage of net profits to sales, is at risk. Some companies have a very low profit margin but a high volume in sales, while others sell very little and have a high profit margin. For a good example, compare a grocery store to an art gallery.

A grocery store sells its entire inventory every few days, but its net profit margin is only 1%. The business makes its money with high sales volume—a steady 1% profit adds up. A grocery store can also see buying trends immediately and adjust stock to meet demand.

An art gallery, on the other hand, has a limited stock with a very high net profit margin, meaning that a few sales a month may cover all of the gallery's costs. If it takes an average of 90 days for an item to sell in the art gallery, the owner cannot quickly detect changes in the market. To minimize the risk of low volume sales have extra cash on hand while the company adjusts to the changing market.

Business Risks: Seasonal Business

Most businesses have some seasonal aspect, meaning they sell more during particular time periods. Some businesses are highly seasonable and need to estimate their inventory and cash needs as the season begins, matures, and closes.

In the clothing industry, you need to order separate inventories for different seasons several months before each season begins. You face the risk of buying too much or too little. You also face the risk that what you buy now will not be in style when it hits the market.

Knowing that this risk exists is the first step to deal with it. The better you know your industry and your past performance, the more likely you will make the right purchasing decisions. The best way to minimize your risk is to be conservative. Order what you think will definitely sell, even during a bad season, and try to get your suppliers to send additional goods if you run out.

While it is better to make a profit and run out of goods than to end up with a huge inventory that nobody wants, it is not that simple. If you run out of inventory, you take the chance that your customers will look elsewhere to satisfy their needs. Once they have switched, they may not come back. There is no easy solution to this dilemma but the better you know your situation, the more successful you will be in handling the risk.

Business Risks: Complementary Industries

Your success may partly depend on how well other related or complementary industries are doing. If you are a plumbing contractor or a lumber mill, your business is affected by the housing industry. With high rates of home construction, your business can thrive. If few new homes are being built, you have little control over the decline in your business.

To diminish this risk, diversify your business so that you don't depend on one industry or sector. If you are a contractor, you can tap into the home repair market. Now you are working in new home construction

and home repair. This is called horizontal diversification. A lumber mill can also diversify horizontally through the home improvement market. People staying in their old homes may want to build a deck or add a room.

To reduce your risk, be aware of the complementary industries that may affect your performance and do not depend too heavily on any single one.

Business Risks: Substitution

Most businesses are vulnerable to substitution, when another product serves as a substitute for your own. In effect, any product that can be substituted for yours, even if it is not the exact same thing, is a threat. Artificial sweeteners, such as Sweet'n Low or Equal, are substitutes for sugar. A rise in their sales brings down sugar sales. There is very little you can do to reduce the risk of substitution; if you have a successful product, others will try to get in on the act. The best thing is to be prepared and keep an eye on the market. Provide and promote your product in a manner valued by your customers and make adjustments in your product strategies in a timely manner.

Business Risks: Suppliers

There is always a risk when you depend on other companies to supply your product. If you depend on a small number of suppliers, you are vulnerable to their control of your business. If they raise prices, you may have no bargaining power and simply have to hand over the cash. Depending on the state of the market, you may not be able to pass those price increases on to your customers.

Suppliers can also change their trade terms. If you suddenly have to pay your supplier in 30 instead of 60 days, you can have cash flow problems. Finally, your supplier may have a fire or go bankrupt. Minimize your risk with suppliers by having several. The more you depend on one supplier, the more risk you face.

Build strong relationships with your primary suppliers and keep scanning your business environment for other suppliers who could become your primary suppliers someday if necessary.

Business Risks: Customers

Some of the same risks you face with a limited number of suppliers can apply to having a limited number of customers as well. Imagine that a large retail chain accounts for 90% of your sales.

If you need to raise your price to them to pay higher production costs, they may refuse to pay more because they know they are crucial to your sales success. In this scenario, you could stand to lose 90% of your sales or accept a smaller profit margin. Having a large number of customers maintains a better balance of power for your company.

Another risk of selling to one or two major clients who can dictate prices is that you are vulnerable to any competitors who underbid you. Unless there are high barriers to entry in your industry, a competitor may try to win all or part of your business. If they supply a comparable product and charge less, your clients may choose your competitor over you.

Barriers to entry are elements that make it difficult for someone to enter a certain business or industry. A barrier to entry may be state certification for production of a certain product. If a state gives very few certificates and a company needs to make a large investment in environmental technology to win state approval, the barrier to entry is high.

In a consulting business, the barriers to entry are low. Someone only needs a computer to start up a consulting business. That is not to say that someone will be successful after entry. With a great deal of competition, as in the consulting business, entering the market is probably the easiest part. Competing successfully is the most difficult.

Business Risks: Key People

Most businesses have certain key personnel who cannot be replaced easily. Create a good working environment, pay a fair salary, and give these people a stake in the company, preferably through share options. While you cannot guarantee that key people will stay forever, you can improve the chances that they remain by making this a priority in the way you run your business.

Environmental Risks: Economics

You have little control over most environment risks such as the state of the economy, the weather, and government regulation.

It is not unusual to find marketers who are unaware of impending economic problems, and who “lose the house” as a result. On the other hand, awareness of economic vagaries may well lead to profit if the market is played right. If you see a recession coming, you can adjust your production levels, your marketing activities, your sales goals, and your focus to meet the changed market.

*Wisdom consists in being able to distinguish among dangers
and make a choice of the least harmful.*

~ Niccolo Machiavelli

With proper information, adjusted strategies, and better executed activities, you may even find the entire recession passes you by while it affects other companies. The idea of a possible recession may be just that—only an idea—that can be overcome with the right attitude and execution.

Look at Hummer, the all-purpose vehicle produced for the military and brought to the public eye. A.M. General, the producer of the HUMVEE, was facing a dilemma. With the end of the Cold War, sales to the military for this all-purpose vehicle were sure to drop, but sales of 4-wheel drive vehicles were skyrocketing. The solution: Make a civilian version.

Fortune favors the brave.

~ Virgil

Environmental Risks: Weather

You can't control the weather, but you can determine the effects of bad weather on your business and make adjustments. Weather affects raw supplies. If you are a clothing manufacturer and flooding in the South ruins a large percentage of the cotton crop, you may experience limited cotton supplies at higher prices. Look into the possibility of importing cotton or using silk or rayon.

Weather affects what you offer. If you are a landscaper in California, a drought may bring less business because water is restricted. In this case, you may want to advertise your business as “droughtscape” to attract attention.

Weather affects your physical plant. If your building is vulnerable to flooding or earthquakes, buy the proper insurance and have disaster plans in place.

Environmental Risks: Government and Law

There is almost always the risk that a local, state, or federal law will be enacted that affects your business. Keep abreast of politics that involve your industry. If you are in a highly regulated industry, it pays to keep informed and avoid problems by adhering to regulations. Large companies often lobby governments to influence decisions that affect their businesses. Smaller companies can join trade associations that lobby in their behalf.

Market Research

Research is the process of going up alleys to see if they are blind.

~ Marston Bates

Market Performance Data

“How well are we doing?”

Everybody wants to know. Your mother, your uncle, your primary investor, your product manager, and your mailroom sorter praying for his end-of-the-year bonus check.

One measure of performance data is called market share. Let’s say you make a biodegradable, organic laundry detergent, and sell 10 million boxes per year. If you estimate there are 95 million washing machines in the U.S., you might think that your product is successful, because you’ve got more than a 10 percent market share.

But then you see a press release from Proctor and Gamble claiming they’ve sold 75 million boxes of their brand of biodegradable organic detergent. Now you have an idea of how far you have to go before your mother really thinks you’ve made it.

Spreadsheet programs can help you with calculations to estimate such concepts as market share, market penetration, customer retention and true market size (what if 5 percent of those washing machines are sitting on blocks in the back yard?).

As the executive in charge of marketing, it will be your job to come up with the numbers to crunch. Some of them are easy to get. How many boxes of detergent did we make this month? How many did we sell at full price? How many did we sell at discount? Did any get returned?

The harder numbers are the ones that answer the question: How many more boxes can we sell? If you are a service company, your six employees may be juggling the work of fourteen clients between them. If their workdays could handle one more client each, where can you find the six new clients to serve?

Getting a grip on your potential world of customers and your place in that world are integral parts of market research. This world overflows with market data, and some of it is free or low cost. Some of it is easy to obtain and some of it will take resources and effort. SEE the Resource section in the Appendix for leads.

*Errors using inadequate data
are much less than those using no data at all.*

~ Charles Babbage

*Statistics are like bikini bathing suits.
What they reveal is interesting.
What they conceal is essential.*

~ Anonymous

Population demographics and local business statistics give you facts, figures, and, if you are on the ball, lots of inspiration. The U.S. Census Bureau statistics deal not only with how many people live here, but

they also track how many cars, indoor toilets, washing machines, air conditioners, and phones that we own—to name just a few items the Bureau feels are yardsticks of prosperity. If your service company caters to dentists exclusively, just look in the phone book under dentists to find your potential client list. If you've already got all the dentists in town as clients, turn the page to "Orthodontists" to see if your firm might profit from making your services available to a slightly different clientele.

City Hall or a local publication are other good sources. Cities keep statistics on quality of life issues, such as crime (useful if you're selling burglar alarms) and how many dogs are licensed. Newspapers and city-based magazines that sell advertising will be happy to send you a media kit that profiles their readership in terms such as home ownership, car ownership, family size and family education.

If you have access to a computer, all sorts of information is available through Internet searching. Prowl the pages of business newsletters, trade publications, and financial pages of newspapers for secondary or secondhand research statistics you can adapt for business plans and spreadsheet calculations.

Customer Research & Customer Feedback

*The ability to ask the right question is more than
half the battle of finding the answer.*

~ Thomas J. Watson (President & CEO, IBM, 1914-1956)

Your best client is a satisfied client. They keep coming back for more. And they send their family and friends to you through the highly satisfying marketing strategy known as word-of-mouth.

There is a gold mine of performance data in your customer records and sales receipts. Are your repeat buyers mostly from the suburbs, or do they dwell in the city? Are they from certain neighborhoods, not others? Are you "losing" customers from a certain neighborhood? Are your frequent buyers men or women?

Another way to mine customer feedback is through questionnaires. Ask four or five focused questions the answers to which can be quickly filled out on a card at your business site. Lengthy take-home questionnaires are more likely to be returned if some goodie is promised — the form becomes an entry for a contest, or validates a coupon good for a product discount or special item.

You may want to conduct longer question-and-answer sessions with customers, with clipboard in hand and some sort of "crackerjack" prize for participants. This kind of work is done in offices as well as in supermarkets. Telephone questionnaires are still popular.

One approach is to take your clipboards to where a target audience might hang out. This is not always friendly territory, so a light heart, fast shoes and a good sense of humor helps.

Databases & Permissions

On a more sophisticated level, businesses can track their future clientele with data derived from supermarket scanners or computerized databases. Experimental systems on the Internet such as Firefly (now owned by Microsoft Corporation) use logic programs to free-associate market data. A woman who bought a silk bra at a boutique with a certain credit card may find her name and address whisked to the mailing list of a store across town that sells silk stockings, for example.

The privacy issues of peddling sales data across company lines are still questionable in many areas, particularly as more marketers are drawn to customer databases readily available through Internet sources. A strategy in response is called "Permission Marketing." In this case you ask or entice potential customers to fill out your questionnaires or give you their mailing or e-mail address, with the understanding they will soon receive a sales pitch tailored to their specific interests.

Permission marketing isn't a new concept, though. The most common example is the Book-of-the-Month Club, where readers literally subscribe to a mailing list because they want to receive opportunities to buy new books. Another form of permission marketing is when a customer telephones or "writes away" for a mail order catalog.

Field Feedback

The best way to see if things are going well is to tour the stores where your products are sold, listen in to client meetings, and make regular forays to observe how your products are displayed and pitched in the field.

If you run a business-to-business company, ask a client if you can send some of your staff over to observe how their employees are using your product on a day to day basis. You may gain some valuable insights. For example, the staffer reluctant to break her nails opening a product box might attack it with a letter opener, damaging the first row of product, which has to be discarded.

Intuit has taken this concept a step further by asking people who have just purchased their software application Quicken™ if they can make an appointment to go to their home or office to watch how they install and use the product.

In the early days of the century, industrialists routinely sent "efficiency engineers" to factories to watch how employees adapted to new factory machinery. Watching the employee's body language, the engineers would then redesign the machines, moving a lever from here to there, or raising a belt or table a few inches, to improve performance in incremental ways.

Focus Groups

If you're not sure how the public will respond to a business move: A product change, revolutionary new service or the construction of a factory in their community, the best way to find out is to ask them. Short of a public referendum on the local ballots, it's impossible and time consuming to ask everybody. Instead, consider a focus group.

Focus groups are small groups of customers or potential customers who get together to review different aspects of your product and ask and answer questions about it. A facilitator leads the group so that the discussion addresses issues you want more information about.

A Jack in the Box commercial features a focus group to gather feedback on a new "just meat and cheese between a bun" burger. The group, composed of big, beefy, macho guys, votes for only the meat and cheese and advises "drop the bun—who needs it?" The Jack in the Box executive tries to argue, then throws his hands up in the air and says "O.K., we'll consider it!" It is an open question whether this commercial is a realistic depiction or a parody of a focus group! But it does show that consumers can have a different perspective from the marketer and focus groups are valuable in revealing these differences.

Marketing companies that set up focus groups for corporate products usually pick people for a focus group from pools of several hundred people who get paid to be polled. But you can set up your own focus group by asking clients or people who are a good cross-section of your target market (aunts, cousins, parents of your employees or friends) as long they are qualified.

Qualifying your focus group participants means selection by certain criteria appropriate to your survey. You want the participants to be likely consumers of your type of product. If you are looking for feedback on automobiles, you would not include a person who only uses public transportation.

The promise of a nice lunch or cash compensation brings the bodies in the door. Focus group sessions

should not last more than two hours. That should be enough to glean the information you need. Provide water, coffee and soft drinks for ongoing refreshment, and paper and pencils so group members can write down their thoughts.

A focus group is run by a moderator, someone familiar with group dynamics, who also understands your product line or service offerings. During the course of the session, the moderator asks open-ended questions and elicits feedback on the group's preferences. Typical questions: Do you like this box color? How do you use this item at home? When do you use it, day or night? Why day or why night? What don't you like about it? What do you think of the way the product smells?

All participants are encouraged in turn to give their opinions; the moderator's job is to keep the discussion from getting bogged down or off track. The moderator can also ask questions about how the participants feel about the organization, what they know about its history, how they perceive its standing in the community.

To get the maximum help from even a casual focus group, get your marketing staff together to brainstorm questions to be asked. Tape record or videotape the sessions so you can all analyze the group's answers in depth.

Keep an open mind about answers you might get. A focus group may not prevent you from making "wrong" marketing decisions, but it can help explain faulty ones. Here's one example: A few years ago, a nonprofit center published a series of what it thought would be popular books. The books were well reviewed, but didn't sell well in bookstores.

Two sets of focus group participants were asked to read the books and come in to comment on the series and how it was sold. The participants, when questioned, found no fault with the books, but all of them remarked that the book jackets had ugly colors, were hard to read and were otherwise unappealing. Much to the relief of the center, this problem was fixable. Second editions were published with more attractive covers, and with greater success.

SEE the Marketing Analysis file in the Planning & Analysis folder and the Marketing Feasibility Analysis, Breakeven Analysis, and Future Value of a Customer files in the Marketing Toolkit of MarketingBuilder.

Information Resources

The secret of business is to know something that nobody else knows.

~ Aristotle Onassis

There are two kinds of market research; one uses primary, the other secondary sources. For a thorough and comprehensive picture, you want information from both sources.

Primary Sources, Primary Research

Primary research uses, gathers, and generates first-hand original material.

In market research, your primary sources are the people who buy your product, the people involved in selling it, and the information that originates with them. Film preview response cards, a survey in the mall asking teen-age girls what is their favorite nail polish color, your company's internal documents such as balance sheets and sales figures—these are primary sources and gathering and analyzing the material is primary research.

Secondary Sources, Secondary Research

Secondary sources are at least once removed from the primary source. When you look up a competitor in Dun & Bradstreet, read a company profile in Business Week, track your industry's stock activity in the Wall Street Journal, you are doing secondary research. These are secondary sources because someone else has gathered and, more importantly, analyzed the information already.

Primary Resources

Look at Your Own Record

Look at your own company when conducting a situation analysis. If you are a start-up company, look at the past efforts and experiences of the individuals involved. If you are established, look at your past performance.

Previous marketing plans, balance sheets, sales figures, and inventory records are among the items that will provide you with important information. Your marketing and sales group, as well as your top management, can identify what has been learned and how future marketing and sales efforts could be improved.

Customers

What your customers tell you is useful for product development, upgrades, and marketing strategy. Because they identify how they use your product and how they perceive its benefits or lack thereof, their feedback is crucial for creating a realistic situation analysis.

Ask them to fill out warranty cards, fill out short surveys, or request their ZIP Code when they make purchases. If you want more detailed information from your customers, organize focus groups.

Speak with customers at trade shows. A common strategy is to give something free to people if they fill out a questionnaire or information card. Even if you just get business cards, call them later and conduct interviews over the phone.

Gather the names, addresses, telephone numbers, and, if possible, e-mail addresses of people who inquire about your products.

Learn from customer complaints. Have a systematic approach to questioning disgruntled customers, determine what the problem is and solve it in a sympathetic—not defensive—manner.

Build in a system for follow-up with customers after a sale or repair. Send out a questionnaire or make a telephone call.

Salespeople

Your salespeople are in direct contact with your customers. They have “frontline” insight into customer likes and dislikes, changing needs, and competitor activities. Have regular meetings with your salespeople or conduct surveys and interviews to solicit ideas and observations.

Train your salespeople (and repair people and/or technical support people) to know what questions to ask and when to ask them—such as before or after a sale is completed.

Secondary Resources

Trade Publications

Trade publications, including magazines and newsletters, offer valuable information. Subscribe to them. If you have a low budget, public libraries often have a wide selection of trade publications. Many industry and trade publications are available free if the information you provide on their questionnaire qualifies

you.

Competitor Literature

Want to find out about your competitors? Get their sales literature and annual reports. This information is available at trade shows and retail outlets, or by phoning and requesting it.

Competitive Intelligence Resources On The Internet

- Yahoo's Business and Economy (http://www.yahoo.com/Business_and_Economy)
- A grand survey of major online stores and brands.
- Better Business Bureau (<http://www.bbb.org/council/main/index.html>)
- Information on U.S. and Canadian businesses.
- U.S. Securities and Exchange Commission (<http://www.sec.gov>)
- EDGAR (<http://www.sec.gov/edgarhp.htm>)
- This is the U.S. Securities and Exchange Commission's database of corporate information, includes all submissions by anyone required to file with the SEC.
- Global Entrepreneurs Network (<http://www.profnet.org>)
- Contacts, publications, resources, etc.
- Xplore Business (<http://www.com/xplore500/medium/business.html>)
- Connects to such diverse sites as the Chicago Board of Trade and the U.S. Patent and Trademark Office.
- WWW Sourcebook for Corporate Intelligence (<http://home.dti/net/shadow/spylink.html>)
- Everything you ever wanted to know about corporate espionage plus databases including criminal registries, Lexis-Nexis, the U.S. government Open Source database and a directory of U.S. bankruptcy clerks.

Periodicals

Newspapers, magazines, and other periodicals can provide valuable information for your market research. Surveying periodicals and reading business-oriented publications like BusinessWeek and The Wall Street Journal keep your market information up-to-date.

Government Sources

The government publishes large amounts of information about industries, regions, and people. Some common sources are chambers of commerce, Small Business Administration regional offices, and government libraries and fax-back services.

Investor Reports

Investment analysts and firms often publish in-depth reports about industries and businesses.

Online Services

There are many online services that provide extensive information. You'll find specific discussion groups about certain industries, trade forums, and news services that help you scan a wide range of publications.

Checklist for Monitoring the Market

- Standardize a company-wide approach to gathering, analyzing, and sharing market data
- Build databases and establish internal and external follow-up systems
- Gather market intelligence
- Establish a reading list of relevant periodicals and scan on a regular basis
- Track your competitors' activities

- Train employees to question customers
- Interview your salespeople
- Monitor customer inquiries
- Learn from customer complains
- Gather Point-of-Purchase data
- Stay in touch with customers
- *Follow-up, follow-up, follow-up

SWOT Analysis

*"It is courage the world needs, not infallibility...
courage is always the surest wisdom."*

~ Wilfred T. Grenfell, Author

SWOT stands for “Strengths, Weaknesses, Opportunities, and Threats.” Conducting a SWOT analysis is fairly straightforward for most small businesses. Once completed, the SWOT analysis is used to help drive your marketing plans. A word of advice: The more employees you involve in the SWOT analysis the better. Successful business owners find that a periodic meeting with all employees to work through the analysis not only gives rise to some extraordinarily insightful comments but also makes sure that the employees buy into the planning process. It can take as little as half a day to set the broad directions.

A. Internal Analysis

SWOT begins by looking at internal strengths and weaknesses. The following areas are common to all businesses and should always be examined:

- Profitability
- Sales and marketing
- Quality
- Customer Service
- Productivity
- Financial resources
- Financial management
- Operations

For each of these areas, ask whether it is a strength or a weakness. It may be both—people sometimes have different views. What you are looking for is a rough profile of your business's internal performance. You want to be able to capitalize on the strengths and defend or improve the weaknesses.

B. External Analysis

While external business factors are not under your control, if you examine their potential effects, you can take precautionary or preemptive action. Again, this is usually a fairly simple analysis. For each external factor, ask yourself and your employees what opportunities and threats to the success of your business are potentially coming up. The following types of factors are commonly included in an external analysis:

- *Technology.* Technological factors include new or improved technologies. Think of what happened to the typesetting industry when desktop publishing became affordable.
- *Government and Regulation.* Regulatory factors are in constant flux.
- *Legal.* Legal factors are also in constant flux. You might grow into a new area of legal exposure; for example, if you employ 15 people, you have to comply with the Pregnancy Discrimination Act.
- *Economic Environment.* The economic environments—local, national, and international—have obvious impact on your ability to reach financial goals. Be aware of them.

Don't dwell too long on these issues. You are looking for major forces that will impact your business, not for some subtle wrinkle. Strategizing has to be done with a broad brush. The details, the goals and

objectives and implementation of the strategies, are another matter.

C. Acting on Your SWOT Analysis

After you've completed your SWOT analysis, pick no more than five strengths and opportunities to work on and no more than five weaknesses and threats to worry about. Pick them carefully. Limit the choice to make sure that you focus attention on areas with the greatest payback. If you only pick one or two strengths and opportunities, or weaknesses and threats, that's fine. If they are really important, this choice will drive your marketing plans.

The essence of small business strategy is to find and dominate small market niches, please customers better than the next business, and keep it all simple so the strategies can be communicated effectively. In narrowing down your key strengths, weaknesses, opportunities, and threats, you should decide on a plan of action for each one. These actions form the basis for your strategic marketing goals.

~, *The Market Planning Guide, 5th Edition*, by David H. Bangs, Jr., published by Upstart Publishing Company®.

Customer Analysis

*By all means, marry.
If you get a good wife, you'll become happy;
if you get a bad one, you'll become a philosopher.*
~ Socrates

Your customers rule the fate of your business—whether or not they buy from you makes or breaks your company. The difference between success and failure often depends on how you market your product, not on the product itself. Know your customers and what they want. A wonderful product can fail if it is sold through the wrong channel or advertised to the wrong group.

Marketing to a targeted set of customers increases the likelihood of success. In what season is interest in your product highest? If you are selling camping equipment, your customer is most likely to buy in the spring and summer. Plan so that your marketing efforts reach your customers at the time they will buy.

You can gain insight into why potential customers have not bought your product by asking your current customers why they did. After the sale, encourage customers to fill out surveys via a questionnaire card in your product or have your sales people inquire directly.

The customer profile describes what you know about your customers in a structured and coherent way. A customer profile for consumer markets may include any or all of the following elements.

Demographics: Who Are You?

Demographics supply information about a specific population, including age, gender, average income, ethnic background, and family makeup. Demographics are based on findings from a national census, local government agencies, and private firms whose specific task is to find out information about a population's characteristics. These studies can be conducted on a national scale and are general in scope, or they can focus on a particular metropolitan area, or be separated by ZIP Code.

Many businesses do market research by asking customers for their ZIP code when they pay. This method tells you where your customers live and what people from different areas buy. You may find that the majority of your customers come from four different ZIP codes and one ZIP code accounts for 50% more revenue than the others. With this information you can better target direct mail campaigns and other promotions.

If you know that a particular area has an average annual family income of \$20,000, don't market your hand-engraved silverware there. Put up a billboard showcasing your discount supermarket. If the average age is 35, it won't pay to advertise senior citizen cruises in the neighborhood newspaper.

One easy way to obtain demographics is to request a media kit from a magazine likely to be read by your potential customers. A media kit contains information that potential advertisers want to know about the readership of the magazine. For example, The Wall Street Journal claims 1,879,400 million readers per issue. If you sell products or offer services to the business community, The Wall Street Journal's demographic and lifestyle information give you a glimpse of your market's characteristics.

The Wall Street Journal's demographic information says of their readers

- The median age is 52 years
- 84% are male
- 79% are married
- 32% have children under 18 living at home
- 95% attended or graduated from college
- Median employment income is \$85,800
- Median household income is \$112,900
- 72% are in top or middle management

Lifestyle demographics are further revealing of our “average” reader:

- 51% own two automobiles
- 18% own a powerboat or sailboat
- 48% play golf
- 56% jog or run
- 25% go fishing
- 30% belong to a health or fitness club
- 67% participate in charitable activities
- 36% own a stationary bike
- 87% shop in department stores
- 49% shop in wholesale/price clubs
- 59% order from catalogs
- 25% watch television less than 5 hours a week

Although this “average” reader is not characteristic of all readers, you now have a customer profile on which to base your product selection, pricing, promotional message, media channels, and locations where you sell.

In addition to specific demographic information about your particular target group, look at larger demographic trends. Changing social trends often create new markets. For example, the emergence of women in the workplace means women have increased purchasing power. Companies now target products to women that are not female-specific. Marketers have long created perfume ads aimed at women but only recently directed car commercials at the female market.

Demographic Windfalls

Be prepared to take advantage of demographic windfalls that come your way.

Avon, which markets cosmetics for women door-to-door, knew for several years that its lotion Skin-So-Soft was being bought in large quantities by duck hunters and fishermen who used it as mosquito repellent. Avon was ultimately able to introduce a product that was specifically addressed to women who were seeking a mild mosquito repellent for their children.

Demographic information is easily obtained from your local chamber of commerce, your state department of commerce, your local newspaper, and local library.

Psychographics: What's on Your Mind?

Demographics tell only part of the story about your customers. The rest can be filled in by looking into the consumer's mind. Psychographics is the study of a particular population's values, attitudes, lifestyles, and interests. Having this information helps you determine, or guess intelligently, about what factors motivate your potential customers to buy. Customers' lifestyles, needs, personalities, and interests usually reflect their values and attitudes. Sometimes people who fit into one neat demographic group, say, people who earn more than \$100,000 annually, can be very different in a psychographic way.

For example, let's analyze two 25-year-old females who live in the same neighborhood and earn \$35,000 per year. On a purely demographic level, they appear similar. Demographic analysis does not tell us that one smokes, drinks a six-pack of beer a day, rides a Harley, and lives on fast foods. The other woman, it turns out, is an aerobics instructor, a personal trainer, and a licensed bicycle racer. Clearly these women are the same demographically, yet different psychographically.

SEE the Lifestyle Marketing section in Chapter 4—Marketing Tactics & Strategies for additional information.

Geographics: Where Are You?

Geographics relates to where your target market is located. Your market may be local, regional, national, or international. You must know where your customer is so that you can make sure your product is shipped there and has a strong presence.

The larger your market, the more flexible you have to be in your marketing efforts. You may want to keep your pricing flexible because customers in New York City will expect to pay more than customers in Omaha. You may also have to adapt your advertising campaign or promotion strategies to fit the region in which you are selling.

Biographics: When You Do And How You Do

Biographics describe how your customer purchases products. Do your customers pay with cash, check, or credit card? Do they order by phone or buy in person? When do they usually make purchases? Do they have a particular buying behavior or purchasing pattern? How often do they buy? Do they favor a certain product over another in the same category? How much is their average purchase?

The answers to some or all of these questions can direct your marketing efforts. If your target consumer tends to make purchases on weekends, then place your print ads in the Saturday morning paper so that your product will be fresh in the consumer's mind. Of course, you want to know if your target customer reads the newspaper and, if so, which one. If your customers tend to order by phone, consider setting up a phone order system. If your customers favor your product over the competition's, how do you keep their allegiance?

Technographics: What Really Pushes Your Mouse Buttons?

The latest wrinkle in audience research rests on the assumption that people who purchase computers buy other products and services on the basis of specific attitudes that are only marginally explained by economic status.

Developed in part to understand such colossal electronic product failures as quadraphonic sound and videodisk, market researchers at various sites such as SRI Consulting Inc. and Forrester Research, Inc.,

are digging deeper into the psyches of tech-minded consumers to discover what really pushes their mouse buttons.

A 1998 Forrester/NPD survey of 131,000 consumers of technology products divides people into ten “Technographic” groups based on what and how many high-tech goodies they already own.

One desirable group, dubbed the “Fast Forwards,” contains people who own an average of 20 technological products, from computers to fancy TV sets, in their homes. Other big spenders are “New Age Nurturers” —the kind of folks who buy computers for their kids, and a new microwave rather than fancy stereo gear—and “Mouse Potatoes,” those younger, entertainment-minded spenders who think nothing of having five or six different remotes on their coffee table.

Less affluent groups include the “Techno-Strivers,” who use computers, pagers and cell phones for work, not for leisure, and families attracted to low-end bargain computers and off-brand digital appliances. Such groups may not be easily persuaded to buy high definition television sets, though they might easily view such products at the discount electronics stores where they tend to shop.

Groups acknowledged as difficult markets for high tech products include affluent older executives who refuse to learn how to use their company e-mail (they’re dubbed the “Hand Shakers”) and middle-class pessimists who still get their news from the afternoon paper and see no reason to rush to buy the latest software upgrade.

These last groups continue to stymie the forward rush on consumer electronics, much the same way as in the 1960’s episode of “The Honeymooners,” when the character Ralph Kramden puts the kibosh on wife Alice’s wish for their first TV set. “I’m waiting for 3-D!” says Ralph—knowing full well their joint checking account is safe for decades to come.

For an organization peddling a high-tech product or service, a big technographic clue is the age of the home computer. In the fast-moving world of computer upgrades, a unit more than three years old indicates a high Kramden factor. This information can be gathered from warranty cards or customer questionnaires. Lists of names of recent computer purchasers are valuable, and when combined with age and household data (single? married with children?) can help target sales pitches for family products versus bachelor-pad gear.

Customer Adoption Process: “Wrap It Up! I’ll Take It!”

The consumer adoption process is based on the notion that different people will accept and use your product at different stages. There are several steps to this process: First, the consumer must become aware that your product exists. Then she must be interested in the product, make the effort to seek it out, and evaluate it. After evaluation, she will decide whether or not to buy it. Consumers adopt your product when they start to use it regularly.

There are many factors that influence the rate at which consumers adopt products. Depending on your product and which group of adopters your customers belong to, the factors discussed below will play more or less of a role. Think about how these factors affect your customer as you develop your marketing activities.

Relative Advantage

What advantages does your product provide the user with? What does your product offer that the competition’s doesn’t? Will using your product make the consumer’s life easier? Will it increase their chances of success? Make your product stand out in some way so that it inspires customers to choose it.

Compatibility

Is your product compatible with the consumer's life? Will it be easy to integrate your product or will they have to buy extra items or change the way they do other things?

Complexity

How difficult is your product to understand and use? Consumers tend to like things that they can easily understand and use. If your product is complex, try to simplify its use.

Communicability

Are your product's uses and advantages easily communicated? The more clearly you describe your product on its packaging and in sales literature, the more easily your customers will be able to explain that to others.

Cost

What is the initial price of your product and are future purchases necessary? The higher the price of your product, the more cautious consumers will be and the more the above factors will come into play. If your product only costs 99 cents, the consumer will not give much thought to the purchase. As the price goes up, the consumer will need more convincing that they need your product.

Divisibility

Can your product be tried or sampled before the customer actually buys it? If you sell cereal, create small test boxes that you give away in the market or through the mail. That way the customer has nothing to lose by trying your product. If you sell cars, you can't give away samples! Offer test drives.

Customer Adopters

People differ greatly in their willingness to buy new products. Some mechanics are more likely to buy new tools than others, and some tennis players are more likely to buy the latest racket design than others. People are also often willing to try certain new products and stick to the old version of others. Someone who likes to buy the latest in tennis rackets may not try new types of tennis shoes.

Consider your product and figure out who is most likely to buy it. If you are introducing a brand-new product, look at the adoption characteristics (demographics, psychographics, etc.) of innovators and early adopters, and target your initial marketing efforts at them. If you are entering a mature market, take into account the early and late majority's characteristics.

The different groups of adopters beginning with those most willing to try new products are innovators, early adopters, early majority, late majority, and laggards.

These groups usually have different traits that identify them, including social and ethnic background, age, race, family stage, and geographic location.

Innovators

Innovators tend to be young and well educated. They can understand and apply technical information in their decision-making process. They also tend to be a mobile group and have significant contacts outside their local social group. They typically rely on impersonal, scientific information rather than emotional promotions. Innovators are risk-takers and are the first to buy your product if it is new and different. For example, innovators bought CD players as soon as they were introduced to the market, even though it was unclear whether CDs would become a standard.

Early Adopters

Early adopters tend to be younger, more mobile, and more creative than people in the later stages of the

adoption process. They often take leadership positions and influence others. Typically, they respond better to direct sales and are an extremely important class of consumers because of the respect they get from other consumers.

This is the group of consumers that is likely to recommend your product to others if they like it. They are also likely to be in leadership positions where they influence and decide what to buy for a company or organization. This is a good group to target because their allegiance may bring your company long-term benefits.

Early adopters bought CD players after their initial market introduction. It was still unclear whether CDs would become the standard in music, but early adopters liked the high-quality sound that CD players produced.

Early Majority

The early majority is more cautious. This group likes to avoid risk and usually waits until early adopters accept a new product. By the time the early majority is buying your product, the product is probably already into the growth stage. Typically, the early majority consists of company employees with young families. Their ability to accept risk is limited because they are usually relatively new to the workforce, and need to spend their money on children and establish net worth.

The early majority started to buy CD players as the number of CDs in music stores increased and the initial high cost of CD players came down. This group waited to purchase CD players partly because they already had records and tapes to satisfy their music needs.

Late Majority

The late majority are older than the early majority. They are skeptical. They have seen some of life's low points and are more cautious about trying new things. It is often only social pressure that forces them to adopt a new product. People in this category tend to ignore promotional messages and rely on other late adopters to guide them.

The late majority may not have started buying CD players yet. Since very little music is still produced on records, increasingly the late majority will only buy CDs when their ability to buy the music they want is affected.

Laggards

For a marketer, laggards are almost a lost cause. They tend to be older, less educated, and low-income earners. They usually stick to the same product, even when the majority of consumers have changed to new products. They do not respond to marketing messages and only look to other laggards for guidance. Laggards do buy, so they shouldn't be completely discounted. However, if you are introducing a new, innovative product, look elsewhere.

Some laggards may never buy CD players. People in this category already have record or tape players. (If they don't, they surely won't invest in a CD player!) They won't want to spend money on something new when their needs have already been met.

Economic Factors

Knowing your target consumers' economic circumstances helps you decide how much money to spend on them. It seems obvious: If you know someone has a lot of money to spend, you make a greater effort to reach that person than someone with less income.

There also may be an opportunity, for your product among lower-income consumers. If the product is desirable and your competitor charges a high price, maybe you can adapt the item to lower its cost and tap into a whole new market. Think beyond "big spenders"—your product might be a hit with the many people who are not.

Personal Savings: “How much money do we have?”

Obviously, the more money someone has in savings, the more likely they are to spend their income on leisure items, including travel, entertainment, clothes, and sporting goods. They are also more likely to invest in larger durable goods such as cars, appliances, and housing.

Find out what percentage of their savings is liquid. What could they spend today that is not tied up in investments? Consider how likely consumers are to spend their savings. Some people are saving to buy a house or another large item. Not all big savers are big spenders.

Personal Debt: “Can I pay you tomorrow?”

Personal debt includes car loans, home mortgages, and credit card balances. Heavy debt limits a consumer’s ability to borrow additional money for larger items, such as cars and homes.

Just as not all savers are big spenders, not all people in debt restrict purchases; some consumers just keep taking on additional debt.

Knowing consumers’ debt situations can help you understand their actions during different economic times. Young couples with families tend to have higher debt because they are trying to establish themselves. This group will be more affected by economic downturns and higher interest rates, because their payments will go up and their salaries may fall or stay level. Older families are usually more stable and have less debt. This means that even in hard economic times they are likely to have relatively stable purchasing power.

Income and Product Expectation: “How much will this cost me later?”

Consumers spend money based on their expectations of future income, prices, inflation and product availability. If people expect prices to rise, they will purchase things now that they feel they will need later. Similarly, if they know a product is high in demand and short in supply, they may buy that product before it becomes unavailable or exceedingly overpriced.

Taxes: “I owe, I owe, so off to work I go...”

The decision of how much to buy and when to buy it can be affected by personal taxes. Businesses or self-employed individuals have an incentive to buy items that can be deducted. You may find some people spending less around tax time, and others rushing out to buy items that they want to deduct.

Influencers

Another factor involved in understanding your customer is knowing who influences that person. There are people who will:

- Initiate the inquiry for your product
- Influence the decision to buy
- Decide which product to buy
- Permit the purchase to be made

Try to make your product appeal to all of these influential people. Let’s say the CEO wants to buy new office furniture. The office manager then finds out what is available in the style and price range the company wants. If the CEO tells the office manager to look for your brand, the first step toward purchasing your product has been taken.

The office manager presents the CEO with three different furniture options, and the CEO makes the final decision. In a different scenario, the office manager would decide which product to buy, based on the

CEO's stated desires.

The person who has final say about whether a product is bought in a large company is the Chief Financial Officer (CFO), especially if it is a large purchase. The way to make this person happy is to prove that your product offers value.

Marketing Strategies & Tactics

*Strategy and timing
are the Himalayas of marketing.
Everything else is the Catskills.*

~ Al Ries & Jack Trout

Price Points & Discounts

How much you should charge for a product or service? The best rule of thumb is to price it at a level that assures a bit of profit for each unit (lampshade, pound of coffee beans, billable hour) that is sold.

Market forces at play are the real determinant of unit pricing. You should charge as much as you think you can get away with—without sacrificing customer satisfaction and volume sales. In some industries, it is standard to offer a new, competitive product lower than the profit level, to stimulate volume sales temporarily in a product's lifetime, and perhaps induce the presumably satisfied customer to ante up more money later as they become familiar with the product and need more functionality in an upgrade.

“Discounting” refers to the practice of lowering prices temporarily to increase volume sales. Business to business products, services and consumer products are routinely discounted during low points in their sales cycle to boost quarterly sales figures, although too-frequent discounts, below profit levels, can be ruinous to a small firm.

These are methods used to derive marketplace pricing:

Profit Basis

In this approach, you set a price that is a set percentage above your expenses to produce that product or service. If wholesale parts for the battery-powered shoeshine machine you have just invented cost \$20.00 per unit to build, you might figure in a ten percent profit per unit, and sell the device for \$22.00 each. If the price of parts goes up, you'll have to raise your rates or face a lower percentage profit.

Cost Recovery

If the shoeshine machine is your only product, you'll have to figure in overhead and office expenses as well, if you want to make any real profit. For example, you might calculate the cost of factory space rental in a year, plus your own salary and the salary of your employees. Divide that figure by the number of units you expect to sell in one year, with some overage. Accounting books and software offer a number of different formulas to arrive at the figure that will represent the actual cost of the shoeshine machine to you, and hence to your consumer.

Another approach to cost recovery is to ballpark your estimated expenses. Among retailers, a common practice when purchasing goods is to mark up that inventory with a consumer price tag that is simply double the cost that was paid for it.

This is sometimes called “100 percent markup” or “50 percent margin.” This kind of pricing can be profitable if the retailer's expenses (storefront rental, employees, weekly newspaper ads) are adequately covered by the markup price.

Pricing for Image

Customers often see price as equal to quality—the more you charge the better your product. A certain

image is also often attached to expensive brand names. Customers will, in many cases, pay more for an image. People who buy Giorgio Armani suits are buying all the status that goes with it.

If you price for image, your advertising and promotions should also convey exclusivity and quality.

How Right Is Your Price?

...when you set a price on something, you must consider all of the factors in your customer's universe where your product or service provides value. All things considered, what would it be worth to them to buy from you? The effort you invest here will pay off in your ability to sell at higher prices and generate more profits. Just make sure your promotional materials and sales training also incorporate these value factors.

Net Revenue

If you are selling a service, your profit (gross revenue from clients minus expenditures for such things as office space, computer time, long distance phone calls, postage stamps) may be far larger than the profit margin for a product. Since the actual expenditures for services are often quite low, service providers often make the mistake of failing to raise prices until the gap between expenses and sales narrows too sharply. Setting pricing against a percentage of likely expenses can help keep a service business in the black.

For example, if you charge \$65 an hour for your service, budget 10 percent, or \$6.50 per hour for physical supplies. At the end of each month, compare billable income with expenses. If expenses far exceed the \$6.50 you expected per billable hour, it's time to raise your rates.

If You Were Your Customer, How Much Would You Pay?

...your cost of goods is not relevant to the price of your product or service. I was standing in an art gallery when I overheard a guy telling his girlfriend that he couldn't believe the artist wanted \$30,000 for a painting. The canvas and paint could only cost a few dollars, he told her. Obviously, he didn't understand art customers. The value of the painting has nothing to do with the cost of canvas and paint. Software provides a similar example. The cost of goods for software is about \$5 to \$10, yet people will pay \$100 to \$500 and more.

In JIAN's line of products, you get thousands of dollars of expert advice for under \$100. You couldn't touch it for that little money any other way. That \$100 investment is a no-brainer. As a businessperson, I'm in a situation where I'm selling based not on my cost, but on the fact that our customers will leap at solving an otherwise huge business problem for only \$100. Also, we've added our own touches that make our products special...one of my special touches is to write our products like advertising copy—it's simple, quick to read, clean, and compelling to action. Figure out how you can make your products and services special by adding your own touch, the art, which gives it a significant boost in value.

A man once asked Pablo Picasso to write something on a piece of paper. Picasso asked for \$10,000. The man complained, "*It took you just 30 seconds to do that!*"

"No, it took me thirty years." Picasso replied.

Matching the Competition

A key factor in pricing is what your competitor charges for a similar product. If you're new in the business, introducing a product at a lower price may result in greater market share, but at the risk of growth.

Large vendors often undertake a slash-and-burn strategy of undercutting and underpricing just to beat a competitor. If you are the target, you'll have to rely on other marketing tactics, such as product

positioning and public relations, to convince the public that your more expensive product is worth the extra money.

Charging a Premium

You can charge a premium or “skim the cream” if there is little or no competition. As competitors enter the market, you can lower your price. To use this strategy, your product’s quality must be sound. If your product does not deliver value for the money, short-term gains will be erased when competitors enter the market and your customers turn to them.

Charge a little more than everyone else

By charging just a little bit more (even if it’s just 5%) than your competition, you will often be perceived as offering higher quality. If you’ve done your homework, people will often think, “Why not pay a little more to get the best one?”

Discounting for “Special” Clients

Customers with long established relationships often expect discounts. Make this work by tying discounts to volume sales and long-term contract commitments. Sweeten the pot by providing other, tax-deductible incentives: client lunches or other entertainment, donations to their favorite charities. Or instead of a discount, offer long term clients first dibs on new products and special editions.

Discounts for Sales

At the end of June, you don’t want to be stuck with snow blowers. Barbecue sauce isn’t going to be so popular in October. Start the process of seasonal discounts long before, to get rid of excess inventory. Amazingly, retail shoppers are now so familiar with this process they often wait till April or May to purchase a snow blower, holding out until discounts soar from 20 percent to 50 percent and more.

“Loss Leaders”

Price one item at a steep discount (even below your cost) to attract new customers and draw attention to the rest of your product line. How many times have you seen a grocery store selling Thanksgiving turkeys for 19 cents a pound? The store is betting you’ll come in to get the turkey and then do all of your holiday shopping there. The profit on the balance of your shopping more than makes up for the loss on the turkey. The strategy of the loss leader is proven to work in retail applications, and also has merits if you are selling a service or business-to-business product.

Other Price-Related Tools

Regardless of the pricing strategy used, certain promotion tools can affect the frequency and/or the timing of customer buying. These tools can affect how the customer feels about the price of your product without you actually changing the price. The following examples are long-term strategies related to price. SEE the Sales Promotion section in Chapter 6, Marketing Communications for a discussion of sales promotions designed to stimulate extra demand for short periods of time.

Discounts for Quantity, Cash or Other Incentives

Your pricing strategy can include discounts under specific terms. For example, if someone buys more than 20 units of your product, you give them a 15% discount. If they pay cash, you give them a 10% discount. It may cost you 3-10% more to process credit card purchases, so you are actually making the same or more with cash, while customers think they are paying less and are more likely to purchase your product.

Discounts often present win-win situations for the producer and consumer, where both sides come out ahead. Discounts often get the consumer to buy more because they are paying less per product.

One very successful type of discount are frequent flier programs. Although customers are getting free trips, the airline only allows them to travel in seats that would have been empty anyway. From a financial perspective, this incentive costs the airline little or nothing until it is actually earned by the customer. Often people will stick with one particular airline to get the miles, even if their tickets cost a bit more. The consumer relationship is thus very strong.

Discounting for Middlemen

If what you sell goes through a broker, such as an interior decorator or advertising agency, these people often attach 10 or 15 percent “sales fees” to their client invoices. When you effectively act as a wholesaler for goods and services, the broker expects the 10 or 15 percent discount. This is where the broker makes his or her own profit. If you sell a product wholesale without a broker, an individual buyer will often ask for the 10 or 15 percent discount. If you’ve wholesale-priced the product or service to cover a profit percentage, you won’t lose out.

Discounts for Chains

“Club” and discount stores can be attractive clients, since they often buy huge volumes at a single time. In return, they often expect gouging discounts. Make sure your discounted price structure at least covers the cost of the item at wholesale.

If you’re chary of making deals with discount chains, consider them as outlets for “seconds” or “irregular” merchandise. The advantage to you is that you can easily get rid of less-than-perfect inventory that might cost more to store or discard.

Trade-In Allowances

Trade-in allowances are an effective way to lower the final price to the customer without actually lowering the list price. When using this tool, a company allows customers to trade in a used product when they buy a new version of the same. The industry best known for using trade-ins is the automotive industry. By allowing trade-ins, you are giving the customer the benefit of not having to sell the car or other items. They may choose you over another company if you provide that convenience.

Sales Terms & Credit:

Sales terms allow customers to take a discount if they pay their invoice within a specified period of time. A typical discount might be 2/10 net 30. Translated into English, this means the customer can take a 2% discount if the invoice is paid within 10 days. If the invoice is not paid within 10 days, the full amount, without the discount, is due in 30 days.

Target Marketing

In this strategy, you determine ahead of time who will be the most receptive to the product messages you will send out via publicity, advertising, and packaging. If you can’t deliver your product or service to everyone in the U.S., you don’t need a national media campaign.

Pick a segment—people who live in a certain part of town, people who own poodles or subscribe to cable TV. See the material in this section on demographics to help determine how to polish your product pitch.

Packaging

Packaging usually means the physical container for a product such as soda pop or glass cleaner. In the broader sense, it can mean the color scheme you select for your business service mailers, or the logo that appears when a computer user clicks on to your software product icon. It can even mean which supermodel or celebrity sports star you use to promote the product on radio or TV.

Perhaps 90% of a product message is communicated through its packaging. Go to a department store and peruse the long aisles devoted to women's pantyhose; some products come in boxes, some in sheath-like envelopes, others in perky plastic tubes or eggs. Check out the nearby sock department and you'll discover that men's socks are sold in a completely different fashion, typically unwrapped and dangling like Christmas-tree ornaments on rows of wall racks. Some reasons for this difference are that stockings are seen as fragile and delicate leg coverings, while socks may be sold on the basis of their warmth or sturdiness, which a man can gauge when he reaches up to squeeze the sock fabric.

Factors for physical packaging include the cost of materials and construction, the ease of which it can be packed, shipped or warehoused; space for informative text, such as user instructions or government-required usage warnings, and, for retail products, how easily it can fit on existing store shelves or racks.

Colors and print styles on a box push consumer's buttons, so much so that major manufacturers often test packaging with focus groups or small runs. If you can't afford to hire a "packaging engineer" at least brainstorm your packaging ideas with prospective clients or your own staff. Mock up samples and pass them around. Don't be hesitant to reverse a package concept that isn't working in the field.

Good Packaging

- Big logo and big letters
- Company logo colors
- Opening directions clear
- Slot to show product
- Recycled materials
- Simple abstract shapes
- Recipe or usage suggestion
- Ethnically diverse faces
- Image of beloved athlete

Bad Packaging

- Hard to read print
- Trendy or garish colors
- No clue as to how or where to open box
- Crude or no image of product inside
- "Recyclable" materials
- Grainy photos out of registration
- 800 number for poison control center
- Ethnic or racially challenging images
- Image of indicted athlete

Investment in Packaging

Relationship Marketing

Relationship marketing is all about building a one-on-one confidence between your client and your product or service, creating that fuzzy warm feeling that keeps the client coming back again and again. If you are marketing business-to-business, or operating an organization that serves the public interest, relationship marketing is one way to build a client network that will promote your message through word of mouth.

Anonymous marketing just doesn't work anymore. Consumers want to know not only what they are buying, but who they're buying it from. The people, not the logo. Consumer relations development is as important as the product itself. - Frank "It takes a tough man to make a tender chicken" Perdue

Much of relationship marketing dangles a carrot—a goodie or some benefit—before the potential client. The ice cream shop or used car showroom that passes out free lollipops or balloons to the children of walk-in clients are simple examples. If what you're selling is a complex and expensive program of goods and services, donating some goods or services to a community charity or the favorite charity of a desired client can work as well as a balloon.

Relationship marketing also lets clients into the "loop" for decision making and feedback. Inviting potential clients to join a focus group, polling customers to elicit their favorite flavor, sending out an e-

mail or generating a newspaper article asking for community participation in a project are some ideas. What you actually get back may be fuzzy and unusable commentary, but the long term result is positive goodwill created by the openness of your operations.

A more targeted form of relationship marketing lavishes extra attention on the people who make buying decisions. Identify them, take them to lunch or a baseball game. Major corporations do this all the time. Smaller companies can do it, too.

Database Marketing

If want to sell your product or service to large numbers of people over a wide geographic range, look into database marketing. At its best for direct marketing (mail pitches or telephone sales) you can buy lists of potential clients from service companies that cull names and addresses and group them into categories.

Lists available include compiled lists, active lists, and qualified lists. A compiled list is a static list; for example, it may be a listing of everyone with a Spanish-sounding surname in a local telephone directory. While cheaper, such lists are less efficient—your Hispanic-speaking telemarketer may wind up dialing a Japanese family instead.

Active lists are lists of people who have performed an action. Magazine subscription lists are expensive because they are quite targeted: someone who has paid \$25 to subscribe to a year of *Golfing Today* is a likelier prospect for your Fairway Retirement Home than someone who has subscribed to *Reader's Digest*.

Lists crafted from warranty cards of recently purchased products also represent active lists. Qualified lists go the extra mile—they're made up of people who have indicated they "would like more information" on retirement homes or have been long time members of groups such as the Sierra Club or National Rifle Association.

The latest wrinkle on lists are compilations of e-mail addresses, derived from software programs that capture these return addresses whenever a computer user toggles a certain button on an Internet Web site. Like other lists, these can be compiled, active, or qualified, and will be priced accordingly.

Wherever possible, personalize your pitch to the list. Start your direct mail letter with something like, "As an avid golfer I'm sure you'll agree...." or "Because you've been a member of the Sierra Club since 1972, I know you are as concerned as I am about . . ."

Sponsorship Marketing

Packaging for many products and service companies involves images of fresh-faced young men and women. Mega-corporations hire the images of star Olympic athletes or television personalities to pitch their products. If your organization is in a small town, consider the value of linking with a clean-cut image such as high school sports, Little League, Pop Warner Football or your neighborhood street fair.

Your company logo on a team shirt or backstop isn't a direct sell, but it adds value in the way of goodwill and repeated positive "impressions" of that logo image. In small towns, sponsoring youth sports teams indirectly woos the parents of young athletes, who will see your company logo every time Junior's or Janey's soccer jersey is tossed into their washing machine.

Ever consider adopting a highway? In some states, such as Pennsylvania, there's little or no fee involved—all your company has to do is pledge to clear litter from a few miles' stretch of road. In return, the highway department subsidizes the cost of the street sign that mentions your business prominently, and proclaims your sterling citizenship within your community.

In many cities, underwriting local public radio is a PR bargain compared to the cost of commercial radio advertising. Public radio stations (and many public TV stations) are given great leeway in how much they can say about a sponsor. Imagine your company pitched by the plummy tones of a public radio commentator—no extra charge, of course.

These are just some examples of sponsorship participation. Once you've determined how much you want to spend for bragging rights, check in with your local city hall or community center, for options that may range from a booth set up at your neighborhood street fair, to your firm's name chiseled in granite on the front of a new public library.

Radio & Television Advertising

Entire books have been written about how to strategically position a company or product through the words and images of radio and TV. Over the years, it has been discovered that what these mass media are good at is introducing new, improved, or re-positioned products to the American public.

What they're not so good at is closing the deal—since the deal, to buy a product or service, usually involves going outside of the living room, to a store for example, checking out the price and taking out the wallet.

Enter the shopping television channel and the infomercial—a strategy that cuts down the time between pitch and closed deal. You see something on TV, you like it, you reach for a living room phone, dial an 800 number, and buy the product on your credit card. Deal closed. For the marketer, this is indeed heaven in a box.

All the marketing executive needs to know about TV and radio is how much money you plan to give your advertising agency or advertising department to spend. To produce a good half-hour infomercial costs about \$100,000. Producing a quality radio ad may cost less than \$100. The real money is in the time—the price per minute of air time, which varies by the broadcast range of the station, the popularity of the show (ratings) and how many minutes you purchase in a single buying contract.

When buying conventional radio or TV advertising, remember that you're buying an entire TV market—which includes the folks who can't afford your product, have no interest in your product, or have just left the TV on while they're in the shower. If your business can only serve a certain demographic or geographic population in your state, it may be more cost effective to use direct mail rather than buy a broadcast that will cover an indiscriminate and mostly useless audience in three states.

Tips for Buying TV & Radio Time

— When using TV and radio to push a new product or store, budget for a short intense blitz rather than a long term contract. Repeated impressions will be needed, since it takes the average person about three exposures to a rapid-fire ad to absorb a commercial message. Even if you're placing the ad on the late night movie, those \$50 or \$75 / minute fees can add up.

— Call around and compare the price of independently produced commercials with an ad produced by the radio or TV station's production department. Ask for samples of both before you commit. If you plan to use the ad in other markets, it is better to create your own commercial spot. Stations are often highly reluctant to give away a reel they know will be used to buy ad time elsewhere.

— Buy ad time against type. When the Burpee Seed Company started doing its first radio ads in the mid-1990s, the company CEO, George Ball, tested ads on radio gardening shows and call-in political shows. When the numbers of people calling an 800 number to sign up for a catalog were analyzed, "The Rush Limbaugh programs won hands down," recalls Ball. "In many cases, the people who called in from the

gardening shows were folks we already had on our mailing lists.”

Specialty Markets

"By choosing to look for the good in all situations, we can place our attention on workable solutions to problems, rather than focusing on what we perceive as wrong."

~ Sir John Templeton

Lifestyle Marketing: Beyond the Valley of the Vals

Lifestyle marketing sees the target customer as a member of a group defined by factors such as age, ethnicity, income, gender, religion, and geographic location.

The assumption that members of these groups behave the same when responding to media messages entails broad guesses and creative leaps. One notable attempt at pigeonholing consumers correlates zip codes with data from the U.S. Census to produce strata such as "Guns and Pickups" (rural, white and blue collar) and "Bohemian Mix" (urban, diverse, low-income and arty).

Need Driven, Outer Directed, Inner Directed

The VALS (for Value and Lifestyle Segments) Index combines demographic data with opinion research. Developed in the late 70s by SRI, a Palo-Alto based think tank, the VALS Index divides consumers into three categories: Need Driven, Outer Directed, and Inner Directed.

The Need Driven are seen as either struggling elderly people or young and angry urban survivors. Among the Outer Directed, the vast majority of mainstream consumers are Belongers, middle-aged or aging, characterized as traditional, religious, and patriotic preservers of the status quo. This is a desirable market because of its large size and relative affluence.

Other desirable Outer Directed types are youthful Emulators, high-spending wannabees; and Achievers, who are essentially more prosperous Belongers and more conspicuous spenders. The Inner Directed category lumps together younger students and artists with mature, ex-hippie types who are open to new experiences and socially responsible lifestyles.

Everything and the Kitchen Sink

The VALS Index creates a catch-all kitchen sink for product categories: a Belonger who purchases an aluminum flag pole might be in the market for a copper rooster weather vane; a teenage Emulator might pay attention to an anti-smoking commercial if it starred a popular athlete. Lifestyle marketing co-opts icons and symbols; depending on the target audience, marketing imagery may include American flags, peace signs, picket fences, celestial objects, or forest waterfalls.

An interesting update was developed by the American LIVES group, drawn from a 1994 national survey. This study divides the populace into three groups:

1. Heartlanders (29 percent) are nostalgic traditionalists mired in lower middle class incomes.
2. Moderns (47 percent) are prosperous, goal-oriented and materialistic with bigger incomes.
3. Creatives (24 percent) who inhabit the middle ground in age and income, and put spiritual and global concerns ahead of monetary considerations.

Make It Up!

If you cannot afford detailed lifestyle surveys, a potent technique is to simply visualize the man or woman

in your target audience. Picture this person accepting your product or service. How old is that person? How are they dressed? What neighborhood do they live in? Are they married? Do they have children? What will they eat for dinner tonight?

If you have a marketing team, try this visualization exercise in a brainstorming session. Use a blackboard or markers to “draw” a picture of your target as you fill in the details of that person’s imaginary daily life.

Imaging your target group as individuals helps you fine-tune the “feel” of a marketing campaign. The next step is to choose among your media options those outlets likely to appeal to your target. Do this by comparing the demographic data supplied by media kits you collect from magazines, newspapers, radio stations, etc.

In real life, the audience that actually accepts your product or service may turn out to be quite different from what you’ve imagined. Follow-up research such as buyer questionnaires can be helpful to create a more accurate image of your target customer.

Marketing to Seniors

“Will you still need me, will you still feed me when I’m sixty-four?”

~ John Lennon & Paul McCartney

Wake up and smell the demographics. There are 76 million baby boomers born between 1945 and 1965. You may be a young entrepreneur who can not imagine ever being old but can you afford to ignore 25% of the population? 76 million men and women equal a lot of potential customers.

If you’re marketing to adults in America, be aware that since 1996 a boomer turns 50 approximately every 60 seconds. Whether they enter post-middle-age gracefully, or kicking and screaming all the way to the cosmetic surgeon, by the sheer force of their numbers, they provide a potent and attractive market for products and services.

Pundits and predictors from Age Wave Communications to the Columbia School of Journalism are studying aging boomers as consumers. Not surprisingly, this population looks for products, services and information in the realm of health care on several levels:

- (1) for themselves (knee surgeries, hormone replacement therapies);
- (2) for their even more aged parents (skilled nursing, independent living retirement communities); and
- (3) for their children (routine teeth braces to psychotropic drugs for middle-school angst).

Other likely products and services given a high priority by aging boomers are financial security instruments, lifelong learning opportunities, and charities that cater to global issues such as the environment.

It’s Not Your Father’s Future

What is surprising is that, according to statistics garnered in 1998 by Lawrence Grossman, former president of both NBC News and the Public Broadcasting System, Americans over 45 buy half of all trucks and cars sold in America; those over 55 buy almost a third. We’re not talking your Father’s Oldsmobile: Think Lexus and 4-wheel drive.

Forget any notions that “senior citizens” of the next millennium will be content to sit in their rocking chairs. Adventure vacations, fine wines and fine dining, stock market dabbling and yoga retreats are more the mark.

Marketing to Whoopies

Marketers have begun to differentiate between the affluent “young” elderly (50-70) also called Whoopies (for Well-Off-Older-People), who are still in their earning and active years, and the “older” old (75-100) who are more likely to be living quieter lives with fixed incomes.

A more refined marketing split differentiates between those over 50 who live independently in their homes, condos, or rental units, and those over 50 who live with their children or in government supported nursing homes. The first group lives on interest from investment income and the second group’s activities are funded primarily by a pension or Social Security check. While the first group has more disposable income for products and services, both groups are responsive to information and services that accommodate their special needs.

Selling To Seniors Online

Paul Kleyman in “Aging Today,” the newspaper of the American Society On Aging, paints a statistical picture of seniors online:

“This is the Internet. This is the Internet sizzling on aging—the fastest-growing segment in cyberspace. In 1997, from 14% to 19% of all Web users were age 65 or older—and one in four was 50-plus...Not only are older net surfers proliferating, but so are Web sites...The number of home pages related to aging are doubling about every three months.”

For a slice of the senior demographic life, its media mores and preferences, check out SeniorNet’s website at www.seniornet.org. For a look at any of the World Wide Web’s 2,100 aging-related sites, go to www.aoa.dhhs.gov/aoa/pages/post.html.

Universal Design

One strategy for serving the continuum of oldsters is to adopt the policy of Universal Design. Universal Design came of age after the passing of the Americans with Disabilities Act (ADA), the law that mandates a nationwide building of ramps, lowering of curbs, and installation of wheelchair-compatible restrooms for public places.

Along the way it was noted that accommodations for physically challenged people were a godsend for older people as well. We now have symphony halls and Broadway theaters equipped with wireless listening devices for the hard-of-hearing and a variety of polished chrome or brass handles and supports to help you up or down in every hotel bathroom. Books and newspapers are offered in large-print editions. City buses have lifts to accommodate those with wheelchairs, walkers, and canes. By the time baby boomers have hit the ranks of the older old, accommodations to their decreasing physical strengths will seem automatic and effortless.

Elder Data Easily Obtained from U.S. Census Results

Advertising agency executives and media programmers are often faulted by elder advocacy groups for ignoring the large and growing population of seniors. A very clear picture of the geographic, ethnic, income and educational variance of older Americans can be easily obtained by scanning the data available from the last U.S. Census in 1990.

Myths About Marketing to Older People

As older people, defined here as people over 50, become a larger and larger market with more and more disposable income, they become increasingly important to you. So it's crucial that you operate by the realities and not by the myths. The myth clarification starts here:

- **Myth: Older people have a loss of mental acuity.**
Fact: Only seven percent of people over 65 suffer from any form of mental loss.
- **Myth: The majority of older people suffer from poor health.**
Fact: Very few older respondents reported having a serious health problem; only 5 percent are in any kind of institution.
- **Myth: Most older people are isolated**
Fact: Most older people have strong networks of friends and relatives.
- **Myth: Crime rates are extremely high among older Americans.**
Fact: Crime rates among older people are no worse than among the general public. The only exception is fraud.
- **Myth: Older Americans have little discretionary income.**
Fact: The over-50 group has more discretionary income than any other age group, controlling 80 percent of money in the U.S.
- **Myth: Productivity drops as people age.**
Fact: Studies show that older workers perform as well, or better, than younger workers.
- **Myth: Older people are not interested in sex.**
Fact: Studies show that most older adults continue to enjoy sex and in many cases find greater pleasure than when they were younger.
- **Myth: Older people are pretty much all alike**
Fact: Older people are more heterogenous than any other age group.
- **Myth: Older people are generally bored and have unproductive lives.**
Fact: Most older people are not bored but are deeply involved in a vast array of activities and special interests.
- **Myth: It is important to stress leisure when marketing to older people.**
Fact: Most older adults are looking for involvement, not leisure.
- **Myth: When marketing to mature customers, it's important to create strong age-specific features.**
Fact: Older people do not respond well to offerings that are strongly identified with age.
- **Myth: Most older people would like to be young again.**
Fact: Most older people are quite content being older.
- **Myth: Mature consumers are tight with their money.**
Fact: Mature consumers are tight with money for goods and services needed to maintain their lifestyle, but free-spending when it comes to enhancing their lifestyle. They clip coupons, then take luxury cruises.
- **Myth: Most older people are opinionated.**
Fact: Mature people are more likely to speak their minds than younger people.
- **Myth: Older people are slow to make buying decisions because they are not open to change or new ideas.**
Fact: Older people have a tendency toward quick decision-making and are not afraid to change what they buy if the change is in their best interest.
- **Myth: Older people are preoccupied with their age and the aging process.**
Fact: Age does not play a significant part in most older people's lives.

For this information, we owe a tip of the hat to Steven J. Phillips, editorial director of the "Working Caregiver" series. - Jay Levinson and Amy Levinson

Marketing to Ethnic Groups

Ethnic marketing in America comes in two flavors: you're selling a product or service that is already part of the ethnic lifestyle (i.e. oven-ready samosas for busy East Indian women, wrinkle-free djellabas by mail to Arabic women in the Midwest), or, you're pitching a more general product (toaster ovens or laundry detergent to these same women).

Demographic research suggests that people see things differently along ethnic lines. For example, a 1997 study by Bozell Advertising agency revealed that only one of the top 20 television programs popular with black viewers was similarly popular with white viewers ("Monday Night Football"). A difference in attitude toward education is reflected in the fact that 36.6 percent of Asians in America have at least a bachelor's degree, compared to 20 percent of the general population.

Statistics Drive Marketing Dollars

According to U.S. Census figures, more than 10 percent of the population identifies itself as Hispanic. Madison Avenue spent \$300 million in 1997 for Spanish-language advertising, and of that, \$40 million was spent by Proctor and Gamble alone. Older products with stagnant market shares can get a boost from ethnic media strategies, and established brands can't afford to fall behind.

Start with Foreign Language Newspapers

Foreign language newspapers are a good source for direct mailing lists and phone lists. The long-term viability of ethnic newspapers depends on how soon immigrant groups move into the mainstream, and on the whim of corporate advertisers.

The proliferation of print newspapers catering to recent Southeast Asian and Eastern European immigrants, for example, is largely funded by companies selling long-distance telephone services. But stacks of newspapers at the corner store in an ethnic enclave will be worth less once immigrants switch their buying to a supermarket or shopping mall.

Move Toward Electronic Media

When targeting a media message to ethnic groups, the general trend is moving away from foreign language print publications, and towards more cost-effective electronic media. These include increasing numbers of cable-accessible TV programs, foreign language radio programming, Internet Web sites that link ethnic individuals outside of neighborhood boundaries, and foreign-language telemarketing to phone numbers that correlate with specific ethnic surnames.

Know the Language

Know the language, or find someone who does. While it may be hard to find foreign-language advertising agencies outside of major cities, the advertising staff of your local Lithuanian newsweekly or Cantonese UHF-TV channel can certainly tailor your message as part of their advertising fee.

And, of course, there should be someone in your organization who can handle the resulting sales transactions or follow up phone calls. Hiring bilingual staff is now standard procedure for banks, department stores, and nonprofit agencies in major cities. For a smaller organization, see if existing staff members fluent in languages other than English might help you explore a bilingual phone or mail campaign.

Look for business experts in your area by using JIAN's Web site as a resource. Go to www.jian.com and click on Advisors' Network.

One-Time Opportunities

A one-time marketing opportunity is the equivalent of a meteor flashing across the sky. It's a lovely sight but it doesn't last very long. The pet rock phenomenon, the skyrocketing sales of Reese's Pieces after the movie E.T.'s eponymous hero gobbled them, the spate of books after the O.J. Simpson trial, after Princess Diana's death, and during any scandal d'jour all illustrate marketing opportunities that must be grabbed today because they will disappear tomorrow.

Imagine: The bigtime celebrity is on the cover of Time magazine, your product in his hands. Is it a bottle of your organic fruit soda? your original fishing lure? your new hybrid rose seeds? Nine-year-olds throughout the nation suddenly decide that bottlecaps from your soda are the new POGs. Fishermen from coast-to-coast want to try your lures. Home gardeners and nurserymen are calling in orders. Don't laugh; it can happen. But are you prepared?

Should such a fortuitous event occur, send out a brief, half-page press release quickly by e-mail or fax. Follow up by phone; set up call-forwarding after hours. Don't let key spokespeople out of the office without a pager, so your publicity person can track them down for on-the-spot interviews. Alert sales reps or distributors to make sure product is on the shelves.

If there isn't time or money to create a new radio or TV ad, simply attach voice-over or graphic with a catchy phrase ("As Seen in Time Magazine") to an old one.

If you don't have a TV ad, at least spend a little money (\$200 and up) to create a video news release, or VNR, for the nightly news. Video companies that cater to corporate clients can be on the spot in a day to produce what's called B-roll: the lively shots of your product in action that TV reporters use to flesh out stories or interviews.

Saturation advertising will boost a flash-in-the-pan product but it is costly. Well-capitalized firms might afford a TV bombardment, but smaller organizations should target more carefully. A full page, attention-getting ad in a targeted trade publication can help attract business reporters to your story, while you design, budget and book ads in consumer media.

Success Favors the Prepared

There's no excuse for your marketing department to not have the following always on file:

- 1) Updated company backgrounder, profile, mission statement, product list.
- 2) Slides, sketches, or other images of your product, suitable for publication
- 3) Photos (black and white) of key organization executives, with short bios.

When the press starts calling, you'll have something to give them immediately, even if it's a photo of your beloved vice president for the obituary page. There's no such thing as bad press, remember?

International Marketing

*We have yet to see the full impact of the open, global marketplace ...
[when] all raw materials and technology will be available everywhere in the world.
The only differences between countries and markets will be skill levels, education, and the
level of empowerment of the workplace.*

~ Lew Pritchett

Global Opportunities

Many businesses decide to export their products or services not only to expand their overall sales volume in new markets, but to compensate for downward sales caused by lifestyle changes or seasonal weather conditions.

A prominent lifestyle change that led to a marketing shift occurred when the number of cigarette smokers in the United States declined and the tobacco companies stepped up their marketing efforts abroad. The same phenomenon was true for the baby formula business. As more and more American women turned to breast feeding, manufacturers like Nestle's inundated the Third World with free formula samples.

Exports and imports can be lifesavers for businesses subject to seasonal vagaries. A service company that presents outdoor rock concerts in North America probably won't have much work in December. But a series of December concerts in Australia, where it is summer in the Southern Hemisphere, can keep that business profitable in what might have been an off season at home.

Similarly, if the food product you make requires fresh peaches, you can make the product year round if you use American peaches in the summer and Chilean peaches at other times of the year.

If your product is high-tech, another good reason to be a player in international markets is to stay abreast of market changes. Important developments in technology, especially manufacturing technologies, can happen in other countries. By marketing your products overseas, American firms gain advance notice of trends and techniques, instead of being caught unawares by a the strategy moves of a multi-national competitor.

Since sales you make overseas helps the nation's balance of trade, the U.S. Government is eager to help organizations find a smoother path to the foreign customer. Trade missions, commissions, bureaus and government offices such as the Small Business Administration, Department of Commerce, State Department and the U.S. And Foreign Commercial Service all offer services to help.

What Is NAFTA and Why Should You Care?

On January 1, 1994, the North American Free Trade Agreement (NAFTA) became effective. This is a treaty accord that removed most trade barriers between Canada, Mexico and the United States.

These countries eliminated or reduced many tariffs or legal barriers that had raised the costs of trading product between these countries. Regulations about the ownership of utilities, petrochemical monopolies, and banking operations were altered and relaxed. Immigration restrictions were also eased to allow workers to move more freely across borders as well. In some cases, U.S. laws, such as copyright laws and intellectual property rights that protect information products such as computer software and film production, were strengthened. Though the drafters of NAFTA claimed that environmental rules were escalated, there has been some controversy about enforcement.

The fruits of NAFTA can literally be seen in any supermarket. Inexpensive oranges and strawberries from Mexican farms and bread made from Canadian wheat are on the shelves, usually at lower prices to the consumer. This is good news for many, but perhaps it is bad news for you if your business is growing and selling oranges, strawberries or wheat. Your homegrown products now have to compete with less expensive imports. On the plus side, there are fewer restrictions to selling your produce to Canadian and Mexican buyers.

Textiles, manufactured goods and agricultural products have been most affected by NAFTA changes. Because of lower labor costs, it can be expected that many other business operations will soon find themselves adopting or adapting to increased competition in the areas of pricing and market range.

Targeting Your Overseas Market

Decide first if you want to market your products indirectly or directly. In some cases you may be shipping wholesale product to a domestic firm that repackages the products to sell through their international outlets in other nations. Or you can set up an arrangement with an intermediary firm that will find foreign buyers for you. Export management companies (EMCs in the trade) and export trading companies (ETCs) are usual partners, or you may be able to make a deal directly with a supermarket or store chain that is based overseas.

Direct exporting gives you total control over how your products are sold to consumers in foreign markets. This approach requires a great deal of extra expense and personal time to set up, since foreign offices, new staff and perhaps a new marketing campaign in a foreign language will be needed. But if your product can be sold in a portable fashion (videocassettes or jewelry by international mail order, for example) you may be able to gain market share and profitability quicker if you do direct sales.

Market Research

To get started in your research, the most basic guide is, well, A Basic Guide to Exporting, a nicely readable book from the U.S. Department of Commerce. The 1996 edition is widely available in the business section of larger bookstore chains. This booklet provides nothing less than step-by-step instructions for building an overseas marketing plan. It is also filled with dozens of contact names and addresses, including the names and phone numbers of U.S. government “Desk Officers” who are specialists in individual countries from Afghanistan to Zimbabwe.

Obtaining Statistical & Demographic Information

Statistical and demographic information for overseas marketing efforts are available at large libraries that store government documents. Materials available through U.S. Department of commerce sources include:

- Monthly Foreign Trade Report, a record of shipments of all merchandise from the U.S. to foreign countries, with cumulative yearly statistics. \$100 for a year's subscription, single copies available.
- International Market Research, in-depth reports that give a complete picture of a particular industry for any particular country, including market size, consumer research, business customs, trade regulations, and contact names. \$50 and up.
- CMS Country Market Surveys, smaller 8-12 page summaries of IMR reports that highlight market data, trends, and important market issues in a format that is easy reading for the executive. \$10 each.

Indexes to these materials and many others can be obtained from state and district offices of the U.S. and Foreign Commercial Service, an arm of the government set up specifically to help companies that want to explore business overseas.

Finding Partners

Banks

There was once a freelance writer who had as her client a British publication, which sent her paychecks in pounds sterling. To avoid weeks of “bank float” for a foreign check and exorbitant exchange fees, she opened a personal account at the New York office of a British bank, where the checks could be credited almost immediately, and the pounds-to-dollars exchange fee was not such a gouge.

To do business overseas, you will probably need to set up an account with an international bank. Fortunately, many foreign banks have offices in major U.S. cities and nearly all of them have an outpost in New York. Pacific Rim nations are also likely to have branches in California.

Things to look for in a foreign bank partner include whether it has branches in all the foreign cities you are selling in, and what it can provide in business services. Find out what their fees and rules are for letters of credit and if they have had experience with U.S. government small business export financing programs. Most business banks will offer for free or at low cost a credit report on a prospective foreign buyer or prospective business partner.

Business Prospects & Partners

Abroad, U.S. Embassies and consulates may be able to arrange introductions with firms or individuals, government officials, and foreign journalists in your field. If you’re planning a trip to another country to check out export opportunities, it is well worth it to contact the Commercial Section staff of the Embassy at least a month ahead of time, to arrange a meeting while you are visiting. Export Development Offices maintained overseas by U.S. and Foreign Commercial Service can help you obtain interpreters and may be able to also give you good lists of business prospects.

Another source of foreign partners may be found in your client list. If you have been selling a service or product to the American office of a foreign-based firm, your satisfied clients may be able to assist with an introduction to the key buyers at corporate headquarters overseas. Since this may be a sensitive zone for many international employees, don’t press the issue if your client is less than enthusiastic.

Social Issues in Marketing Abroad

No one wants to be an “ugly American.” All cultures have their differences and their holidays—trying to get a business deal sealed in Saudi Arabia during Ramadan is about as difficult as closing a real estate deal in Boston on the 4th of July.

Your marketing efforts should be sensitive to local traditions, trade customs, and religious taboos. As the executive in charge of exploring global markets, familiarize yourself with foreign cultures. Travel to the countries you want to do business in and observe their cultures first hand. Even if you do all your foreign trade through an intermediary company, good knowledge of what’s acceptable will prevent such problems as inappropriate images on packages, labels, or sales literature.

International Marketing

There’s no excuse for no research. Guidebooks such as Fodor’s or Berlitz are quick introductions to a foreign culture. They are not market research. Cultural and language barriers as well as different legal standards and market conditions demand rigorous research. Have local firms in the countries you are targeting conduct your research. This will ensure that you do not misinterpret information that a native can clearly analyze.

Not all domestic products can succeed in international markets. Understanding how each culture does business is central to success. Look over samples of print and broadcast campaigns in the countries you are targeting. Have someone record radio and/or TV ads. They’ll provide a clue to acceptable images and

language.

If you enter international markets, it is important to identify any cultural or environmental biases that may influence purchasing decisions. When Chevrolet introduced its Nova in Latin America, it failed to take into account that the name, split in half into No-va, means “doesn’t go” in Spanish. This kind of error can be avoided if you make an effort to understand where and to whom you are selling.

Explore non-traditional media for your message. In countries where the government controls broadcasting, new information often moves by videocassette, fax or the Internet. A video product catalog or video brochure, with translated voice-overs in different languages, may appeal to high-end clients. Sponsored fax “newsletters” to overseas clients are another possibility.

International Marketing Tips

1. Research, research, research. Use local advisors to conduct and analyze your research.
2. Re-package and re-design your product with universal symbols and clear images which can be used in more than one country. Also, remember that most of the world measures in metric.
3. Use professional translators to get your message across and avoid embarrassing cross-cultural faux pas.
4. Hire local agencies and consultants market-by-market. Though large advertising agencies may be able to handle your account “world-wide,” local advisors offer you more individual attention at lower cost.
5. Consult with a lawyer, to make sure there are no legal hurdles to pitching your particular product or service abroad. It is bad form—not to say bad marketing—to violate local laws.
6. Get first-hand knowledge of your targeted international markets by spending some time in those countries. Using local advisors to guide you, you can gain a lot of insight by speaking with users and witnessing and evaluating the use of your product.

Licensing, Trademarks & International Protection

If you have already registered a patent or trademark with the U.S. Patent and Trademark Office, or if you have already registered the copyright of your recording, software or other information product, with the U.S. Copyright Office, you can feel substantially protected by the weight of U.S. law. Under a sheaf of international treaties, U.S. patent, trademark and copyright owners may obtain legal protection and legal recourse in other countries.

As a practical matter, however, many foreign countries are lax about brand counterfeiting and piracy, and the best defense may be to have a foreign partner who will vigorously protect your product rights. Another preliminary step is to secure foreign legal counsel in advance of shipping product, so that appropriate paperwork can be filed.

If you experience piracy of product, you should report the incident to the U.S. Customs Office or to the International Trade Administration in Washington. In the long run, this will help you and other exporters. Bureaus need this compiled information for trade talks to induce foreign governments to take piracy problems a bit more seriously.

Marketing Communications

*Advertising is the greatest art form
of the twentieth century.*

~ Marshall McLuhan

Alexander Hiam, author of Marketing for Dummies, defines promotion as the “face” your company shows the outside world.

Marketing communications ensure that your product is not just another “face in the crowd.”

Marketing Communications (MarCom) include television, radio print ads in newspapers and magazines, billboards, event sponsorships, telephone sales, direct mail, and other promotional devices.

Promotion (1) communicates that your product exists (2) conveys it will satisfy your customers’ needs, (3) convinces them to buy it and (4) successfully competes with your competitors for market share.

The key factors that influence MarCom are market analysis and budget. Your market analysis suggests the best mix of marketing communications tools to reach your target market. Your budget determines the total amount you can spend.

Market Analysis

Let’s say your product is a new replacement blade for electric razors. Your target market is men who own electric razors.

Your funds are limited. Let’s try a direct mail campaign. Use a coupon with a price discount good for a limited time period. Rent mailing lists of men who have bought electric razors within the last two or three years and send them the coupon.

This is more effective than putting up a billboard on the interstate highway. The billboard might be cheaper, it might reach more people but, of the thousands who pass the billboard, how many are men with electric razors?

As location, location, location is the secret of real estate investing, so target, target, target is the mantra for successful MarCom promotions. That’s why companies like Gillette advertise in men’s magazines or on cable networks like ESPN, not on billboards.

What Are Your Objectives?

“Before beginning, prepare carefully.”

~ Cicero, De Officiis, Book I

The marketing mix is derived from your market analysis and includes all the elements you use to promote your product.

Before you decide on the mix, analyze your objectives; for example:

- Increase sales
- Increase market share

- Improve brand image
- Increase knowledge of your business
- Identify competitive advantage
- Improve climate for future sales

Pick realistic and obtainable objectives. Set specific goals and gear all sales and marketing efforts toward reaching them.

Offer only what you can deliver. If you offer more than you can deliver and customers become disillusioned, you lose future sales.

For a completely new product, your message is “Here I am! I exist!” If you’re the first to market, you don’t have to differentiate yourself from the competition, because you have none.

In a mature market, increase usage of your product by convincing consumers to buy yours instead of the competition’s.

Even products with a strong, positive images need to keep reminding customers of their existence. Coca-Cola is one of the world’s most recognizable products and the company still runs extensive advertising and promotions to remind customers to buy and drink Coke.

Advertising: An *Investment*, Not an *Expense*

Budget Your Marcom Objectives

There’s no standard formula for allocating your MarCom dollars among the different elements of the marketing mix.

One company may allocate the lion’s share of its MarCom budget to direct mail. Another company may remind customers of its presence with sales promotions and through public relations. Pepsi spends very little of its budget on direct mail, while spending millions on television commercials featuring celebrities.

Measuring the results of marketing activities is part art, part science. It’s difficult to attribute specific results directly to specific activities. Sometimes you need to make subjective calls—also known as “gut feeling”—about the relative effectiveness of individual market-ing activities.

Here are some different ways to arrive at your overall MarCom budget. The same methods can be used to budget specific areas, such as advertising or public relations.

Budgetary Spending

Spend a fixed percentage of projected sales on promotion.

The risk here is the chance that you will not reach your projected sales goals while you’re already spending at the higher levels of the forecast.

If you’re an established company, look at how past efforts have helped your sales increase. If your company have no track record, you either have to feel confident that your projections are obtainable or use another budgeting method.

Nike, for example, knows from year to year that when they introduce a new basketball shoe and use Michael Jordan to advertise it, they can count on a certain percentage increase in sales.

Marginal Spending

Spend on the next promotion an amount equal to the net profit on sales generated by the last promotion. If your last advertisement brought \$50,000 in net profit, you spend \$50,000 on your next ad campaign.

Of course, if you have other marketing activities going on at the same time, such as personal selling or public relations, it's hard to know exactly how much of your sales can be attributed to a specific ad campaign.

Match Dollar for Dollar

Match what the competition is spending dollar for dollar.

How do you determine how much your competitors are spending? Many industries and local trade associations have research data available that calculates spending by company.

There is no guarantee that equal spending will make you as successful as your competitor. Make the most out of every dollar you spend—even million-dollar ad campaigns can flop. No matter how much Ford spent, the Edsel was still a disaster. The pump baseball glove struck out. New Coke was not the real thing.

Spending Available Funds

The “spend what you can afford” approach is probably the most commonly used method. It is also the most shortsighted. The more you can spend on an effective promotion, the more sales you tend to generate. If you make an investment in quality advertising, it should generate at least enough revenue to pay for itself and contribute to additional revenue and profit.

Before using this approach, estimate how much of an increase in sales you could generate by increasing your promotional budget. See if it's worthwhile to spend more to make your sales go up.

The Task Approach

Decide what “task” you wish to perform and budget the amount of money needed to do it. You might have to eliminate some other project, take money out of cash flow, or borrow to do the project. If the project is important enough, then, as Nike would say, “Just do it.”

When the Lexus was introduced in America, Toyota spent what they felt was needed to compete in the luxury car market. If they had spent just a percentage of anticipated sales for this new car line, they would not have had enough money to launch the new name plate successfully.

Stage of Life Considerations

The stage of life of your product or industry influences your choice of spending practices.

In the startup and growth stages, the task approach or budgetary method makes sense. You decide what you want to accomplish in the marketplace and spend like heck to accomplish the task. Or, as an established growth company with a reliable track record, you can afford to allocate a percentage of your budget on an “educated” projection.

In a mature market, especially in a highly competitive industry, the matching dollar for dollar approach can be imperative. For every 3 times the consumer sees your competitor's message and not yours, they forget about you! That is why you see so much advertising from the automotive, breakfast cereal, computer, fast food, over-the-counter pharmaceutical, and telecommunications industries on prime-time network television.

Like the poker tactic known as “I'll see you and raise,” mature products in a mature industry match dollar for dollar and then some. AT&T, MCI, and Sprint cannot risk leaving the consumer radar screen for a minute. They not only match dollar for dollar in advertising but strive to match, outmatch, and match again each others various price points and promotions.

This same method holds true in start-up situations or when new services are introduced. When local California telephone companies Pacific Bell and GTE started competing for cellular phone customers, they matched dollar for dollar and offer for offer in order to gain market share.

If new uses can be created for a product in a declining market, an increase in spending is warranted. For

example, baking soda was brought back from the brink as a baking ingredient to new life as a toothpaste, household cleanser, and refrigerator revitalizer.

To create new markets for a declining product, use start up budget techniques such as the task or matching dollar for dollar approach, as appropriate.

Tracking Your Advertising

Advertising is an investment, not a luxury item or a cost to be minimized. By effective tracking of revenues that are added by incremental spending on marketing, you'll have the proof you need to spend more on a particular activity, spend less, or redirect the spending to more cost-effective activities. Large corporations such as General Motors or Ford do this all the time. If you are running a restaurant or body shop, do no less. Keep re-evaluating your marketing efforts.

Success is not found in how much you spend; it will only come if you know who your target market is and find effective methods to convince customers that your product offering will provide the desired benefits.

Package to Sell

*“Emerson said that if you build a better mousetrap
the world will beat a path to your door,
and that may have been true then...
but it's not true now. No one will come.
You have to package and promote that mousetrap.
Then they will come.”*

~ Charles Gillette

The way your package is designed, its shape, size, color, and material, is crucial to your success.

Packaging can be a silent, yet highly persuasive, product promoter. Go to the supermarket or the computer store. Look at the thousands of products on the shelves. Imagine your package bobbing around in this sea of competitors and you'll know why your package must “sell” as hard as your advertisements do.

Louis Cheskin, a specialist in the psychology of marketing, conducted blind tests and interviews regarding packaging. He found that up to 80% of his subjects felt a greater sense of satisfaction from products in packages that they were attracted to, even though the products were identical to those in packages the subject found less attractive.

If several comparable products are on the market, consumers often choose a product by the package. This is especially true with low-risk products that don't require a large investment, like food items. Coca-Cola stopped using their hourglass-shaped bottle but eventually brought it back. Why? Because its unique shape differentiated it from all others.

Make all the information on your package simple, clear, and directed to your target audience. Spend the time and money to create the right package that sells both on the store shelf and in your sales literature and advertising.

Sales Promotion

The purpose of sales promotions is to motivate new prospects to buy now. Unlike advertising, public relations, and personal selling, sales promotions are designed to stimulate extra demand in the marketplace for a short period of time.

Sales promotion activities include contests, premiums, coupons, videotapes, point of purchase (POP) displays, celebrity endorsements, samples, and demonstrations.

Test a potential sales promotion. Start on a small scale to a limited audience. Measure effectiveness to determine whether to expand, adjust, or abandon the promotion. If the response to your promotion is too good, the costs of giveaway items and fulfillment could make the promotion a money loser even though sales have gone up.

Sales Promotion Objectives

Your objectives determine the types of sales promotions that will best serve your purposes.

For example, samples... A well-established marketing principle is “first one free.” If your objective is to promote greater understanding of your product, if your product or service is top quality, and if it involves repeat purchases, let people try it.

Demonstrations

If you want to jump-start sales of a new product, demonstrations can be effective. Supermarkets, malls, county fairs, and discount warehouses are common venues for demonstrations. From the “Veg-o-Matic” to food products, people enjoy watching how to do or make something. Give them a sample or a discount coupon at the same time and you’ve got a double whammy going in your favor.

Celebrity Endorsements

A time-honored way to attract attention and motivate action, a celebrity endorsement adds to the perceived value of your product or service. The right celebrity can attract both your market and the attention of media willing to give your product free publicity. For example, media profiles of Olympic gold-medal winners nearly always mention the star’s product endorsements.

Contests

The ballyhoo surrounding lotteries, contests, periodic give-aways offers the opportunity for getting your message across.

Free Trials

Free trials are a variation on “samples” as they let customers try your product before they make any investment. If your free trial is easy, self-explanatory, and really beneficial, you may just get consumers hooked on your service.

Caveat: People often don’t value what they don’t pay for. Be sure that you give just enough to provide a taste of your product and what it offers, but don’t give away too much or they won’t appreciate it enough to pay for it later. Also, providing a free trial or ‘demo version’ may let your salespeople off the hook – when they could be completing a sale, they settle for sending a free trial. Be sure you have several clear methods for conversion to a sale.

Premiums

Offering a free item with or a discount on the product you are selling can serve to attract the attention of customers who might not otherwise be interested. Time limits can further motivate buyers: “Order by (date) and receive a free (name gift).”

People will buy anything that's one to a customer.

~ Sinclair Lewis

Special Pricing

Lower the price, increase sales. Price is a key determinant of market behavior. Add the additional incentive of a “Limited-Time Offer,” and you further motivate people to buy now.

Coupons

Coupons can be mailed directly to consumers’ homes, delivered in local newspapers, or offered in the store where the product is sold. Coupons can also be provided as part of the product package to encourage future buying of the same or other products that you offer. Many cost-conscious consumers shop only for things they can buy with coupons. Coupons can reach a part of the market you wouldn’t otherwise reach.

Advertising

Use your sales promotion advertising to provide new or unique reasons to buy now. Words and phrases like “Don’t Delay,” “Open Now,” “Time-Limited 30-Day Offer,” “All-New Version,” and “7 reasons

why you gotta have..... “create a sense of urgency.

Sales promotion advertising includes mailings, point-of-sale displays, catalogs, special events, flag pole sitting, you name it!

Make Sales Promotions Work for You

Keep these things in mind:

Deadlines

A deadline makes the promotion appear to be a good opportunity and gives the customer a specific time frame in which to make the purchase.

Deadlines help you track the results of your efforts. If you sent out coupons on August 20 good until September 20, after the expiration you can calculate the results of the promotion. Did it work? Did sales rise? Is it worth repeating?

Referrals

Word of mouth may be the best way to market your product. Offer incentives to get your customers to speak highly of your product and encourage others to purchase it. The relative cost of getting the additional customers can be very low, with little or no work on your part.

Some phone companies give 100 minutes of free long distance calls if customers recommend someone who signs up. America Online gives one month free to customers who bring in new subscribers.

Feedback

Track your efforts. Put source codes on your coupons that note location so that you can determine if it's worthwhile to do mailings in a particular geographical area.

On a rebate card, have the customer note the store where they made the purchase. The more information you collect, the better you'll be able to gauge which sales promotions work for your company.

Always include identification with your product. If you make pizzas, be sure to include your telephone number and maybe a coupon on the pizza box. This provides a direct means for your customers to contact you—hopefully to order another large pepperoni pizza!

Sales Literature

Sales literature is any printed material that helps close a sale, including, brochures, catalogs, data sheets, pamphlets, return cards, rate cards, and form letters.

Prepare your sales literature before you launch your product so you can supply information as soon as inquiries come in from a potential customer or reporter.

Data Sheets

A data sheet (sometimes called a product slick) provides a detailed look at one specific product on one sheet of paper.

A photo of the product is important if it is visually appealing or new and you want customers to recognize it. Include specifications and benefits.

Data sheets may or may not include price depending on your audience and your emphasis. If pricing is a marketing strategy for you, include it. If you're focusing on quality and your product is priced higher than your competition's, you may not want to include the price. This is also true if your product has many

options and can be customized. Instead, enclose a separate price list or include an toll-free phone number for customers to call for more information.

Brochures

Brochures take different forms. A standard brochure may include facts about your company, its vision or mission, its operations, and its products and services. This provides useful background material for press, customers, and even potential investors. Other brochures may highlight one specific product line or service package.

Brochures range from a 3-fold 8-1/2 x 11 piece of paper to a folder style with a pocket to hold price lists, data sheets, PR releases, or pictures of new products.

There is often a thin line between a brochure and a catalog. If you are manufacturing a complex piece of medical equipment for a target audience of doctors, then a staple-bound brochure of 8 to 16 pages may be needed to properly explain all the detailed information a doctor requires before making a buying decision.

The more expensive or expansive your product is, the longer and more detailed your brochure should be.

Catalogs

The catalog is a specialized form of direct mail as well as valuable for in-store advertising and as a reference for the sales force. If you own a mail order business, it is your store on paper.

Tips on Producing a Catalog:

Keep your copy simple and straight-forward: give the facts and the benefits, and answer any questions implied about the product. The items and presentation should reflect the interests of your readers.

Present each product item-by-item; avoid group shots.

Use either photographs or illustrations, not both.

Bind an order form into your catalog.

Present incentives to buy more: offer free gifts at specific price buying levels

Be patient, be happy if you break even; catalog marketing takes time to build to profitability.

Catalogs can be valuable part of your marketing program when used to reach consumers who might not otherwise shop for your products or who prefer the convenience and variety of catalog shopping.

Produced correctly, a catalog can reinforce brand image and build customer loyalty. A perfect example: Bridgestone created a catalog of their bicycle line. Its look and feel—the copy, slogan, theme, and images—was consistent with the rest of their advertising and marketing program.

The catalog offered far more than the specifics of the Bridgestone bicycle line. In between product presentations were sidebars and articles that covered topics of interest to cyclists: how to shift, how to change tires, the advantage of wearing wool jerseys rather than synthetics when bicycling. The articles made the catalog a “keeper,” and reinforced Bridgestone’s authority and image as a company that understands and care about cyclists.

Rate Cards

The rate card supplements your brochure and gives your potential customer a list of charges for different services. You want people to keep your rate card handy. Print it on heavy weight bond paper or card stock.

Form Letters

Create a number of form letters well ahead of any advertising or promotion so that you can respond quickly to queries from prospective customers.

The two most important letters are (1) the letter that thanks your customer for choosing your service and (2) the letter that responds to customer complaints.

Your Sales Literature Budget

The amount of money to allocate for sales literature is tied to the price of your product.

If the purchase price is high, spend more on promotions. A buyer for a luxury car will be better sold by a four-color brochure than by a one-page black-and-white data sheet.

The brochure for a luxury condo should be on high quality paper, with more invested in layout, photography and design. The same brochure might be counter productive for a house in a new development.

Even though these dwellings may be the same price, an expensive-looking brochure for the new house might convince prospective buyers that it is out of their range before they can hear the price.

Collateral Publications — Pro-Active Product Literature

Print product information need not be static: It can be a pro-active sales tool. A well made brochure or handout can be a point-of-sale assistant that more than pays for the cost of its printing. Its portability allows it to be distributed by hand (at a sales meeting, street fair or trade show) to be mailed, stacked in a store, and toted home in a shopping bag.

The best handouts have information value beyond your product pitch. A checklist, seasonal use guide, recipe, or maintenance instructions will be less likely to be thrown away. Handouts saved for future use put your company name and logo before the eyes of a potential client time and time again.

Here's an example of how a single product line might use different styles of handouts. Let's say you make a product. We'll call it the "Poket Gofer Bakpak," (unusual spellings like this are better for trademark purposes) a hiking pack made of lightweight tubing and a new waterproof fabric, distributed through stores that have camping gear and other sporting goods.

Spec Sheets

Since the specialty fabric is a product feature, provide a point-of-sale spec sheet describing its merits, with some jazzy data on fabric tensile strength, water solubility and carrying weight. Charts and graphs comparing your fabric to others help to convince a buyer that your product is the right choice.

Specs, short for "product specifications" are practically mandatory if you are selling a product to any organization that has to justify its purchases, either to a government body, nonprofit board, or bean-counting CFO. Spec sheets on new products can also be sent in press kits; Backpacking Today magazine is more likely to profile your pack if you provide technical specs. Electronic equipment, computer software, appliances of any kind, automobiles and automobile accessories always come with spec sheets. To get an idea of what specs are required in your product area, get your competitor's literature or peruse back issues of Consumer Reports magazine.

You may chose to print your spec sheets in color for Point of Purchase (POP) displays. Do a print run in black and white as well for use when you fax the sheet in response to telephone or fax back queries. The cost is less and the fax quality is higher.

Checklists

Nothing makes a person feel more efficient than ticking off the items on an official looking list. As a marketing tool, a checklist can help sell related items in a product line. Each time you sell a Poket Gofer Backpack, tuck in a hiking-supply checklist, to include, along with trail mix, water bottle, and sweat-wicking socks, the Poket Gofer Windbreaker, Poket Gofer Fanny Pack, Poket Gopher Foldable Tent. The idea is to gently prod the customer into buying not just one product but everything that matches.

Printed checklists may be used again and again, keeping your product logo before the customer's eye. If you're selling burglar alarms, you might put out a checklist such as "Things to Do Before Going on Vacation."

The list might include such tasks as setting up timers to turn house lights on and off, arranging for newspapers and mail to be picked up by a neighbor, notifying the police. You might offer such a checklist for free through a newspaper ad, or arrange for it to be distributed in a local luggage store or travel agent office.

At the very least your checklist provides some help to a worried homeowner, while he or she associates your brand name with peace of mind. At best you'll have fed their paranoia so much that they'll want to buy that burglar alarm as soon as they get home.

FAQs

The FAQ is a useful sales tool for new products, for it relieves the salesperson of having to answer the same questions over and over again.

Typical questions: Can I put it in the washing machine? How often do I change the (battery, filter, tires, etc.)? How long is the warranty? Does it mix with alcohol? If I have a problem, what's the toll-free service number? A FAQ sheet for a single product is usually one page; it has recently become popular to put more comprehensive FAQs on a company's Internet Website. SEE Chapter 7—Internet Marketing for more information.)

Clever marketers use FAQ sheets to steer consumers to choices among their product lines. To sell your backpacks, a FAQ sheet might include these questions: What is the best pack for day hikes? What is the best pack for swamp-crawling? Answers: The Poket Gofer Ultralight; the Poket Gofer Gater Pak (that's the model with the corrugated waterproof liner).

Recipes

Go to any supermarket and you'll find many food products sold with printed recipes. It's a lot easier to sell Jerusalem artichokes in Des Moines if you give Iowans an idea what to do with them (sautéed with potatoes, for example). Free printed recipes keep your product name at hand: thus the potato salad recipe ingredient list always says "Hellmann's Real Mayonnaise," not just "mayonnaise."

Poket Gofer might distribute a recipe for trail mix to local Boy Scout troops or health food stores. Every time someone looks at the recipe to make trail mix, they see the Poket Gofer logo. Next time the family needs new backpacks, that little bit of paper just might result in a brand-awareness edge.

Recipes can work even if what you're selling is a service. A nonprofit family counseling agency once created a handout that was a recipe for a "happy family," whose ingredients included armfuls of love, handfuls of respect, and cups of cheer.

Worksheets and How-To's

If you'd like to see a first-class array of product information literature, just visit your nearest hardware store. You'll find shelves and counters jammed with free literature, all of it aimed to hit the consumer in the eye just before the point of sale—the moment in time when they make the decision which product to buy.

“Measure twice, cut once” is the carpenter’s adage. Choosing the right product and using it correctly leads to customer satisfaction. If your product is complicated to set up or install, displaying a free brochure that depicts the correct procedure may encourage a tentative purchaser to choose your product over others that seem more difficult to use.

Worksheets will endear you to the client who needs a little help with product choice. In a hardware store, air conditioner displays often have worksheets to help folks determine how many BTUs or how large a cooling unit is needed; for example, on the worksheet you fill in the square footage of a room and are given a simple math formula to determine your need.

Financial worksheets are also routinely used to pitch life insurance or investment services. Both air conditioners and annuities cannot be sold unless you have certain private information about the customer. By filling out a worksheet, the customer feels control over the selection process, plugging in personal numbers and arriving at what is perceived as a unique choice among your product offerings.

Some Technical Tips on Handout Literature

Avoid the temptation to be wildly creative with a handout. Your art director may be bursting with desire to use the latest fonts or 3-D holography, but you’ll just have to remind him or her that repeated impressions of a similar image are the only way to build brand awareness. If your company is small, your product new, or your budget limited, the first priority should be to establish your logo image in a customer’s mind.

Make the information sheet easy to mail, such as a stiff card or a sheet of letter paper that can be tri-folded to fit into a #10 business envelope (4-1/2 inches by 9-1/2 inches). Then you will always have something to send out in response to customer inquiries or tuck into your mailed sales pitches. The #10 format also fits easily into a man’s jacket pocket or a woman’s handbag, so it’s great for business meeting handouts or as literature for a point-of-sale rack.

Keep the design simple and always use your company colors. Use the same typeface fonts you are using in other print materials such as ads or stationery. Company logo, mailing address, phone and Web site should always be included.

An elegant hardware store example of pro-active product literature is the paint chip, those little slabs of color touting available shades for the walls of your living room. Take a closer look and you’ll see they are works of marketing genius.

All chips have the paint company logo prominently displayed. Products are given fetching names likely to appeal to women, who usually make the primary decisions about house paint. A blue-green paint, for example, may be called “Celadon,” “Sea Mist,” “Bluegrass” or “Pioneer Blue” and an off-white designated “Eggshell,” “Victorian Lace,” or “Vanilla Creme.” Each different name captures a different mood and creates a product ambiance.

Newsletters, Pro and Con

Visit a hardware store’s garden center and you’ll probably find a stack of newsletters, offering gardening tips. That’s because gardening products are a repeat and seasonal business: Someone who buys a flat of pansies and a trowel in the spring will be back in the fall to buy tulip bulbs and a leaf rake.

The garden shop newsletter typically offers seasonal advice, reminding the gardener to pick up fertilizer and bug spray, or alerting the backyard enthusiast to a special sale on birdbaths or Tiki torches for the patio. Read at leisure at home, the newsletter entices the reader to return to the store at a later date. Such newsletters are also sent out to a mailing list; a clipboard on the counter allows you to sign on.

The mailed newsletter is perhaps the most abused and misused arrow in the quiver of product literature.

Millions land on desks each year and most are tossed in the trash even before being unfolded. Just because you have a mailing list—a purchased list, or one derived from warranty cards or other sales material—doesn't mean the recipient will be receptive to what is, let's face it, another piece of junk mail.

Good looking newsletters are expensive to produce and even more expensive to mail. If repeat impressions are your goal, the newsletter will have to be monthly. A quarterly or infrequently published newsletter lacks the clout of a more regular publication. Unrecognized, it may be trashed before it is read.

Material with high information value is prized and often saved. Nobody wants to read bios of your new directors or promoted sales managers. Writing about industry developments takes time and talent. Many organizational newsletters die a quiet death after three or four issues...once the organization runs out of actual news.

If you are contemplating a newsletter and you want yours to be taken seriously, consider the following:

Assign someone on staff or a freelancer to gather and write your news on an ongoing basis.

Encourage repeat business by offering different specials each month.

Include articles of interest to your clientele. If you own a photo shop, run articles on how to take better vacation photographs or a technical comparison of telephoto lenses. If you run a nursery, article possibilities are nearly endless, especially if you invite your customers to contribute tips and gardening success stories.

Link your newsletter to your marketing efforts. Tear-out coupons for product specials, mail-in contest entries that double as client questionnaires, new product announcements, special sales promotions and the like help justify newsletters in your budget bottom line.

Connect with other departments in your company to arrange for ideas and article submissions on an ongoing basis. Do this before launching the newsletter so that everyone has an interest in its success.

Remember, "less is more." If you choose the content of your newsletter with an eye to high information value and respect for your clients' time, they will be interested in reading what you have to say and sell.

Advertising

“The best ad is a good product.”

~ Alan H. Meyer

Advertising is one of the most powerful tools available in the marketing mix. It is a more long-term approach to increasing sales than sales promotions or personal selling.

“Advertising is the most fun you can have with your clothes on.”

~ Jerry Della Femina, From Those Wonderful Folks Who Gave You Pearl Harbor

One advertisement can reach millions of people at one time. Or it can be the personal one-to-one medium of targeted direct mail. As computer and television technology advance, two-way advertising is evolving on interactive kiosks, on television, and on the Internet.

Advertisements are displayed on television, in publications, on the radio, on outdoor billboards, through direct mail, on mass transit vehicle, in the yellow pages, online, and on point-of-purchase displays in stores. The medium you choose depends on your creativity, your budget, your target market, your message, and the cost.

Advertising works best when your target market strategy is to solicit business from a large, potential market. This is because the cost per person reached (usually referred to as a cost-per-thousand, or CPM) can be very low.

Advertising is also effective in more narrowly defined markets. With local newspapers, radio, and television, you can reach a geographically defined market segment.

Advertising also works when your target market is specifically defined but large enough to make the cost effective. A good example is Pepsi’s advertisements to the “Pepsi Generation,” a target market of people in the U.S. defined by a specific age group with a certain demo-graphic profile.

Be Creative

Creativity is all important. If you do only what other companies have done or stick to a familiar creative format, your ad will not have the desired impact and return on its investment.

Sell the Benefit

*In our factory, we make lipstick.
In our advertising, we sell hope.*

~ Charles Revson

Know what you are selling. As Revson said, Revlon manufactures lipstick but sells hope. The temptation is to define and advertise your product in terms of quality or price. The problem with stressing these features is that everyone stresses them. What are your customers seeking on a deeper level?

McDonald’s and Taco Bell know that their customers are more concerned about a predictable, consistent product than they are about gourmet quality. Eating a Big Mac in Paris is a familiar reminder of home for an American.

Domino's is famous for fast delivery and a standard product. A Domino's pizza tastes the same in Tallahassee as it does in Des Moines. These restaurants make fast food; what they sell is convenience at an affordable price and the promise of uniformity—no surprises!

The emergence of “natural” products exemplifies how a shift in the culture can alter marketing strategies. Smartfood popcorn packages non-greasy, non-artificial popcorn; the benefit it sells is an alternative (read guilt-free) way of eating junk food.

*A benefit saves you time, money, and makes you look good.
Your product should do one or all of these three things.*

~ Mark Jordan

A list of features by itself is a snore. The essence of your product is what your customer is really buying. Sell the benefit.

Analyze your marketing strategy so that it taps into the powerful forces that move people: Love, hope, fear, greed, convenience, and other emotional and financial issues. Finding the emotional hot button—or the financial one for business customers—is a function of knowledge and ongoing study of your market: Talk to potential or actual customers and stay alert to cultural trends.

When a benefit is offered by a competitor, you are compelled to follow suit. After the first bicycle manufacturer offered a lifetime warranty, all other bicycle manufacturers followed suit. What motivated them was imagining what it would happen to their sales if they didn't. As it turned out, most adult cyclists hang up their bikes in the garage after a year of fitful exercise and very few ever take advantage of the lifetime guarantee. This kind of benefit—even though shared across an industry—helps reinforce a customer's sense of confidence in your product and company.

You've Got Three Seconds to Grab Their Attention

Arouse Emotions

Buying is a profound pleasure.

~ Simone de Beauvoir

Strike a familiar emotional chord with customers. If people are touched on an emotional or personal level by your ad, they are likely to remember and act on that ad. How many phone calls did AT&T's “Reach out and touch someone” campaign generate?

Reaching a consumer on an emotional level does not mean that they have to cry or feel joy. Many methods elicit very subtle emotions. Different elements of your advertisements, such as words, music, pictures, shapes, color, humor, or movement have the power to evoke emotion.

Mercedes-Benz used a Janis Joplin song from the 60s that tied buying a Mercedes Benz to the notion of having “made it.” It was targeted at baby boomers who listened to Joplin in their twenties when they were struggling economically, but who can now afford luxury cars.

Use Slogans and Jingles

“I want to buy the world a Coke.”

~ Coca-Cola jingle

Jingles or slogans are an effective way to catch consumers' attention. The jingle repeats itself and plants

your company name in consumers' minds.

Powerful slogans influence behavior. Think about Nike's "Just do it," Budweiser's "This Bud's for you," American Express's "Don't leave home without it" or the "Just say no" slogan of the anti-drug campaign.

*"The consumer is not a moron.
She's your wife."*

~ David Ogilvy, Ogilvy on Advertising

Be Funny

Some marketers believe that humor only makes people laugh, not buy. It has worked for many companies, though, and humor may serve you well if you can integrate it into your advertising message and still send out the right "buy" signals.

Miller Lite TV commercials showed old sports jocks shouting "Tastes Great! Less Filling!" In the old Volkswagen commercial a very young (and as yet undiscovered) Dustin Hoffman couldn't find the engine in the front or back of the Volkswagen Bug. Humor for humor's sake is unlikely to work. But humor as part of the whole message can bring originality to your ad campaign.

Use a Spokesperson

Presenters or spokespeople include famous celebrities, special characters created for the ad campaign, a lifestyle representative, or an anonymous individual.

Characteristics to look for in a presenter:

Visibility—Choose someone whose visibility enhances your product. For example, Candice Bergen for Sprint or Michael Jordan for Nike and McDonald's.

Credibility—Have a pediatrician endorse your cough syrup so parents will likely feel secure choosing it. If a sports star wears your shoes and says they're great, consumers are more likely to believe it.

Attraction—Attraction is not limited to physical characteristics. Someone may not be attractive in the "young model" sense but present positive image of a working professional. Remember ex-politicians Mario Cuomo and Ann Richards doing Dorritos commercials?

Power—Powerful presenters give consumers the feeling that they too will have power if they buy your product. American Express broadcasts the message that if you want respect, you should use their credit card just as the powerful, successful people in their ads do.

"We see advertising actually creating and naming taboos. The most famous, B.O. and halitosis, are archaeological specimens from an age which we might fix as either Late Iron Tonic or Early Soap ... Bad breath and body odor have always existed, of course, but, as individual matters. To transfer them from personal idiosyncrasies into tribal taboos is a magically trick indeed."

- Howard Gossage, The Gilded Bough: Magic and Advertising

Motivate Your Customers

There are two general kinds of motivation: positive & negative.

Positive motivation sends the message that good things will happen if a consumer uses your product. For example, buy Jordache and become beautiful and sexy, or use Nestles' Sweet Success method of weight loss and have a happier and more successful life.

Negative motivation conveys that something bad will happen if consumers don't buy your product. For example, people buy insurance to try to avoid unpleasant consequences from uncontrollable

circumstances, not because it will make them feel good now. Another type of negative motivation sends the message to customers that if they don't buy the latest, most powerful computer, they will be technologically behind their competitors and at a disadvantage. And what about ads for Breathe Assure? Nobody wants to have bad breath!

There is more similarity in the marketing challenge of selling a painting by Degas and a frosted mug of root beer than you ever thought possible.

~ Alfred Taubman, owner of Sotheby's

Your Media Plan

The goal of your media plan is to expose your product to the largest possible segment of your target market in the most effective, efficient way. The two main components of your media plan are media selection and media scheduling (or buying).

You can do your own media selection, or hire an advertising agency or media buying service to do it, or, you can split the task. Plan your own media advertising and then contract with a firm that specializes in media buying.

When presented with an ad agency's media plan, ask about the rationales for their recommendations. You may find that they have misunderstood what you're trying to achieve, or you may find that they have come up with a brilliant way to reach your target audience.

Media Selection

Media selection answers the question Where?

You can study media kits to determine your selection or hire an advertising or media agency to make your selection. Agencies know what is out there and have experience at negotiating price. The standard media commission is 15% of the gross cost, and similar to the relationship between travel agents and transportation carriers, agencies get a discount from the media outlet.

In the end, you pay the same rates and get advice from advertising professionals who know the field.

Note: Some local media such as newspapers will only sell space at the rate card price and not allow the agency discount of 15%.

Media Kits

When choosing where to advertise, request media kits from the publications or stations where you might want to advertise.

A media kit is an information packet that provides the demographics of the media's subscribers, circulation, readership, listeners, or viewership as well as their rate cards.

These demographics identify what type of customer reads the newspaper or magazine, listens to that radio station, or watches a television channel. In addition, media kits often include information on consumers' buying habits and other demographic and psychographic data. Your job is to match your target market with the demographics of a particular media in order to select the best advertising vehicle for your business.

Media Scheduling

Media scheduling answers the questions When? and How often? The when depends upon circumstances: you're about to launch a new product, you want to time your ad campaign with the beginning of some event, like the Olympics, or you want the campaign to work in conjunction with sales promotions.

How often you repeat the ad depends on how long you believe it will take to get the message across to the consumer and how big your advertising media budget is. If you want customers to buy your frozen pizzas, you'll need to determine how long it will take before your customers know your brand name and product. Some advertisements run only at certain times of the year, such as ads for holiday sales, or tax and other seasonal services.

The Media

Network Television

Of all media, network television is the most prominent and influential. A commercial on network TV can reach more potential customers with one message than any other form of advertising.

TV is a “reach” medium, meaning it delivers a large audience but at the expense of “frequency,” or the number of impressions delivered.

National television time is so expensive that usually only the largest national advertisers use it. Unless you're in the same league as General Motors, Sears, Coca-Cola, Nike, Budweiser, or IBM, look for other ways to reach your customers.

Local Television

Local TV (sometimes called Spot TV) is the home of the late night used car salesman, the place where local stores, restaurants, and auto repair shops advertise with their unique brand of advertising.

Your local TV station sales rep will show you which programs can deliver the highest number of viewers that fit your customer profile for the least amount of dollars.

The time periods that advertisers purchase are: “prime time” (8 pm to 11 pm), early evening (5 pm to 8 pm), late night (11:30 pm till 1 am), mornings (5 am to 10 am), daytime (10 am to 6 pm), and overnight (the land of the late night movie, 1 AM to dawn). When you purchase spots in prime time, many stations will sell you time at odd hours at a lower rate order to fill up all time periods and sell their entire inventory of spots.

Cable TV

While cable viewership is much smaller than the more traditional form of television, Cable TV has a loyal, upscale, and growing audience.

You can purchase time on cable networks like ESPN, CNN, Arts & Entertainment (A&E), The Discovery Channel, The Family Channel, TNT, The Nashville Network, Lifetime, or MTV (to name just a few). Though you buy time during individual programs, you also benefit from the image of the whole network.

Lifetime caters to women, MTV to teens, Nickelodeon and the Cartoon Channel to children, and ESPN to men. Purchase spots on a cable channel that attracts your target audience. Many cable TV spots are inexpensive and priced along the lines of radio time. A few dollars goes a long way. Although the total size of the audience is small when compared to network TV, it is still a good advertising vehicle.

Local Radio

Local radio is an excellent medium for local merchants, stores, restaurants, auto services, and service businesses like copy centers, tax preparation, or banking. It's a good “frequency” medium because it gets a lot of advertising messages out in a given time period. It is not a good “reach” medium, because even the radio station with the biggest share of the audience may only reach 10% of the total radio market in your community. To reach half of your target market, you may require spots on 6 to 10 different radio stations. (As a comparison, if you put an ad in your local newspaper, its reach may easily be 50%.)

When you buy radio spots, you are buying time sold in either 60-second, 30-second or 10-second “IDs.” Radio is sold in time blocks called dayparts. “Prime time” is the morning drive from 6 am to 10 am. Next in order of audience size is the afternoon drive, 3 pm to 7 pm; daytime, 10 am to 3 pm (formerly called housewife time!); weekends (all day, Saturday and Sunday); evenings, 7 pm to midnight; and overnight, 12 am to 6 am.

Most people listen to radio in specific time periods. For the best use of local radio, advertise for a multiple of weeks, not just one. “Flight” weeks of radio commercials. A good flight is two weeks on the air, one week of hiatus, and then a third week, all in one month. You increase the cumulative effect of your radio campaign by giving your customers more time to hear your commercial.

Consider the programming format of each station. Many large metropolitan areas have a hundreds of stations in many categories to choose from: All News, All Talk, All Sports, Rock ‘n Roll, Classical, Country & Western, AOR (album-oriented rock), MOR (middle of the road), Oldies, Jazz, New Country, New Wave, Grunge, Classic Rock, R&B, Disco, and on and on.

To determine how many people are listening to any particular station at any given time period, consult an Arbitron rating book. It lists the number of people of a certain age group (say, 25-to-54-year-old men) in any given quarter hour.

For example, station KAAA may have an average quarter hour number of 1500 listeners and a rating of 1.2, while station KBBB has 5000 listeners in the same quarter hour and a rating of 3.6. Station KBBB has more listeners and can charge more money for their spots.

Local radio stations sell 60 or 30 seconds in each daypart. The cost of a 30-second spot is usually 80% of the 60-second spot, so the minute spot is a better buy.

Let’s say each morning drive spot costs \$250 and you buy one for five mornings for \$1,250. The station’s TAP (Total Audience Participation) plan may offer 3 morning, 3 afternoon, 3 daytime, and 3 evening spots for a total of 12 at the same price or a couple of hundred dollars more. You get 7 more spots in one week at the same cost! Check out the rate card or ask about their TAP plan.

Network Radio

You purchase time on a radio network by running a flight of spots or purchasing specific programming, such as an hourly news broadcast or the major league baseball game of the week. Syndicated programs like Howard Stern, Don Imus, or Rush Limbaugh are simulcast over dozens of stations nationwide where you can advertise.

Outdoor Advertising

Outdoor advertising, which includes billboards, transit ads (taxi and bus signs), signage on park benches and inside buses and airports, is a great medium to deliver a simple message to a large audience fast.

Outdoor ads are a good medium if you want to introduce a new product that appeals to a wide audience, such as a new brand of breakfast cereal or a new restaurant location. Outdoor advertising is measured by gross circulation, or the number of people who pass its location in a single day. You rent the board on a monthly basis and each message can be “rotated” to a different location each month to spread the advertising message around to different audiences.

“Advertisements contain the only truths to be relied on in a newspaper.”

~ Thomas Jefferson

Newspapers

Advertising in the local newspaper is a fast and efficient way to reach your target audience. The newspaper is one of the oldest advertising vehicles and still one of the best. When you purchase space in a newspaper, you buy it by the column inch.

Smaller communities have weeklies or biweekly papers. If your business is having a sale, what better medium to advertise in than the local newspaper?

The most notable U.S. national newspapers are the Wall Street Journal and USA Today. If their readers do not belong to your target market, consider advertising in magazines to reach a national audience.

Free Standing Inserts

Free Standing Inserts (FSI) are coupons and flyers that come in the Sunday paper. Preprinted by advertisers and distributed by the newspapers on a cost per thousand (CPM) basis, many national and local advertisers use FSIs to get a discount coupon into the hands of consumers. The CPM ranges from \$10 to \$20 per thousand distributed.

Magazines

You can target your advertising to exactly the right audience via magazines whether you sell ski equipment or nuclear generating plants.

Every industry or special interest group has its own periodical. Thousands of different magazines cover every type of business activity, every leisure pastime, every political persuasion imaginable. For example, in the medical community, more than 1,000 different periodicals are published for doctors to read.

Standard Rate and Data (SRDS), a multi-volume reference guide, covers every advertising medium including TV, radio, newspapers, outdoor, direct mail, and so on. And SRDS accepts advertising too!

Magazines generally divide into two groups, consumer publications like Time, Vogue, or TV Guide and business ones such as Forbes, Fortune, or Fast Company. Within these groups circulation is either paid or controlled.

Paid circulation publications like Newsweek are perceived to be superior because people pay a subscription fee to receive them. Trade journals have controlled circulation because they are mailed free-of-charge qualified people who work in a given field.

To verify a magazine's circulation, ask for their ABC reports (Audit Bureau of Circulation) for paid circulation publications and BPA (Business Press Audit) reports for non-paid ones.

As important as circulation is, bigger may not always be better. Measure the editorial environment against the relative merits of any magazine. If the content is credible, the ads appearing in it will be credible as well.

The size of your ad in magazines is determined by your creative needs for space and by the size of your budget. You can save money by using black-and-white with a second color, for example, and still get impact among all the four-color ads.

Yellow Pages

The beauty of Yellow Page advertising is that consumers who use it have already made a buying decision and now are looking to find the right business at the right location to make a purchase.

The local telephone company Yellow Pages' sales rep provides rates and can help you design and layout your ad. An ad runs for one year, so make sure you cover all the important points: name and logo, address, type of service or product, and perhaps some "sell" copy. If your location is important, add a map. And, don't forget to put your telephone number in your ad!

There are competing directories to the Bell Telephone Yellow Pages and also foreign language directories. Consider placing Yellow Pages ads in more than one directory. If your store is the only one of its type in the area, advertise in other directories to reach customers who are miles from you. As always, make it as easy as possible for your customers to find and buy from you.

Telemarketing

Telemarketing consists of both outbound and inbound telephone calls. Used in the right way, it can be a powerful addition to your marketing mix.

A company that uses direct mail needs a well-organized telemarketing system to handle customer orders. Some mail-order businesses put pictures of their operators in catalogs to personalize the sales process. The better trained your operators are, the higher sales will be.

Outbound telemarketing is effective when used in conjunction with other marketing promotions. Say that you mail a promotion that offers a business update service. Your prospective customer receives the mailer but has yet to act on it. If you follow up with a phone call, the combination of direct mail and telemarketing can increase order rates dramatically. Good scripting of your telemarketing messages will help your company put forth consistent and effective telemarketing.

A serious drawback is that people are often annoyed when they receive a sales phone call. Both federal and state government have passed laws regulating the hours you can call a person's home and how the caller is identified. Be sure that your sales calls are legal and won't turn off potential customers before you launch an outbound telemarketing program.

Direct Mail

Billions of dollars are spent on direct mail every year and for good reason. It is the most trackable medium you can use to advertise your products or services.

The List

The list is the most important element of successful direct mail. Without a good list of prospective customers, no matter how wonderful the offer or how creative the mailer, the mailing will not generate the sales you want.

Mail to your current customer list first. These people have bought from you, they know your company and your products. Selling additional products to existing customers costs less than seeking a new customer. Since the cost is less, your profit margin is higher.

Then, go to a direct marketing firm or a list broker and rent other lists with a target profile that matches your current customers. Mailing lists are rented by the thousands with 5,000 names a typical minimum order.

Manage your Lists

Registration cards and/or periodic surveys provide an historical profile of your customer. Trade shows are a good place to collect customer information. Create a database management file to maintain all your sales and research data.

Systematically build your list. Have everyone who comes in contact with customers, prospects, and the press capture names, addresses, and other pertinent information in a contact management system. Keep a current list of press contacts and industry analysts as part of your public relations efforts. Whether it's computerized or manual, the accumulation of these names has value for your company's effective

marketing with direct mail.

The Offer

The offer is the next important element of successful direct mail. A solid promotional offer increases the likelihood of success. Make the offer clear and easy to understand. Consider a special price, two-for-one, buy-one-get-one-free, or purchase-today-for-free-air-express-delivery offer, and so on.

Make it easy to order. Include a toll-free telephone number, a prepaid business reply card (BRC) or envelope (BRE), a fax number for ordering, and an e-mail and/or Internet address. Accept all major credit cards (VISA, MasterCard, American Express, Discover) and personal and business checks. The combination of an enticing offer and an easy way to order increases sales.

The Creativity

The creative content of your mailing piece is the final element. Whether you mail a simple postcard, a business letter, a packet with letter, a brochure, a BRC, or a full catalog in its own envelope, you want the recipient to open and read your offer.

Getting the mailer open and read is its first job. If you send your direct mail piece in a #10 envelope, print a “teaser” on the outside. Use the word free as in “Get a free software upgrade when you purchase any two programs.”

Once the reader has opened the envelope, pull them in further with an effective headline. Include a brochure or other information about the product, add customer success stories and editorial reviews, and be sure to have the “way to order” mechanism bold and easy to find.

Use a postscript. “P.S. This offer ends in one month, so order soon!” Readers invariably read postscripts and it’s a good way to draw them back into the mailer to read it more carefully. If you have several pages, make sure that the last sentence of each page ends on the following page. That way, you increase the likelihood that the reader will at least turn to the next page and read on.

Your order form is a call to action. Put your price and terms on the order form, not in the main body of the mailer. Give your readers the option to request more information. That way, you find out what particular items interest your customers. Leave space for people to list other folks who might be interested in your product. This a great way to expand a mailing list.

In most direct mailing, a good response rate is 1% to 3% of the pieces mailed. Direct mail companies can assist you in design, printing, list rental, and mailing.

Whether you use professional services or do it yourself, before printing your direct mail package, take your envelope design to the post office to verify that it fulfills U.S. postal regulations. Nothing is worse (or more expensive) than designing and trying to mail a piece that will not be accepted by the post office.

Budgeting Your Direct Mail Campaign

Direct mail generates demand and its results are easily tracked. If it is an appropriate vehicle for your product, it deserves a large portion of your advertising budget. Use different types of direct mail, including catalogs, product upgrade offers, information updates, new product announcements, contests, and sales.

Set measurable goals. Calculate the cost to send direct mail to the potential customers on your mailing list. Then figure the return you expect as a percent (i.e., 1.5% or 3.0%) as a result of that campaign. You can then calculate how much money the campaign will generate by seeing the revenue estimated at each response rate. By doing this, you can gauge how likely you are to earn a profit, and can decide whether it’s worthwhile to make this investment.

Request a copy of “The Business Guide To Advertising With Direct Mail” from your local post office. It contains useful information about mailing permits, mail classification items, customer service programs, and various direct mail resources.

Test Your Communications Efforts

Take the Cyberplunge

So far, advertising is primarily one-way communication. As interactive computer and television technology advances, possibilities are evolving for two-way advertising on interactive kiosks, home shopping networks, and online computer networks like America Online and the World Wide Web.

A great advantage of interactive advertising is that you can include a lot of information without inundating the consumer. Potential customers choose the information they want and ignore points they aren't interested in.

“The most important word in the vocabulary of advertising is TEST. If you pretest your product with consumers, and pretest your advertising, you will do well in the marketplace.”

~ David Ogilvy, Confessions of an Advertising Man

For a successful advertising campaign, test it before you complete the final production and media schedule. Even after you have spent money to design and create the campaign, you need to make sure it will do the job. If not, pull it before you spend even more money.

There's always a risk in using new and creative ideas—not all will work. Just remember, if you refuse to pull the plug on a bad ad campaign, you'll lose more than money. You'll lose customers, too.

Test your advertising by showing it to consumers in a focus group and finding out what they think about it. Did they have the reactions you expected and wanted? Did they understand the purpose of the ad?

Conduct similar testing by first running your ad for a limited segment of your market, for instance, a regional edition of a magazine. Many magazines with national distribution reserve a certain amount of ad space for regional advertisers, so that different ads fill those spaces in different regions. This is an excellent testing method. Even some large television advertisers like Procter & Gamble will test in a small area before rolling out the full national campaign.

Test & Track Your Ads

Make them call!

You need to know if your ad is putting your message in front of customers. The only way to be sure is to ask for a response. Always make an offer to the reader to contact you for something, such as a free catalog or more information. Better yet, have them call to place their order.

Make it easy for customers to buy from you—use a toll-free telephone number, accept all major credit cards, offer a no-risk, money-back guarantee. Develop a unique guarantee appropriate to your product or service. Rather than offer a vanilla-flavored, 30-day, money-back guarantee, JIAN uses “*Our 60-Day Get-the-Job-Done Guarantee*” because people buy our software to handle a specific business project. We want them to succeed using our product rather than spend time looking for another product. Look closely at ads you like and watch your mail for other examples and good ideas.

Make them Click

Likewise, offer something of value that will entice a web viewer to click on the link to your site. Use some kind of unique tracking code to with each link to test whether or not people are actually clicking on it to come to your site. Either use what's built in to your ecommerce system (we're using [Magento](#) which has a built-in affiliate tracking system) We also recommend [Tracking Soft](#), a reliable 3rd party affiliate tracking system.

Turn your risks into tests!

The best way to know if your ad works is to track it. Now that you've put something in the ad that will compel people to call, make sure that your ad is tagged with a code number.

Your Advertising Budget

*"Half the money I spend on advertising is wasted,
and the trouble is I don't know which half."*

~ Viscount Leverhulme (1851-1925), British industrialist

Advertising is expensive. Track it to make sure you're getting a good return on your investment. Measure how successfully an ad, commercial, or whole advertising campaign has performed.

Advertising is supposed to improve your market position. Is a certain advertising vehicle paying for itself, either with trackable sales or increased awareness? When you first launch your company or new product, advertising may not pay dividends immediately. Keep good records to see which efforts pay off.

As a general rule, keep trade advertisements directed to retailers, VARs, and channel distributors at a minimum level. If end-user demand for your product is great enough, retailers and distributors will seek you out. This again is dependent on your industry, product, and target market, and is not always true for every industry or service.

Sell to the person who ends up with the product

Who buys your product for their personal use? This is the individual to whom you must direct your advertising and marketing.

*Dealers and resellers also see these ads!
Convince your ultimate customer that they want your product.
If the world wants it, dealers will line up to sell it to them.*

~ Burke Franklin, Business Black Belt

The Advertising Agency

Almost all large companies, even those with internal advertising departments, hire ad agencies to do some or all of their work. Ad agencies bring experience and fresh ideas to your company. Many talented agencies can see the forest, when all you can see is the trees. This outside perspective is important if your company wants a new look and direction to your advertising.

On the downside, ad agencies can be expensive and you may lose some of your vision to their vision. Nevertheless, because of their expertise, an ad agency can save you time and money. The agency works for you as a partner to develop and implement successful advertising campaigns.

An advertising agency is made up of different departments: account services, media, creative, and in some agencies, research or planning. Your contact with all departments is coordinated by your account executive (AE).

The AE should have a working knowledge of your type of business to eliminate a steep “learning curve.” The creative team dreams up the ad. It could be just one person, or, in most cases it’s a copywriter, an art director, and a creative director.

The team must know your target market and your product inside and out. The more information you can provide about your market and your product, the better your results will be.

Don’t dictate to the creative team how your ad should look, what typeface to use, or what the headline should read. You’ve hired them to do a job, so let them do it. Nothing will insure a failed ad campaign faster than a client who know all the answers.

Research Department: Knowledge is Power

Many ad agencies have a research or planning department that conducts surveys, focus groups, and studies of government and private data to determine who your customers are and the best way to reach them.

Take advantage of this resource. Use it to identify how effective a new package or a new flavor might be as a selling point. Perhaps black cars aren’t selling well in El Paso, but a black car with a sun roof will because the sun shines there 360 days a year and temperatures over 100 degrees are common. Adding a sunroof to the brochure distributed at dealerships in El Paso might boost sales. Keep the plain top in Buffalo, where freezing temperatures and snow on the roof tend to cause problems with the seal around sunroofs.

Compensation

The standard commission charged by an advertising agency is 15%. They earn this from media discounts, from production markups, and increasingly from fees.

If the ad agency buys television time for your commercial, the TV station bills the agency the net rate. The station’s rate for a 30-second spot is \$10,000, but with the discount, the cost to the agency is \$8,500. The agency charges you \$10,000 and keeps \$1,500 as its fee. If you were to buy the TV time directly, the station would charge you the full \$10,000.

Not all agencies work on commission. Many ad agencies charge on a fee-for-service basis; sometimes an hourly rate, sometimes a flat fee. Be sure to ask how the ad agency makes its money before you hire them. To decide which ad agency is right for your company, ask other businesses for recommendations or contact the American Association of Advertising Agencies.

Agency Evaluation Form: Performance Feedback

An advertising agency evaluation form gives everyone on the account team the chance to know your feelings about their work. Evaluate your agency at set time intervals, such as every six months, or after major ad campaigns.

Public Relations & Media

*We are living in an age of publicity.
It used to be only saloons and circuses that wanted their name in the paper,
but now it's corporations, churches, preachers, scientists, colleges, and cemeteries.*

~ Will Rogers, Daily Telegrams, June 23, 1931

While advertising is “what you say about yourself,” public relations is “what you get others to say about you.” Public relations (also called PR or publicity) is information about your company, your product, your project, or your event that isn’t a direct message from you to the potential customer.

“Publicity” is news generated by an independent party such as a newspaper, trade magazine, television or radio news program. You don’t pay directly for publicity, but its value to you is many times what you would spend for print or broadcast advertising. For example, if a newspaper’s fashion column refers to your shoe store as a place where quality shoes are available, or reports that you have a the hottest new slingbacks in the city, your shoe store is likely to experience a marked increase in sales.

Consumers assume that third-party, objective reports about companies and products are more reliable and unbiased than advertisements. Often, the potential consumers that are least likely to react to advertisements and promotions are the most likely to react to a PR story that’s been printed or broadcast. Your PR goal is to convince the press that what you have to say is “news,” and worthy of inclusion in their newspaper, magazine, radio show or TV news report.

As the executive in charge of marketing for your organization, you want to maintain close ties to your PR people, to make sure any outside communications relate to your overall marketing message. If you re selling shoes, you don’t want the CEO interviewed about his hats. Socks, sure, but not hats. Good public relations always has a focus.

Setting Up Objectives & Strategies

What are you trying to achieve? Pick one or more of the following:

1. Visibility for a new company
2. Visibility for a new product
3. Visibility for a new service

Now, consider some of these:

4. Visibility for a company executive or loyal client
5. Visibility for community service
6. Visibility for a vision that you have of the future
7. Visibility for a company event or major accomplishment
8. Visibility for major shifts in your industry and how your company is responding
9. Visibility for a new alliance or partnership

10. Visibility for an acquisition or merger.

The last seven items can actually help you “sell” publicity where it would be impossible to sell the first three. This is because newspapers and local TV news aren’t interested in things—like products and services. They’re interested in people, in action, and in ideas.

Let’s say you’ve got a new line of spring shoes in your store. Reporters are not going to be shouting “Hold the Presses!” and wangling space on the front page for mere shoe inventory.

But what if you had a long time customer, a sweet and fashionable old gal, who had been buying shoes at your store for decades? What if your records showed that she had just bought her 100th pair of shoes from your store’s spring line?

Suddenly, there’s what the press calls “human interest.” The newspaper might arrange for a photo shoot in the store—you’ll get the loyal customer back to the store because you are giving her a 101st pair of shoes—her pick of styles—for free. The old gal might be interviewed by the fashion or society columnist, who’ll look for pithy quotes about heel heights through two World Wars. A photo with a caption will make the newspapers. If it’s a slow news day, it may even wind up on the front page.

Sometimes you can get news coverage by shining a spotlight on your latest or trendiest client. If Quaker Oats has just ordered a dozen of your company’s state of the art oat-polishing machines, that’s a bigger news fish than you, and one more likely to be hooked by a trade publication or the business writer at a local newspaper. You’ll have to clear the release first with the client’s PR department, but you may also get the benefit of the expertise of their bigger PR team.

You can also pitch pure air. That’s the kind of release where someone high-ranking in your organization makes a statement or prediction. Non-profit organizations are adept at this kind of publicity (“By the Year 2020 one-fifth of all Americans will suffer from information deficit disorder...”) but it is also common for health care, financial, and electronic firms to announce what the top exec sees in her crystal ball. Back up your statement with a few provable statistics, and you’re in.

Strategy #1: Hunt for News

The executive in charge of marketing should always keep a lookout for product or customer incidents that can be turned into “news.” If you’re not good at this, hire a part-time PR consultant to brainstorm with you and your product and sales team. The press is always looking for news, and you can very likely manufacture some out of real events and happenings at your organization.

Strategy #2: Make Sure It Really It is News

A corollary to this, of course, is not to wear out your welcome by sending out press releases and making phone calls when you have no real news to tell. Every magazine and newspaper editor in this country and every TV news assignment editor feels overworked and underpaid, and they don’t appreciate piles of faxes and press releases. Don’t think you can woo these editors with T-shirts, logo coffee mugs, offers of lunch or theater tickets: most of them get piles of booty and don’t have time to talk to you unless you can deliver “news.”

What kills a skunk is the publicity it gives itself.

~ Abraham Lincoln

Strategy #3: Pick the Right Media

A chief tool of every publicist or PR executive is a Rolodex or mailing list that contain names, addresses and phone numbers of all local and regional newspapers, local radio and TV stations.

A business-to-business press list includes the names of editors at trade publications in your field, as well as the names of newspaper specialty reporters, magazine columnists, and freelance writers who also cover your industry. If you sell directly to a consumer audience, editors, columnists and freelancers who cover your area of focus (fashion, food, real estate, financial services, health care) in the consumer press should also be included.

There's no mystery to getting this list compiled. Look up media outlets in specialized directories at your library. *Writer's Market* and *Bacon's Media Guides* are helpful for consumer press. Use the telephone book. Study the magazine rack at your newsstand.

Get the phone numbers, and call. Just ask, "I'd like to send you a press release about my shoe store business in the near future. Who is the best person to send it to?" Press to get a name, not just a department title, and ask for that person's direct phone extension, fax, or e-mail as well.

Strategy #4: Target the Correct Editor

Novice publicists often make up lists directly from mastheads, which can be a mistake because people move: an editor listed on this month's magazine masthead may have departed three months ago. Another mistake is to make up a mailing list that includes only the top editor, or worse, the publisher, or worst of all, every name on the masthead.

Mail merge is easy, but stamps cost money and a misdirected press salvo costs you time. Top editors and publishers usually pass on press materials to underlings. On a publication with a large editor's list, target the most likely editor (e.g., Business News Editor, Fashion Editor). In the case of small mastheads, target a senior editor or associate editor. It's their job to generate story ideas and read all the mail.

Strategy #5: Send Your News Tip Efficiently

The most efficient medium for your news is the Press Release, an acceptable pitch that can be mailed, hand-delivered, faxed or e-mailed to the media.

There is a protocol to press releases. It was devised when editors routinely marked up originals so they could be easily typed into news stories; today, editors can scan the originals onto their computer screens. Clear, readable materials are required; fortunately the standard form is easy to learn and use.

How to Write a Professional Press Release

Print the release on your organization's stationery. If you don't have one make up one on your computer. Use the same letterhead for all future releases. Use plain white or pale-colored paper.

Press releases should be short, for a practical reason: you have exactly three seconds to get the editor's attention before your piece of paper nosedives into the circular file. It should be double spaced, in a 60-space line, and ideally no more than one or two pages long. Print only on one side of the paper.

At the very top of the page, to the extreme left or right, the following:

CONTACT: HARRY SHOEMEISTER, (555) 555-1234

RELEASE DATE: August 22, 1999 (if not the date of release, write "EMBARGO UNTIL Aug. 30, 1999." This tells the editor your material is time sensitive.)

Below this, center a suggested headline:

"French Shoe Guru Brings Lizard Leather To Main Street."

Make the headline stand out by printing it boldfaced, underlined, or all capital letters—or do all of the above!

Your first paragraph should contain the most important information, following the WHO? WHAT?

WHERE? WHEN? format. Make it jazzy!

“Parisian shoe designer Manolo Blahblah will bring his fashion entourage to Main Street on Tuesday, August 30, for a special visit to the Harry Shoemeister Shoe Emporium at 562 Main at 4 p.m. Blahblah’s new line of lizard leather boots, featured in July’s Vogue and recent Paris runway fashion shows, will be shown, sold and, if you like, autographed by the master himself.”

The following paragraphs should flesh out the story with as much local angle as possible. Are Harry and Manolo old buddies from their beatnik days in Barcelona? A quote from either man about the anticipated visit nails down this section. If the release were about a corporate merger or new product, the quote would be from the CEOs or highest ranking marketing executive in your firm.

Try to fit in some useful background that places your organization in a community context. “Shoemeister Shoe Emporium has been selling high fashion to Main Streeters since 1952,” for example. If a company employs 35 local people, or sponsors the town’s little league team, put that in.

The last paragraph is standard:

“For more information call. . . .” Give the contact and phone number the general public may use, such as your main switchboard, as this information is likely to be printed as well.

Strategy #6: Have Supplementary Materials at Hand

If you call a fashion reporter and say, “Manolo Blahblah, the famous shoe designer, is coming for a live appearance at my shoe store next Friday,” you are just another PR flack pitching a story. But if you can say, “I’d like to drop off a catalog of Manolo’s lizard leather shoe line, plus some photos and a videotape of last week’s Paris fashion show,” then you’ve given the reporter all he or she needs to put the story out faster.

Since reporters and editors are always pressed for deadlines, a pitch that comes gift-wrapped with supplemental information is always welcome. In this case, the reporter can view the materials and pre-write most of the story, then drop by briefly to interview the designer; a handful of quotes can be inserted into the story shortly before press time.

Think ahead. Don’t overload your press kit. Don’t include last spring’s press release on the little old lady who bought her 100th pair of pumps; do include the phone number where Manolo can be reached this week, in case the reporter wants to do an advance phone interview.

Photographs

Photographs help sell your news story. Send only black-and-white glossy prints or color slides, as these formats can be quickly scanned for printing or TV use. Action shots or a well-lit product shot are best. If the photo is of people, remember that 99 percent of the time, there is no reason to show anyone below the waist, especially for grip-and-grins of people receiving awards. Avoid “class photo” pictures that show all your employees lined up against the wall.

Company Backgrounder

Your press kit should always include a company “backgrounder.” This is a one-page sheet that highlights the following:

- Who your company is (this is your chance to define yourself)
- Who funds it (are you a nonprofit? publicly traded company?)
- Main Product or Service Line (what you’re pitching this week)
- Where Your product or service is offered or sold (geography is always pertinent to regional or local media)

- Why this is important (what niche do you fill?)
- How you are impacting the community (how many local jobs?)

Strategy #7: Build Long Term Relationships with the Press

A writer or editor who accepts a small news item about your organization is likely to contact you later on for a feature story. Care and feeding of sympathetic media people includes alerting them to what's coming up (" I'm calling to let you know I'm sending you our latest widget catalog") or may have missed ("Our CEO was just honored by the United Way, can I send you a photo on that?").

Always deal fairly. A landscaper who wanted a large project photographed for home magazines once assured the editors of several that she was "giving them an exclusive." When four stories on the garden ran in four different magazines in a two-month period, the editors were not amused. No one returns her phone calls anymore.

Strategy #8: Do A Public Service

If your product or organization doesn't lend itself to human interest or trendy news stories, another way to gain exposure and a favorable profile is to publicize community good works. Consumers like to see companies involved in their communities. Some of your employees could volunteer as tutors. You could donate computer equipment to a school. You could write a check towards a new roof for the community center. Whenever you do these things, send out a press release.

The Bottom Line:

Budgets, PR Agencies & Investor Relations

Budget items for PR activity includes physical supplies (such as postage and long distance phone calls), travel, lodging, entertainment, and staff time. Allocating money for public relations and travel is important in the product introductory phase. While public relations can be a relatively inexpensive way to gain wide exposure, it must be well planned and executed. Allocate enough funds to keep the press up-to-date on ongoing company developments.

As the executive in charge of press relations, you can devote some of your own hours to dreaming up ideas for press releases or photo opportunities, or delegate this job to another employee. Every organization should have a designated "Press Relations" person, to whom all press queries can be directed. Often the CEO takes this role, but it can be more efficient if another staffer handles the job.

For many organizations, it is even more efficient to hire an outside PR consultant or public relations agencies. A professional publicist already has a good press list and long-term relationships with journalists and editors, and will know exactly how to polish a pitch to each one.

Professional publicists can write press releases in their sleep and get your message out fast. Good ones can dream up lots of ideas to get you in the news, and are adept at damage control when the Save the Lizards League starts picketing your store front just as Manolo Blahblah opens his limousine door.

Choose your publicist as you would any service provider. For a small business, you may feel more comfortable choosing a small PR firm, where the person working with you is a principal of the company, rather than a larger firm where you'll be assigned a junior executive as naive as yourself. It is perfectly acceptable to ask local newspaper editors or trade journalists to recommend some firms they work with and respect.

After an initial meeting, the PR firm makes a presentation sketching out a budget and strategy time line. PR specialists usually work on a monthly fee, called a retainer, plus expenses. A specialist on retainer is

“on call” for breaking news and will want a six-month or year contract.

Some publicists will accept short term contracts for short-term work, such as a store or product launch. The consultant will then handle the production of initial press kits, press conferences, and perhaps a party or event to celebrate the launch.

Working with a consultant on a short term project, with a fixed budget, is a good way to discover if your organizations are a good match for a long term relationship.

As your business grows you may find you need both an outside PR consultant and a staff publicity person as well, to handle not just press events but inquiries from the general public. Remember the “Snapple Lady?” She was originally the receptionist for the soft drink company’s headquarters before she became its motherly television spokesmodel.

If your company goes public, there’s a special breed of publicist known as the “investor relations specialist” who can be hired, in-house or out, to assist with annual reports, mail out prospectuses, and field any cranky phone calls and letters from stockholders. Unfortunately, you’re not likely to find someone with these skills from your own ranks; the best way to get an investor relations pro is to hire one.

*You must stir it and stump it,
And blow your own trumpet,
Or, trust me, you haven't a chance.*

~ W.S. Gilbert

Trade Shows

Never rush into an industry trade show. Creating a presence for your organization at annual industry meetings is a long term, multi-year aspect of your overall marketing strategy. Expect a preparation timeline of nine months to a year before you “go public” in this fashion.

Decide what your goals are. If all you need is to prospect new customers or get a little face time with established clients that you know will be there, you and your staff might be able to merely attend as conference registrants. You can use the show’s own roster of cocktail parties and lobby coffee breaks to meet people. If you have a significant new product to launch or feel the need to introduce your new company in a big way, a booth in the exhibition hall can make your presence known.

Choosing Your Arena

Visit several trade shows first, as an attendee. You’ll get a better feel for the audience, whether a show attracts a gawking general public or decision making executives. You’ll also discover the flow of the show: Whether attendees spend the bulk of their time at seminars and keynote speeches, or whether most attend a show with the intention of spending nearly all their time shopping the exhibition hall.

In the exhibition hall, look for your competitors. Do they have modest or expensive booths? Scan the program to see if their executives are listed as speakers or panelists, and whether or not they have taken an ad out in the show program. Look at the event signage to see if your opposition is making points as a sponsor for a coffee break or press party.

For a list of trade shows in your field, consult trade publications or The Encyclopedia of Associations, available at the library. Your local Chamber of Commerce, or the Visitor and Convention Bureaus of nearby cities are two good sources to find out about trade shows, professional or organization meetings within driving distance. They will give you a list of what’s scheduled, along with contact information.

Write away for conference materials and don't forget to inquire about exhibition booth rates.

If your organization isn't ready for national exposure, consider regional conferences. They are smaller, less expensive to attend, involve less travel time and can help build your reputation locally.

Budgeting a Trade Show

In budgeting for a trade show your main expenses are hotel, transportation, meals and the cost of client lunches or other entertainment, plus conference registration fees. Some conference packages discount airfare and hotel rooms if you book early. Registration fees may be reduced or waived if you will be a speaker or your company purchases exhibition booth space. Exhibition space is sold as square footage; amenities such as tables, backdrops, rugs and phone lines can be rented at the same time.

If you decide to exhibit, make sure you get a map of the show hall as soon as possible showing the location of your booth. Conference companies are notorious for shoving smaller or first-time exhibitors into dark corners or side rooms; if the space is not satisfactory, tell them you'll cancel if they can't find you a better spot.

Large booths get better spaces, period. If you are a small exhibitor, you might be able to arrange to get a corner of booth space for a larger company—perhaps a big firm you are vendor to. Or, team up with other smaller companies to build a large, friendly, communal booth. Linking with others your first time out helps you learn the ropes—for example, if union crews who load or unload trade shows have to be flattered, cajoled, threatened, or paid off in cash to find your “missing” crate.

Some large firms spend as much as a million dollars to custom design their trade show displays. If your budget is modest, spend the extra bucks on booth size, rather than display items. Display companies sell “stock” pre-fabricated units that can be painted with your company colors and logo. Some of these include Velcro walls that let you stick on foam-board signage; the smallest are collapsible backdrops that a single person can set up by hand. Yes, they will look like lots of the other booths. But they won't look bad.

Booth Strategy

The stars of your booth are not the decor, but your staff. Carpeting underfoot and a few chairs will keep them from tiring, but don't let the staff lounge or chit-chat. They should be standing, attentive, always polite. Do not allow staff to eat, smoke or chew gum in a booth as this looks unprofessional. Too many staffers in a booth can be intimidating; if traffic is slow, send a few of them out on break.

To create a team spirit, establish a “uniform” for booth duty, such as khaki or black slacks with a polo shirt of a certain color that matches your new product or booth. (Mail-order clothiers such as Land's End, J. Crew and L.L. Bean can usually fit all.) Or have all salesmen wear the same color tie; give saleswomen scarves in a matching hue. Your people will be able to find each other, at trade show parties and in the swarming halls of attendees. All staff should be well-supplied with business cards.

To attract people to your booth, bring along something animated, such as flashing lights, bobbing logo sign, or mechanical toy. The movements attract the eye and will slow down browsers as they take a second look. Since the roar of the crowd is a constant at trade shows, don't play music and be considerate if you use amplified microphones.

You don't need totebags, candy or giveaway trinkets at your booth. Qualified customers come looking for information about your new wares; your best strategy is to put your new product right up front, where people can touch it, pick it up, test-drive it and if necessary, kick all the tires.

Much of the product literature gathered at trade shows is unceremoniously dumped into hotel room trash bins, so give away only slim brochures or single-page information sheets. If a prospective customer would like a catalog, offer to mail one. But instead of taking their business card, have them write their

name and address on a pre-printed mailing label. The prospect spends a little more time in the booth, and you have more time to chat them up.

Some of the people passing by your booth will be journalists. Steer them immediately to your featured product, and hand them a pre-prepared press kit. Take their address or business card, and put in a special envelope marked “PRESS,” so you can add their names to your organization’s press mailing list after the show.

After the Show: Effective Follow Up

The purpose of a trade show is to meet people. The purpose of trade show follow-up is to make sure they don’t forget you, and in fact will think of you first should they ever need your special or service.

The Best Piece of Advice You Will Ever Receive About Trade Shows:

Each night, before you go to bed, gather all the business cards and clipboard addresses of that day’s prospects, and enter them into your hand-held computer. Or, delegate this job to someone else, and let them do it each night. If you don’t have a computer, enter the addresses on mailing labels.

As tiring as trade shows are, don’t wait until you get home to start mail follow-up, because it will inevitably be postponed, because you’re going to be really tired, and all that paperwork is piled on your desk. If your qualified leads are already in computer format, you can simply write a mail-merge letter with their personal address on it, or jot a note with “Dear Sue” or “Hi Bob.” Send off the note or letter with your latest brochure, catalog, or an invitation with a “special offer” or product discount.

Train yourself and your booth staff to input names or address envelopes in the late afternoon when booth traffic is slow. You’ll all feel virtuous and efficient, and can go off gladly to the night’s round of trade show parties.

Boogie Nights: Entertaining Opportunities At Trade Shows

Glitzy, glamorous parties are the trade show attendee’s reward for a long day of intense lectures and forced marches through the exhibit hall. From a marketing standpoint, there are two types of trade show parties: The first are public events open to all attendees and presented by the sponsoring organization; the second are private parties that companies and organizations arrange within the framework of a trade show week.

Sponsored Events

Usually the afternoon coffee breaks and gala awards dinners at any industry event have one or more sponsors. If you’re new kid on the block, your organization will be quickly legitimized if it pays a few thousand dollars to sponsor a food-and-beverage event at the show. Sponsorships start at a few thousand dollars (for a coffee break). In return, you get signage and the right to put staffers and product literature conspicuously around the pastry table or cheese board. And you’ll usually get free advertising in the show program or even a verbal thank-you from the stage.

Being a sponsor wins you points with conference management, and this in turn can often be parlayed into better booth locations or a slot on the speaker’s panel. Some companies sponsor shuttle busses between convention hotels, then they plaster the vehicle sides with big logo signs and leave literature on each bus seat. Others pay for the privilege of getting their logo on the “official” trade show tote bag. Since trade shows are meant to be a long term part of marketing strategy, partnering with conference management in this way can enhance and increase your industry standing—and trade show presence—as the years go by.

Hospitality Suites

A private party at a trade show should have a purpose, either 1) to thank important customers and provide a casual atmosphere to woo certain new ones, or 2) to celebrate a special product launch, business merger, or organization milestone.

The easiest event for a smaller company to handle is a hospitality suite. Secure one of the bigger rooms in the convention hotel, and contract with hotel catering staff to supply food and beverages. Depending on your budget, hospitality can be anything from cheese and crackers to crab claws and a full bar.

Hold your suite open house on either the first or second day of the trade show—attendees will be milling about looking for friends, old contacts and dinner partners, and will be glad of your warm welcome as they get their bearings. Print out party invitations (with room number listed) well in advance and mail them to clients and press before the show. If some of your favorite suppliers, vendors or distributors will be attending the show, send them invitations too. Leave a few invitations in the press room. Have a stack at the booth so you can give them out to people who look like good prospects.

But don't be surprised if lots of other folks show up. As long as they have convention badges on, let them in. Keep your eyes open for attendee spouses and important clients, so you may greet them with extra warmth. You can have product literature or demonstration units in the suite as well, but don't push sales during hospitality time. The goal is to establish long term relationships and industry good will.

The Big Bash

Trade shows in the electronics and entertainment industries are notorious for their splashy, after-hours parties. Hosted by mega-corporations, these bashes typically include acres of buffet, dance bands, laser light shows, mini-theatricals, celebrity guests and the occasional live elephant or built-just—for-that-night glowing glass pyramid. There's no way a smaller firm can woo away attendees who have a pass to that sort of gala—you have to work around it.

First of all, if you plan a major party at a trade show, hire a professional party planner. They can suggest a workable budget, and will make all arrangements with the convention hotel or with a nearby restaurant or hall. Any party off-site should be within walking distance of the trade show floor. Make sure there is a secure coat-check room (vital since many executives tote computers in their briefcases) some accommodation for smokers, and clean, ample rest rooms.

Compare the cost of a big party to a smaller sit-down dinner for key business associates: Exclusivity and elegance often draws older executives long since jaded by the trade show party scene. If the convention does not have keynote luncheons, consider an elegant lunch. If the season permits, schedule an outdoor barbecue or boat ride on the last show day.

Find out from trade show management when the mega-corporation vendor is planning its party. Schedule yours for another night, or time your own event before or after the bigger bash. Imagine a 4-6 pm. cocktail party or even a tea party, with elegant, silver-haired ladies pouring tea from silver spouts, perhaps a harpist in the corner. Hold a dessert party from 10 p.m. until midnight, with an all-you-can-eat ice cream sundae buffet.

Send invitations no later than a month before the trade show; ask for RSVPs or have someone call around to find out who's coming. Don't forget to invite the press. Make up name tags. Use stanchions to set off the buffet line if traffic flow is unclear—nothing ruins a big bash quicker than a feeding frenzy at the buffet.

It is perfectly acceptable to have literature, big logo signs, balloons, childish party favors. If you plan a formal address from a podium or video screen, keep this part of the event to under ten minutes, and make sure the presenter is lively and funny. Product demonstration areas on the edges of the room, tended with

friendly staffers, often magnets shy attendees.

After a brief demo, staffers can walk these wallflowers to the buffet or introduce them to other guests so they feel at home.

A Word About Alcohol

In the past, partying at a trade show often meant careless carousing. While a more moderate spirit imbues industry soirees today, your party plans are likely to be stifled by someone in the legal department worried about liability, or by someone in public affairs fretting about your wholesome image in the Bible Belt.

To which we say: Trade shows are attended by adults who will not be offended if you treat them as such. After hours parties and hospitality suites are opportunities to unwind and bond with clients and business partners who you may only see once or twice a year—and that alone is reason enough to raise a glass of cheer together.

A full cocktail bar is not needed and not expected. Wines and chilled beer, augmented with a generous assortment of bottled waters and soft drinks is enough. Always offer some food, and position a reliable staffer near the bar area, someone who can firmly steer away a guest who has over-indulged. Closing down the bar and wheeling in a coffee service signals it's time to go home.

If any guest behaves inappropriately, politely but firmly get them out the door as soon as possible, and don't hesitate to use hotel or restaurant security staff to do so. Even if the offender shouts or yells, if you and your people can manage to not raise your voices as you deftly execute the bum's rush, you will earn the respect of other guests for your professionalism and tact.

Always provide non-alcoholic drinks for those who want them. If your corporate culture frowns on alcohol, host a pancake breakfast, or throw a "Continental Cafe" party so you can get away with serving lattes and fancy, frothy coffee drinks.

Before & After the Trade Show

BEFORE

1. Secure booth space if desired, make hotel reservations if you plan to use a suite for entertaining, and draw up a budget for the event.
2. Call show organizers to offer yourself or staff as a speaker or panelist.
3. Finalize decisions on which products to feature, booth design, staff "uniforms," and which staffers will attend. Coordinate any advertising or publicity attendant to the show, and complete staff travel and hotel reservations.
4. Call up existing or clients or prospects you've been wooing, to see if they plan to attend the event. If so, try to set up a lunch date, breakfast meeting or sit-down.
5. Prepare press kits to be distributed at your booth and in the press room (if this is allowed). Mail out pre-show press releases or suite party invitations.
6. One week before the show, get a haircut, pedicure, whatever makes you feel and look your best. Get your dry cleaning done well ahead, but DON'T buy new shoes.

AFTER

1. Write a thank-you note to anyone who was especially helpful, from conference and hotel personnel to your own sterling staff. Handle prospect follow-up.
2. Ask staff who attended to "write a few words" with any comments, complaints or suggestions about

this trade show experience. Consider a “debriefing” meeting that doubles as a thank-you lunch.

3. Make sure all leads and prospects generated from the show are promptly followed up with a letter, an information mailing, a telephone call, or other appropriate communication.

Customer Service

Yes, customer service is part of marketing. Customer service attracts and retains customers. Your marketing communications, advertising, and PR efforts don't end when people buy your product. You want your customer's loyalty.

A form of promotion in itself, customer service can lead to the most powerful form of promotion: Word-of-mouth recommendations by customers who are thrilled to do business with you.

“Above all, we wish to avoid having a dissatisfied customer. We consider our customers a part of our organization, and we want them to feel free to make any criticism they see fit in regard to our merchandise or service. Sell practical, tested merchandise at reasonable profit, treat your customers like human beings—and they will always come back.”

~ L.L. Bean

Developing Your Customer Service Operations

Check out your competition's policies. Do they offer a lifetime guarantee? Do they offer full refunds within a certain period of time, say, 30 or 90 days? If a competitor offers comparable service but does not offer a toll-free telephone number, you know what to do!

Many products are like two peas in a pod, so providing excellent customer service may be one way to make your company stand out. Anything you do that demonstrates that you value your customers will pay big dividends when they next plan to buy.

Spell out policies regarding product returns, repairs, and dissatisfied customers. Take a clear look at the implications of each of your customer service policies.

It's nice to have a 24-hour hotline for customer questions, but can you afford to staff a phone 24 hours a day, seven days a week? If you must limit telephone support hours, consider a Web site that offers archived answers to questions, and an e-mail option.

Providing a full refund with no questions asked may attract a wide range of customers, but is there a chance you will lose money by offering this policy?

Customer service may be your most direct link to your market. Give it the emphasis that your customers expect and deserve. Think each policy through, and do only what you can do well.

Creating Clear Product Instructions

Write your product's operating instructions for your customers, not your engineers. This will reduce both buyer's remorse and the number of tech support calls you receive.

Test your instructions on a variety of customers. Find out where instructions can be made clearer. (If you are exporting, consider bilingual or trilingual instructions.) Don't make assumptions about what people know. Use testers from inside and outside your company. Internal testers have the advantage of knowing the product. External testers give you a better idea of how your customers will react.

Supporting Your Customers

Offering customer product and service support is an effective way to promote your product. It may be a way to distinguish what you offer from your competitors. If you have a toll-free number that customers can call with questions, advertise it.

With competitive pressures these days to hold the line on costs, many companies, especially in technical fields, are moving toward customer-paid technical support. This can still be a selling point, if the service provided is of high quality and the service technicians are sensitive to the time that customers are paying for.

Handling Customer Complaints

You do not do your customers a favor by selling them your product, they do you the favor by buying it.

Teach your sales and technical support people that “the customer is always right.” This holds true even when the customer is somewhat or totally wrong. Stay focused on identifying and resolving the problem causing the customer’s complaint.

Listen intently to your customers when they call with a complaint. Ask questions, take notes, make them feel that you are “hearing-them-out.”

Resolution is the only thing that ultimately makes a customer complaint go away. Find reasonable solutions for the customer to choose from. If the solution is the customer’s choice, they feel back in control, and are usually appeased. It’s difficult to stay angry and frustrated when you’ve spoken your mind to someone who cares, and the solution provided is one that you chose.

Many complaints point to problems with your product and you want to solve those problems as quickly as possible. Sometimes you can anticipate from market tests, complaint logs, or other sources, customers’ complaints and have the solutions handy.

Test your product with a range of customers. Find out what they like and dislike about the product, and how they handled any problems. If you learn that your product has a particular weakness, be ready with an answer that explains how to deal with that flaw. Software manufacturing companies often prepare “workaround” solutions for common problems.

Standardizing Your Customer Service Policy

A standardized customer service policy provides clarity and direction for your company and your customer support staff.

Make sure that your customers are treated with respect no matter where or how they buy your product. Your customers should receive consistent quality of service from the janitor to the CEO.

Evaluating Your Customer Service Operations

Check up on your customer service operations periodically. Customers often don’t complain; they just go elsewhere.

Audit your customer service: Send anonymous employees to pose as customers and have them evaluate how they are treated, or, give customers questionnaires asking how they think your service can be improved.

Customers who buy different products expect different kinds of service. Is there a common type of customer service in your industry? As marketplace conditions change so does the way you handle this most important area of your business. Stay in touch with your customer service operations and make adjustments as necessary.

Internet Marketing

*You never change things by fighting the existing reality.
To change something, build a new model that makes the existing model obsolete.*

~ Buckminster Fuller

Understanding the Internet and the World Wide Web

The Internet is the mother of all networks, connecting computers around the globe. The World Wide Web (or Web) connects the contents from computer files (“pages”) all over the world and links them together in a “web.” Sites on the Web can offer text, graphics, sound, and video. The World Wide Web is where most consumer and business-to-business activity takes place on the Internet (or Net). The “front door” for your business, service, or organization is your Web “homepage.”

From a business point of view, the Internet enables businesses to electronically communicate with potential customers to generate interest and/or sales. It can serve as your electronic brochure, demonstration area, and 24-hour-a-day storefront. From a user’s point of view, the Internet is a tool to find information, communicate with people all over the world, and obtain a variety of products and services. From both points of view, these activities can take place quickly, easily and relatively inexpensively.

The Web has given birth to endless catch phrases many of which are synonymous with one another. For example, Internet Marketing, Online Marketing, Web Marketing, and Net Marketing all mean the same thing: Doing business on the World Wide Web. The prefix “cyber” originated during the development of cybernetics in the 1940s. Since the Web became part of the Internet in 1991, “cyber” is used to denote activities that while “real,” take place in a “virtual” space; for example, cybercrime, cybercustomer, cyberpunk, cybersex, cyberspace, and cyberspeak.

Formulating an Internet Strategy

Online and off, the bottom line is that marketing needs a well-thought-out plan, supported by data that reinforces your decisions. Internet statistics (widely available online and easily found using search engines) matched with what you know about your customer base will determine your online presence and marketing campaign strategies.

This chapter is dedicated to providing you with a running jump on the information you need (and where you can find it on the Web) that will enable you to formulate a well-targeted and successful Internet marketing strategy.

Three Basic Principles

ICI/Softmail Direct (www.softmail.com), a media marketing communications company, offers three examples of how you can enhance your overall marketing plan and increase the return on your Internet marketing efforts by accounting for three basic principles:

*“Objectives are your goals:
what do you want to accomplish with your Internet marketing plan?
Strategy is how you approach achieving your goals.
Tactics are the tools you use to implement your strategy.
These are independent principles—yet dependent upon each other
— and each needs to be addressed in your overall marketing plan.”*

Example 1

— Objective: Sell products on the Internet.

— Strategy: Create a Web site to sell products.

— Tactic: Launch an integrated order-processing Web site by end of first quarter. Use direct mail and other traditional methods to promote the site.

Example 2.

— Objective: Conduct an online customer survey.

— Strategy: Drive customers to a designated URL (Internet address) that contains the survey.

— Tactic: Launch an e-mail campaign to drive people to the survey URL—provide an incentive, set a deadline.

Example 3.

— Objective: Increase company branding online.

— Strategy: Publish company collateral on the Web.

— Tactic: Convert company brochures to HTML (Hypertext Markup Language, used to create links in Web documents) and render company logo for Internet publishing.”

The Online Business Climate

The key to Internet Marketing is motivating potential buyers to beat a path to your Web site “front door.” The Internet and the World Wide Web are designed to transmit information. The best way to attract users is to offer “information value” on your Web pages, so people will want to frequently click to your site.

The Internet has changed the behavior of growing numbers of people. Most Internet users (though not all) watch less television, read fewer newspapers, and listen less to radio—usually because they enjoy spending their free time browsing the Internet.

SHOW ME THE NUMBERS: INTERNET USER DEMOGRAPHICS

- 1 in 10 Internet users are under 18 years old
- 1 in 4 Internet users have bought online
- 65% of online purchasers have used their credit cards online
- 37 years is the median age
- 45% are female
- 54% are baby boomers
- 30% are Generation Xers
- 16% are 50+ years old
- 64% are college-educated
- 68% are married

- 51% have a head of household income exceeding \$50,000
- 50% hold professional or managerial positions
- 60% of all Internet users access business information
- 60% are online more than 2 hours a week
- 50% have Internet access at work

- Information compiled from Nielsen Media Research, FIND/SVP, Forrester Research, Richard Hoy Reports (www.tenagra.com), and “The State of the Net” by Peter Clemente, McGraw-Hill, (based on Emerging Technologies Research Group/Cyber Dialogue, Inc. findings).

“Can my company make money on the Internet?”

The answer to this burning question is likely yes. The answer to the next question “Can my company be profitable on the Internet?” is maybe, in time, if you do everything right.

Someday, many people will make millions of dollars with their online businesses. Today the majority of large commercial Web sites are an expense in real dollars, paid out in anticipation this will someday translate into increased sales figures, also in real dollars. For many smaller businesses, the dream has already come true: trade publications are chock-full of “success stories” from little companies that have experienced sales growth, increased market share, and gained valuable visibility by going on the Web.

Setting Up Your Own Online Business

One of the great advantages of the business community’s Internet land rush is that you no longer have to go it alone. An entire new industry exists to help you get on the Internet. You can’t read a business magazine without reading ads for Web consulting services, off-the-shelf software, how-to books, computer conferences, and trade shows.

Plenty of software programs and books will tell you how to do it all: Design a Web page, program in Hypertext Mark Up Language (HTML) or build from scratch all the software you’ll need to communicate with customers, serve clients, accept and fulfill purchase orders, or track the cost/benefit ratio of your Internet marketing program.

Smart organizations rely on outside talent to do much of the necessary work. It is usually cost effective to purchase software tools, contract with an Internet Service Provider for access to networking machinery, and hire content experts or Web page designers who can create Web sites with a professional, polished appearance.

Most Internet Service Providers (ISPs) offer packages of services, some for as little as \$20 a month, that include Web page set up, and online advertising opportunities.

There are even specialty firms (such as www.translate.com) to translate your English-language Web pages into German, Spanish, French or Chinese to help you reach a global audience.

What Sells on the Web

Major business successes on the Internet have been in supporting functions such as public relations, marketing, providing online information resources, and building relationships between businesses and their community.

If you want to try direct sales over the Web, examine the guidelines below to determine if your product is a good match for direct sales over the Internet.

While meeting one or more of these criteria is by no means a guarantee that a product will sell well on the Internet, we advise our clients that they will have a much more difficult time if they do not meet at least one of the criteria:

- The product appeals to the technologically savvy.
- The product is a computer related item.
- The product appeals to a broad segment of the Internet user base (typically but by no means exclusively educated North American males under the age of 40).
- The product appeals to a wide geographic audience.
- The product is a specialty item that can be otherwise difficult to locate, particularly if it is a collectible or item about which people are passionate.
- The product purchase is an “informed purchase” — it is typically purchased based on information rather than hyperbole.
- The product can be purchased over the Internet less expensively than otherwise.
- If a product is very inexpensive (i.e. under \$20) you may also find that even if you can successfully sell it over the Web you will have difficulty recouping your investment in time and money required to establish and maintain your presence. However, some have been very successful (e.g. specialty T-shirts) with low price items.

- (Reprinted with permission.) The Tenagra Corporation, a full-service, award-winning Internet agency (<http://marketing.tenagra.com/sells.html>).

Your Online Objectives: Sales, Marketing, Information, or Public Relations?

To help determine realistic objectives on the Net, consider what you can hope to get from creating a site.

“If there is only one reason to put your business on the Web, it’s to create a brand awareness among an audience that is not likely to encounter your brand anywhere else but cyberspace.”

~ Bob Heyman, Partner in Charge of Audience Development, U.S. Web

Marketing Consumer Products, Information, and Services

If you’re promoting a consumer product, a lively and interactive Web site can be a vehicle for new product launches and help keep your product name visible in this new and exciting marketplace. Shopping by computer now offers the same comfort level to buyers who have no qualms about giving their credit card number when ordering by phone or mail.

Secure financial transactions are easy if your company links with an online bank such as PayPal (www.paypal.com). These services have replaced the need to install expensive, cumbersome security systems yourself. If you plan an online catalog, an array of off-the-shelf software program products will let your customers scan product offerings, generate order forms, and pay electronically. As a bonus you can also get back a list that shows all the products the customer looked at—then rejected—while browsing your site.

If you sell products, information or services business-to-business, a product information Web site can be your 24-hour sales tool to potential customers all around the globe. Add ordering functions—and direct delivery if your product is something like a software program or online trade publication—and your Web site can make money while you sleep.

How and Why to Register Your Domain Name — Now!

Companies establish Internet presence with domain names that function as an individual business address for the “front door” of your homepage. This is the “www.yourbusiness.com” address.

A good domain name, like any good business name, is catchy and easy to remember. If you owned a nightclub called “Bob’s Blues Club,” for example, a good domain name might be www.bobsbluesclub.com or, better yet, www.bobsblues.com. A name like www.bluesclub.com is too generic: it doesn’t identify the one owned by Bob, and worse, the name may already be in use by another blues club owner. That’s why you should register your domain name as soon as possible.

Registration is done through Verisign (<http://www.verisign.net>). The cost of registration is \$35 per name for the first year, with a renewal fee of \$35 each year thereafter. Check for names in use at the Verisign web site. Domain names are registered on a first-come, first-serve basis. Your domain name becomes your property and can be bought and sold.

Since many names are taken, brainstorm to come up with at least three catchy, names for your Web site, to submit as alternatives. Cute contractions (such as AmCig.com for American Cigar Company) are better than blah initials like ACC.com. Punctuation symbols such as “&” or “!” cannot be in a domain name, since these symbols are used by computers to give linking directions.

If you’re a business, use “com” in your name; this is the designation for a commercial site. Other designations are “org” for a non-profit and “edu” for a college or school.

Non-Profit Organizations

If you are a non-profit, a Web site can generate an e-mailing list for a new pool of donor money, or provide an inexpensive way to contact a geographically dispersed community that your organization wants to serve. The Internet was designed originally as a way to quickly move information: In terms of speed and cost it beats the pants off the old printed-folded-stamped-and-mailed newsletter.

All organizations have in common the need to reach out to a potentially larger customer/client base. For some, the reach is global. Of course, if you’re selling blocks of ice, your customer base reaches only as far as your trucks can deliver the product before it melts. But then again, a new customer living just down the road might not even know that you sell ice—unless he or she finds you on the Internet, at your new Web site, www.iceblocks.com.

Public Relations

Fortune 500 companies routinely spend millions of dollars on advertising—a gamble they can justify if someone can correlate the appearance of a certain radio jingle or TV spot with an obvious increase in sales.

These same companies, and many smaller ones, also spend a lot on “public relations”—usually far harder to translate those dollars into direct sales. They write it off as the cost of doing business—just as the owner of a music store in a small town might write off the cost of placing an ad in the program for the local High School’s theater production of “Oklahoma!”

Archive copies of your press releases on your site. Print your Web address on all hard copies and note that the release can be downloaded from your site.

Generating goodwill in the community is always good business. Attracting the praise of the press is well worth its weight in print ad pages. In your Internet marketing plan, is your goal direct sales? Or would you be content with the goal of developing a gleaming reputation in the new community that is made of up of high-tech users of the Internet?

NON-PROFIT CASE STUDY

www.exploratorium.org ...A Children's Museum Shines Its Image Online

The Exploratorium is a hands-on science museum for children. Housed in San Francisco's Palace of Fine Arts, the Exploratorium's entry into the World Wide Web seemed, says Manager of Consumer Products Kurt Feichtmeir, "a natural extension of our outreach educational philosophy, rather than a business venture."

Three full-time Web employees work with the rest of the 200 educators, designers and scientists on the museum's staff to create lively, interactive games and imaginative text and picture pages based on how-to science projects ("make your own salt volcano") or tied to science news or to current museum displays. Popular with kids and with science-savvy adults, the site has drawn as many as a million hits per week with sophisticated programming—for example a live video "Webcast" of the century's last complete solar eclipse.

"This has opened the world to us, beyond anything we could have imagined," Feichtmeir says. "We get perhaps 500,000 to 600,000 visitors each year through our doors, yet millions of people who will never set foot in our museum are finding us, through the Internet."

The museum includes its Web address on everything it prints, from student bookmarks to press releases, but does no overt promotion.

"Our site gets a lot of buzz, and we've won lots of awards, for example a Webbie, which is like an Oscar for Web pages," Feichtmeir says. "We're also on a lot of 'cool site lists' or 'top ten lists', and we're recommended in magazines because our content is suitable for children."

Reciprocal links to the site from other non-profits, such as the Peoria Astronomical Society and the Science Learning Network, a consortium of science museums around the country, also ferry Web traffic. The site's high profile means that the museum gets many requests per week for links. Requests for links to the site are handled by the Webmaster; links out of the Exploratorium site are handled by Feichtmeir.

"We don't accept advertising and we don't want to link out so much that our pages will be cluttered," he says. Corporate underwriters who fund some of the special programming on the Exploratorium Web site get links, "in a public broadcasting sponsorship kind of way," Feichtmeir notes. For example, a notice thanking 3Com for its help in funding a network upgrade segues gracefully into a technical explanation of "asynchronous transfer protocols," in language a 12-year old can understand.

One of the pitfalls for non-profits who provide such an information-rich Web site, he adds, is that other Web developers often assume they can annex the material at will.

"People contact us and say they're creating a CD-ROM and would like to copy entire pages off our Web site," says Feichtmeir. "After all, if it's on the Internet, it must be free, right? A common request is this note on my desk from a woman in Texas who is writing a science textbook, and wants to use an image downloaded from our Web site. It will be a commercial book that retails for about \$32. But I know that when I call her and ask for \$150 as a permission fee, she's going to fall off her chair."

What's even more common "are people who want to link to just a piece of our site, and block the rest of it out. We're pretty firm about that. If you want to link to our site, you have to link to all of it."

Fending off commercial co-option on one hand, Feichtmeir's department is now mulling ways to turn the site into a revenue source. A planned link to the Exploratorium's book and gift shop, which sells the museum's own lines of family science books is expected to be successful as soon as they can provide a secure server to process credit cards.

"There was no business incentive in the beginning," Feichtmeir says. "We've always looked at this as a

promotional vehicle. But now there is more interest in looking at some business models that make sense.”

Budgeting: How Much Does It Cost?

Launching a business Web site can cost as little as a thousand dollars— for a simple Web page that directs potential clients to your office address and telephone number—to many tens of thousands of dollars per year to support an interactive, constantly updated service that can handle secure financial transactions via customer credit cards at a rapid rate.

Here are some questions to ask when setting up a budget:

1. Do I (or anyone on staff) have the computer skills and available time to set up and/or maintain a Web site?

If not, consider contracting Web site development to a freelance firm that will design pages, register your domain, submit it to search indexes, and promote the site with online publicity. They will also help you select an ISP and set up an account relationship that suits your needs. Fees run \$35 to \$200 per hour.

2. Does my organizational site have adequate computer power, and dedicated phone lines that can be used for high-speed telecommunications?

The minimum hardware requirements to handle a Web site operation in-house are as follows:

- One computer, MAC or PC, that can run a multi-tasking operating system (OS) such as DOS, Windows NT, UNIX, WINDOWS 95, WINDOWS 98 or Apple Macintosh System 7.5 or greater. This computer needs at least 16 megabytes of random access memory (RAM) to handle the graphical interface needs of Web browsing.
- The computer’s hard drive should have at least 60 gigabits (GB), to allow storage room for graphics and some color photographs. The more digital storage you have, the better.
- To connect to a phone line, you need a modem, a computer/phone interface able to handle high volume bitstreams. Many computers have internal modems.
- Ideally, this computer and modem platform should be used only for your Web page activities. Using the same machine for company e-mail, for example, will slow down traffic into and out of your Web site.
- A high-speed phone line, such as a T1 leased line or DSL from your local phone company, or cable modem to handle large data streams to and from your site with ease. You will want such a line if you are running the Web site from your in-house computer, or if you are connecting your substantial in-house database to a server maintained by your ISP.

Basic charges range from \$50 per month to several thousand dollars for your own leased line. Business-based ISPs will often bundle in the cost of a high speed “dedicated” phone line that runs from your business to theirs, and charge you by usage, by the month, or both.

3. Is there any reason I need my own server computer?

Probably not. For most organizations it makes sense to have your ISP be your host server. Hardware headaches become their problem, not yours. It’s their job to keep up with new software upgrades and technical breakthroughs, and if the system goes down for more than a day you can generally receive a discount on your monthly fees.

However, if your site will offer a large database of different products, and this information will need to be frequently updated by price or availability, it is better to have all data stored at a computer at your site, where your own computer staff can input the changes quickly.

Many businesses are now happy to turn all their Web-business files over to a host server in whom they have confidence. A good ISP routinely “backs up” (makes a spare copy of) client files in the event of a

power outage or system crash. The older concerns about the security of customer credit card numbers, and the ability of unauthorized, joyriding programmers (“hackers”) to break into and steal or destroy important company files seem to be falling by the wayside as ISPs and the Web business community develop password-protected, encrypted, and secure transaction software.

Choosing an ISP

Any Internet Service Provider (ISP)—from giants like Earthlink to small regional firms—can set up a corporate account. The only technical requirements are an ability to run Web browser software such as Netscape Navigator or Microsoft Explorer with a serial interface protocol (SLIP) or point-to-point protocol (PPP).

The advantage of choosing an ISP based in your area is that it’s a lot easier to get a live person on the telephone—or in person—when you need technical support.

Ask the ISP how it manages backup plans (in case electricity goes out or master computers go down); what security measures are in place to prevent theft of information, credit card frauds, etc. Live 24-hour support by on-site staff is a must.

Choose an ISP that is big enough to handle your phone service concerns, from installation to phone line emergencies: Most businesses do not have the time, staff or savvy to troubleshoot phone line problems themselves.

Find out how much it costs for file storage space on the server. If the ISP offers business packages that include “click-through” tracking reports, site traffic logs, or Web page design services, get samples and customer referrals.

Creating Your Web Budget

No one can say exactly how much money you should spend to develop an Internet marketing plan. Costs vary according to need. If you serve many simultaneous users, run real-time audio or video applications, and offer online ordering and e-mail confirmation, your costs will be higher than a business that uses its homepage as a billboard to post product offerings, with static pictures and print descriptions.

Your budget will consider the following Web related service costs, depending upon your needs:

Internet Service Provider	Training
Hardware	Consulting
Telephone charges, including T1 link	Installation
Design costs	Server maintenance
Software development	Programming
Off-the-shelf software applications	Secure server for financial transactions
Management of content	

The features you offer on your site also determine cost.

Consider this checklist of features:

Unique URL (address)	Direct order procedures
Cybermall or storefront	Static databases
Electronic commerce/financial transactions	Multimedia
Shopping cart software	Telephony
Online catalogs	Audio

Video	Customer tracking
FTP	E-mail response and forwarding
Forms	Java (a programming language) applications
Chat rooms	Animation
VRML	Security
Statistics	Shared or private server

Veteran Web marketer Bob Heyman uses a simple rule of thumb to estimate the cost of a Web site during its first year: add up all the costs entailed in buying the hardware, services and staffing for initially setting up a Web site (including hourly labor from your own employees) and multiply the total by 3.

Here's how it works: Let's say you arrive at a modest budget of \$15,000. Now add to that figure another \$15,000. This is the estimated cost for reviewing, re-tooling and re-working your Web site after some weeks or months of feedback and analysis to find out what's working and what doesn't work. Since it is money well spent to fix mistakes, you won't want to under budget this portion.

Finally, add a third \$15,000 to your first year's budget. This is the sum you should set aside to adequately advertise and spread the word that you've got a Web site. This money and person-hours pays for both online publicity (such as submitting your URL to search engines such as Yahoo!) and for conventional media (such as new business cards with your Web site address, and trade press releases). Remember that letting the online audience find you easily is the key to a successful Web business. Without promotion, the coolest Web site is nothing more than a bright neon sign set up in your basement—worthless if no one else can see it.

Even if you have a small business or a non-profit organization, and feel you can only budget \$2,000 dollars to get an online presence, take a deep breath and commit \$6,000. As with any business expense, it's better to come in under budget than to abandon a project because you've run out of money to do the job right.

Sample Budget for a Simple In-House Web Site

Start-Up Costs

▪ Domain Name Registration:	\$70. for the first two years.
▪ Annual renewals:	\$35.
▪ Web site Design (Freelance):	\$10,000.
▪ ISP Sign-up Fee:	(\$100).
▪ Advertising & Promotion for site launch (Freelance):	\$10,000.
▪ Estimated staff/executive time, hourly:	\$15,000.

So, your start up costs might be in the neighborhood of \$35,000. Notice these are mostly labor costs, including staff or your own hours. Start up costs would be reduced if you let your ISP design your page for you; designing the page yourself might cost more in staff hours.

Ongoing costs for managing the Internet portion of your marketing strategy include:

- 1) monthly rentals and rates for host server and phone lines;
- 2) hourly labor costs for employees or freelancers hired to update your Web site content as needed, and troubleshoot problems that arise with your ISP/host server;
- 3) full or part-time wages for employees that may be required if the site business entails customer support,

online sales transactions, online product delivery, chat hosting, etc.;

4) purchasing hardware or software upgrades; and

5) expenses for advertising and publicity to continue to direct new users to your Web site.

First Year Ongoing Costs

▪ Domain name renewal:	\$35.	a year
▪ Monthly ISP Fees for data storage and service:	\$500.	per month
▪ Updates & changes to Web site Design & Content:	\$300.	month (freelance)
▪ Publicity (postage, printing, other expenses):	\$350.	per quarter
▪ Estimated staff/executive time, hourly:	\$15,000.	

In this case, operating costs for first year, second year and beyond might be \$26,000 per year. Costs for monthly data storage and service will vary by the ISP and also vary by the extent or complexity of your site. A simple site that does not have to be frequently updated or changed will cost less.

Set aside time to review and analyze your Internet operations. Spend at least one hour a week browsing the Web. Use the time not only to click on to your own site (to see if it's working properly) but to search and examine competitors' sites. You can also hunt for related sites worth linking to, or, browse around for examples of well-designed screen pages to inspire or improve your own Web site.

Analyze monthly server logs to make sure you're getting enough bang for your Internet bucks. SEE the section, "Analyzing Web Traffic And Effectiveness" below for ways to do this economically.)

Bootstrap your web site

Want to test the waters before taking the big money plunge into the Internet? If you only need a basic site where you want to communicate with your customers, sell one or two items, or just catalog your offerings, why not keep it simple and try the "Get rich slow" track?

Most business-based Internet Service Providers (ISPs) can tailor a soup-to-nuts package for you that includes Web page set up, server storage, online advertising opportunities, and the software you need to directly sell products over the Web for a nominal monthly charge. When shopping for ISPs, ask for references (Web sites as well as names) to check if other clients are satisfied with their service.

At the very least, as part of your monthly access fee, most ISPs offer you limited server space for your Web files. Off-the-shelf software programs costing under \$100, such as Claris Home-Page, Adobe PageMill, or Microsoft FrontPage enable you to create and manage a Web site without learning HTML.

The site may not be as bright and sparkling as one created by a professional designer, but it will be serviceable. As in all cases, use Web listings and real-world promotions to drive traffic to the site. This go-it-alone approach saves you money and time and, most importantly, functions as preliminary market research. If people blaze a trail to your site and respond to your offerings, you have the "go ahead" to upgrade and expand.

Find Your Competitors Online

Market research for your Internet business includes looking at what your competitors and clients are already doing online.

Their Web site address may be in their advertisements. If you don't have the address, look it up at www.wmo.com, a Web site that cross-references URLs and company names.

Explore your entire field to discover all the competing companies and products that you may not know about. Use the online indexes created by directory companies such as Yahoo! (www.yahoo.com) or Lycos (www.lycos.com). They constantly troll the Internet for new Web sites which they then categorize and index within their own Web site.

Unlike news database services (such as Lexis/Nexis), directory companies' provide information free. There are also specialized directories that gather commercial Web sites. BizNet (www.biznet.com) is a good example of a specialized directory within a general field. (SEE Resources in the Appendix for a listing of corporate intelligence sites.)

The most desirable Internet prospect is someone actively seeking specific information. The search begins with search engines. The more you understand how search engines work, the better able you will be to name, design, and advertise your Web site so that motivated individuals land on your homepage.

To use a search engine follow the on -screen directions which are different for each directory service. Type in keywords. Then click on an on-screen "search" button. Within seconds, a list that "matches" your keyword request appears. The more specific your search parameters, the more successful your search will be.

Popular Search Engines

- Google www.google.com
- AltaVista www.altavista.digital.com
- Excite www.excite.com
- HotBot www.hotbot.com
- InfoSeek www.infoseek.com
- Lycos www.lycos.com
- Yahoo www.yahoo.com

NOTE: Meta-engines such as Dogpile at www.dogpile.com or Beaucoup! At <http://www.beaucoup.com/engines.html> will search many of the above engines simultaneously on a single request.

Planning & Developing Web Site Content & Services Positioning:

Successful Business Models Online

From Small Simple Sites to Complex Empires

"Information, Please..." - Web site

Since people browsing the Web are usually looking for specific information, offering a Web site with specific helpful data is a popular way for a business or organization to make its name on the World Wide Web. The information you provide could be free recipes, if your company sells food products. If you make and sell kites, a Web site that lists kite-flying instructions, the best parks and beaches to fly kites, addresses for kite-flying clubs and a personal story, with photos, about your visit to the annual Kite Festival in Tokyo.

Create a Guest Book and a Reason to Register

Such a friendly, low-key business site might also become profitable if you request that visitors sign in to a “guest book” or submit their e-mail address to get on a list for mailings to inform them of your new kite products, a special sale, or a kite show coming up in Kalamazoo where you will have a sales booth. To encourage them to give you their address, you might offer a contest (a free custom kite) or the opportunity to download blueprints to make a small kite.

To encourage traffic, set up links with Web sites run by amateur kite-flying clubs or even the Tokyo Tourist Board. You might also profit by running small banner ads (a sponsorship strip that runs along the bottom of your Web page) for a kite magazine, in exchange for cash or free print advertising space (for more on this, see the section “Strategic Partnerships”). This is just one example of how to integrate your Web marketing into your overall business marketing plan.

The role your Web site serves is to establish brand awareness and goodwill. You can do this best by providing accurate and timely information, updating your content on a regular, weekly, if not daily, basis.

Information Web sites also suit non-profits hoping to disseminate late-breaking news, comprehensive source lists, and position statements to journalists and interested parties. Such sites can be simple in design but will have lots of “information value” to a seeking audience.

Online Brochures

Some Web sites are static catalogs of product offerings, with pictures and print descriptions of product features. If your product is unique or esoteric, this may be sufficient. However, if your competitor has got an online catalog with direct-order functions, this site will look dated.

Vanity Web site

You put up a Web page just because your competitors have one. Or because your boss has commanded “get us on that Internet thing.” Or you think it would be cool to have “xyzbusiness.com” printed on your business cards.

There’s nothing wrong with a vanity site. Plenty of people have them, even if they use them to post scanned-in snapshots of their grand-children. A simple homepage has “information value” to the casual browsing visitor if it includes some way for the visitor to contact you: A listing of your e-mail address, street or mailing address, and a telephone number, at the very least.

A vanity site can perform one very important function: it can serve as a marker that establishes your domain name. If you’re not yet sure what kind of business you want to do on the Internet, or future funding is uncertain, the best course of action may be to create a very simple site with a polished-looking homepage, and park it on an business-based ISP that will allow room for growth when you need it.

Business-To-Business Sales

Online catalogs can sell to a customer base that spreads far beyond the territory of your earthbound sales force. A business Web page can also help your salespeople. Having your products and their features viewed online eliminates the hasty and costly mailings of product spec sheets, which the customer may actually prefer to easily view on their home-office computer screen. Once into your Web site, the customer could generate a purchase order or sales form to e-mail or fax the order. A live salesperson can follow up a pending order by e-mail, fax, or phone.

Depending on what you sell, electronic payment through CyberCash or CommerceNet or other form of electronic transaction through a conventional bank is an option. Since commercial sales are often made with a 30-day or similar payment policy, the bill for online sales can be a printed invoice that is mailed to the buyer’s accounts payable department.

Protecting Intellectual Property on the Web

Some people believe original content created for the Internet is in the public domain. Not so. Legally, the Internet, like a newspaper, is considered “publishing.” Ownership of published material, under U.S. Copyright law, belongs to the author or creator. It doesn’t matter that it’s technically easy to download. Copying content without a given permission, especially if it carries a copyright notice, exposes your organization to legal liability.

Protect your own valuable Web site content, such as catalog copy, with a registered copyright. The basic fee is \$20. To copyright your Web pages properly, put a copyright notice on screen (i.e., © 1999 Fancyboots Inc.) and register your original material, text and pictures, with the U.S. Copyright Office within one year.

The U.S. Copyright office lets you file electronically. You’ll find more information at their Web site (<http://loc.gov/copyright>) or by calling U.S. Copyright Office in Washington at (202)707-5959 and asking for an “Information Specialist.”

Online Sales of Information/Data Services/Software

This field may be dominated by industry giants such as Lexis/Nexis, Dow Jones, and Microsoft, but there are many small businesses that didn’t exist years ago, that are also making money on the Internet by supplying people with updated and specific information.

These companies collect and sell business data: Lists of sales prospects, job leads, e-mail address lists, hot stock market tips, niche industry newsletters. The latest trend in the information-product business are companies that sell software programs through Web sites, delivering them digitally to customer’s computers on demand.

Historically, such Web sites first have offered their data streams gratis, then switched into paid services when their customer base had grown large enough—and their reputations strong enough—to motivate frequent users to pay.

A more common way to make money on information sites is to provide other businesses with opportunities for electronic advertising, typically paired with a link to the sponsoring firm’s site.

Since a great deal of information can be delivered digitally as text, it’s easy for a customer to download it from the vendor. Using any sort of electronic billing system, it is quite easy to create a pay-as-you-download setup. Or you can bill “subscribers” monthly or yearly as if it was print.

A paid-information site succeeds when income received exceeds the cost of acquiring data, storing data and delivering it. This kind of business is simple enough that it can be run out of someone’s home. Many electronic newsletters are run out of a computer on somebody’s kitchen table. Having input keys close at hand is indeed critical, if what you’re selling is late-breaking news.

Online Catalogs

Everybody from Spiegel to Frederick’s of Hollywood is putting their sales on line. To the customer, online shopping is a lot like browsing through a mail-order catalog. The advantage to you the vendor is that you don’t have to print an expensive packet of pages, suffer the agonies of bulk-rate mailing, or pay \$X per CPM (cost per thousand) for a mailing list of prospects.

The disadvantage of online catalogs is that you have to be able to lure enough customers to clicking onto your screen pages, and keep them entertained enough to shop it through. Scanned-in color pictures, contests and giveaways help. To see what a successful online catalog looks like, check out the general interest bookstore at www.amazon.com and the discount computer bookstore at www.bookpool.com.

Your Online Showroom

A Web site acts like a nonlinear catalog—people jump around to find what they want. Software can track which pages your customers and prospects look at. Suppose your software reports thousands of hits on the “customer comments” page and few on the “specifications page.” This would lead an astute marketing person (you) to emphasize customer comments in your literature and elsewhere.

Break up your information into bite-sized pieces and put them on different, but linked pages. Your information will download faster and retain your customer’s interest longer. Minimize graphics for fast screen draws. Reserve elaborate graphics for later pages after the viewer has selected a specific product. At that point, your potential customers are presumably willing to wait a little longer for the download because they are getting something they have requested.

Do Something for Your Customers

Your site can perform unique functions unlike any other sales literature. For example, you can allow your customer to configure your product for their individual needs. Mercedes-Benz (choose “configurator” at www.mercedes.com) allows you to choose model, color, interior, and various other options. You develop a complete specification for the exact car you want to buy, and then, you submit it to a local dealer.

Business ISPs offer a menu of selling and billing tools. Costs are low and features often bundled. A popular feature in sales software is the “shopping cart” which allows customers to browse a catalog, pick out certain items, or take them out again before they approach the cashier. The same software program keeps complete track of each customer’s shopping experience, resulting in a log that reveals to the vendor which products were considered and rejected—a valuable marketing tool!

The modern method of having customers pay for products is to use an electronic banking system such as PayPal (www.PayPal.com). It is easy for merchants to sign up; individual buyers must register to get a number and password that is like a credit card, linked to a real ATM or credit card account at a normal bank.

Major credit card companies have also set up protocols for electronic buying. If your company has already had experience with credit-card phone orders, you may feel comfortable setting up your own secure transaction service. Since some of your customers may not be comfortable typing in their credit card numbers over the computer, you should also make available an alternative phone number (toll free, of course) where they will reach a real person to gently take the order verbally. Or have alternative arrangements so the customer can order by fax or by mail, using their own computer-generated order form.

Your Ordering System Must be Secure and Simple

Reassure your customers at every step of the way that you do everything possible to secure their credit card transactions:

“Your credit card transaction is secured by XYZ encryption backed by the CIA firewall technology and transmitted directly to our system without passing GO...”

See Amazon.com for an excellent example of how to deal with this issue.

Tricks to Running A Successful Online Catalog

Don’t run the whole catalog as a single, lengthy electronic document. If you sell boots, break up categories such as “Riding Boots” “Hiking Boots” “Snow Boots” “Cowboy Boots” and give each one a separate Web page. This makes it easier to link the “Riding Boots” Web site to outside sites of interest to

horse fanciers, while “Hiking Boots” can be linked to sites that appeal to hikers. Naturally, you’ll link all your sites together too, but you will have five times the chance to attract someone who’s browsing the search engines to look for boots. SEE “Popular Search Engines” on page 171.

Follow the direct response masters

Consumer Product Case Study – www.reel.com

You Are What You Watch: A Film Site Watches Viewers Who Buy

Stuart Skorman knows a business expansion opportunity when he sees one. In 1985, he created his own Empire: a string of video rental stores on the East Coast. Ten years later he sold to the even larger Blockbuster Video chain, then relocated to California, where he couldn’t help but launch yet another video store.

His store near the U.C. Berkeley campus is the actual front for a virtual new venture selling movie videos over the Internet. Click on www.reel.com and you’re transported to a cineaste’s paradise: buy new films at 15 to 20 percent off the retail price, purchase “used” movies for under \$5, or rent movie cassettes for even less (rental costs are \$4.50 for 1-4 cassettes, plus shipping, with a seven day return policy.)

The sales selection is driven by a powerful search engine that allows customers to search for a movie by title, by director. Clair V., a “movie matching” program employing “collaborative filtering” uses a viewer’s previous selections to predict and suggest other titles she or he might like.

“It replicates the experience of a really good video store,” says Web site publicist Nicki Dugan. “For example, if you really love ‘Breakfast at Tiffany’s,’ a good store clerk might suggest a contemporary version or some other Audrey Hepburn film. This takes the process a little further using more creative matches that are less than obvious.”

To a frequent user, the suggestions made by the collaborative filter, Clair V., can seem eerily intuitive. Created by Entertainment Decisions, a Chicago software developer, Claire V. registers the viewer’s choices and based on what other viewers with the same preferences have rented or bought, reel.com makes specific recommendations whenever the user re-visits the site’s homepage. This process is dubbed Reel Genius™ and Entertainment Decisions and reel.com hope to refine the audience-tracking program for other Internet sales sites.

Approximately 15,000 people visit the Web site each day, many of them attracted by constantly changing “hot” film lists, live-action video movie trailers, and a participatory film club. Dubbed Cinema U., this section offers online lectures and bulletin board discussions led by well-known film critics such as Andrew Sarris and Molly Haskell.

Cassettes by the thousands are sold each month. Nearly 100,000 film titles are inventoried at the Berkeley location, where a staff of 15 handle shipping and billing. Credit card transactions are securely encrypted; customers still leery of typing in credit card numbers can phone or fax their orders.

With so much invested in staff, inventory, Web technology and content (writer and reviewer fees) the Web operation leans heavily on the storefront’s retail sales “until the site becomes self sufficient.”

There was no splashy launch. Instead, the company let its strategic partners spread the word. Led and financed by executives who have done well in other franchise businesses, Reel LLC made cross-link deals with the Internet Movie Database, Mr. Showbiz, Film.com, Hollywood Online, Web TV, and Yahoo! to position www.reel.com as either a “preferred” or exclusive link for movie cassette purchases. While some of those deals involved on-screen banner advertising, the company waited a full year before placing its first print ad, in *Movieline Magazine*.

Stuart Skorman says “Customer service is my mantra” and to this end reel.com employs 40 writers and consultants, all avid film buffs, who review and help further refine the filtering/recommendation process. If a title is out of print, reel.com uses its national network of dealers to scare up a copy.

The reel.com site is worth exploring for its use of psychographics to help sell product. Reel.com’s order are increasing at the rate of 20% per month. If “you are what you watch,” it may be worth noting that in his on-screen bio, CFO David Barnard admits his favorite flick is “The Color of Money.”

Publicity / Entertainment / Event Site

Major corporations sometimes set up a Web page to tout a particular product: a film opening from Paramount, a hot TV show on the CBS network, the latest line of Chrysler cars. Expect a real dog and pony show: singing, dancing graphics, real-time video or animation, stereo sound, 3-D images. Checking out these Web pages can be very useful if you’d like to see what state-of-the-art Web designers are doing, even if you can’t afford them.

What other designers know is that sometimes you can copy some of those bells and whistles by copying the source code using Web browser software. Site copying is quite common among designers, but remember that large corporations do take the trouble to copyright their Web page designs, and may have three or four floors of legal department to find you and haul you into Federal Court for copyright infringement if your Web page looks a little too similar to a copyrighted page.

There is no law against borrowing marketing strategies. Take the time to analyze how entertainment sites are so adept at linking to commercial sponsors, which in the case of a movie premiere might be a fast food chain or a soft drink.

There’s no reason you can’t do the same for your own events. Remember Bob’s Blues Club? If Bob’s Web page, www.bobsblues.com, is being used to list upcoming harmonica concert dates and performances, Bob may be able to sell an advertising banner at the bottom of the page to a local music store that sells harmonicas, or to a record company. Bob might even be able to coax the local distributor from which he buys beer to sponsor a weekly concert date update page—if his distributor’s boss wants “to get in on that Internet thing.”

Tools & Resources: Many Are Free

Since the Internet was designed to carry information, it is no surprise that a lot of data about internet marketing is readily accessed if you already have a computer.

Business sources on the World Wide Web include specialized directories, online business magazines, pricey newsletters e-mailed to you direct, and companies touting software or services related to Web commerce. Many online companies offer good information for free; they typically also carry product pitches, paid advertising or promotional links to clients that have paid to reach a business audience.

Non-profit Web sites and those run by long-standing amateur computer-user clubs, as the Berkeley Mac User’s Group (BMUG), make available not only free advice but free software as well. This is called “shareware” and it has a long tradition in computer communities. You can get the software sent to you on a computer disk; more commonly today the entire software product can be e-mailed to you or directly downloaded from the Internet.

Don’t discount a shareware product just because it is offered for free; many computer professionals feel that products developed by avid yet amateur computer can be as good, or better, than a commercial software product that was rushed to store shelves before it was completely de-bugged.

One measure of the value given to freely distributed shareware is the fact that companies that sell business related software products, such as iCat and Microsoft, routinely offer free “samples” of new products and free product upgrades through their Web sites, as a loss leader to entice people to buy other

software products in their product lines.

MORE...SEE Resources in the Appendix for Where to Find Marketing Information on the Web, Product Companies for Business-to-Business sites, Online Service Companies, and ISP information.

Customer Service and the Web

The cost of offering 24-hour customer service with a Web site can be measured against the cost saved by not hiring staff to answer customer questions by telephone.

Companies that sell complicated products with lots of product specifications (such as cars or computers) save on printing costs when they put their spec sheets and how-to manuals on-line. Another plus is that visitors to the customer service part of a Web site may be enticed to notice or purchase a second product, or, at least, be induced to leave an e-mail address to add to your direct mail, e-mail list.

A common model is a Web page that directs customers to a FAQ (frequently asked questions) file. The other end of the scale is a sophisticated system such as Federal Express tracking that allows FedEx clients to find package delivery status, day or night, instead of talking to a live customer service representative. Some sites make it possible to have real-time computer “chats” with representatives.

The more high-tech your business is, the more likely your customers will appreciate a quick online response to their queries.

CUSTOMER SERVICE CASE STUDY – [Www.Butterball.Com](http://www.Butterball.Com)

This Hotline’s No Turkey

For decades, the company that markets Butterball turkeys for Thanksgiving dinner has offered a toll-free hotline phone service during the holiday season. The “Butterball Turkey Information Line” is staffed with motherly-sounding women who answer turkey-cooking questions for frazzled homemakers.

By 1997, when you called the toll-free number at any time other than the Thanksgiving/Christmas season, you got a recorded message directing you to Butterball’s Web site instead. During the holiday season, all radio, TV and print advertisements for Butterball turkeys also direct harried cooks to the Web address.

The results? During the month of November in 1997, the telephone hotline logged over two million phone calls; during the same period, Butterball’s Web site tracked over five million hits. It must be said, popular as the Web site is, customer demand in 1998 by non-computer users led Butterball to re-establish the telephone hotline (1-800-288-8372) all year around.

Butterball’s Web site was designed, installed and is updated by the Butterball’s corporate public relations firm, which prefers to remain nameless in the manner of all good corporate PR firms. And as befits a corporation selling an icon of American cuisine, the content of the Butterball site is likewise conservative, directing visitors to recipes and FAQ (frequently asked questions) file to answer common cooking queries.

There are a few pages on company history and products, and an invitation to join a mailing list for a newsletter. “Turkey University” offers a cooking class that is updated daily during November, and goes on break once Turkey Day passes.

Off season, the Web site is as dead as a picked-over turkey carcass. Oh sure, you can listen to a real audio clip of a real gobbling turkey or read about memorable moments on the turkey hotline history. However, aside from some tips about barbecuing turkey on the grill during the summer, there’s not a lot the corporation wants or needs to say. If anybody needs turkey help, the Web pages list a telephone number for customer complaints and information. That number is answered during normal business hours and worried turkey cooks can get transferred to a home economist on staff.

So why bother? For Butterball, the Web site performs an important function by handling customer service overflow during peak season. And that's enough, because the company doesn't have to hire or train scores more of motherly-sounding consultants for the telephone hotline.

The site also provides a valuable Web presence during the height of turkey-buying season, putting the poultry brand name before a new generation of cooks.

"Because we got on the Internet early on, it's allowed us to basically own Thanksgiving online," says the PR agency's executive in charge of the Butterball Web page. "Last year, for example, we got valuable editorial coverage for free from Yahoo!, which posted the Butterball address on its homepage during most of November."

It's an upward spiral of positive, free publicity; newspaper food sections hoping to hop on the Internet bandwagon eagerly print Butterball's Web site address; consumer computer magazines and online news organizations casting about for seasonal content publish it, too. Any resulting surge of "hits" moves the Butterball site into directory lists for the week's "most visited" or "most popular" sites, and this in turn draws even more "hits" from curious visitors.

Over 1,000 Web pages have been given permission to link into Butterball's site. Most of the linking sites are "personal" Web pages that document family Thanksgiving celebrations, with pictures and audio; others were created by cooking schools, kitchenware suppliers and home cooks eager to distribute recipes and share cooking advice.

By contrast, the only outward link is to Netscape—and that is an invitation to download the latest version of its browser software, the better to appreciate the color photos of plump, brown roasted turkeys that decorate the Butterball Web site.

Web Site Design: A Very Brief Primer

“Making a Web page is like herding cats.”

~ Andreas Ramos, “Hands On Web Design”

There are two ways to create a Web page. The slow way is to do it yourself, by typing in the hyper-linking codes as HTML or “tags” around simple computer text. The tags, which are combinations of letters, numbers and symbols, are similar to old fashioned typesetting codes. It is possible to create a nice Web site this way with varied text sizes, graphics, scanned-in color pictures, even sound and motion with these typed codes, but it’s fussy work.

Software HTML editors, HTML converters, screen page templates and page-making software such as Adobe’s PageMill make the job easier, and you can buy plenty of off-the-shelf software and manuals for sophisticated Web page design. When you are done, your ISP will give you the additional information or software you need to test the hyperlinks through the server before your official launch.

The fast way to design a Web page is to let someone else do it. Your ISP may be able to recommend local Web artists or an agency to you. You’ll probably want to work with someone who is available for face to face meetings. A reliable designer is expected to offer a sample portfolio, client references, timetables, mockups, and a budget, and have a background in advertising or marketing as well.

If you’re using an agency that contracts design work to freelancers, make sure you meet the designer who will do the work before you commit to a contract. The executive in charge of publicity or marketing should work closely with the designer, to ensure the Web site mirrors the look and intention of the organization’s overall business marketing plans.

Top Tips for Good Web Site Design

Design pages that download fast. Instead of full-scanned photos or large and complicated logos, choose smaller text sizes or simpler treatments that reveal your message quickly once a potential customer has clicked on your URL.

Design sites even your grandmother could navigate. Go for uncluttered pages, with on-screen “buttons” or text bars that allow a visitor to easily click to material that’s imbedded more deeply in your site.

Design sites to be accessible. Test hyperlink connections with all known browser programs. Don’t neglect Lynx, a text-only browser system, or you may shut out computer users with older hardware or folks in other countries.

Design for repeat visits to your sites. Most browser software offers computer users the chance to “bookmark” sites in a list file so they can return quickly. Be sure your homepage design and hyper-linking software makes it easy to “bookmark” in all known browsers.

Design for updates to keep your content fresh. Repeat visitors expect updated content, even if it’s only a few price changes for “This Week’s Sale.” Your homepage can stay the same if it’s got a “What’s New!” or “What’s On Sale!” button or bar that connects to the updated content on a different page.

To be a savvy buyer of design services, read a short book on page-making basics, such as “Hands On Web Site Design” by Andreas Ramos. Ramos also has a Web site (www.andreas.com) offering free templates, free helpful software, and how-to advice for do-it-yourselfers. SEE Resources in the Appendix for additional titles.

Advertising / Promoting Your Web Site

“We are in the business of leading horses to water.”

~ Bob Heyman, Cypernautics / US Web

Because the Internet and the World Wide Web is large and electronic, it looks like a mass medium. It's not. A true mass medium, such as radio or television, broadcasts a single message at one time to a large group of listeners who happen to be listening or viewing at that time. If you put a paid advertisement for the ice blocks you sell on your local TV station at 4:30 pm on a Tuesday afternoon, this single message reaches all the people watching reruns of “Mayberry RFD” at that time.

Internet communication only happens when someone browsing on the Web deliberately looks for you (by typing in your domain name, www.iceblocks.com) or is hunting through a search engine to see what's available and indexed under “ice.” Or that person happens to be browsing the Web looking for something else, and happens to notice www.iceblocks.com embedded as a keyword in bold-face type, and on a whim decides to click on it.

There are plenty of computer users who log on and drift or “surf” aimlessly, looking for excitement and entertainment on the Web. But core users are those that Internet marketers like to refer to as “active seekers.”

They may be looking for you because they need ice blocks. Now that you have spent time and money to create a Web site, you must make sure your Web site is easy for “active seekers” as well as “surfers” to find.

Simple, but Crucial, Steps for Online Promotion

1. Nail down your domain name, registering it as soon as possible with Verisign by going to www.verisign.com and following the screen directions. SEE the “How to Register Your Domain Name” below.

Don't, however, be tempted to start putting your URL or Web site address on business cards, stationary or advertisements until your site is up and running. As tempting as it is, and despite very good reasons (you ran out of business cards months ago, the deadline for the trade ad is next week) it is quite likely your site takes longer than expected to get all the bugs out. If a customer tries to click to your site and finds nothing—then what? Don't expect they will try again. You also don't want your competitors checking you out while your pages are in disarray.

2. Once up and running, register your Web site with online directories and search engines such as Yahoo! and Lycos. The most popular search engines offer to list your URLs and Web pages at no charge. Visit their pages and follow the directions for “Add URL” or “Submit” and fill out an on-screen form of information. Along with your domain name, you also have the opportunity to register individual Web pages within your site, separating them out with what's called a META tag. A META tag provides a “name” or “Title” for each Web page (which will also have a different URL) and an abstract made of keywords for the master index.

Make the most out of this free publicity by choosing the META tag keywords and page titles that will help potential clients find your site fast. The more specific, the better. If you are selling cowboy boots in Los Angeles, from a Web page at www.fancyboots.com, good keywords in a META tag to submit to AltaVista might be <META name=“keywords” content “boots, shoes, cowboys, horses, rodeo, Rodeo Drive”>. The title of your page might be submitted as <META name=“description” content= “Now You

Can Buy Cowboy Boots of The Stars.”>

The number of keywords, length of page names and the number of URLs you can submit at one time depends on the directory company. The directory company will check out your site and place your Web site in an appropriate category where its visitors can find it, such as under Companies, Products or Services. On popular directories, there is always a backlog of sites wanting to register, so it takes about two weeks after registration for a site to be officially listed.

Some online business directories also allow you to register information about your business at no charge. Examples include Four11, an Internet phone book (www.four11.com) and the free classified ad services such as www.netclassifieds.com. To speed up this process, you can get automated software programs such as Submit-It.

3. Start generating an e-mail list for a press release you'll send to announce your new Web site. Your online publicity list would include e-mail addresses of both electronic and print trade magazines in your field, and related consumer print publications. (You may wish to call or write the editors first to see if they accept press releases via e-mail.)

Gather up all the business cards you've been collecting, and add any e-mail addresses to your press list. If you or your staff have already talked with these people through other channels, they will probably be interested (or at least not offended) when getting an e-mail notice about your new site.

4. Include your Web site and e-mail address in all your company literature, including business cards, stationery, brochures, catalogs, and print ads. Include it in all TV and radio spots.

If you or your staff are already using e-mail, put your Web site address in your signature file at the bottom of each posting. This is like having a little advertisement for your site whenever you send an e-mail message or reply to someone else's e-mail.

Keep your signature line short, just a line or two, with text instead of graphics. Otherwise, someone who's reading for e-mail message may clip off or quit the signature line if it goes off to another page or takes too long to download.

5. Hire a freelance PR consultant or work with your company's public relations and advertising department to make sure your Web site is always included whenever you do a conventional publicity campaign.

The conventional tools of the publicist—mass mailings, follow up phone calls, media interviews in trade press, photo opportunities in local press—should never be ignored.

6. Explore different ways to spread the news within the Internet community itself. Paid advertising on other sites, linking with other sites, and cautious posting to non-commercial sites such as newsgroups and chat groups can all help direct traffic to your Web site's front door.

Digitize your company logo so you can easily transmit it for publicity use. If you don't have time to do online PR, hire a firm to promote your Web sites. One example is Multimedia Marketing Group at www.mmgco.com. You'll find others through Yahoo!, under "Announcement Services" in the category "Computers and the Internet." SEE also "Internet Resources" in the Resources section of the Appendix.

INFORMATION PUBLISHING CASE STUDY – www.gardens.com

A Gardening News Business Grows Towards Profitability

Believe it or not, there are gardeners in California's Silicon Valley, and increasing numbers of them click in on a regular basis to The Bay Area Gardener, a Web site dedicated to regional gardening news.

Carol Moholt, proprietor, Webmistress and sole employee, funded the site from the savings of what she calls a “mini-golden parachute” after ten years working in multimedia training for Apple Computer Company.

At first, Moholt moved cautiously, paying independent consultants for special help in graphics design and technical support. She pays writers for content— perhaps one reason why her resulting pages have gotten not just good reviews but enthusiastic links from far larger sites, such as Yahoo!, Time Life’s Virtual Garden, and the spider programs dedicated to gardening that are scattered across the globe.

“Everyone comments that the Bay Area Gardener is so simple to see and so easy to navigate,” Moholt says. “I spent months mapping out what I was going to put on the site and what I wasn’t going to put on it.”

What make the cut are comprehensive listings of seminars, classes, flower shows, horticultural society meetings and special gardening related events, plus commentary from local garden writers. Local sources for plants and supplies are indexed in a separate section, with outward links only if she feels the connection has high information value.

“As a person with a marketing background I have a hard time with the concept of enticing my readers to go someplace else,” she says. “And since I am a regional site, I politely decline any requests for links unless they are regional.”

When the Bay Area Gardener began attracting more than 300 visitors a week, she began to pursue advertisers. Using a shareware page-tracking program called Webtracks, she garnered data on which sections of her Website attracted the most visitors. “This is the information that can tell the advertisers where to put the ads, so they feel they’re getting a better return on their investment,” she explains. In the first week, she received five calls from companies that wanted to advertise.

The more specific a content site, the more a Web publisher can command in ad sales. General sites may get less than \$10 per thousand “page impressions”—a term for how many times a screen page, with an ad, is downloaded to someone’s home computer. But sites that show demographics can command between \$50 and \$150 per thousand, a figure comparable to specialty print media.

With her tracking program Moholt can show she’s getting up to 50,000 impressions per month; when Time-Life’s Virtual Garden Website ceased operation in late 1997, it only claimed 100,000 impressions per month.

“For a small, regional site to do even half as well shows we’re reaching a critical mass,” she says.

To promote the site, Moholt registered with search engines. “I also aligned myself with a regional Yahoo! group and I think that extra push helped.” She distributes a press kit at regional gardening shows. She posted an announcement of her site in some gardening newsgroups, but points out that she had been a participating member in these forums for years, “not just some Johnny-come-lately, trying to dump an ad.”

She found the newsgroup postings less helpful (“only the people reading that week saw it”) than the print ads she ran in gardening magazines. In fact, one of her regrets is that she hasn’t spent as much as she’d like for print ads: “they’re very useful and draw lots of responses.”

Moholt spends about 20 hours a week updating content on her site. This still leaves her plenty of time to garden at home, and ponder new ways to integrate advertising. A check at her Website shows she’s moved away from banner ads to what she calls “bridge pages,” which mingle ad information and content on a single page in the manner of print magazines.

Use News Groups and Mailing: Lists to Draw Traffic to Your Site

One of the oldest and most venerated part of the Internet is its long tradition of non-commercial forums calls newsgroups. There are about 15,000 discussion forums, on all sorts of subjects, from general politics to serious technical exchanges. Some of the discussions have gone on for decades or more, and their archives include files known as FAQs (for “frequently asked questions”).

The kind of information you find is often quite specific and the people who use newsgroups visit them often to read, reply or start new discussions by e-mailing a message, called a posting, to the group.

If you make and repair aeolian harps, it’s quite likely you’ll find an aeolian harp newsgroup if you look in a general index such as Lycos or www.dejanews.com. It can be very tempting to send your e-mail press release to a newsgroup—after all, where else could you find all those people who are so interested in harps?

Don’t Do It! At Least Read This First.

Posting a commercial message into a newsgroup is a lot like handing out your business cards at a cocktail party or at a church social. Sometimes the occasion seems appropriate, often it is not.

The non-commercial nature of the Internet itself remains zealously guarded. If you send a blatant, unsolicited advertising message into a group of users who are “chatting” over their computers in real time, or having a specific discussion through an e-mail news group or user group, you’re likely to get a very angry response: a host of nasty reply messages (this is called “flaming”) or sufficient technical sabotage to shut down your computer.

The best way to find out is to spend a lot of time reading what other people are posting about aeolian harps. Even if you consider yourself the biggest harp expert on the planet, sit on your hands and don’t dare even type in any sort of response until you’ve spent a few weeks monitoring the group. Be sure to read the FAQ section. Each newsgroup has its own etiquette and rules for posting, and most frown on any blatant commercial self-promotion. If you break the rules you will only earn the scorn of all those potential harp customers.

The time-honored way to publicize your business is to monitor the group for a while, then gradually participate in the discussions as an individual. If you have added your organization’s Web site address to your signature file, interested parties will notice it at the bottom of each posted comment you make.

E-mail the newsgroup host or monitor to inquire if business-related information is permitted. If it looks like the coast is clear to make an announcement, be subtle and low key:

“I’ve noticed a lot of discussion of about acrylic versus catgut harp strings lately. Our store sells both kinds. Would anybody be interested in seeing the technical details from an acoustic comparison test we did at Carnegie Hall last year? You can find it on our Web site www.coolharps.com. Or, if you like I can e-mail you the report if you send me a blank reply at my e-mail, joe@coolharps.com.”

This works because you are offering “information value”—a solid enticement to lure harpists to your online store.

Mailing Lists

Mailing lists of e-mail addresses are compiled and sold just like postal addresses and can be just as useful for the direct-mail approach. For a sampling of what’s available, check out mailing list directories such as Liszt (www.liszt.com) or CataList (www.lsoft.com/lists/listref.html).

You can also compile your own e-mailing list by sifting through what’s you’ve got already in terms of business cards and customer stationery. The advantage of an e-mail list over a postal mail list is that you don’t have to pay for printing or postage: even the simplest e-mail programs allow you to post one

message to a screen full of addresses you've collected.

Always make sure your Web pages provide an opportunity for visitors to "sign in" to a mailing list. Most of them know they'll probably get a commercial message in their e-mailbox later on. Encourage them to sign on by offering a "special" price sheet, a printed catalog or some other goodie or freebie.

Web etiquette (called "netiquette") demands sensitivity, though. Never broadly post a commercial message to large numbers of people just because you've got your hands on a large public mailing list. This is not merely "junk e-mail." It's called "spamming" and considered highly unprofessional.

Chat Rooms

Another type of discussion group is called the chat room. In chat rooms, online conversations can take place in real time. People just type in their comments which appear on a screen in a main room that everyone can read, or can click into a side room for a more specific and private conversation. Chat rooms for kids, for people interested in online pornography, lonely hearts clubs and hobby groups abound; some chats go on 24-hours-a-day, others can be set up for specific times.

Posting a commercial message during a live chat also depends on the rules of the chat. There is usually a person who monitors the chats. You can usually contact them by e-mail and ask if businesses may post.

Don't be surprised if a reply comes back suggesting that your company purchase an online ad or sponsor a chat site. This is like sponsoring a golf tournament or Little League team, and a very good way to get your Web site noticed by a desired target audience.

Advertising Media Buying on the Web

*"...the market you are advertising to is not just a crowd,
but a passing parade."*

~ David Ogilvy, Confessions of an Advertising Man

While the popular search engines such as Yahoo!, Lycos, Alta Vista, or Excite will list and index your Web site for free, they also offer the chance to advertise on their pages. Depending on how many thousands of dollars you would like to spend, your ad appears as a box, banner, image icon on the index pages. All someone has to do is click on the ad and they will be immediately linked to your homepage. Current prices range from \$25 to \$50 per thousand "impressions" which are usually logged when a visitor clicks onto a page that holds your ad.

How to Select Keywords for Linking to Your Site

Proximity is the secret. Choose keywords that tie-in closely with the product sold on your site. More importantly, select them from the perspective of the average user.

Pretend you are an average user and potential patron of your site. What would you most likely type into a search engine? Suppose you want to advertise a firm of architects. Is the keyword "architecture" as good as "architect"? Probably not. When the average user looks for an architect, is s/he more likely to type in "architect" or "architecture"? The only people I can see typing in "architecture" are architects themselves or a 5th grader writing a report on his favorite career of the day.

Choosing "architect" over "architecture" could make the difference between a successful campaign and a mediocre one. Ideally, you want to use both words for branding and to drive traffic to your site. You want to convey to your audience that architecture in all of its forms is directly connected to your architecture firm.

Mike Reynolds (miker@lycos.com) from Seven Steps to Advertising on the Internet: A Beginner's Guide

to Advertising on Lycos.

Other information sites, such as online magazines and entertainment Web sites, also sell advertising that you can buy as you would any media. Ask the site for a media kit that gives information on prices, traffic and visitor demographics. Ask for contact names and references of other satisfied customers. Make sure to request a media kit from any Web site that a competitor is advertising on—this will give you some idea what similar businesses are paying. And remember that all prices are negotiable.

Some services are priced per “click through,” meaning the number of times a visitor not only sees your ad but clicks on it to reach your Web site. Servers can software to measure this. Off the shelf software is also available from firms such as Accipter, Accrue, Broadvision, I/PRO, Intersé, and NetCount. This category of software studies and analyzes patterns in anonymous users’ behavior and use that information to improve the site, surmise visitor demographics, and personalize content for users on-the-fly.

As with print advertising, a good Web ad is one that can be quickly read and understood. Go for text on top. A big fat logo or a color picture may take too long time to download—the visitor may just get impatient, quit, and reverse-click away from you.

Remember that the object of the ad is to steer them to your front-door homepage—you’ll have more time to sell once they get there. Even a simple suggestion like “Click Here Now!” has been proven to drive up click-through rates by as much as 30 percent.

For small firms, one way to get a toe into advertising on the Internet is to share the space on a banner ad that runs along the top of a Web page. This is called banner swapping: you run a banner for someone else’s business or site on your Web page, they run a banner on their site that advertises you. Check out the Link Exchange at www.linkexchange.com for more about banner swapping.

Online Means Up-To-Date

Analyzing Web Site Traffic: Ads That Click!

To help you analyze the numbers, get Web tracking software to help you translate server logs into plain English.

Even if you trust your server, “click through” numbers and log reports can be unreliable tools. Experts estimate the variance is at least 5 percent, and can be as high as 30 percent.

Independent Web monitoring agencies, such as Internet Advertising Bureau which is trying to be like TV’s Neilson’s or Arbitron, will also give you numbers to mull to see if you are getting enough “hits” when you use paid advertising. SEE “Resources” in the Appendix for a list of Web monitoring agencies.

But even these tools can be unreliable. If a visitor clicks onto your Web site in response to an ad, then becomes impatient while waiting for the picture to download, they will quit before they see the whole ad page.

Or a user may be searching an index site by text only, with the graphics turned off, so they even if they click onto your advertisement in the course of searching they may not view it, just cruise past it. And of course they won’t see your banner at all. But some ad-tracking software would consider this a “click-through.”

AdKnowlege is an example of tracking software that counts an ad “impression” by the number of times 100 percent of your ad graphics are downloaded—not just the number of attempted tries. The Palo Alto, California-based online ad services company also maintains a database called MarketMatch that lists details about commercial sites that accept advertising. For a discussion of tracking software for

advertising, see the Online Advertising Discussion list (www.o-a.com/).

At the end of the month or year, if you've kept your track of your Web business, you should have a good idea of how much new business came in via Internet marketing, and how much it cost you to get those new clients. The hard figures will speak for themselves.

If you are a non-profit and your goal was not to sell but to reach more people, visitor rates and click-through rates may be enough to justify the money spent.

Goodwill, an established brand presence in a new market, publicity value and the potential for true business growth in future years may be harder to estimate. But in your overall marketing plans.

BUSINESS-TO-BUSINESS CASE STUDY www.uspinc.com

A \$3 Million Start-Up Goes Online for \$1400.

United Scientific Products Incorporated [USP Inc.] sells disposable supplies to laboratories that do biomedical research: everything from talc-free rubber gloves to miniature test tubes used to hold samples of human DNA. A nationally-distributed print catalog showcases over 500 such products; more than 400 products can be scrutinized and ordered through the company's Web site.

While "only a fraction of one percent" of the company's \$3 million annual sales come through the Internet, USP Inc. President and founder, Morten Wellhaven, says the Web site already pays for itself. Monthly costs are little more than the \$19.95 server fee charged by BEST, their business-minded ISP, and the entire price tag for setting up the site was a mere \$1,300, plus \$100 for the domain registration fee to Verisign.

"This was something I knew our company had to learn," says Wellhaven, "but I also wanted to do it cheaply."

A vendor recommended a small Web consulting firm ("two college kids, really") who found and contacted the ISP, handled the domain name registration, and submitted the URL to Yahoo and nine other big search engines. They designed the Web page to guide a visitor through a catalog of scanned-in product drawings and text specifications. An off-the-shelf shopping cart program allows visitors to create a purchase-order form that is then either e-mailed, faxed or printed out and snail mailed to company headquarters in San Leandro, California, where eight front-office employees and a warehouse staff of 30 process and ship orders.

"We don't have the ability to do secure financial transfers over our site, but we don't need it," Wellhaven explains, "as most of our customers already have accounts with us."

The site gets about a dozen hits per day, "but 80 percent of the visits result in an order. We don't get casual interest—people use our site to check a product number or look at product specs."

Wellhaven says it takes one employee "30 minutes a day" to respond to e-mail queries and process the orders that come over the Web. "When the day comes that I'm dedicating half a person's time to the computer, we'll do something more complicated," he says. "For example, we have a button that says 'click here for sales specials.' Right now it just leads to a page that says, 'Call this toll-free number to get today's specials.'"

Wellhaven says one thing he insisted on was that his company's toll-free number appear on every single Web page. "A live person always answers the phone, because customer service is a big deal with us."

He's also been adept at integrating the Web page into USP Inc.'s overall marketing plan, even stipulating a page design in company colors of red and black. A flyer describing the new site accompanied a new product launch announcement mailed to an "A" list of 15,000. An advertising card sent to 75,000 additional names also announced the new Web site. With a target audience of high-tech lab workers and

university researchers, potential customers are already likely to be familiar with the Internet.

“The Web address appears on every invoice, every ad, every print piece we send out,” Wellhaven says.

Strategic links are with vendors, non-competitors who run technical Web sites and only deal wholesale. “The link to us is a service to the vendor and to the potential customer, who can then buy the product directly through us,” says Wellhaven.

The Web site has also earned respect for this feisty startup firm. “One of my vendors told one of my salesmen that a competitor was complaining about us,” Wellhaven says. “The vendor defended us, saying we were just a small company. But the competitor shot back at him: ‘Not anymore. They have a Web site now!’ “

Linking With Strategic Partners

The days of free, reciprocal links are over. While it is still possible to arrange for a link by simply calling up a related site and arranging for a (virtual) handshake deal, if your site is a business you may be asked to pay for a link.

This payment may be cash, for which you may get a banner ad, box or button link to your site. On informational, non-commercial or non-profit sites you may simply get a sponsor line if you’re sponsoring this week’s news or a today’s live chat session—but someone will be able to click on your Web site by clicking on your keyword link, bold-faced in the sponsor line.

Among smaller companies, and between commercial sites and non-commercial sites, you may not be hit up for cash at all. Rather, you will be asked to provide a bigger banner, a bigger button, or more icon links than what the other sites says they’ll give to you. The bigger and more popular the other site is, the more you will be expected to give away. Ever year, someone ups the ante on linking strategies.

To contact a possible link or partner, e-mail them. Write or call only if you do not get a response in a reasonable time. If you can’t figure out who or where to e-mail, query the Verisign with a “Whois” search on the domain name: www.Verisign.net/cgi-bin/whois.

Links bring visitors to your Web pages, but they also lead them away. So you need to be very careful who you link to. You may hope to sell a lot of leather cowboy boots, but do you want to be linked with another boot seller before your customer has the opportunity to see or purchase additional western wear from you? On the other hand, would you pay to be linked there?

Extra! Extra! The Invasion of the Intranets!

These days it’s not enough to have a worldwide Web site: you’ve got to have an “Intranet” or “Extranet” network. Don’t let the buzzwords throw you; you probably already have the capability to get these on line.

“Intranet” is an internal company communications network that allows all employees to access information and documents they need in their workday.

With office, home or laptop computers, employees use Internet access to stay connected when they are telecommuting alone on the road, or when they are combining their brain power on a single project that involves staff from geographically distant places.

Intranets can also bring into the fold outsiders, such as vendors and consultants, to share your database. A computer network created specifically to share certain kinds of information, such as inventory or product shipping histories, with outsiders is called an “Extranet.”

One excellent example of an Extranet is the computerized shipping data made available by Federal Express to the clients of its package shipping business. On request, clients can receive a floppy disk that helps them retrieve the shipping histories of packages, through their own office computers. Such clients

enjoy the security of checking on their en route deliveries when desired, and Federal Express saves staffing dollars whenever the clients do the checking on their own. The database is an Extranet-only version of a database that is linked to a small part of the Intranet computer system that links Federal Express offices nationwide.

A routine use of Intranets is a computer link between dealers and wholesalers. For example: a furniture manufacturer uses an Intranet to allow sales reps at 500 dealer outlets to find out which dining room tables are in stock, and which have to be back-ordered. Calling up this information on screen helps the sales rep close a deal with a customer who wants a table by Christmas—or else. More complicated setups allow dealers to order products that will be shipped to clients, factory-direct.

To set up an Intranet or Extranet, you'll need a "firewall"—the computer term for a security system that separates the more public areas of your computer network from files which hold private information, such as payroll or mailing lists. With a firewall, only users with passwords can access computer files.

Simple security systems are sold as off-the-shelf software. If your database is more complicated than a simple updating of inventory, you'll also need to design and coordinate data flow. Don't worry, you can hire someone to do this: U.S.Web (www.usweb.com) is one example of a consulting company that develops Websites and builds Intranet/Extranet networks for business users.

Getting Return Business: Using Strategic Partners & Retailers Wisely

Logical strategic partners for linking include print publications that are already part of your advertising budget, or companies that sell related products. A site that sells riding saddles and tack would be a good link for if your site sells cowboy boots. But if the tack site already has linked with another boot-seller, you'll have to work harder to woo visitors to your site, not your competitors.

Since users may often dizzily jump from site to site, smart Web site designers always offer a visitor a chance to "bookmark" or save your page URLs in their own browser software memory. An on-screen note like "Click Here to Bookmark this Page" or "You're Leaving Our Site Now—Please Save Our URL by Clicking Here so You Can Come Back Easily" is appreciated.

The cybermall—a group approach where many small businesses cluster together behind the "front door" of a mall-type Web site—is falling out of favor. Rather than linking a lot of disparate businesses together, it makes more sense to join a group that concentrates on a content category or business niche; for example, a big automotive site such as DealerNet at www.dealernet.com.

Joining a cybermall can be helpful if your business or service is one that is limited geographically. If you run a car repair shop in San Francisco, it's unlikely that you will find a customer in Santa Fe. But a regional Web site such as www.sfcitysearch.com is likely to be browsed by San Franciscans looking for local service companies.

The little cyber strip mall companies are quite aggressive about getting advertising, so consider the cost of being included in what is essentially an online phone book. Since money talks in these operations, another repair shop that pays the cybermall more for advertising is likely to get a better position at the top of the list on a page that features auto services. The other company may also have an ad so big on that page that your Web site address has to go on the next page, where it will not be immediately seen—or might never be noticed at all.

Keep browsing the Web yourself, checking out search engines and newsgroups for new sites that may be good to link with. Sometimes it is worth it to link out to a site that will not link back, if only to provide your own visitors the opportunity to find that link through you. This is one way to enhance the "information value" of even a modest site.

Do this enough and you become an big fish even if your pond (or kitchen table computer site) is small. For example, Joe, working at www.coolharps.com, might set up outward links to all sites he finds mentioned in the aeolian harp newsgroup. He builds an authoritative base site that will certainly be bookmark by all who share a consuming passion for aeolian harps.

When linking without formal permission, Web etiquette demands that you must delete the link if the owner of the other site requests it. (This is rare, but it happens.) It is also good manners to link only with the second site's front-door homepage—not to one of their information sites—to avoid giving the impression that you are co-opting, stealing or otherwise appropriating copyrighted material.

*The growth of the Net is not a fluke or a fad,
but the consequence of unleashing the power of individual creativity.
If it were an economy, it would be the triumph of the free market over central planning.
In music, jazz over Bach. Democracy over dictatorship.*

The Internet: The Accidental Superhighway, The Economist, July 1, 1995

On-line Marketing Plan

[http://www.\[company\].com](http://www.[company].com)

Objective

- Be a wildly popular and profitable source of [product/service] for [customers].
- Provide technical back-up enabling our customers to stay current with changing specifications.
- Enable our customers to check on the status of their orders and relieve our customer service people.

Strategy

Our website will act as an on-line Showroom providing:

- Back-up for Advertising & Direct Mail
- Order Entry & Fulfillment
- Show Samples of [product/service]

It will act also as our non-linear catalog giving our customers a way to see everything they might need to see in order to make a buying decision. Including:

- Answers to Commonly Asked Questions
- a Directory of [Stores/outlets/locations]
- Customer quotes, success stories, case studies
- Specifications

Pricing

Our pricing policy for our website will be to offer our products / services as close to street as possible; with free ground shipping, with an additional \$x for 2nd day air or \$x for overnight.

Other sites we want to link to include:

- www.xxx.com because they offer [x] and we can provide [x]
- www.xxx.com because they offer [x] and we can provide [x]
- www.xxx.com because they offer [x] and we can provide [x]

Search Engines: We must have our product/service/company indexed and listed with the popular search engines

- AltaVista
- Excite
- InfoSeek
- Lycos
- Yahoo!
- and more...

Reports

At the end of each month, we must have comprehensive reports prepared by our web service provider. These reports will show how many visitors we had to our site, where they came from (links or straight to

our site), which pages of ours were hit most often (stack ranked highest to lowest) and total sales.

Action Items

File name with

- Look at competitors' web site:
 - www.xxx.com
 - www.xxx.com
 - www.xxx.com
- Design home page
- Add new intro copy for each product
- Complete the brochure section providing sufficient information and examples to compel customers to buy immediately from our site.
- Complete on-line ordering process—add shopping cart capabilities.
- Generate traffic to our site by running ads: “[Product positioning statement]. www.[company].com.”
- Add new “Full Description” copy from our new catalog
- Add Press Release (so editors can pick it up off our site)
- “Tell us what you think” area for recommendations, etc.
- Survey: Multiple choice, open area for comments
- E-mail capabilities enabling customers to immediately contact each of our departments.

Ordering

I like the idea that [Company] collects the credit card number, verifies it on the fly and captures the money into our own bank account immediately—this is better than waiting to collect at the end of the month and risking a financial problem with the service provider whereby for any reason they cannot PAY us.

Security of our ordering system.

We will include the following message on the order page of our website:

“Your credit card transaction is secured by the [XYZ killer encryption module] backed by the [CIA firewall technology] and transmitted directly to our system where it will remain secure.”

Capture customer names and addresses

In the event we want to mail our customers a brochure, we must add a “Welcome” button on our home page that links to a database to request the following information:

First name, Last name, Title, Company, Street address, City, State, Zip Code, Country, Phone number, E-mail address.

We will include [sign-in offer] as a Sign-In Offer (for giving us their name and address).

Content

Information our customers and prospective customers will find useful includes:

- Laws & Regulations regarding [product/service]
- Books we recommend
- Recent government surveys regarding [product/service]

Our site should DO something for customers:

- Search for people, money, etc.
- Configure product for customer's need
- Demonstrate how our product works
- Provide succinct answers to common customer questions

Maintenance

Every time we update our pricing, we must update our website.

Online Marketing

Ten Marketing Questions To Ask Yourself about Your Web Site

Am I using the technology of the Net to maximize my marketing objectives?

Yes ___ No ___ If not, what are the first steps I need to take to do this?

What is the most cost-effective way to promote my site?

Does my budget match my objectives?

Yes ___ No ___ If not, what are the first steps I need to take to do this?

Are my objectives realistic?

Yes ___ No ___ If not, how must my objectives change?

How can I show up close to the top of search engine results?

Should I be trying to syndicate my content or technologies to other sites or even to other media?

Yes ___ No ___ If yes, what are the first steps I need to take to do this?

How can I get the attention of the press?

Is my definition of my target market narrow enough?

Yes ___ No ___ If not, what are the first steps I need to take to narrow it?

What should I look for when researching my competitors?

Will my plan make money? Yes ___ No ___ If not, what steps do I need to take to make it profitable?

Sales Planning

*Opportunities come along all the time.
In fact, extraordinary opportunities will come along just
because you've taken the first steps and are on your
journey down the road.*

~ Burke Franklin

Your sales plan outlines estimates of sales, prices, and expenses. It determines how much of any product to produce during a given time period. This, in turn, affects the price of production and what you need to charge your customers. If your company decides to reach a certain profit level by the end of the year, that goal is the key to your sales plan.

Sales Forecasting

Sales forecasts determine production levels and staffing needs by estimating when you expect to sell, what you expect to sell, and how much you expect to sell.

The Art of Forecasting

You don't have to be a statistical forecaster to appreciate the blend of facts, statistical analysis, research, input from sales and field personnel, and intuitive "gut feeling" that it takes to create a good forecast. This includes "seat-of-the-pants" guessing on what your competition is planning and what consumers are likely to do in the future.

Forecasting Techniques

There are different theories about forecasting and many people become almost religious in their adherence to certain practices. Did we say it was more an art than a science? Below are a handful of non-mathematically-based forecasting approaches.

Sales Force Opinion

Solicit the opinions of your salespeople. They are on the front lines where the sales of your product are taking place.

Executive Opinion

Survey executive opinion. Sales initiatives will not fly if they are not in accord with strategic goals set by executive management.

Expert Opinion

Hire economists, industry analysts, academics, or anyone else closely involved in your industry to provide forecasts. If these experts were always right, you'd find them at the race track, not at your door. Nevertheless, a trusted business consultant who knows your company's culture may be able to provide valuable suggestions from an objective outside perspective.

Direct Market Test

Conduct direct market tests. Explicitly ask consumers to divulge their future purchasing plans. Will they

“definitely” buy your product in the next six months? Are they “highly likely” to buy it? “Likely” ? “Unlikely”? Take optimistic results from potential user polling with a grain of salt, especially for new product concepts. More people say they’d like to buy than will actually buy. Remember New Coke!

Ken Hess, a respected, successful entrepreneur, stated in a presentation to the Harvard Club that optimistic polling should be divided by five; that is, if 100 people say they’d buy the product, only 20 are likely to actually buy it.

Rolling Forecast

A rolling forecast predicts future orders or demand for your product. The typical time period is one year. In a rolling forecast, you predict orders for the first three months of the year, and for the rest of the year, your forecast is based on quarters.

Here’s how it works: You have Month 1, Month 2, Month 3, Quarter 2, Quarter 3, Quarter 4. After the first three months are over, the Quarter 2 is broken down into month increments, and a new quarter is added at the end. In this way, you’re still forecasting a year in the future.

The benefit of a rolling forecast is that you can adjust your forecast on a quarterly basis. For the first quarter you may find that sales rose more than your forecast, in which case you may want to increase the future quarters. Of course, you must consider why your sales increased and decide if it’s a trend or a fluke based on a temporary factor, such as a holiday shopping season.

Sales Budgeting

If your forecasts do not predict enough revenue to cover your sales costs, you may have to cut back on sales costs or accept a loss. The stage your company is in, start-up, growth or maturity, will determine whether you compromise or not.

Determining Your Sales Costs

Below are the most obvious costs of sales.

Salary or Commission Expense

With salespeople on fixed salaries, your salary expense is relatively easy to forecast, unless you have plans to drastically change your sales staff configuration in your forecast time period.

If you use a full or partial commission structure, it is slightly more difficult to come up with a commission expense forecast. If you have a thorough sales forecast, divided up by products, you can base your commission expense forecast on those numbers. Take the number of units you expect to sell and multiply their price by the percentage commission your employees earn.

Fortunately, if you use a commission structure, your expenses will rise proportionately to sales levels, so if your sales estimates are not met, your commission expenses will be lower.

Other Sales Expense

Sales meetings, car mileage, customer gifts, travel and entertainment, sales literature, incentives, and training costs add up over time. Create a list of sales techniques you use and how much they cost, so that you know the total cost to support your sales efforts.

Decide whether to include some or all executive salaries and other miscellaneous items—including administrative support, even if it crosses department lines—in your cost structure.

The Sales Manager's Job

Sales is challenging. It requires people skills, product knowledge, patience, and tenacity. Sales drive the company and the sales manager drives the sales force.

The sales manager's job is to maximize sales at a reasonable cost, while also maximizing profits. The tasks include setting sales goals, structuring the sales organization, and finding the right people, training them, motivating them, tracking what they are doing, and paying them.

Structuring Your Sales Department

How you structure your sales department depends on what you sell, who you sell to, how large your sales force is, and what your goals are.

Whatever the structure, make the chain of command clear. Your salespeople and managers must know who they report to, who they are responsible for supervising, and who is responsible for making the ultimate decisions.

However you organize your sales force, employees are not individual sales units that work in a bubble. They should see themselves as part of a greater team effort.

Functional Organization

In a small company, the marketing manager may be the sales manager and have only one or two salespeople. In this case, it's clear who reports to whom. In a larger company, organization can be complex. For example, your salespeople might each report to a sales product or product line manager, who reports to the director of sales, who in turn reports to the VP of marketing.

Sales Force Structure: By Product

You may assign salespeople to sell one or more specific products. They then know exactly what they are responsible for and the quotas for those products. This approach is effective if your products are complicated and require a great deal of technical knowledge to sell. It would be impractical to expect salespeople to know your whole line of products in great detail. This is also a good approach if you have diverse products that are sold to different markets.

This is not necessarily the best approach if your customers are likely to buy a wide range of your products. It's awkward if a customer wants to buy several products and must be referred to more than one person. You may also have duplicate travel and sales calls if different people represent different products. This can be costly, so be sure to weigh the benefit of assigning salespeople to specific products.

Sales Force Structure: By Market

This approach divides your sales force into sections that deal with different markets, industries, or customers. You may have salespeople that deal only with corporate customers, others that deal with retail customers, and still others that deal with wholesalers.

What if you have a product that is used by several different industries? For example, a glass window producer may make windshields and windows for cars, as well as windows for homes. That company might have salespeople that deal exclusively with the auto industry, other salespeople that deal with the construction industry, and other sales-people that sell to glass retail stores.

Sales Force Structure: By Territory

Territorial organization assigns salespeople to cover specific geographic regions for your whole product line. Depending on your sales volume, these regions may be very large geographically, such as the United States or relatively small, such as the city of Los Angeles. Maybe one person can handle all of one company's U.S. sales, while another company would need several hundred salespeople to cover the

country.

One advantage of territorial organization is that you limit travel when your salespeople stay within one region.

Another advantage is that your sales representatives get to know regions and create personal relationships with their customers. It's also clear exactly who is responsible for sales in a particular region, so if sales are strong, that person can be rewarded.

A disadvantage of territorial organization is that your salespeople need to learn your whole product line. If you have a wide or complicated technical product line, your sales force's ability to sell may be hindered, and a sales organization by product may work better.

You can assign territories that will generate an equal workload or potential for sales. Some territories will be easier to sell in and a sales representative will make sales with relatively little effort, while in another territory a sales representative will have to put much greater effort into closing each sale. Members of your sales force will soon see which territories are the best assignments. Acknowledge these differences. You can deal with them by raising the base pay of someone who is signed a "slow" territory, or you can just make people earn the better regions.

Sales Force Structure: Complex Organization

A complex sales force organization is a combination of the different organization methods to create even more specific sales areas. Someone might be product-territory oriented, meaning they are responsible for selling a specific product or group of products in a certain territory. Another salesperson might be market-territory oriented.

Managing Your Sales Force

The sales manager leads the sales force by promoting group interests and communicating the company mission. Whatever the goals are that the sales manager sets—quotas or performance standards—it is crucial that the sales force understand them, believe in them, and work toward achieving them.

Finding Qualified Salespeople

Finding qualified salespeople can be difficult, costly, and time consuming. To make the search work for you, clearly define what you're looking for. Clear qualifications enable you to quickly eliminate ill-suited candidates.

Employee turnover increases your costs by forcing you to conduct new searches and train new employees. Hire people who you think will stay on for a while at your company. Hire the most qualified people, and think of ways to make the job challenging and satisfying so your employees want to stay.

*"The ability to deal with people is as purchasable a commodity as sugar or coffee.
And I pay more for that ability than for any other under the sun."*

~ J. D. Rockefeller, Jr.

Using Independent Reps

Contracting independent salespeople keeps overhead costs down. If you're not satisfied with the work, you terminate the relationship. When you work with independent reps, you can increase your sales power when demand is high and decrease it as demand slows down.

Independent sales reps can effectively maintain a sales presence without you making a large financial commitment. This staffing option is often used for initial sales expansion into new markets or new territories.

Independent Sales Representatives

Manufacturers' representatives are especially useful when you can't afford your own sales force. Reps also may know many things about your business that could help you. You can hire people as your reps who have established relationships with customers you'd like to do business with. It's important to choose reps who sell non-competing products to the same customers. In other words, your products would extend the reps' product offering to the same people who buy their other products.

Don't be fooled into thinking these guys should just know the business and will be out there banging on doors and slam-dunking sales. Your contract should be very specific and spell out all your expectations. (We have the latest version of the one we use included in our Agreement-Builder™ contract development software.) Clearly state that commissions are not paid until the sale is complete. You may even stipulate that you must first collect on sales.

Manage your reps

Don't be bashful about making a specific list of activities you think your reps should perform. Be up front with them, and follow up regularly by providing news clips, product success stories, customer quotes—anything and everything to keep in front of them—interesting things to inspire them to promote your products.

Your Sales Force

For your salespeople to be successful, they should know your product inside and out, be able to answer questions intelligently, know how to negotiate if necessary, and know how to close a sale.

*Two shoe salesmen find themselves in a remote part of Africa.
One contacts his office, "No prospect of sales; natives don't wear shoes."
The second says, "No one wears shoes; we can dominate market. Send all possible stock."
~ Akio Morita, Co-founder, Sony Corporation*

No salesperson spends eight hours a day purely on sales. Salespeople engage in several different activities that supplement their actual selling efforts. The job of sales includes the following.

Collecting Information

Salespeople must know how and where to collect information about customers' needs and your competitors' products.

Providing Service

Customers want help with problems. Your salespeople can satisfy the customers' service needs or refer them to the appropriate person. A good salesperson follows up on all referrals.

Communicating

Your salespeople must have excellent communication skills to explain your product to potential customers and adjust their presentation to different audiences.

Cultivating & Maintaining Relationships

A large part of sales is cultivating and maintaining relationships. You need people who can sense when customers are pleased or dissatisfied and who can react to both of those states. Sometimes customers prefer to avoid confrontation if they are unhappy and simply buy from someone else. Your salespeople must give customers the feeling that they are in a relationship worth maintaining and that they can

communicate their problems or desires. A strong customer base that is built this way is a major asset.

Setting Sales Policies

Setting clear sales policies is the best way to avoid misunderstandings and make sure that your company is being represented in a uniform manner.

All of your salespeople must deal with dissatisfied customers, get customers more technical information upon request, and make sales and receive payment. Established sales policies keep procedures clear, avoid misunderstandings, and keep company performance consistent.

Accountability & Visibility

Set up a sales system that allows for accountability and visibility. Your salespeople should be responsible for their performance, and their actions should be visible to management. With a large sales force, it is difficult to monitor everyone's efforts. Setting up a system that provides you with oversight and lets employees know that they are accountable saves you headaches over time.

The Barings securities trader Nicolas Leeson lost the company hundreds of millions of dollars and forced it into bankruptcy. He was held legally accountable for his actions, but his trades were not sufficiently monitored to prevent the fall of Barings, a British company that had been in business for generations.

Setting Sales Quotas

Sales quotas are a common way to set goals for salespeople and measure their performance. Often companies tie salaries or commissions to sales quotas. There are different approaches to setting sales quotas. The most important factor is your sales forecast: the minimum quotas you set need to add up to your projected sales for the year.

Many companies set sales quotas higher than projected sales in an effort to achieve the highest level of sales possible. Sales quotas can be set by units sold, total dollar sales, net profits on sales, or any other way that will work for your company. It's wise to set all your sales quotas by the same method to avoid confusion. Following are the three most common approaches to setting sales quotas.

High Quotas

Companies which set high quotas that are difficult to reach believe that you need to challenge salespeople and set high goals. This approach may work and employees may make the extra effort to reach their quotas. Or, the company may reach the forecast sales level, but not the sales quotas.

A common problem when quotas are set so high that almost no one can reach them is that the salespeople don't even try. They may decide to settle for their fixed salary and put less effort into sales.

Medium Quotas

Another approach is to find a level that is clearly attainable with some extra effort. When half or more of the sales force meet their quotas, others see that it is possible. While this approach is likely to result in higher morale among employees than if you set high quotas, you may have lower sales. However, achievement-oriented salespeople will do their best to achieve and surpass attainable goals.

Varying Quotas

This approach involves varying quotas from employee to employee based on what they are selling, where they are selling it, and how well they sold in the past.

Your better salespeople may resent being given higher quotas than others just because they have proven themselves in the past. If you use this approach, you need to find a balance for the rewards given to people when they meet their quotas.

Controlling Your Sales Operations

Create control systems to monitor your sales efforts. Have sales representatives make regular reports of sales and progress towards quotas. Set up a process for salespeople to report any problems they have encountered or issues that need to be addressed immediately.

Setting Clear Expectations

Inevitably, you may have to let salespeople go because they do not meet your requirements. Make it very clear from the start what you expect from your employees, the consequences of not meeting sales quotas, and when regularly scheduled evaluations are held. This way, there should be no ambiguity about why someone is let go.

Cast ye the unprofitable servant into outer darkness.

~ Matthew 25:30

Sales Compensation

There are several options: Straight salary, straight commission, or a combination of both. Consider providing bonuses and covering sales costs.

Straight Salary

You pay salespeople a fixed salary and cover their expenses. The advantages are that you have more control over your salespeople, you can shift their duties with relative ease, and it is easier to forecast your costs.

On the downside, you need to worry about benefits and cost-of-living increases. In slow business times, a fixed sales staff may be a burden, and full-time employees can't easily be terminated. Aggressive, highly effective salespeople are less attracted to this setup because they can receive a much higher income on a commission basis.

Straight Commission

You pay your sales force a percentage of sales. You may decide to pay your salespeople a percentage of the total revenue they bring in, a percentage of net profits, or to pay by another method. You can vary commission rates from product to product, and have commission earnings start after the first sale or after an initial level is reached.

With the straight commission method, every sale made increases income, so salespeople put their maximum effort into selling your product. Your company has no fixed costs related to the sales force; incomes rise only if sales do. In lean economic times, your sales expenses will be lower. In better times, your sales force will be motivated to take full advantage of greater sales opportunities.

The disadvantage is that salespeople will only want to spend their time on activities that generate income for them. Activities such as tracking and completing sales reports will always come last.

Salespeople who work on straight commission are less likely to stick around during bad economic times or if sales see a downturn. This creates a certain degree of instability for your company and a greater investment in recruiting new salespeople. The straight commission method is also more costly to administer than a fixed salary system.

Salary & Commission

This combination maximizes the advantages of the above approaches and minimizes the disadvantages: You pay a fixed salary lower than what the salesperson would receive as a straight salary and pay commissions as well. You have lower fixed costs and more control over non-selling related tasks such as writing reports.

Salespeople are motivated to sell as much as possible with this method, because their level of sales has a direct impact on their final salary. In slow economic times, salespeople are more likely to stick around because they still receive some salary. When sales start to rise, your company can kick right back into action. A common split with this approach is for the company to pay 70% in salary and 30% on commission.

Bonuses

Bonuses provide incentives to your sales force for activities that are not rewarded by commissions. They can reward strong performance, positive results, or timely action. For example, you can award a bonus to the first salesperson who completes his or her quarterly report or to someone who provides valuable input about new approaches to your market.

An advantage to bonuses is that they are not fixed costs. You can lower their value if money is low, while at the same time provide incentives to employees. You can use cash bonuses, goods, travel, or anything that will satisfy your salespeople.

A downside to bonus awards is that when they rely on management judgment, they can raise questions of fairness in employees' minds. Use the most objective benchmarks possible. Bonuses should raise employee morale, not lower it.

Sales Expenditures

When you cover sales costs such as travel, administrative costs, insurance benefits, and training, you're in fact providing your salespeople with more compensation. Simply put, what you pay they don't. These costs make it more expensive to have an in-house sales force.

Sales Training

Train your salespeople so that when they sell, they can explain your product, convey a positive company image, and close sales. Ongoing training boosts morale and shows your employees that you care enough to make an investment in their future. It may be difficult to allocate your budget dollars to training in the short run, it pays off in the long run.

The type of training your sales force needs depends on whether you're selling business-to-business or to the final consumer. Businesses tend to need more information than the consumer about the product and pricing.

Tailor your training according to the range and scope of your product. If your company sells paint, your salespeople need different training than if your company sells software for interactive television.

In the first case, your salespeople need less technical knowledge about paint and more knowledge of sales techniques, while in the second example, your sales representative may need to run a complicated demo or explain technical aspects of the product.

Tape Your Top Salespeople in Action

What better way to train your sales staff than to have your most successful salesperson demonstrate what s/he does to respond to customers and close a sale? Videotape them role-playing.

Some issues to address in your training sessions are:

- * Company policies and procedures
- * Your product
- * Overall company goals and objectives
- * Target market profile

- * Competitor profile
- * Sales techniques

Sales Techniques

The more informed your sales force, the more effective they are. Your salespeople directly deal with your target market and compete firsthand with your competitors. Share your market information and encourage your sales force to give information back to you.

*Sell customers what they want, provide what they need,
and deliver more than they expect.*

~ Burke Franklin, [Business Black Belt](#)

The people you hire to sell your product will bring new ideas and sales techniques to your company. Conversely, you can give your new salespeople new ideas based on your company's past experiences.

Tips From a Master Salesperson

Create an Environment Where Sales Can Occur

If you really have confidence in your product or service, if you really believe in what you're selling, there shouldn't be any problem in pulling out all the stops to let the world know what you have and why they need it.

When I first started learning marketing, the idea was to get customers interested enough so they would call; then you could give them a sales presentation. This leads to a multi-step sales approach, which means answering a call, answering questions, sending an expensive brochure, making several sales presentations (taking one or more hours each), making follow-up calls, sending more literature and follow-up letters, and so on. That's fine if you have nothing better to do than give sales presentations to anyone who'll listen. But I'd rather no one called unless they were really interested. Besides, how much time does this multi-step approach take and how much does it cost?

As a customer, I don't want to go through that tedious process either. I'm more concerned that the product or service does everything I want it to do, that the price is right, and that the seller will provide any service or support that I may need later.

Why not give prospective customers everything they need to know to make an intelligent purchasing decision on their own after they look through your literature? I look at our own literature and packaging and constantly ask, "Is there anything else I need to know to compel me to buy this product?" When customers ask questions, we use those questions as our cue to incorporate the answers into our literature and packaging.

Here's why: We can't be sure someone will always be available to accurately answer those questions by phone, in a retail store, or elsewhere. Customers want answers right now wherever they are—no matter what time of day.

And, here's the kicker: If people had all the information they needed, the unqualified customers wouldn't waste your time, energy, and resources. Look at your financial statements (or projections) and add up what it costs you to make a sale. Anything and everything you can do to minimize the number of steps in your sales cycle will make a difference.

Address Objections Up Front

Let's face it, you already know exactly why any customer might object to buying your product or service. (If you don't yet know what the objections are, you'll find out very quickly after talking with a few customers.) Rather than have your customers get the upper hand by bringing them up first and putting you in a defensive position, I recommend beating your customers to the punch.

The Heinz ketchup commercials on TV make the hell we go through to get the ketchup out of the bottle (with too small an opening) seem like a benefit!

Bring up the possible objection as part of your sales presentation or lead with the objection as if it weren't a big deal. You know your customer will bring it up eventually and you don't want him or her to build a strong position on it. So address the objection early and positively:

“For the \$1,000 you'll invest in this product, we've provided x, y, and z because they will be important in the long run for your business.”

Not: “Well, uh, we added x, y, and z and that's why it costs \$1,000.”

Stages of a Successful Sale

Identifying potential customers is the process of prospecting and generating customer leads.

Some methods for doing so:

- Asking current customers for referrals
- Joining organizations that potential customers are members of
- Scanning industry publications for prospective client names
- Asking non-competing industry sources, such as suppliers and distributors, for potential customer names
- Attending or participating in trade shows
- Looking in business directories and the Yellow Pages

Gathering information about prospective customers helps you decide on the best way to approach them, through a personal visit, a letter, or a phone call, and when an appropriate time might be to make contact.

The more you know about the company or individual you're approaching, and their needs or culture, the better prepared you'll be to make a sale. If you find out from a supplier that the buyer at the company you're approaching is technically oriented, you can prepare yourself to answer detailed technical questions.

Qualifying Your Leads

Qualifying customer leads is making the determination of how likely it is that this person/people will buy.

- Is the lead in a financial position to buy your product?
- Does the lead have an immediate need for your product?
- If the lead is a company employee, what is their job title? Does the title imply decision-making power?
- Has the lead shown interest in your product?

If someone mails in your magazine insert, or calls your company, (especially if it's a toll call to request more information), the more qualified they are as prospective clients, and the more resources and effort you should be willing to spend on them.

Making Contact

Meeting a potential customer gives you the opportunity to learn more about that customer's needs. Don't be overbearing and go on and on about your product. Encourage the customer to speak and ask questions. The more you listen, the better you'll be able to gear your sales effort to meet the customer's particular needs.

Bring along a demo or sample of your product. Customers are more likely to remember the product if they've seen it. Sales literature such as data sheets, brochures, or a video are reminders after you're gone.

Follow Up

Following up with prospective clients is as important as making the initial contact. You can do it in different ways: A thank-you letter, a letter with information you promised to send, calling to ask if there are any more questions, or calling to set up another meeting.

Choosing Sales Techniques

In choosing sales techniques, consider your budget and your product. Some techniques, such as personal selling, are more expensive than others. Does your product require personal selling or will direct mail do the job?

Personal Selling

Personal selling involves direct contact with the customer. It is effective because you have an opportunity to directly sway the consumer. It is an expensive technique because it requires more employees, travel, and other expenses. Personal selling is a worthwhile investment when dealing with large clients, such as retail outlets or wholesalers, because a sale to them can generate an excellent return on the investment you've made in the sales force.

You have the choice to hire an in-house sales force or use independent salespeople who represent your company as well as other companies. If you choose independent reps, you have lower expenses but less control over how your company and its products are represented. With an in-house sales force, you have increased expenses for employee salaries and benefits such as Social Security taxes, pensions, and health insurance.

Cold Calling

A cold call is when a salesperson tries to speak on the phone or meet with someone who hasn't first expressed interest in your product. Phoning someone who has sent in a request for more information is not a cold call. Phoning people whose names are on a purchased list is.

Cold calling is a "needle in a haystack" approach and the most difficult way to make a sale. Cold calls have a bad reputation; many people simply hang up the phone or close the door before you can finish or even start your sales pitch.

Maintaining Cost Efficiency

Cost efficiency is vital to sales success. If you use a method that generates a large volume of sales but is very expensive, it may not be worthwhile. Selling a lower volume of goods at a higher return may be a better approach. Compare your return on different sales methods to see which are the most cost efficient. Take into account your overall goals, because at some point you may be willing to accept a lower return to gain more market share.

Sales or Distribution Channels

Sales or distribution channels are the different outlets through which you can sell your product. You can use one channel or a variety of channels including retail, wholesale, and direct mail.

Choosing Channels

Choosing the right channel means reaching the maximum number of potential customers in an effective manner. Decide on the best way to get your product to places where a potential customer will see and buy it. The channels you use influence other marketing and company wide decisions.

Keep in mind the following factors when choosing your distribution channels.

Price

How will the channel you use affect the price you can charge? For example, if you sell to a wholesaler or a large retail chain like Target, you'll charge a lower per-unit price than if you sell in your own retail outlet.

Perception

How do you want your product to be perceived? Where you sell influences the perception of prospective customers. If your product sells at an exclusive boutique, consumers might assume it's good quality, even if that's not true. You may want your own retail outlets so that you have complete control over the image you convey.

Constraints

What constraints will affect your ability to use certain channels? If you're selling produce, for example, you have a limited time to get it to market because it's perishable. It may be easiest to distribute the produce yourself or have one trusted distributor.

If your product is unusually large or heavy, you may want to limit the distance it needs to go to market. If your product needs a lot of explanation, you may use a few retail outlets which have the demonstrated expertise to sell your product.

Competitors

What channels are your competitors using? Carefully consider the consequences of choosing the same channels. Is it important that you have a presence in the retail outlets where your competitors sell? Or, if you want to sell in the same places, will you also look for new, untapped channel as well? If your main competitors' products are mostly sold through retail channels, maybe you can sell retail and also set up a mail-order branch.

Imagine standing in front of a display with your product and your competitor's product next to it. What do you see? Which product you would buy and why you would buy it? How did external factors, such as promotions, advertisements, or channel, influence your decision? If you feel you have no choice but to go head-to-head with the competition, make sure your product stands out.

Ease of Administration

How easy is it to administer your distribution system? While you might achieve the highest sales levels by distributing your product through 20 different channels, you may not be able to do that. Feeding all of your distribution channels requires tremendous skill and asset development.

How many sales channels can your company realistically manage efficiently? You can always expand your distribution network, so you should not be over zealous about using every possible sales channel in the beginning.

Marketing Methods

Your target market and your company goals influence which channels to use. Below are some approaches to consider.

Sell to Everyone

This first market segmentation strategy is the most broad; you try to sell to everyone. Although this may sound like the way to make the most sales, it's an unrealistic approach.

It is a very hard undertaking to seek to please everybody.

~ Publilius Syrus, Maxim 675

Consumers have different wants and needs, and each group needs to be solicited with a message specifically aimed at them. Aim your MarCom and sales efforts at your target market. You may be lucky and reach a wider audience in addition to those customers you specifically target.

Differentiated Marketing

This method attempts to modify your marketing and sales strategies so that you can reach two or more segments simultaneously. Levi's 501 jeans promotions are a good example of differentiated marketing. Levi's uses various ethnic groups, a variety of age groups, and both sexes in its commercials to effectively reach a variety of specific groups with one advertisement. If you use this approach, you can sell your product in a variety of channels, in different geographic locations, or with different demographic characteristics.

Concentrated Marketing

Concentrated marketing is the most limited type of segmentation. You select one target segment or a few closely related target segments. For example, BMW targets young, upwardly mobile professionals in its television commercials, which stress appearance, performance, and prestige.

People make the final buying decision based on how they perceive your product. Those perceptions are grounded in their personal emotional state and how they view themselves. It's not enough for your product to be the cheapest, the best, or the most available; it must be perceived as the socially correct one. If you use this approach, you'll distribute your product through a limited number of highly selected channels.

Your Sales Strategies

Develop overall sales strategies so that your sales efforts run smoothly and are effective. Consider the following questions when developing your strategies.

What Types of Selling Do You Use?

Do you plan to use a direct sales force, indirect sales, or a combination of both? What do you know about your target market? Which strategy is likely to be the best to follow? Will you use high involvement selling, where the salesperson spends time with the potential customer to secure the sale, or does the product sell itself?

Who Will Sell?

Whether you hire a direct sales force or independents, the better you know what image you want to

portray and what skills you think will strengthen your selling chances, the better equipped you'll be to find the right people.

For example, when a health club in New York wants active, outgoing people to promote their club by handing out fliers in the street and making a sales pitch, they advertise to find out-of-work actors with those traits.

What Tools Will You Use?

Think ahead. The more you plan, the better you budget. Specials, coupons, or giveaways need long lead times to be successfully implemented.

When Do You Sell?

Are there certain times of year that your sales increase or decrease? Do you have more customers at certain hours of the day? Come up with strategies that address those factors. If your bike shop has seen sales increase each spring, consider hiring an extra salesperson or two in the spring and summer months.

What Techniques Do You Use?

Have you found some particular sales techniques useful in selling your product? Let your salespeople know about them. If, in your car dealership, getting people to test-drive a car increases the chance that they'll buy, set a goal for your salespeople to get a certain percentage of people to test-drive a car.

How Do You Support Sales?

Whether you sell retail in your own store, through wholesalers, or by mail order, decide what goods to stock at any given time, and have procedures for reordering and getting goods from another store to satisfy customer demand. If your salespeople are highly effective but you don't have the right items in stock, their efforts will be lost.

Strategy # 1: Sell Everywhere You Can

Often described as the "shotgun" approach, this extensive strategy sells your product through all possible outlets where the customer would expect to find your product without regard to image or competition. This works best for convenience goods, such as soap, pencils, film, and other household goods.

For example, you might sell sandpaper through all the various hardware outlets such as Home Depot, ACE, and local hardware stores. Consumers generally expect to find soap in convenience, drug, and grocery stores, but not in hardware stores! Batteries, on the other hand, might be found at all of these locations and are a good example of a product with extensive distribution.

Strategy #2: Sell Selectively

The aim of selective distribution is to reach as many potential customers through as many outlets as possible, while maintaining some type of image. With this approach, you attempt to reach more than one customer profile or target market by selecting specific outlets with specific images. Once your outlets are selected, you match product selection and promotion to that image.

Selective distribution differs from extensive distribution in that it works to provide 80% of a company's sales from 20% of its customers. There is no need to sell your product through every retail outlet under this distribution strategy.

Strategy #3: Be Exclusive

Exclusive distribution, often called the "rifle approach," sells your product at a very limited number of retail outlets, either a single store or chain. As an example of this approach, DKNY clothing and Wedgwood Crystal are sold in such department stores as Nieman Marcus and Saks Fifth Avenue, not Target or Sears. The objective of exclusive distribution is to reach a single target market. Usually, strong

dealer loyalty and active sales support from the dealer are necessary to make this approach work.

Exclusive distribution is brand and image conscious and is usually used in conjunction with a concentrated marketing strategy. In choosing this distribution strategy, it's important to avoid distributing to competing channels.

Sales Channels

Retail

Retail selling in your own store is an expensive and complicated way to sell your goods. You need storage space and need more employees.

While more expensive, it can be more profitable because you eliminate intermediaries who take a cut of your sales. You don't have to lower your price for a wholesaler or distributor, and you have more control over how your product is sold. Mail-order businesses take this a step further by getting away from the need for stores.

Examples of companies that use direct selling through retail channels are The Gap and Firestone Tire Company. Each produces its own line of products, ships to regional warehouses (replacing the wholesaler), and then sells directly to customers through its own retail outlets. Firestone even owns rubber plantations in Liberia, tire manufacturing plants in Ohio, and wholesale and retail outlets throughout the United States.

The benefits of such direct retailing are control over the supply of raw materials, control of distribution and quality, increased buying power, lower administrative costs, and the ability to capture profits that would have been earned by other companies at the various stages of distribution.

Direct Mail

Direct mail is a distinct sales channel where you sell your product through the mail.

Catalogs are a good way to show consumers your offerings; especially for luxury items they don't really need. Someone may not be thinking about buying a birdbath or a new set of towels but when they see what you offer, they can't resist. Catalogs are a relatively effortless way for people to shop and buy on impulse. In most cases, all a consumer has to do is call a toll-free number, and give his or her credit card number. Within days, the product arrives.

Another type of direct mail that can effectively spur sales is making announcements through the mail. You may announce an upcoming sale or the arrival of a new shipment of special products. "Hurry In Before We're Sold Out Again!" creates a sense of urgency in order to get people to come to your store.

Telemarketing: Outbound

Telemarketing, sometimes called telesales, is personal selling over the phone. This method is called outbound telemarketing because your salespeople are making calls out of your location.

Many companies use telemarketing to reach a large number of customers for a relatively low cost. A major problem with telemarketing is its spotty reputation. Many consumers simply hang up the phone if they hear that someone is trying to sell them something. In order to make telemarketing work for your company, you must prepare a strategy to keep customers on the phone.

According to Jeffrey Gitomer, author of *The Sales Bible*, your opening line is very important because it sets the tone for the whole interaction. If you turn someone off in the first instant, that sale is probably lost.

In cold calling, you must ask power questions and make power statements. A good attitude and strong

focus on the moment will make you even more successful.

A Power Question is...

- A question that makes the prospect think...
- A question that lets prospects know you understand their business.
- A question that prospects answer in such a way to reveal information that leads to qualification, an appointment or a sale
- An open-ended question. Don't say, "Do you...?" Say, "What do you...?" or "How do you...?" or "When do you...?"

A Power Statement is...

- A statement that makes a prospect think
- A statement that builds your credibility with a prospect
- A nontraditional (not boring) statement that describes what you do and how you do it
- A statement about what you do in terms of what your prospect needs
- A statement that is memorable

Telemarketing: Inbound

Inbound telemarketing solicits customers to call. Catalogs and many advertisements usually have 800 numbers for customers to place orders or ask questions. This is an effective way to generate leads and sell if the vast majority of calls are converted to sales.

In recent years, companies have begun advertising 900 numbers, where the customer pays for the call. Although some potential customers may not make the call if they have to pay for it, those who do call will be interested and worth pursuing.

Door-to-Door Sales

In direct field sales, you send salespeople out to sell directly to customers. Door-to-door sales has a mixed reputation because many people do not like to be bothered at home and many people are now afraid to open their doors. While direct field sales is not as common as it used to be, there are still highly successful companies such as Avon that use direct field sales as their main sales channel.

Distributors

Distributors are intermediaries, such as wholesalers, who sell your product to retailers. Distributors can also be in charge of selling your products through different channels. Using distributors is a form of indirect sales because you have little or no contact with the end consumer.

In the software industry, we consider a sale to a distributor as merely a transfer of inventory from one warehouse to another until the software is shipped to a retailer. Distributors want to be able to return excess inventories. You can get burned by a huge return especially near the distributor's fiscal year-end when they want to make their books look better. Some companies and salespeople drive their numbers up by "stuffing the channel" (i.e., convincing the distributor to place a larger than necessary order only to have it returned in a few months).

Wholesalers

Wholesalers buy goods and services for resale or business use. Although technically a retail bagel shop

that also sells to cafes and restaurants is acting as a wholesaler, we are referring to wholesalers as those who buy goods or services but do not produce and resell them.

Retailers often prefer to deal with one or two wholesalers instead of every individual vendor as this cuts down dramatically the time it takes them to buy. Conversely, dealing with wholesalers cuts down on the time you spend selling your product as wholesalers buy in large amounts.

You are probably better off selling 10,000 units of your product at a discount to one wholesaler than 100 units at a time to individual stores for a higher price. It is easier to deal with one company than one-hundred, and the savings in time more than make up for the difference in price. It's also easier to ship your goods to one location than to many. The wholesaler is then responsible for getting the product to the individual retailers.

Original Equipment Manufacturer (OEM)

The OEM sale has the lowest cost and the highest real margin. OEM sales are selling your product, or a version of it, to an original equipment manufacturer, who includes your product with what they sell. This is sometimes called bundling and is a way to gain wide market exposure and solid market penetration. OEMs bundle or promote your product with theirs or pay a royalty on each product sold.

Let's say a company makes computer software and sells some of its programs to large computer hardware manufacturers like IBM or Compaq. Those companies then include the software with their hardware. This is a good arrangement for hardware producers because they give their customers additional goods at a low cost. The software company, while selling the product for little money, receives wide distribution and visibility to prospective customers at no extra cost.

Some companies make products specifically for OEMs or make cheaper versions of their products for OEMs. They use cheaper materials or different packaging, because the emphasis is on the main product and not what it's bundled with. In our example, the selling point is the computer, not the software that comes with it. While the software producer may have expensive, catchy packaging for the boxes it sells in stores, it might use cheaper packaging for products it sells to OEMs.

In the early stages of a new product when cash is tight, OEMs can generate and build new sales. While in the growth stage, companies need dealers and VARs.

Value Added Resellers (VARs)

A VAR develops customer loyalty by "adding value" to your product. A consultant is a VAR. A VAR does not make a product, but instead provides a service in addition to your product that is considered an extra value by the customer.

If you develop close and personal relationships with VARs, as well as training, referrals, and regular communication, VARs can be a good choice for channel distribution.

Since many businesses need specific tasks done that general software either doesn't do or does inefficiently, a computer consultant may take your software program and customize it for a doctor's office or a law firm. It may not be worth your while to design programs for such small markets but if you work with a VAR, you may still be effective in reaching specific groups. Having an "expert" decide to use your product creates a positive image for your product and firm.

Dealers

Dealers add value to your product by providing floor space and end user sales. Successful dealers prefer to buy from a wholesaler to minimize their vendor list. They want consolidated billing and dependable deliveries. Dealers want to buy products they will have little difficulty selling, so advertising and promoting your product will ensure dealer interest.

Franchises

Franchising allows someone to either sell your product as their own business or use your company name and setup. One of the best-known franchise arrangements is McDonald's, which has thousands of franchise restaurants throughout the world.

In a franchise agreement, the franchiser sells the franchisee the right to sell their product. Usually, the franchisee pays the franchiser an initial fee and then a percentage of gross sales annually. Some franchisers also take a percentage of revenues for advertising and promotion.

The advantage of franchising is that the franchising company receives increased earnings with little risk and minimal investment. People who run franchise businesses are usually motivated and ambitious enough to start a business, but the whole endeavor would be riskier for them on their own. Of course, you have to have brand name recognition and a unique concept to sell franchises successfully.

Vertical Integration

In a vertical integration system, all the players are brought together so that they work for the common good: the manufacturers of the goods are linked to those who sell and distribute them. In a traditional channel distribution system, all the players are out for themselves; the producer wants a maximum profit even if the retailer loses and vice versa.

As an example of vertical integration, a clothing company produces all-cotton clothes, owns several cotton fields, has plants that process the cotton into fabric, designs and produces a series of products, uses its own trucking subsidiary to ship all of its goods, and has stores where it sells the products. In this extreme case, the company does not need to rely on any outsiders for its production, sales, and distribution process.

Vertical integration can save a company money because no intermediaries are used. Every part of the machine should be making money for the whole system to survive, so it's in everyone's interest to find fair prices and conditions.

Vertical integration is definitely not for everyone. Usually, only large companies have the capital to buy the different components of its business. Vertical integration, however, does not necessarily mean that one company must own others. Independent companies can come to mutually beneficial arrangements. For example, clothing designers may have their own line of clothing and also design a line that carries a department store's name. In this case, it will be in both the designer's and the department store's interests for the clothes to sell.

Channel Pricing

Price is one of the most important factors in selling your product. It affects customer demand and can be used as a tool to increase sales. What prices you charge in different distribution channels depends on the time and effort you save in actual selling. For example, you charge wholesalers less because they buy your product up-front and you don't need to sell to retail outlets or consumers.

In deciding what price to charge different buyers, a commonly used strategy is to take the final price that you believe the end user should pay and adjust it accordingly for different channels.

Come up with standard policies about how much to mark down (or mark up) prices for the various channels you're using. Keep some flexibility so that you don't eliminate deals that are not within your strict guidelines. It may be worthwhile to sell to a reputable wholesaler, even if you have to charge slightly less than you want. Weigh the importance of establishing the relationship. SEE Price Points and Discounts in Chapter 4—Marketing Tactics & Strategies for a further discussion of pricing.

Promotional Expenditures

Co-operative Marketing

Some channel distributors expect you to pay for sales promotions, even if they are selling out of their own retail outlet.

It's to your benefit to allocate money to your channel distributors' efforts if they help increase your sales. Your channel marketers are more in touch with the market than you are, so listen to what they have to say. And conversely, your in-house marketers may be able to outperform the promotions of your channel distributors. Ask questions. Learn the facts. Spend wisely. Demand accountability.

Market Development Funds (MDF)

Some industries use Market Development Funds (MDF). Retail outlets may create MDFs that set aside promotional funds for the different companies whose products they sell. For example, a retailer like Target sets aside a certain percentage of what it earns by selling your product to promote your product in its own advertising. When Target sends out a promotional piece, it takes money from the MDF to include your product in that mailer.

Launching New Products

The sales approaches you use during different periods of your product's life cycle are bound to be different. Launching a new product is probably the most crucial point for making sales work. If you do not achieve a reasonable level of sales after the product is launched, you may have to discontinue it. While advertising and publicity are very important in this stage, so are sales strategies.

You need to decide where the best place is to sell your product just after it's launched. This will depend on your company and how well it's known, whether the product is similar to other products you have, and how technologically advanced it is.

If your product is completely new and not known by a majority of consumers, even those in your target group, you probably want to sell your product through channels that aim at a small market such as specialty stores that look for new and innovative products. You might expand to reach a broader audience and use more channels at a later time.

If you're a well-known company with high brand recognition, you may decide to sell the product through your normal channels, and just place some extra emphasis on sales promotions, personal selling, and advertising for the product in the initial stage.

Evaluating Distribution

Make your distribution setup dynamic. Keep looking for new channels and opportunities. You can't afford to create distribution systems, and then sit back and relax. Maybe you can sell more of your product if you include more channels, or maybe one of your current distributors is not successfully placing your product on the market. Evaluate your distribution systems on a regular basis.

Integrating Sales and Marketing

The many different elements of sales planning are tied to your market analysis and marketing communications plans. While ultimately your company relies on sales, those sales are linked to understanding the marketplace and how to promote your product there. When all these elements are integrated, you have the insight and tools necessary for success.

Putting It All Together

Nothing great was ever achieved without enthusiasm.

~ Ralph Waldo Emerson

In Chapter One, we talked about why you want to create a marketing plan. Here's a quick review of what a plan does for you, your product, and your company:

- supports the sales of your products
- promotes the participation of those in your company who work closest with your customers and with the various production processes
- helps everyone in your company understand and work toward common goals
- serves as a benchmark for your company by establishing concrete and current objectives, strategies, and tactics.
- becomes a record that helps your company learn from experience
- provides a stable base from which your company can enter the rough and tumble marketplace
- enables your company to enter the marketplace with your eyes wide open to possibilities and problems.

That's what a marketing plan does.

What Does It Say?

Your marketing plan says who your customers are and what they want, who your competitors are and what they are doing, what your product offers consumers and how you will alert them to its existence and make it available to them. It describes the risks you face in marketing your product. It specifies the components of your marketing mix and it itemizes your goals and strategies. When you write all this information down, you have written your marketing plan.

How to Write It?

Use the writing style that is most comfortable for you. A conversational style is acceptable if your plan will only be used in-house. Use diagrams, drawings, and lists to present or simplify procedures. Your basic plan will most likely be a first draft. Do not be discouraged if you have to re-write. The process of getting feedback and refining and clarifying your material sparks new ideas and ultimately enhances your final marketing plan.

How to Organize It?

The organization of marketing plans can differ from company to company.

JIAN'S MarketingBuilder recommends the following outline:

1. Overview/Executive Summary
2. Marketing Objectives
3. Current Marketing Situation

4. Strategies
5. Our Products/Services
6. Delivering Our Products/Services
7. Pricing
8. Marketing Communications
9. Organization & Implementation
10. Forecasts & Budgets

Summary

Despite myriad variations in format and outline, there are core components to every plan:

Cover Page

Table of Contents

An outline of the headings of each section with page numbers.

Executive Summary

A one-page summary of the circumstances and main recommendations contained in your plan. Summarize the bottom-line: projected revenues and costs and how they differ from last year's figures. If you have too many products for one page, list them by product line or do more than one plan.

Situation/Market Analysis

This is a snapshot of your company at this moment in time. The picture includes a overview of the market including important market changes like new government regulations, increased cost of raw materials, your target population aging, etc. Note your position in the market, and make an assessment of your competition including your strengths and weaknesses relative to them.

Program Overview & Details

Explain the details of each component of your marketing program.

If your plan covers all of your products, create a separate overview for each product. Similarly, if your program covers multiple groups of customers, create a separate overview for each group. This part of your plan, most likely, will be lengthy. The overviews do not necessarily need to be narrative. In many cases, a spreadsheet will provide a clear and quick explanation.

At a minimum, this section covers the Four Ps: Product, price, placement, promotion. (SEE Chapter 1—What Is Marketing?) However, if there are components you cannot change (say, you cannot alter pricing policy or create a new distribution channel), there is no sense including those areas. Be realistic. Be practical. If all you can control is promotion, then detail how you will promote the product.

Strategy (including Objectives & Tactics)

Your objectives where you are going and when you will get there. Your strategy is your general approach to accomplishing your objectives, the route you will take to get where you say you are going. Tactics are the tangible manifestations of your strategy: the independent reps, the advertising, the brochures, the T-shirts.

Budget

Each tactic has its price. Each sale brings in revenue. On the expense side, your budgets shows the costs of production, distribution, and your marketing tactics. On the revenue side, you forecast the number of units that will be sold as a result of your marketing program multiplied by the average net price. Voila! When you come right down to it, your marketing budget is a projected profit-and-loss statement.

Optional Categories

Implemental Issues

While optional, it is a good idea to include implementation issues. These are management issues that range from assigning marketing activities to the individuals who will implement them to sophisticated issues like making the sales force more productive. If you include a section to cover these aspects, timelines, monthly budgets, and sales breakouts (by product, territory and/or month) are useful additions. Title this section “Management of the Marketing Program” or “Timetables and Management.”

Controls

A short but important section. This section identifies performance benchmarks, so you (and others) can track performance and measure how well the plan is working.

No matter who receives copies of your plan, do a professional presentation: Clear, concise, and consistent. Neatness counts. A messy document will not evoke the attentive response that your time and effort deserve. Enjoy!

Creating and writing a marketing plan is a long and winding road but it need not be grueling. You seek knowledge in the wilds of the marketplace, you explore the inner workings of sales, you get to know your company better and make it more successful. It’s a game, a dream, an idea, an adventure.

It’s a marketing plan!

Glossary of Marketing Terms

Adoption. The process in which a consumer accepts and becomes a regular buyer of a product.

Advertising. One-way mass communication about a product that is paid for by the marketer.

Advertising vehicle. Where you place your advertising, such as on television, in a magazine, on a billboard, or on a bus shelter.

Barriers to entry. Elements that make it difficult to enter a certain business, e.g. need for large amounts of capital, or government permits.

Biographics. The part of the market analysis that looks at how your customer buys products and services, e.g. with credit, by mail, etc.

Brand. A name or design that distinguishes a company's product from its competitors.

Brand loyalty. When customers favor a certain brand and consistently choose it over the competition.

Browser. A program that enables searching on a network. Netscape Navigator or Internet Explorer are examples of browsers.

Bundling. Grouping several products together to be sold as one.

Business risk. Risk that is related directly to running a business, such as threat of bankruptcy.

Business to business marketing. Selling a product to other businesses as opposed to the general consumer.

Channel. See Distribution channels.

Cold calling. Phoning or meeting someone with whom you have had no prior contact and who has not expressed any interest in your product.

Collateral. See Sales literature.

Commission. An amount of money paid to a salesperson based on sales performance.

Commission percent. The percentage that is used to determine a salesperson's salary. The figure can be a percent of total sales income, gross profit or any other figure you choose.

Consumer adoption process. The stages in which different consumers adopt a product. The different groups of adopters are: innovators, early adopters, early majority, late majority, laggards.

Cost of Sales. The different costs associated with making sales, including promotion, salaries, expenses, commissions, etc.

Coupons. Certificate that gives consumers an immediate discount on their purchase.

Customer relations. The way a company and its salesforce treats customers, including responding to complaints and keeping customers informed of company news.

Cyberspace. Coined by science fiction author William Gibson in 1984, cyberspace denotes the "place" where the Internet exists and the space between computers, and between computers and people

Data sheet. A detailed product description on one sheet of paper which can be used as a sales tool.

Dealer. A distribution channel that sells one company's product directly to the consumer.

Decline. The final stage of the product life cycle, when product sales are diminishing. Your company may decide to withdraw the product from the market or continue at a steady level of sales.

Demographics. The part of your market analysis that tells you what characteristics your customers have,

such as income, age, employment status, etc.

Direct mail. Sending information through the mail directly to the consumer.

Distribution channels. The different outlets you have for selling your product.

Domain Name. The Internet name associated with an organization, organized in a hierarchical fashion with each level separated by a “dot.” Organization types are commercial (.com), educational (.edu), organizational (.org), governmental (.gov), military (.mil), or network (.net). New domain names are expected to appear. For example, the online address for the U.S. President is “president@whitehouse.gov.” Everything after the @ symbol is the domain name. In this case, whitehouse.gov.

Early adopters. A group in the consumer adoption process that is likely to adopt a new product in its introduction phase.

Early majority. Another group in the consumer adoption process. This group will buy a product when it’s established and carry it into the mainstream.

Earnings. Also called income or profits, earnings are the “bottom line” sales less sales’ costs and expenses.

EDI. Acronym for Electronic Data Interchange. Enables computer-to-computer exchange of business documents between different companies.

Elastic demand. When demand fluctuates as the product’s price fluctuates; when the price rises, demand will fall, and vice versa.

Elasticity of demand. This concept refers to how price sensitive consumers are. (If prices fall, how much does demand increase?)

E-Mail. Short for electronic mail. A system whereby messages are sent from and received by personal computers via a network or telephone connection.

Environmental risk. The risk you business faces from external factors, such as government regulation, weather, and the general economy.

FAQs. Pronounced “facks” and an acronym for Frequently Asked Questions, this is a list that provides answers to common questions

Fixed costs. Costs that remain unchanged in total for a given time despite widespread fluctuations in activities such as, for example, sales activities.

Follow-up. A part of the sales process in which follow-up on leads and sales calls. Many companies leave this stage out although it is crucial to successful marketing.

Focus group. Market research through a small group of people brought together to discuss a product, business concern or service in detail.

Four Ps of marketing. The four classic components of marketing: Product, Price, Promotion and Place. (Actually the Ps could go on an on... packaging, positioning, pitch, planning,)

Franchise. A retail store whose owner is given a license to sell a larger company’s product or concept.

Franchisee. The business that is given the right to sell another company’s product. Usually pays an initial payment to the franchiser and a percentage of sales.

Franchisor. A company that grants the right to sell its product, and use its concept to other companies.

Freight absorption. When a company pays the cost of shipping its product to the buyer.

Freight pricing terms. The terms that are set out about who pays for shipping the product, and at what point in the process product title transfers.

FTP. Acronym for File Transfer Protocol. A method for transferring files between computers over the Internet

Geographics. The part of a market analysis that tells a company *where* the consumer is.

Growth. The second stage of the product life cycle, when product sales start to rise significantly and competitors begin to enter the market.

HTML. Acronym for Hypertext Markup Language. The computer language of the World Wide Web, it is text employing formatting codes that is used to communicate with servers and browsers.

HTTP. Acronym for Hypertext Transfer Protocol. The original communications protocol of the Web. HTTP is used by browsers to connect to Web servers and servers use HTTP to talk to each other. This protocol allows a user, through links in a hypertext document, to shift to another document.

Hyperlink. A programmed link between items of information in different sections of a program or in different locations within a network.

Hypertext. A system of coding text for information retrieval that brings together related material so that a user can follow existing hyperlinks, link related items together, or retrieve linked cross-references in a random access manner.

Incentive. A benefit that is offered to consumers to encourage them to buy.

Industry. A large scale business activity.

Inelastic demand. When demand remains stable in spite of price fluctuations. Usually staples, such as flour, sugar, and toilet paper, have inelastic demand.

Influencers. The different people who have influence over whether a product is bought.

Innovators. Those people in the consumer adoption process that are likely to be the first to adopt a new product.

Internet. A network of computers that communicate over telephone links or microwave links. It is home to the World Wide Web and to many newsgroups, bulletin boards, and online forums. A cultural and commercial phenomenon of the late 20th century.

Intranet. A private network within an organization.

Introduction. The first stage of the product life cycle, when the product is first introduced on the market, and competition is probably low.

ISDN. Acronym for Integrated Services Digital Network. A set of standards that transmits voice, data, and video over standard phone lines at high speed.

ISP. Acronym for Internet Service Provider. An ISP gives you access to the Internet. Netcom and Earthlink are ISPs. America Online is an online service, not an ISP.

JAVA. Created by Sun Microsystems, Java is a simple, object-oriented programming language useful for enabling animations and real-time interactivity on the Web

Laggards. The group in the consumer adoption process that is least likely to accept a new product at any stage.

Late majority. People in the consumer adoption process that will only buy a product when it's fully accepted in the market, and then they are still resistant.

Lead. A company or individual that has been identified as a possible customer.

Lead generation. Identifying companies and individuals who may buy your product.

Leader pricing. A pricing tactic in which a company advertises the lowest cost items it sells with the

hope that once consumers are in the store they will buy more expensive items.

Logo. A design or symbol that represents a company and its products.

MarCom. Common short form slang for “marketing communications.”

Market. Groups of people or organizations that have needs or desires for particular products.

Marketing. The process of making your product known to the market and selling it.

Market niche. The smallest subset of a market that addresses the needs and desires of a small group of consumers.

Market segment. A particular part of a market that share common needs or desires.

Market share. The percentage of the total available customer base captured by your company.

Marketing communications. The marketing element that lets customers know that your product exists and tries to induce them to buy.

Maturity. The third stage of the product life cycle, when the market is dominated by a few companies and competition is stiff.

MB. Acronym for Megabyte. 1,048,576 bytes or 1,024 kilobytes.

Media kit. An information packet supplied by media outlets that provides a profile of who reads, watches or listens to that particular outlet. Used by advertisers to determine whether it’s worthwhile to advertise in that vehicle.

Media mix. The different media outlets you use to get your message across.

Media plan. The plan that outlines which media vehicles you will use and when you will place your advertisements.

Modem. Acronym for Modulator/Demodulator. A device that links computers by converting signals from analog to digital and vice versa over telephone lines.

Net. The abbreviation for the Internet.

Netiquette. The “etiquette” of the Internet. Do’s and don’ts of online behavior.

Newsgroup. Special interest group on the Internet where people post messages and receive responses.

OEM (Original Equipment Manufacturer). A company that produces equipment and could bundle your product with theirs.

OS. Acronym for Operating System. A software program that manages resources of a computer

Packaging. A container that promotes and protects your product.

Personal selling. A style of selling that involved direct contact between the seller and the buyer. Can be used to promote your product.

Place. One of the four Ps of marketing. Place answers the question, “Where will you sell?”

Point of purchase display. A display that’s set up where your product is sold to draw attention to the product and encourage consumers to buy.

Positioning. Placing your product on the market in relation to your competitors.

PPP. Acronym for Point to Point Protocol. The protocol for transmitting data over the Internet using a modem and a telephone line.

Press release. A short document sent out to the press that announces a significant company event, such as a new product release or promotional event.

Price. One of the 4 Ps of marketing. Price answers the question, “How much will the product be sold

for?”

Primary sources. First-hand information gathered directly from the original source. Information that has not been pre-selected or analyzed.

Product. One of the 4 Ps of marketing. Product answers the question, “What are you selling?”

Product life cycle. A concept that describes how the product will be accepted by consumers at different times. A product life cycle includes introduction, growth, maturity and decline.

Product mix. The different products a company sells.

Production curve. A curve that describes the cost of production at different production levels.

Profit. The excess of the selling price over all costs and expenses incurred in making a sale.

Promotion. One of the 4 Ps of marketing. Promotion covers all the different ways you promote your product, including advertising, personal selling, and public relations. Note: The word promotion is often used alone to describe sales promotions.

Promotional mix. The different promotional tools you use to make your product known to the market.

Prospecting. See Lead generation.

Psychographics. The part of a market analysis that tells you about the lifestyles, attitudes, and values of your target market.

Public relations. An aspect of marketing that is charged with letting consumers know indirectly about your product through publications, television, radio or other events.

Qualifying. The process of finding out how likely a lead is to buy your product.

RAM. Acronym for Random Access Memory. A computer’s short-term memory used to run program applications.

Rebate. A cash refund for purchasing your product.

Recession. A period of slow economic activity, when income, employment levels and production tend to fall.

Reseller. A company that buys products from the manufacturer and resells them to other customers.

Return on investment (ROI). Net profits divided by sales; a measure of profitability.

Return on sales. Net profits divided by sales, another measure of profitability.

Risk. The chance of damage, loss or injury.

Sales automation. Creating a system that allows your salespeople to have immediate access to sales and customer information, usually by using laptop computers.

Sales forecast. A prediction of the sales level that your company will reach in a particular time period.

Sales literature. Product information that provides the consumer with a better understanding of the product than packaging and advertising. Includes brochures, data sheets, and videos.

Sales promotions. Marketing activities that are aimed at causing consumers to buy “now,” including coupons, point of purchase displays, samples, etc. Note: Often referred to simply as promotions.

Sales quotas. Objectives set for salespeople that define a specific number of goods or dollar amount of sales that they should reach in a given period of time.

Sales terms. The different aspects which may affect the final price of a sale. For example, who pays shipping or whether the customer receives a discount if the bill is paid within a given time period.

Search Engines. The Internet’s equivalent of the reference librarian, search engines run on software that enable you to locate files on a network by keyword or concept.

Secondary sources. Information that has been altered and/or analyzed but is not necessarily inaccurate such as newspaper and magazine articles.

Server. A PC, a workstation, or, a mainframe that stores data, files, and/or processing power and shares (“serves”) its resources with other computers on a network.

Spam. Spam is the mass posting of unwanted and often intrusive and disruptive messages. The junk mail of the Internet.

Straight commission. When a salesperson’s whole salary is based on commission. In other words, the salesperson won’t have any salary without making sales.

Straight salary. When a salesperson receives a set salary that has nothing to do with sales levels reached.

Substitute good. A product that can replace another and is used for the same purpose.

SWOT analysis. An analysis of your company’s Strengths, Weaknesses, Opportunities, Threats.

Target market. Target market is that segment of consumers sharing similar needs and characteristics to whom a product is marketed based on an analysis of the segment’s potential for profitability.

Telemarketing. Selling or doing market research over the telephone.

Template. A predefined “program” that contains labels, formulas, and other elements so that all you need to do is enter your data in the correct places.

T1. A high-speed network link that transmits data at 1.5 Mbps. T1 refers to the signaling speed, not the medium of the network.

Trade-in allowance. When you let customers exchange a used product for the same product that is new and lower the price of the new product.

URL. Acronym for Uniform Resource Locator. An address that names a site on the Internet. For example, <http://www.jian.com>

VAR (Value Added Reseller). An individual or company that sells your product with its service.

Variable costs. These costs vary directly with sales volume. Examples include the cost of labor, material, sales commissions and warranty expense.

Vertical integration. A network of producers, suppliers and distributors that work for a common good.

VRML. Acronym for Virtual Reality Modeling Language. Pronounced “ver-mul.” A complement to **HTML**, this is a protocol for creating navigable, hyperlinked 3-D spaces on the Web.

Warranty. A promise or guarantee to the buyer that guarantees product performance and quality, and usually covers repairs or replacement parts for a limited time.

Website. A collection of pages on the World Wide Web.

WWW. Acronym for World Wide Web. Created in 1989 by Tim Berners-Lee, the WWW is a graphics-enabled environment running on top of the Internet.

WYSIWYG. Acronym for What You See Is What You Get. Pronounced “wiz-ee-wig.” Software that enables the ability to print out a paper copy that is a close approximation of what is shown on the screen.

Government Resources

- **Bureau of the Budget**
Standard Industrial Classification Manual: This publication lists the SIC numbers issued to major areas of business; for example, the SIC number for piano tuning is #7699.
- **Bureau of the Census**
Issues publications covering demographic and economic surveys.
- **Copyright Office**
Information and Publication Section
LM-455, Library of Congress, Washington DC 20559
Catalog of materials published, highlights of new copyright law, copyright basics, trademarks
- Patent & Trademark Office
- **U.S. Department of Commerce**, Washington DC 20231 * 202-308-4357, 800-PTO-9199 or 703-308-HELP * www.uspto.gov/web/info_contacts * Write and ask for catalog of publications.
- **Superintendent of Documents** — US Government Printing Office
732 N. Capitol St. NW, Washington DC 20402 * 202-512-0571
- **U.S. Department of Commerce**
Main Commerce Bldg., 14th St. & Constitution Ave. NW, Washington DC 20231 * 703-442-2000
- **Office of Consumer Affairs**
Washington D.C. 20233 Offers free booklets such as Product Warranties, Advertising, Packaging and Labeling. Also offers Census of Population, Current Population Reports, Statistical Abstract of the United States, U.S. Industrial Outlook, State and Metropolitan Area Data Book, Country Business Patterns, Bureau of Census Catalog.
- **U.S. Department of Labor**
200 Constitution Avenue, NW, Washington DC 20210, 202-219-7316 — Request catalog of publications.
- **U.S. Small Business Administration**
P.O. Box 15434, Fort Worth, TX 76119, SBA Small Business Answer Desk (1-800-368-5855)
National Directories for use in marketing, small marketers aids, and statistics and maps for Market Analysis. Request order form from and send payment to the above address. Check must be payable to: U.S. Small Business Administration.
- **Federal Trade Commission**
Division of Legal and Public Records, 600 Pennsylvania Ave. NW, Washington DC 20580, 202-326-480 Request trade practice rules applicable to your business; for example, the jewelry industry.
- **Food and Drug Administration**
5600 Fishers Lane, Rockville, MD 20857, 301-827-4420 Send for requirements governing packaging and labeling of food and food-related products.
- **Internal Revenue Service**
1111 Constitution Ave., NW, Washington DC 20224, 800-829-1040 Request list of publications such as Tax Guide for Small Business #334.

Associations

- **American Association of Advertising Agencies**
666 Third Ave., New York, NY 10017 212-682-2500
- **Association of Direct Marketing Agencies**
c/o Cohn & Wells, 350 Hudson Street, New York, NY 10014 212-886-4400
- **Bureau of Consumer Protection**
Division of Special Statutes 6th and Pennsylvania Ave., NW, Washington DC 20580 Write for information related to your specific business.
- **Consumer Product Safety Commission**
4330 East-West Highway, Bethesda MD 20814
- **Bureau of Compliance**
5401 Westbard Avenue, Bethesda, MD 20207 Request catalog of booklets available.
- **Manufacturer's Agents National Association**
1131 Pennsylvania Ave., NW, #1500N, Washington DC 20004,
- **Agent and Representative Company**
626 N. Garfield Avenue, Alhambra, CA 98101 Publishes a geographical and alphabetical directory of association members along with information about lines and territories handled.
- **Association of Limited Liability Companies**
1000 Thomas Jefferson St., NW, Suite 600, Washington DC 20007 * 202-965-6565
- **Association of Small Business Development Centers**
1313 Farnam, Suite 132, Omaha, NE 68182-0472
- **National Association for the Self Employed**
P.O. Box 869023, Plano, TX 75086-0472
- **National Association of Female Executives**
P.O. Box 469031, Escondido, CA 92046 800-634-6233
- **National Business Association**
P.O. Box 870728 Dallas, TX 75287

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- **Business Periodicals Index**
A monthly listing of business articles appearing in a wide variety of business publications.
- **Directory of Directories**
Describes over 9,000 buyer's guides and directories.
- **Directory of Online Databases**
Provides information on databases and is indexed by subject.
- **Directory of U.S. and Canadian Marketing Surveys and Services**
Descriptions of market research reports for firms in the U.S. and Canada.
- **Dunn and Bradstreet Directories**
List companies alphabetically, geographically, and by product classification.
- **Encyclopedia of Associations**
Provides information on every major trade and professional association in the U.S.
- **Marketing Information Guide**
Provides a monthly annotated bibliography of marketing information.
- **Standard and Poor's Industry Surveys**
Updated statistics and analysis of industries.
- **Statistical Abstract of the U.S.**
Updated annually, provides demographic, economic, and social information.
- **U.S. Industrial Outlook**
Provides projections of industrial activity.

Periodicals

- Advertising Age
- Advertising and Sales Promotion
- Adweek
- Adweek's Marketing Week
- American Demographics
- Brandweek
- Business Age
- Business Horizons
- Business Marketing
- Business Start-Ups
- Business Week
- Distribution
- Entrepreneur
- Fast Company
- Fortune
- Inc.
- Journal of Advertising Research
- Journal of Business
- Journal of Consumer Research
- Journal of Marketing Research
- Journal of Retailing
- Harvard Business Review
- Industrial Marketing
- Marketing News
- New York Times
- Sales & Marketing Management
- Selling
- Standard & Poor's Industry Surveys
- Success
- Venture, the Magazine for Entrepreneurs
- Wall Street Journal

References – Books

*Somewhere in the world there is defeat for everyone.
Some are destroyed by defeat, and some made small and mean by victory.
Greatness lives in one who triumphs equally over defeat and victory.*

~ John Steinbeck

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- **Growing Your Business Online** by Phaedra Hise. New York: Owl Books: Henry Holt
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- **The Internet Strategic Plan** by Martin A. Schulman, Rick Smith. New York: John Wiley & Sons.
- **Internet Advertising: Click Here** by Eugene Marlow. New York: Van Nostrand Reinhold
- **The Internet Marketing Plan** by Kim Bayne. New York: John Wiley & Sons
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- **Making More Money on the Internet** by Alfred and Emily Glossbrenner. New York: McGraw Hill
- **Net Results: Web Marketing That Works** by US Web and Rick E. Bruner. Indianapolis, IN: Hayden Books
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- **Small Business Internet Directory for Dummies** by Esau Barchini, Ed Craig. Foster City, CA: IDG Books Worldwide.
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- **The State of the Net: The New Frontier** by Peter Clemente. New York: McGraw-Hill
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- **Wired for Business: Insider's Guide to Doing Business on the Internet** by Anthony Rutkowski. Paramus, NJ: Prentice Hall.

Periodicals

- Inter@ctive Week. Publisher: Ziff-Davis, Inc. Free to qualified management personnel in the interactive field. www.interactive-week.com. 609-829-9313.
- InternetWeek. Publisher: CMP Media, Inc. Free to qualified management personnel in the communications industry. www.internetwk.com 847-647-6834.
- Interactive PR. Publisher: Phillips Business Information, Inc. 301-424-3338.
- InfoScavenger Communications, Inc.: Sites & Insights for Growing Businesses 800-449-8533.
- InfoAlert. Publisher: The Economic Press, Inc. 800-526-2554.
- Internet Week. Publisher: Phillips Business Information, Inc. 800-777-5006.
- Corporate Internet Strategies. Publisher: Cutter Information. 800-964-8702.
- Internet Marketing & Technology Report. Publisher: Computer Economics, Inc. 619-438-8100.
- The Internet Letter. Publisher: NetWeek Publications. 202-638-6020.
- Ragan's Interactive Public Relations. Publisher: Lawrence Ragan Communications, Inc.: 312-335-0037 or 800-878-5331.
- dot.COM-The Gateway to On-line Business. Publisher: BCC Newsletter Group. 203-853-4266.
- The Internet Business Journal. Publisher: Strangelove Press: 613-565-0982.
- Internet Business Advantage. Publisher: The Cobb Group/Ziff Davis. 800-223-8720.
- Internet Bulletin for CPAs. Publisher: Kent Information Services. 800-834-1996.
- Internet Associations
 - The Internet Advertising Bureau—<http://www.iab.net> IAB) represents more than 100 members, including major publishers, large corporate advertisers, top agencies, and others.
 - The Direct Marketing Association—<http://www.the-dma.org> The leading association for direct marketing in the real world.
 - Commerce.Net—<http://www.commerce.net> Commerce.Net is the largest association of e-commerce professionals with links to e-commerce news, legislation, survey results events, email discussion lists, and other useful information.
- Professional News and Information Sites
 - Direct Marketing News—<http://www.dmnews.com> The leading direct marketing magazine. Extensive industry news.
 - MediaCentral—<http://www.mediacentral.com> Features extensive coverage of Web marketing activities, including direct and catalogue marketing, online publishing, and e-commerce.
 - Who's Marketing Online?—<http://www.wmo.com> Resource, original articles, reviews of sites, and many links to other sources.
 - American Demographic/Marketing Tools Bookstore — <http://www.demographics.com> Research reports, books and magazines for sale online, and links to other resources.
 - CommercePark—<http://www.commercepark.com> Many links to e-commerce sites.
 - Internet SourceBook—<http://www.internetsourcebook.com> Many links to e-commerce sites.

Internet Industry News

- **TechWeb & CMPnet** <http://www.techweb.com> <http://www.cmpnet.com> TechWeb and CMPnet both offer a wide variety of news sources, content from CMP's computer industry print titles, and original online news.
- **ZDNet**—<http://www.zdnet.com> A massive resource of news and information, with links to other Ziff-Davis resources.
- **Internet.com**—<http://www.internet.com> Original, up-to-the-minute news and links to other Mecklermedia publications.

Internet Research Groups

The following analyst groups and research firms provide industry information, subscription reports, custom research, and consulting. Their Web sites offer limited free resources. More extensive information is available on a fee basis.

- Cowles/Simba <http://www.simbanet.com>
- CyberDialogue <http://www.cyberdialogue.com>
- Find/SVP <http://www.findsvp.com>
- Forrester Research <http://www.forrester.com>
- Gartner Group <http://www.gartner.com>
- Jupiter Communications <http://www.jup.com>
- Media Metrix (formerly PC Meter) <http://www.mediametrix.com>
- NetRatings <http://www.netratings.com>
- Relevant Knowledge <http://www.relevantknowledge.com>
- YankeeGroup <http://www.yankeegroup.com>

Where to Find Marketing Information

Web Marketing Info Center <http://www.wilsonWeb.com> A frequently updated and well respected collection of statistics, resource lists, reports and articles about Web marketing issues. This site also publishes an e-mail newsletter, “Web Marketing Today,” targeted specifically to marketing executives and small-business entrepreneurs.

- **Internet Advertising Resource Guide** <http://www.voyager.net/adv/internet-advertising-guide.html> www.voyager.net/adv/internet-advertising-guide.html
A good starting point for links to online magazines, discussion groups, and business product and service suppliers.
- **Open Market Commercial Sites Index** <http://www.directory.net> A non-profit directory that lists commercial Web sites.
- **BizWeb** <http://www.bizWeb.com> A well-established commercial directory of business Web sites and business Web sources.

Software for Managing Online Transactions

- **iCat.** <http://www.icat.com> makes software programs for retailers; setups for online catalogs, shopper tracking systems, inventories, and site analysis.
- **Sterling Commerce** <http://www.sterlingcommerce.com> makes catalog and sales software that works with UPC symbol codes and international currencies.
- **I/Pro** <http://www.ipro.com> offers Web site analysis programs and other statistical software tools.
- **ViaWeb Store** <http://www.viaWeb.com> offers software programs for online retail applications and business services.

Internet Consulting Services Online

- **CommerceNet** <http://www.commerce.net> is a specialized directory of Internet consultant companies, including Web design firms, searchable by zip or area code.
- **Link Exchange** <http://www.linkexchange.com> handles free advertising swaps, such as banners, and Web advertising production.
- **Submit-It** <http://www.submit-it.com> offers both free and paid services to submit and connect your new Web site to search engine and directory lists.
- **Media Metrix** <http://www.mediametrix.com> (www.mediametrix.com) offers market research, Web site development, and trend information on Web marketing.
- **Multimedia Marketing Group** <http://www.mmgco.com> (www.mmgco.com) handles promotions and public relations for business Web site launches. Free information and statistics relating to Web marketing can be found here as well.
- **Clicktrade** <http://www.clicktrade.com> helps to arrange advertising and strategic partnerships among Web-based companies.
- **ICI/SoftMail Direct** <http://www.softmail.com> provides strategic consulting services, Web site development, branding, e-commerce, direct response print and e-mail outreach programs.

ISP Information

- **Computer Currents ISP Search Engine** <http://www.currents.net>/www.currents.net/ helps you find the ISPs near you.
- **The List** <http://www.thelist.com> (www.thelist.com) is a directory that lists and rates ISPs, large and small.

Selected Web Designers & Developers

- **Avalanche**, New York, New York <http://www.avsi.com>
Offers design, technology, and marketing. Services include online publications, digital press kits, corporate media and complete Internet environments.
- **Big Mango**, Fairfax, CA <http://www.BigMango.com>
Caroline James did the JIAN website!
- **CKS Group**, Cupertino, California <http://www.cks.com>
Services include strategic corporate and product positioning, branding, packaging, collateral systems, advertising, direct mail, promotions, and media placement services.
- **Dimension X**, San Francisco, California <http://www.dimensionx.com>
Produces Web sites from concept development to graphical design to implementation of custom tools; as well as day-to-day operations.
- **Internet Media Services**, Palo Alto, California <http://www.netmedia.com>
Uses its own software to design and implement high-tech interactive Web sites, including high level ordering systems. Offers consulting to assist in the entire Web development process.
- **Organic Online**, San Francisco, California <http://www.organic.com>
Creates innovation sites using technology to meet client needs while building valuable information databases. Specializes in developing intuitive navigation tools and designs sites to allow for future growth.
- **Vivid Studios**, San Francisco, California <http://www.vivid.com>
Focuses on creating Internet experiences for global networks and online communities. Vivid has developed production tools and site management technologies to enable live product launches and large turn key systems.
- **U.S. Web**, Santa Clara, California <http://www.usweb.com>
Web site developers for small and large firms. Specialty is translating diverse product and service offerings into graphically appealing, easy-to-use interactive environments. Expert in Intranet and Extranet development.

Marketing Builder is a powerful step toward your business success.

Now you can go even further with more popular tools and resources.



Knowledge Base online is full of answers

We collect great ideas, articles and links you can use to build your business. Visit www.jian.com from time to time get answers to questions and to help you make important decisions.



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Visit our website and sign-on as a [JIAN Affiliate](#). We provide text, graphics and links you can add to your website to generate extra income while you sleep.



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Send us your [success story](#) with your web address and we'll add it to our website. Your link on our site will add to the total number of links to your site and improve your search engine ranking.



Attorneys nearby can help

Perhaps some specialized help is necessary to complete your project or give it a good, professional review. Visit our website and click on [Consultants](#) to enter your request for help.



More proven software tools

Next you'll need a full-blown employee record-keeping system (picks up where Sample contract Builder leaves off...), then an OSHA compliant safety plan, there's more.



Investors & Other Resources

Need funding? Take look here. Also, drop us a line (email works) and we'll see if one of our investment banker friends can help you.



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www.jian.com

The growing family of JIAN tools gives you the support you need to build and maximize the growth and value of your business.

