



devising a winning **Marketing Strategy**

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Creating a successful company game plan—from customers and products to sales efforts and pricing.

Successful marketing in today's ever-changing business world is a difficult challenge for any company. Like other industries, the graphics world is constantly faced with changing markets, new customers, tough competitors, emerging technologies, and evolving products.

So how do you market your company in the midst of so much change?

If you wish to execute a successful marketing strategy, keep in mind the following aspects of your business. Hard work in these areas will undoubtedly yield dividends to you and your business:

- Your market;
- Your customers;
- Your products;
- Your strengths and weaknesses;
- Your competitors;
- Your sales team; and
- Your pricing.

Shrinking and expanding markets

Knowing your market seems rather obvious, but it's surprising how often we implement a marketing campaign that ends up

completely missing the market we should be after. In the graphics and display industry, our targeted markets often seem to elude us. We think we know our markets quite well, only to see a particular segment of the market disappear, while another unanticipated market emerges in its place.

Let me illustrate this point with something in my own company's experience. As recently as 4 or 5 years ago, exhibit and display companies represented a significant part of our business. But with the improvement of digital technologies and the lowering of economic barriers for entry into the production side of graphics—namely, lower-cost machines producing acceptable-quality images—we began to see the exhibit companies ordering less printing from us and producing more themselves. They simply saw the advantage of vertical integration in the marketplace. As a result, that particular market has all but disappeared for us.

On the other hand, we have experienced much larger growth from commercial customers who are buying directly from us. In the past, most commercial companies relied upon advertising agencies, exhibit companies, and design shops to supply their graphic needs. Now, most have their own graphics and design departments that produce the front-end work and they end up directly sourcing their graphics output from producers like us.

Promoting Your Company

Every successful company uses some sort of promotion to influence certain audiences—usually customers or prospects—by informing or persuading them. The following cost-effective, easy-to-execute ideas have the power to increase sales in a way that conventional advertising cannot. The key is to find the methods that are appropriate for your business, marketplace, and professional style.

Demonstrations, seminars, and open houses: Demonstrations are an option to attract people to your place of business, show them how to best make use of your product, and establish your credibility. A retail-wholesale fish outlet, for instance, holds cooking demonstrations twice a week, featuring a different restaurant chef each time and attracting substantial crowds. Wallpaper demonstrations, fashion shows, gift wrapping, refinishing, and computer demonstrations have all worked well for retailers selling products associated with those presentations and services.

Often more appropriate for business-to-business marketing, seminars and open houses are the commercial side of demonstrations. If you opt to hold a seminar, follow these rules for success:

- Schedule the event at a time convenient to most attendees.
- Be specific in the invitation about when the event begins and ends, who will be there, and what the event will cover.
- Follow up the invitations with personal phone calls.
- To give the seminar a higher perceived value, you may want to charge to attend; open houses, of course, should be free.
- Be sure to invite local media and government officials to your open house.

Newsletters: Producing a regular newsletter will demonstrate how much you know about your field, and will do so in a low-key, informative way. It also serves to help keep your company high in the consciousness of your prospects. Keep in mind that a newsletter must be regular, not sporadic—an irregularly produced newsletter won't gain your shop much attention.

Articles: Write an article for your local or community newspaper or trade journal, then reprint it (make sure you get permission to do so from the publisher), and mail it off to your friends, customers, and prospects. This positions you as an expert, and is a particularly good way to promote a business.

Speeches: Depending on your topic and your market, you might want to speak before chambers of commerce, trade associations, parent groups, senior citizens, or other local organizations.

Contests: As one example, a cookware store decided to sponsor cooking contests. After sending out a press release announcing a competition for the best cookie or chocolate cake, a mailing went out to the store's customers soliciting entries. Food editors, professional chefs, and cooking teachers were invited to be judges; the winners as well as the winning recipes were publicized. Essay and design contests are also possibilities, such as furniture stores establishing a prize for student furniture design, dentists holding smile contests, video rental stores staging movie-trivia quizzes, and so on.

Bonuses: If you have a restaurant, give away a glass of wine with dinner to introduce a new menu. If you sell to retailers, give them a display fixture with the order of a gross. If you sell office supplies, give away a new pen with a sizeable purchase.

Coupons: This is one of the least-expensive ways to develop new trade and is an excellent tool for evaluating advertising. For best results, the price break should be significant—at least 15%. One theory, however, holds that coupons draw people who only buy discount and never become regular customers, so be sure to monitor the results.

Donations: Donating your product or service to a charitable cause often results in positive exposure to community leaders, charity board members, PTAs, and civic groups. While consumer products are desired most, many organizations also look for donations of professional service time. If you have a restaurant or a large meeting facility, consider hosting an event for a charitable organization. This works best if volunteers for that charity are potential customers.

Samples: No matter what you do to promote your business, giving potential customers a sample is an excellent way

to attract attention and make a positive impression. In many cases, it makes just as much sense to spend your marketing and advertising dollars on giving out your own products instead of buying advertisements—especially if cash is tight. The key is to give samples to the audience you want to reach—software packages to computer-user groups, for instance.

Free services: If you can't afford to give away products, offering your services as a way of generating new business can also pay off. For example, if you own a retail clothing business, send out a flyer offering customers a free fashion consultation to draw them into the store.

Special benefits, rates, notices: Smart organizations go out of their way to make customers feel important and appreciated. "Frequent flyer" clubs are the most pervasive example of loyalty-building benefits for customers only, now adapted by many kinds of businesses. Most software companies sell program updates to customers at discounted prices. And advance notices about sales or other changes or opportunities can help cement customer ties.

Premiums: Also called an advertising specialty, a premium is a gift of some kind that reminds your customer of your business and service. There are thousands from which to choose: key chains, coffee mugs, refrigerator magnets, baseball caps, paperweights—just about anything that can be engraved, imprinted, silk-screened, or embroidered with your company name and phone number.

Say "thanks": One of the best ways to let customers know you value their business and to encourage their continued patronage is also one of the easiest. It boils down to saying "thank you"—in letters, mailers, and surveys, as well as on statement stuffers, receipts, and invoices. And don't neglect doing so in person as well.

Adapted from and courtesy of the US Small Business Administration (www.sba.gov).

These are examples of shrinking and expanding markets—both of which were just the opposite a few years ago.

My point is that you really must analyze the markets you are currently selling to and determine how long they may be around. Are they expanding or shrinking? What will happen over the next 3 to 5 years? Are future markets that you currently don't service maturing? Knowing your market is critical to your company's sustainability in the present—and to your future growth as well.

Know your customers

Right in line with knowing your marketplace is knowing your customers. Many of us miss great opportunities here. When was the last time you asked your key customers what they like and, more importantly, what they *dislike* about your company?

Try doing a survey or focus group with your customers to determine whether or not you're meeting their needs. Ask them:

- How would you rate our customer service?
- How would you grade our responsiveness to your needs?
- Why do you buy products from us?
- How would you rate our quality?
- How do we compare in price with our competitors?
- Are there services that we currently don't offer that would help you out?
 - Is your sales rep taking good care of you?
 - Do you feel like our management team is aware of and responsive to your needs?
 - What products are you currently buying elsewhere that you would buy from us if we offered them?

It may be painful to ask these questions, particularly if you don't want to hear the answers. The problem is, we sometimes fall into the trap of believing that just because someone is currently buying from us, they must like everything we do. In fact, we may be doing things that really irritate our customers. If we don't solicit feedback, however, we might not even know until they go somewhere else. By then, of course, it's too late.

By understanding your current customers, you can learn what you are doing well and where you may be performing poorly. By correcting bad behavior and continuing the good, you will develop a much stronger marketing team and become better at earning new customers and retaining your current ones.

Your products and technologies

Now that you know your market and your customers, it's time to examine your products. It may seem silly for me to advise you to "know" your products—in fact, you probably know them quite well.

From a marketing perspective, however, you need to know more. You need to know what your products *should* be. As you

examine your market and evaluate the direction the market is heading, make sure your strategic plan includes the type of products that the market will demand in the future. You would be very lucky (and very much in the minority) if your current product offering perfectly matches the direction you believe your market will head. Only a constant re-evaluation of your product offerings will help you remain flexible and responsive to the market.

A warning: Be careful to not allow your product portfolio to determine the direction your market evaluation goes. In other words, if the market analysis doesn't match the type of products you are currently producing, don't try to change your market analysis. Instead, change your product mix.

There are too many variables in the marketplace that you cannot control—but you *can* control, to a large degree, the products you offer your customers. A successful marketing plan will align products with the market and to your customers. Knowing what your products should be is critical to this alignment.

One of the areas requiring your particular attention, by the way, is the rapid changes in technology that occur in our industry. If you choose to only develop products with your existing technology and equipment, you might quickly find yourself behind the curve—producing inferior products with higher costs. Our market changes too fast for any business to be ignorant of advances in hardware, software, workflow, etc.

Strengths, weaknesses, opportunities, and threats

Regularly assessing your company's strengths and weaknesses is crucial to identifying and executing your marketing strategy.

For example, one of your shop's strengths may be the variety of products and services you have to offer your customers. Your customers may love the fact that, no matter what they need, you provide a solution to them through your diverse product offerings. On the other hand, perhaps because you have so many products to focus on, you are not considered the best at producing any single product. You may have some competitors that operate with the opposite strategy: offering a few products, but striving to be the best at those few products. They may produce them more efficiently than you, and may even offer better prices.

I'm not suggesting that one strategy is necessarily better than the other, but I am recommending that as a part of your marketing plan you determine what you do best. If you take the time with your team to identify your strengths and weaknesses, you'll then be able to determine a marketing direction that will focus on your strong points and compensate for your shortcomings. This exercise will also force you and your management team to work on the areas you have identified as weaknesses in order to strengthen your overall position in the marketplace.



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Let me give you an example of how this process can work. Once a quarter, our company's extended management team—which includes the owners of the business, all the operations managers, and the department supervisors—holds a SWOT session: Strengths, Weaknesses, Opportunities, and Threats. This SWOT session affords us a chance to discuss the areas where we believe we are performing well and the areas that need improvement. After evaluating our strengths and weaknesses, we then discuss opportunities that the market may have to offer our business and marketing model. Finally, we discuss threats to our business, whether these are internal performance problems, competitors, or perhaps just general market conditions. These types of discussions form the basis for our marketing strategies, budgets, and business plans, and govern the way we execute them.

The opportunity to gather feedback from multiple levels of management always creates value. At times, the upper management may believe that we are doing quite well in a particular area, whereas the department supervisors may disagree and feel dramatic improvements need to be made. This type of exercise may

seem to dwell on issues outside the realm of marketing, but if you are to execute a successful marketing strategy, you must understand your strengths and weaknesses in all areas.

Details on your competitors

Every marketing strategy should include a detailed assessment of the competition in your market. Just as you have identified your own strengths and weaknesses, you should also evaluate those of your competitors.

As you go through this assignment for all of your primary competitors, use a flowchart to diagram the list (see p. 46). Document in detail each competitor's strengths and weaknesses. After you have completed the list, you'll likely see some areas in the marketplace that are open—if not ripe—for opportunities for your business.

I have an associate in another industry whose company makes occasional assignments to its sales reps to visit their competitors. The reps are assigned to actually order something from each of their primary competitors to find out how their



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Do You Know Your Competition?

Use a flow chart like this to document in detail each of your competitor's strengths and weaknesses.

Competitor	Strengths	Weaknesses	Overall Strength in the Marketplace
ABC Signs	<ul style="list-style-type: none"> • Strong name recognition • 15 years in the business • Established sales team • National accounts 	<ul style="list-style-type: none"> • Perceived as a bit "old" • Focus is only on grand-format inkjet—no photo 	3
Big Prints Co.	<ul style="list-style-type: none"> • New in the marketplace—"latest and greatest" • Energized sales team • Strong marketing materials 	<ul style="list-style-type: none"> • Perceived as new and inexperienced • Known for high prices • Loyalty has not been established • No "big deal" jobs to promote yet 	5
Digital Sign Inc.	<ul style="list-style-type: none"> • New equipment • Wide variety of equipment • Well respected in the local market 	<ul style="list-style-type: none"> • High sales-team turnover • Name and brand not well-marketed • No/few national accounts to tout 	8

competitors are doing business. They evaluate customer service, product selection, pricing, and other key areas that help determine the competition's strengths and weaknesses.

Sales-team personalities and structure

Whether you have only a few sales reps or several, getting to know their individual talents is critical. But although each rep sells with a different style, you should avoid building your sales and marketing plans around their individual personalities. The challenge in building a marketing strategy, then, is setting up a structure that is defined enough to set clear expectations and guidance for your sales team to accomplish your overall sales and marketing goals—yet still be broad enough to allow each sales rep to accomplish these goals utilizing their own selling style.

For example, if your business is like most, you will have quite a variety of sales reps. Some may be rather technical in their approach, while others may be very personable and hands-on with customers; some could be very seasoned in the industry, while others may be quite new; and so on. You have to build a marketing strategy that will allow each type of sales personality the chance to succeed. Then, once your marketing plan is in place, spend the necessary time with each sales rep to capitalize on their strengths when executing the marketing plan.

A few years ago, my company entered the direct-to-media print world and bought our first UV flatbed printer. We immediately sent out samples and pricing to our sales reps and told them to go to work. Since they had all been begging for us to enter this type of business, we naturally assumed they would all sell a great deal of flatbed work. We soon found, however, that most of our sales reps

weren't comfortable selling that type of work because they didn't know much about it. It wasn't until after we held a sales training seminar—which focused on the types of substrates, market applications, pricing, turnaround times, etc.—that our sales reps became comfortable in selling the product.

And even though we now have some sales reps that sell a lot of direct-to-media printing, others still find it difficult to get out of their comfort zone and sell something new. Again, getting to know the strengths and weaknesses of your sales reps is valuable information in formulating your sales and marketing plans.

Where your pricing needs to be

Getting comfortable with where your pricing should be in the marketplace will be derived from some of the knowledge garnered in the previous sections. That is, if you've done a good job of knowing your market, your customers, your competitors, and your products, then pricing will evolve naturally from that knowledge. For example, if you have unique product offerings that your primary competition doesn't offer, there's no need to cut your price to the lowest margins. On the other hand, if you are pricing a product that is more of a commodity, your pricing will need to be aggressive.

One of the tougher dilemmas with regards to pricing is what to do when all your suppliers continue to increase their prices on materials, yet the competitive environment doesn't seem to allow you to do the same. With the recent increases in interest rates, this year's roller coaster of fuel prices, and so on, virtually every one of our company's suppliers within the last year or so has increased pricing, some more than once. Undoubtedly, you find yourself in the same situation.