

SCORE – SERVICE CORP OF RETIRED EXECUTIVES

ODS Tower 601 SW Second Avenue Suite 950 Portland OR 97204
Information (503) 326-3441 Secretary (503) 326-5211 Fax (503) 326-2808
E-mail scorepdx@wa-net.com www.scorepdx.org

ARTICLES FROM THE INTERNET ABOUT BUSINESS

11 MONSTROUS Small Business Marketing Mistakes and How To Avoid Them

by Susan Carter

**Small business owners and self-employed professionals
can increase marketing success by avoiding these business-sabotaging errors.**

MONSTROUS Marketing Mistake Number 1: Sinking a Fortune Into an Unproven Product Is your business idea built on market research or a hunch?

Entrepreneurs often fall in love with their products or services before they determine if there's a real market, and they throw fistfuls of money into the venture. If you, your spouse, your uncle, and your neighbor think you've got a winning idea, that's simply not enough qualified input to run to the bank and drain your savings account!

Avoid this mistake by:

- * Conducting your detective work (research).
- * Testing your business idea with the real marketplace.

MONSTROUS Marketing Mistake Number 2: Believing That "If You Build It, They Will Come"

Do you think you have a product or service that will practically sell itself? Trust me - you don't.

There is a misconception among small business owners that, with the right product or service, your customers will simply "find" you when you open your doors for business. Whether you have a physical storefront on a corner lot in the busiest part of downtown, or a graphically pleasing online storefront offering easy access to your hot products and services, your customers will not find you if you do not market to them.

The day you open for business is the day you put on your "marketer's hat" and never take it off. You must consistently move product, or schedule service time.

- * To stay in business you must profit.
- * To profit you must sell.
- * To sell you must market

The good news is that, with a marketing strategy, you take the control out of your potential customers' hands and put it into your own. If you have a product that will "practically sell itself," then your marketing job will be

easy. Just remember that the job must still be done. this mistake by:

Defining your niche market and USP (Unique Selling Proposition) that differentiates you from your competition. Developing a marketing action plan and strategy to reach your niche market with your USP message.

MONSTROUS Marketing Mistake Number 3: Trying to Reinvent the Wheel

Marketing is an age-old practice with some very basic principles. Yet, I'm sure you've read many marketing information products that stress the importance of being innovative and creative with your marketing efforts. It's easy to get caught up in the innovation process and forget that the REAL focus should be on results.

Avoid this mistake by:

- * Emulating success instead of trying to create something completely new. Please note that I am not saying, "copy" what others are doing. Look at the basic structure of a tactic, campaign, advertisement, or event and use the same formula as a basis for developing your own tactics.

- * Realizing great marketing ideas are used over and over again with just the right twist to make them fit a specific business. Focus on results, and choose imitation over innovation to create your own twist on a proven, winning technique.

MONSTROUS Marketing Mistake Number 4: Over-Preparing and Doing Nothing

The fear of failure can be powerful. So powerful that we do everything we can think of to prevent it. Yet, there is a point at which we are so busy preparing, organizing, and researching to prevent failure that we never get around to the actual marketing of the business. Here are two things to remember:

- * Activity is not productivity.
- * In order to sell a million of something, you have to sell

the first ONE.

Avoid this mistake by:

- * Doing something! If you believe in your business and have done your detective work, it's time to dive into the marketing pool. Start small, track results and build from there.
- * Not being afraid to make a mistake. Mistakes are the entry to success. At the very least, a failed promotion means you have SUCCESSFULLY determined what promotion does not work. And, to learn what does NOT work is a valuable tool in getting you closer to discovering what WILL work.

So, go ahead. Fail a little. It will make your eventual successes even sweeter.

MONSTROUS Marketing Mistake Number 5:

Boredom When I was working for an ad agency many years ago, I had one client that was running an extremely successful ad campaign. After about six months, I received a phone call from the client. He wanted to develop an entirely new campaign. When I asked, "why?" he simply said, "I'm bored with the one we have."

What? That client may have had the money to spend on a new campaign due to "boredom" but you and I usually don't. Yet, I've often seen my small business clients switch promotions for the same reason. This is detrimental to your business!

- * "Losing money" is a reason.
- * "Boredom" is not.

Avoid this mistake by:

- * Remembering that, what is old to you, is new to an untapped target market. If you have a promotion that is consistently getting you results, stick with it until results show you its time for change.
- * Testing new promotions without abandoning the current one. Then track results. Never swap a current promotion with a new one that hasn't been tested.

MONSTROUS Marketing Mistake Number 6: Relying on Networking to Generate Sales Leads

Joining the Chamber of Commerce and schmoozing at association meetings can put you in contact with vendors and possible joint venture partners, and will be invaluable exposure for you as a community supporter - but it will rarely generate substantial sales leads.

Everyone else who attends these "meet and greet" assemblies is there to do the same thing you are. You may be able to make some valuable contacts for future ventures

and promotions, but one-on-one networking is time-consuming and results are unpredictable.

Avoid this mistake by:

- * Treating networking opportunities the same as any other marketing tactic. Track results by determining your costs and measuring your payback.

MONSTROUS Marketing Mistake Number 7: Doing What Your Competitors Do It's important to be aware of what your competitors are offering, but do not let it dictate the strategy you use for your own business. If your competitor wants to be the low price leader, let him. Don't try to become the "lower price" leader.

Chances are this will lead you to financial problems because it will thrust you into an ugly price war. If your competitor wants to tout low prices, then you focus on value. Bargain hunters don't necessarily want the lowest price. They want the best VALUE. Make what you have to offer something of value.

Avoid this mistake by:

- * Finding an unmet need or want of your target market, and fill it to differentiate your products and services from your competitors.
- * Giving customers a reason to choose you over your competitors. Define your USP, and identify your niche market.

MONSTROUS Marketing Mistake Number 8: Not Targeting a Specific Market If you believe your market is "everybody," you will struggle to attract people who will buy from you. The value of target (niche) marketing is one of the toughest sells I make to my clients. They understand the logic of it, but the "fear of losing a potential customer" gets the best of them.

Avoid this mistake by:

- * Viewing the practice of niche marketing as inclusive, not exclusive.
- * Think of your business as part of a person's support group. It's logical to say, "Everybody needs a support group so my business should attract everyone." But, will it? People - your customers - want to go to a support business that understands their specific concerns, needs, and wants. Make sure you ARE that business by targeting a niche market.

MONSTROUS Marketing Mistake Number 9: Targeting a Market You Can't Reach or One That Can't Afford You Targeting a niche market is the smartest way to market. Yet, targeting a market that is too

specific will limit your ability to succeed long term. For example, a market that might be too specific would be: female pilots under the age of 35 who fly ONLY New York to London flights. That's a pretty narrow market to sustain your business in the long term unless you can capture the ENTIRE market with a product or service that has a high profit point and customers need to use or replace it often.

In that same vein, a market that is begging for the service or product you have but cannot afford it will also be a business impossible to sustain. Never compete for someone's rent money. Your target market must have the means to buy your products and services.

Avoid this mistake by:

- * Creating your customer profile to identify characteristics of your potential buyers,
- * Identifying a niche market,
- * Examining the long term potential for new and repeat sales.

**MONSTROUS Marketing Mistake Number 10:
Focusing On Acquiring New Customers Instead of
Promoting to Current or Previous Customers**

When you first start a business you have little choice but to focus on gaining new customers. The cost of finding those new customers can be expensive, which is one reason it is so important to really target a specific niche. However, once you've made just one sale, you're ready to start looking at other marketing options. Wouldn't you like to:
.. slash your marketing costs by half or more?
.. reach proven buyers for your service or products?

That little goldmine of proven buyers available to you "on the cheap" is already yours in the form of current and previous customers.

Any respected marketing guru, past or present, online or offline, will tell you that the biggest asset your company has is your customer base.

Avoid this mistake by:

- * Realizing that, when a sale is finalized, it is the beginning of your relationship with that customer, not the end.

*Offering additional products or services to current customers. If you don't have your own to offer them, then develop a referral, joint venture or product bundling program so you can reap profits from your already-interested (and buying) customers.

**MONSTROUS Marketing Mistake Number 11:
Not Systematically Following Up on Leads** The least expensive part of business is making the sale. The most expensive is generating leads - finding the people who are interested in what you have.

Once you find people who express an interest in what you have to offer - whether they buy from you or not - you MUST develop a follow up system that will keep marketing to those interested prospects. A person who has expressed interest in your products and services is far more likely to eventually buy from you than someone who did not respond at all!

Avoid this mistake by:

- * Curbing the tendency to become obsessed with generating more leads until you have exhausted the ones you already have.
- * Developing an easy, systematic follow up for leads, designed to convert a "maybe" into a "yes."

Permission graciously granted by the author for use by SCORE. Susan Carter is the author of SPLASH Marketing for Overworked Small Business Owners. She can be reached via email at susancarter@successideas.com or visit her web site at www.successideas.com.