

We don't do marketing



Does that sound familiar?

In literal terms 'your business' is marketing. Just because companies don't have marketing staff or a marketing department doesn't mean they don't 'DO' marketing but it definitely does mean they are unlikely to have a clear marketing strategy or position.

A not uncommon response is. "We tried marketing a few times - we ran some ads, sponsored an event and even sent a direct mail piece but it didn't really work. We have a brochure...but it's a bit outdated... and we have a website, but it doesn't generate sales". Of course all of this is marketing (a little static maybe) — but it's simply not defined as marketing by a firm's leadership.

Many leaders are experts in their chosen fields. The heads of engineering firms are engineers, accounting firm leaders are accountants, technology firms are often run by...you guessed it. Most of them aren't however, career marketing or sales people and because businesses function and even grow without a conspicuous marketing strategy it is often dangerously undervalued.

To sum up, all marketing, regardless of industry, has one common characteristic: if the purpose of engaging the activity is, in whole or in part, to attract and retain profitable customers, it is marketing.

Let's 'Do' Some Marketing

After an initial conversation with our clients we typically find most firms do 'do' some level of marketing - events, trade show exhibiting, networking, print publishing and other forms of client communications. Many also engage in direct marketing or some other more recognisable 'marketing' tactics. Since these initial activities are, indeed, marketing activities, we often ask questions such as:

Do you have targets for the marketing activities you are already engaging?

Do you measure the business development from these activities?

Are you sure that all areas of your business are profitable?

Have you discontinued any activities that are not producing results?

More often than not, the answers are

"no... not really... not lately...hmmm. ...get off my case!"

or words to that effect.



Our sales team generate their own leads!

Well that's great – you do have a marketing team after all – but hang on aren't these guys your sales team. If your current sales team are sourcing and booking their own appointments they are spending a considerable time in the office generating leads and not doing what they were employed to do: Converting prospects into sales!

Companies often expect their sales staff to produce their own sales collateral and in many cases we discover company literature describing products and services in a rich variety of terms. This is not only poor use of a company's sales resources, but can be very confusing for the customer if they deal with more than one sales contact.

Don't expect your sales team to rewrite your company history each time they try and develop a new contact – leave them to sell, it's they were employed to do.



But we don't have a marketing budget!

You may not have a budget but there is a real cost. It is not uncommon for a sales team to spend 50% of their time on marketing. What does your sales team cost to employ? Halve it and you have the bare minimum of what your current marketing budget is without accounting for production costs. Not forgetting the fact that your sales team is often operating at less than 50% for their key role.

Establishing a marketing budget

Spending on marketing support—promotions and advertising—varies widely, from 2-5% of net sales for B2B operations to 10 percent or more for the B2C sector. Consumer packaged goods companies often spend 50 percent of net sales for introductory marketing programs in the first year to establish a market position.

Businesses often estimate their marketing budget on sales revenue, cost-of-goods, overheads and salaries and then gross profit margins. Anything left is considered available funds for marketing. A more rational approach is to look at the sales targets and plan budgets accordingly to achieve the required awareness and sales contacts. Like everything else, marketing can be measured and fine-tuned to achieve objectives.

If you are new to the marketplace or looking to launch products or services to new markets you will have to spend more aggressively to establish your market share.

Talk to AIT about developing an affordable and effective marketing strategy to suit your business



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