

## Back to Basics Marketing Blog: Introduction and Welcome!

There are so many of us out there...marketing blog writers. Some of us are working to boost the visibility of a particular website, some to help a particular business grow. In my search for a marketing blog that goes back to the basics, I ended up eventually deciding to write my own. Why? While online marketing resources are abundant, most are specific to an industry, and information that appears to be more general at first glance tends to be geared towards the marketing industry itself. I see a need for a blog that shares marketing tips and ideas that are applicable across many industries, and that is useful to a wide range of marketers, from the most experienced to entry level.

That said, this blog will focus on what I consider to be the three most important tenets of good, results-driven marketing:

1. Marketing as a company-wide responsibility and process which drives to meet company-wide goals.
2. Marketing that focuses on Return On Investment (ROI).
3. Marketing that focuses on the customer via careful, intricate development of Value Propositions.

I consider these three components to be the central guiding principles by which any marketing campaign should be designed and evaluated. We will deeply explore the reasons as to why these are so important in future blog posts, but I will give you the Evelyn Wood version here. Marketing must be a company-wide effort with many inputs—rather than just the baby of a handful of people from the Marketing department—because even the best marketing team in the world is not as close to customers as people in sales; is not as forward-looking as people in Business Development or R&D; is not as knowledgeable about product features or applications as people in Engineering, etc. More on this later.

It may seem completely obvious that marketing should be ROI-driven, and that ROI data should be meticulously collected and analyzed for every marketing dollar spent. Sadly, this basic idea seems to fall to the wayside rather often. I've been unpleasantly surprised more times than I care to think about while consulting for marketing departments in a variety of industries. Most recently, in a conversation with the Director of Marketing for a large company that manufactures a B2B product, I was dismayed to find out that the way this company evaluates tradeshow is by the raw number of leads generated at each one. What's wrong with that? It does not actually track ROI! The percentage of leads from a tradeshow that actually convert, and the actual profit generated from leads from that tradeshow are sets of data that are actually relevant to ROI calculations for a tradeshow. 500 leads are worth nothing if not a single one becomes a sale. Two leads are worth a great deal if they both close within three months

Last but not least, developing a clear, on-target value proposition is the most direct way of getting and keeping the attention of your client, prospect, or customer. Value proposition simply means that marketing materials focus on how a certain product or service adds value to the life/work of the person using it. Instead of focusing on product features, ads and collateral focus on what the product or service can do for the customer in a way that lets the customer know immediately that their problem or desire is understood, and that you're already figured out how to solve it.

## Marketing as Company Wide Responsibility

Today I would like to focus on the first rule of robust, healthy marketing strategies and campaigns: marketing is a company-wide responsibility and process. Too often, marketing is relegated to one department, and that department gets demands thrown at it left and right. People demand new collateral

constantly, and everybody outside the marketing department has an urgent request for the marketing folks. Why does this happen? A few reasons:

- More often than not, the people in marketing department are not the most knowledgeable people in the company when it comes to the product. Not to say that the marketing department should not be deeply knowledgeable about the product—it should—but there is no way your marketing communications specialist will know as much about a product as the people in R&D who designed it. Those people in R&D who hold the greatest wealth of knowledge often consider marketing, or interfacing with marketing, or doing anything for marketing as not part of their job or simply as a nuisance. So, when the marketing communications specialist does her best job to pull together a product brochure, she often lacks the input of the person who knows the most. This is problematic because it can lead to displeasure amongst the non-marketing staff upon reading marketing material, forcing rewrites and making the job of the people in marketing a great deal harder; in technical industries, the problem extends out to the tech-savvy customer who recognizes fluff or lack of technical clarity in a brochure when she sees it.
- In many cases, the marketing department is not directly in touch with the most current or pressing customer needs or expectations, so sales teams rarely get what they need from marketing on the first try. Making both the rest of the company and the customer happy means deeply involving your sales team in the company's marketing strategy; they are the ones that can best tell you what value proposition will hit home with the customer.
- Sometimes, marketing staff work off specs and internal product descriptions to create collateral. If marketing staff don't get hands-on experience with the product, the collateral may not accurately reflect the reality of the product, or might miss something that really makes the product a stand-out.
- In certain cases, marketing staff lack a big-picture view of what the company goals are, and perhaps of what a company's long-term strategy entails. This can be particularly true in a company that has many divisions or a company that undergoes regular mergers or acquisitions. Involving business development staff or other staff responsible for planting the seeds of long-term growth is essential to good marketing practices, and keeps you ahead of the curve.

By involving all parts of an organization directly in marketing tasks, the best ROI on marketing collateral is achieved. Getting the best version of a value proposition, the most precise information regarding product features or capabilities, and the message most in line with long-term strategies and recent developments will increase the effectiveness of all collateral. I will discuss in detail how to get buy-in and participation from various parts of your organization for marketing tasks in future posts, starting with sales.

## **Mobilization: Reaching Outside the Marketing Department**

After reading my previous post, some of you may be wondering how in the world you will ever get anybody from another department to agree that marketing is their job too. I want to discuss first and foremost how to accomplish the best collaboration between marketing and sales teams. Marketing and sales stand to gain the most from working with each other. As a marketer, you are responsible for lead generation; in many organizations, that's where the responsibility of marketing ends and sales takes over. There is, however, a great deal more that marketing can do to help along the sales process, to collect data regarding lead quality and sales quality, and to maximize ROI (yes, in the end every single suggestion comes down to a way maximize ROI).

As a matter of fact, the most successful organizations are the ones where marketing plays a dual role in terms of its relationship to sales: support and evaluation. While it may seem partially contradictory to assign the role of support and evaluation of a certain arm of a business to the same other limb, it actually

makes perfect sense. If your job is to support and evaluate a process or organization, you have two distinct benefits working in your favor:

1. Since you, as marketing, are playing a supporting role for the sales team, you will be intimately familiar with the needs, problems, strengths, and weaknesses of the latter. This will put you in a better position to supply the sorts of materials and resources the sales team needs, as well as to evaluate their performance.
2. Since your goal is to support sales activities, you will be self-evaluating when you evaluate the performance of the sales team. Exercises in self-evaluation are essential to improvement.

On a very general level, the goals of integrating sales and marketing activities can be described as follows:

- Improve lead qualification, and therefore forecasting abilities
- Allow marketing to find out in close-to-real-time what problems and objectives customers are facing. Sales staff often work onsite with customers and have the best visibility into customer problems, for example how a new regulation is affecting a customer, or what product improvement would make your product go from useful to essential in the customer's eyes. This should be one of your main strategies for creating on-target value propositions, and adjusting those value propositions as customer needs change.
- Allow sales staff to become an efficient mouthpiece for the company's marketing strategy; make sure sales reflects the message you are trying to send as a marketer
- Allow marketing to evaluate their campaigns, processes, and sales efficiency.

Word to the wise, giving your sales team a very clear and complete understanding of why you are collecting such data is essential. Explain that this data will help take the burden of forecasting off the sales team in large part, and that rather than a way of "keeping tabs" on them, this is a way for the marketing department to evaluate itself and the status of profit expectations company-wide.

## **Advanced Lead Qualification: Sales and Marketing Work Together**

In our discussion of creating strong collaboration between sales and marketing teams, let's start with strategies for improving lead qualification. What is lead qualification? It means assigning a certain lead quality based on several factors including level of interest, whether or not funding is available, the level of compatibility between what the prospect needs and what you provide, and the timeframe in which your product or service is needed. How to most efficiently collect this information from sales? Make it easy for them. Give them a lead qualification form in which they have to assign a number or a percent to each of these considerations, as well as any other lead qualification considerations that may be specific to your industry. Make this form a part of your CRM system, or simply make it the case that every lead has to have the accompanying form in order for the sales rep to be able to collect commission on the lead when it converts. Alternatively, you can assign lead qualification tasks to sales and marketing assistants, who must working closely with the sales team responsible for the lead or leads in question to make sure the lead qualification information is passed on.

When it comes time to put together a quarterly forecast, your job will be about a million times easier when you have this information. By knowing how many of your leads are actually interested (versus just literature seekers or curious people), in what timeframe they see themselves making a purchase, and what their funding status for the purchase is, you will have all the data you need for accurate pipeline forecasting. Example of data collection rubrics will be offered in future posts.

### *Top Seven Tips for Improving Lead Qualification:*

1. Ask direct questions when communicating with a prospect. It's ok to ask "What timeframe are you looking at for purchase?" or "Does your organization already have funds set aside for the purchase of a product/service of this type?"
2. Also ask direct questions that will help you evaluate whether/how you can best meet the prospect's needs. Ask what problem they are trying to solve, or what need they are trying to fill. What's the "business drive?"
3. While direct questions for lead qualification are important, they should not be part of "the push." Make sure your questions come off as questions, not as pushy sales tactics. You'll be more likely to get accurate, thoughtful answers.
4. Leads must be qualified in a timely manner. This means that leads must be qualified while the prospect still remembers asking for information or making an inquiry, and before the competition. Depending on your industry, a lead follow-up/qualification time between within one and twenty four hours may be appropriate. This not only puts you ahead of competition, but lets the client know you care to win their business.
5. Provide a standardized lead qualification method throughout your organization. All parties should be qualifying leads based on the same parameters.
6. Listening is an essential part of lead qualification. Aside from the questions you might ask as a standard part of your lead qualification process, it is essential that you include some guidelines and strategies to get the prospect to tell you in detail why they seek a product or service such as yours. People who have the sense they are being listened tend to give more information. If you're lucky, that information will be just what you need to close the deal.
7. Early in the process, ask questions to figure out who the stake holders/decision makers are in the prospect's organization. Is it the person you're talking to, or are others involved?

### **Sales' Feedback into Marketing: Profiling Prospects and Their Problems**

We last left off discussing the need to integrate sales and marketing activities to closely collaborate in meeting organization-wide goals. We defined the second goal of these collaborations as facilitating close-to-real-time knowledge by marketers as to what problems and objectives customers are facing. Your sales staff are the first line on inquiry into these insights. They are out in the field with your customer, and see first-hand what problems your customers are facing, what solutions are out there competing with you, what product improvements would take your product from good to indispensable, and what is driving your customer to seek your product or service. If you can collect such information quickly and efficiently, you can always be on-target in terms of your value proposition, in terms of building the closest match between customer problems and your proposed solutions, and in terms of staying ahead of the competition.

There are many effective ways to activate your sales network in getting this information back to your marketing department in a timely, well-organized manner. We can look into these strategies in detail, but first let's outline what essential questions the salesperson might ask in order to get the most essential nuggets of information.

#### Essential Questions Salespeople Should Ask for the Benefit of Marketing:

1. What attracted you to our product or service?

2. What is driving you to look for a product or service such as those we offer? (Answers to this question may include the need to drive profit, the need to drive organizational efficiency, the need to eliminate critical mistakes, the need to comply with a government regulation, etc.)
3. More specifically, what problem are you trying to solve? (Answers to this question will be similar to those above, but drive towards a greater specificity, i.e. prospect's drive is to comply with a particular regulation, and the problem might be that their current QA/QC protocol does not include a tool to check for the disallowed component, which has been found in their product before).
4. If we offer solution X, how close will we be coming to being right on target with what you are looking for?
5. Do you have other solutions in mind?
6. Is this a problem you will need to solve once, or do you foresee changes and a need for extended solution support?
7. Describe the ideal result of a relationship between your organization and ours.

If you can gather this sort of information quickly from the field, you will be well-equipped to adjust marketing strategy to both customer needs and the competition's behavior. Information about drive to use a product or service such as yours is probably the most essential, as it lets you hone in other prospects that may have the same drive and hopefully gives you insight into where to find them. Understanding particular client problems will allow you to create collateral that makes your prospects feel that you fully understand the challenges they are facing and are well prepared to provide a solution.

### **“Inside Marketing”: Marketing to Your Own Sales Organization**

Most sizable organizations have an inside sales staff or inside sales department. I would like to make an argument for an inside marketing department, or at least a marketing department that does not ignore this essential role. As a marketing professional—or group thereof—you are responsible for marketing your product not only to the external customer, but also your own sales force. Sound strange? Think about it. First of all, if you are lucky enough to work in an organization where the sales staff are direct employees of the company, you are guaranteed their entire bandwidth, whatever that may be. Unfortunately, we do not all have that luxury, and many of us work in organizations where sales are handled through representatives and distributors. When this is the case, you are now competing with other companies for the salespeople's bandwidth, as they likely represent or distribute more than just your product. In this situation, it becomes essential to market to the sales force in order to get buy-in from them in terms of the market potential for your product, the strength of the product's unique value proposition, and the return they will achieve for the bandwidth they devote to you.

Furthermore, the sales force often needs a great deal more information or resources than the average customer, and providing additional information and training that will allow the salesperson to have enough tools under their belt to address many different customers with varying needs is also essentially the responsibility of the marketing department. Why? The marketing department should ultimately have some control over the messages being given to customers and prospects. What one's brand comes to represent out in the world is in large part a reflection of how well-prepared your sales team is. Providing sales people with a deeper knowledge about your product than you would the customer boosts sales confidence, helps salespeople take on a more consultative role with the customer (consultative sales strategies are highly effective), and creates an image for your brand that is associated with knowledge.

Finally, getting your sales staff as excited about your product as you might want your customers to be is a strategy that will help you as a marketer—and your sales team as a sales team—in several distinct and highly useful ways. First of all, excitement is contagious, and our expertise as marketing professionals is

to infect others with excitement or admiration for a product. The first people we want to pass this infection to is our own sales force. A salesperson that is truly excited about a product comes off as honest and helpful, so it is to our benefit to get them there. Second, by getting our salespeople excited about our product offering, capabilities, etc, we teach them tools they can use to get others excited about our offerings as well. This teach-by-doing or teach-by-showing model works very well for most learning styles and is bound to be more effective than trying to teach your salespeople about getting customer buy-in via powerpoint presentation.

## Developing Unique, Customer-Focused Value Propositions

Early on, we defined one of the basic tenets of marketing as focusing on clear, strong, unique value propositions. First, let's define "unique value proposition" as an industry term. There are several "correct" definitions for the term, the difference among them being mostly semantic and a matter of perspective.

Unique value propositions are commonly defined in three ways:

1. A statement that outlines the unique value you provide to your customers
2. A statement of why anyone should choose your product or service over someone else's
3. A statement of the specific benefits or results a customer can expect from using your product or service

While these forms of expression of the definition of "unique value proposition" vary semantically, they all mean more or less the same thing and strive to tell the customer in an efficient and interesting manner why they will achieve better results or solutions to their problems if they use your product or service over that of your competition.

In order to develop an on-target value proposition, you must achieve three things in a succinct statement about your product/service/company:

1. Differentiate yourself or your product or service from your competition
2. Find the one outstanding differentiating factor that makes your product far exceed that of the competition, and highlight it in your value proposition
3. For the aspects of your product or service that are not differentiable from those of the competition, emphasize general quality. In these aspects, show that you meet the industry best practice or standard.

As an added concern, market-specific or solution specific value propositions should be fleshed out based on the overall value proposition you craft for your company. These market, customer, or application-specific value propositions must focus on the specific solutions you can provide to your customers. Communicating the fact that you are highly knowledgeable about your customers' industry, problems, and needs is essential in building trust and developing unique value propositions. Think about showing your customer that your familiarity with what they deal with best positions you to offer solutions that will work from the get-go. Focus on the ways in which your product or service adds value to the life/work of the customer that purchases it. Note, this is not at all the same thing as focusing on product features, but rather a call to focus on marketing campaigns and collateral that show the customer in no uncertain terms that their problem or desire is understood by you, and that you already know how to solve it.

Once you have identified all these characteristics and unique solutions, how do you craft them into a coherent, cohesive, succinct value proposition? That is the craft of the marketing professional. For practice, make yourself a spreadsheet in which the columns consist of differentiating factors, single most outstanding factors, and industry best practice factors for your product, and then add a column that has to do with the specific problems for which you offer solutions. Combine these columns in various ways to see what works best as a customer-facing value proposition.

## How to Train an Entry-Level Marketing Employee, or the Top Five Things to Learn in Your First Year as a Marketing Professional

All things considered, what is the most important thing for an aspiring marketing professional to learn in their first year on the job? I would make the argument that training in publishing and layout software, tradeshow management, brand rationalization, and copy-writing are all important, but completely secondary to teaching major, overarching marketing concepts. As a matter of fact, I would argue that you will get the most out of your entry-level marketing employee if you teach them conceptually how marketing decisions are made, what drives marketing spend, the importance of return-on-investment (ROI), and so on. Furthermore, if an entry-level marketing person learns to operate these major marketing concepts, they are likely to pick up on the rest much more quickly and to understand your expectations—or how to best help you in your job—much better than they might otherwise.

What, then, should an entry-level employee learn from the seasoned marketing professional? Here are the top five things to learn if you are an entry-level aspiring marketing professional:

1. First and foremost, the newbie must learn about ROI. The concept of ROI, sadly missing even amongst some high-level marketing professionals, is essential to making the marketing department a useful, healthy, respected part of any organization. A marketing department that uses its budget without any systems in place to track the ROI on that budget is a disgrace, and therefore any employee that makes marketing decisions without thinking about an implementing a way to track ROI on that decision is a disgrace.
2. Teach the spring chicken about who the stakeholders are in your work. Sound political? It is. It is essential that she figure out early on who the people are that are affected by the quality, focus, and subject matter of the work produced by the marketing department. Who is going to come to her if she makes a mistake in the technical information? Who will object to one image being used over another? Who is a stickler for data-driven content, and who will complain about marketing fluff? Of all these people, who is the most important to please? To whom does her boss answer? All very important questions to consider for the aspiring marketing professional.
3. The new guy must learn quickly who the best resources within your company are. Who is most in touch with customer needs and can best evaluate whether or not some piece of marketing reflects the solution to those needs?
4. Teach the youngster about value proposition conceptually, and then as applied specifically to your company and products or services. All too often, an inexperienced marketer will focus marketing collateral and customer outreach materials on product features or specs, instead of focusing on how those features can solve specific customer problems and why the customer should use your product or service over that of the competition.
5. Last but not least, every industry has its own lead generation profile. In some industries, leads are generated mostly online. In others, tradeshow leads are exceptionally good because they convert at the best rate. Teach the newcomer how leads are generated in your industry, and how leads should be qualified.

## When Return on Investment Doesn't Paint a Full Picture

With so many new advances in technology and marketing, analysis of marketing to meet business objectives is not always cut and dry. While return on investment analysis allows a corporation to see their marketing budget hard at work, alone it is ineffective in illustrating the success of marketing efforts. Effectiveness of marketing tools and execution of sales are key elements that must be taken into account when evaluating performance. Strategic research and implementation are examples of key factors in a

winning marketing campaign. Such unquantifiable investments do not get factored into ROI analysis and can be very misleading for corporations.

One of the major drawbacks of ROI analysis is that it can not pinpoint the reason for a financial failure, it can simply show in a quantitative language that goals were not met. ROI analysis can let a corporation know that its strategic goals, outlined by the expectations, were not met, while failing to show other objectives that were achieved in the process. For instance, ROI analysis might show that sales figures did not meet expectations but may fail to show that there was an increase in foot traffic in stores. Such analysis will fail to show a corporation that their weakness may lie in product quality or the effectiveness of their sales force. It is not uncommon for corporations to get lost in the numbers that their marketing techniques generate. While prospects are critical to marketing success it crucial for a company to be able to nurture prospects into leads, and leads into sales and profits. It is essential that corporations not lose sight of focusing on generating quality leads and ensuring that their marketing target goals are met. To achieve maximum efficiency marketing goals must be kept as a corner stone of all marketing decisions but maintain a level of flexibility that will allow for change.

Optimizing marketing effectiveness is rarely a single step process. Marketing effectiveness incorporates corporate, competitive, consumer and exogenous factors. All four factors are critical in understanding and gauging the success of marketing techniques but are frequently not quantifiable in a way that can be incorporated into ROI analysis. It is important for corporations to analyze and examine each factor, and individual aspects of each factor, to see the impact or shortcomings of marketing techniques. By looking at each factor individually corporations will be able to come up with a more exact and strategic picture of their marketing campaigns.

ROI is one of the best tools a company can use to analyze its marketing technique, but it is crucial that ROI analysis is not the single measure a corporation uses in its analysis of its marketing operations. Utilizing ROI analysis alone is in effect "throwing the baby out with the bath water." At a time when corporations need to maximize their budgets and time to market can determine a corporations success it is more important than ever that companies do more strategic analysis of their marketing, and not rely simply on the quantitative results of ROI analysis.

## **Defining and Presenting Value Propositions in a Competitive Market**

As marketing professionals, defining a strong value proposition for any product or service is one of the most difficult professional tasks we face. It requires a great deal of thought and the ability to truly put yourself in the customers' place, intellectually taking on their problems and needs as your own. But what if you are responsible for creating a unique, differentiated value proposition for an industry that is highly competitive, as where product and service differentiation is truly in the details?

Say, for example, you work for a company that sells high-end, industrial coffeemakers. How do you figure out what truly differentiates one coffeemaker from another in the mind of a barista or Italian restaurant owner, and then wrap it up into a nice, succinct sentence? First, let's define the characteristics of a strong value proposition:

- Differentiation between your product and that of the competitor. What makes your product, or the way in which your product is sold, maintained, etc, different from all your competitors?
- That which is not differentiated from your major competitors must be equal to competitor's claims.
- A particular solution or aspect of your product must take center stage as better than any competitor.

That said, you must now put significant thought into the synergy or intersection of those basic principles of a strong value proposition and the value-added aspects of your coffeemaker product as perceived by

your customers. In the eye of your customer, what is different from one coffeemaker to another? Fastest brewing times? Best quality bean grinders? Easiest to clean? Least expensive to maintain? Whatever the differentiators may be, find them as they apply to your product and flaunt them!

Now, highlight the fact that all the products you sell match any of your competitors in terms of price (or at least the price one might pay for the same quality as you are offering), reliability, durability, etc.

And last but not least, what is the one true stand-out quality that makes your coffeemakers—or the way in which you sell them and treat your customer—the best choice? Do you offer the best warranty terms? Do the brands that have the best longevity in the business? Do you offer the quickest repair turnaround times, or onsite repair technicians? Perhaps your delivery times on orders are the fastest in the industry? Whatever it may be, make sure this is clearly stated for your customer front and center!

So, what might a well-structured value proposition for a commercial coffeemaker sales organization look like? “We sell the highest quality, longest-lasting coffeemakers at low prices, assuring you get the coffeemaker that best suits your needs as quickly as possible.”

What if you have followed these guidelines and your value proposition is not unique, or does not draw in clients? The value proposition must highlight your competitive edge. Perhaps you missed it? Ask your coworkers and your customers what makes your coffeemaker, organization, service, etc. unique in their eyes and go back to the drawing board.

## **Logos and Promotional Product Designs for “Difficult” Subjects**

There significant challenges of creating logos, images, and designs that are memorable, attention getting, and grab-worthy regardless of the product or company the images or design are trying to promote. What image will most resonate with the customer base of the company being promoted? What types of promotional items will get your client company’s customer base heading to their booth? As marketing professionals, all these questions and many more are ours to ponder. The situation becomes significantly more complicated, however, when our client provides a product or service the thought of which does not exactly send visions of puppies and rainbows dancing through our heads. In other words, what can we do if the subject matter that is addressed by our client makes people squeamish or carries unpleasant associations?

For example, let’s suppose that a company that provides products and services related to eradicating bedbugs hires you to help with marketing, logo design, promotional products, etc. As you begin work, you quickly realize that your initial ideas involving pictures of bedbugs and stuffed bedbug toys are not exactly appealing to the majority of the population. What to do? Eliminate images of the subject matter from the major collateral and promotional materials altogether? Not likely. Somehow try to make the subject seem cute or less creepy, maybe a bedbug in a tux? Not only is this not particularly helpful, but it also detracts from your client’s main angle, which is that bedbugs are terrible, disgusting, and must be eradicated. Not as easy as it might seem at first.

Experience shows that the best strategy in a case where one of the major associations to the product or service being offered is an unpleasant one is to create imagery that depicts the conquering of the offending component, in this case bedbugs. For example, an image of a tiny, scared little bedbug being scrutinized by an intelligent-looking, self-assured inspector/exterminator is humorous while also immediately inspiring thoughts of conquering the pest, not just of the pest itself.

Another example might be creating promotional materials and promotional products for mental health services. Mental health services carry unpleasant associations for some people, as they can be associated with mental instability, depression, and other such generally unpleasant associations. By focusing on the flip-side of these phenomena (mental health rather than mental illness), or positive mental health tools that have equally positive effects whether one is perfectly healthy or not, the best results can

be achieved. For example, instead of focusing on depression and treatments, promotional items should focus on prevention and stress-relief. Aromatherapy salts, positive daily mantra cards, uplifting music, etc would be appropriate promotional items for a mental health service provider.

As a rule of thumb, if your client's subject matter is difficult or sensitive, use images and wording that is all about conquering the difficulty. Such images inspire confidence while softening some of the harshness that can accompany subjects that are not based in the more pleasant parts of life.

## **Defining and Refining Value Propositions for Luxury Items**

In the world of marketing, luxury items hold a special place. All the tenets of marketing strategies and tactics still apply, but the level of refinement and particularity of said strategies reaches a new high in the marketing of luxury items. Defining a strong value proposition for any product is possibly the most essential task faced by a marketer of any product, but marketers of luxury brands have must have a special talent and take special care in crafting a value proposition for the discerning customer. In the world of luxury handbags, luggage, and wallets, a brand's value proposition must display the same level of craftsmanship as the products themselves.

The luxury customer is looking for all the same things as a customer who buys a handbag or a piece of luggage for purely utilitarian purposes: durability, longevity, comfort in hand, convenient form, convenient compartmentalization, so all these factors must somehow make it into your value proposition for the luxury version. The luxury bag customer, however, will also be looking for an additional set of values: beauty/aesthetic considerations, style, uniqueness, quality (as independent of durability of longevity; can be related to quality of the material itself), and craftsmanship, and sometimes brand name. To craft a value proposition that is truly in line with the desires and expectations of a luxury bag or luggage customer, one has to consider every one of the considerations listed.

How do you define what truly differentiates one handbag from another in the mind of a quality-driven, Italian-leather-loving customer, and then package that definition into an efficient value proposition for your marketing materials? Before we define more specifically what a value proposition for a luxury line of bags should look like, let's remind ourselves about the basic characteristics of a strong value proposition:

- Clear differentiation between the product and similar products from competitors. How is the product you are marketing different from all the competition?
- For those features or values that are not differentiated from the competition, they must be equal in quality and perceived value to those of the competitors.
- One particular feature, aspect, or value-added factor of your product must stand out as being far above anything offered by any competitor.

With those characteristics in mind, the marketer must put thought into how to meld those stated characteristics of a good value proposition with the value-added factors of your luxury bag line as perceived by your customers. In the eye of the discerning customer, what is different from one luxury handbag to another? Is it superior, old-world craftsmanship? Is it the finest silks or Italian leathers? Is it uniqueness of design, and a promise that they will never get caught with the same handbag as someone else? Or is it a lifetime guarantee? Whatever the differentiators are, uncover and specify them as they apply to your product.

To refine your value proposition, define what qualities of your product are as good as—think industry best practice—those of your best competitors. And last, define the one true stand-out quality that makes your handbags or luggage and the customer service that comes with them the best of the best. Combine those three factors together, and you will have a perfectly on-target value proposition.

## Evaluating Return-On-Investment (ROI) for Tradeshow Activities

Tradeshows are one of the most common campaigns a mid-to-large size company might engage in for the purpose of lead generation. Ask around, and you will find that for many companies tradeshows are the first or second lead-generating activity in terms of volume. The topic of effective tradeshow management is surprisingly complex, and the number of considerations is enough to fill an entire graduate level semester syllabus. One of the most essential topics, however, is the evaluation of return on investment (ROI) for tradeshow campaigns. As a marketing consultant, it never ceases to amaze me how often companies invest significant resources in a tradeshow, and then purport to evaluate the return on those resources via the number of leads generated at the show. Alas, this strategy is misguided, as the real measure of return on any investment in a for-profit company is **profit**, not lead count. Essentially, if you are going to effectively evaluate your return on investment for a tradeshow, you must be able to answer the following questions:

1. How many leads were generated at the tradeshow?
2. Over the course of your company's average sales cycle, how many/what percentage of those leads converted to sales?
3. What was the amount of profit generated from leads obtained at the tradeshow? (NOTE: You must subtract the cost of participating in the tradeshow to calculate profit.)
4. What percent of all sales/margin is accounted for by leads generated at this tradeshow?

Until you can answer those four questions, you cannot effectively calculate return on investment from a tradeshow. Why is it not enough to know how many leads were generated at a tradeshow and use that figure to determine if you should participate in that tradeshow again? Because five hundred leads are worth nothing if none of them convert to sales. As a matter of fact, that would be a clear indication that there is not a good fit between your product or service and the attendees at the tradeshow.

What can you do if you are trying to evaluate a tradeshow in a period of time that is shorter than your average sales cycle, and you therefore do not have reliable profit data yet? There are a few more subjective measure you can use to evaluate whether or not to sign up for next year.

Here is a sample form that you can ask your tradeshow booth staff to fill out to allow you to make decisions about tradeshows before your average sales cycle is up, as well as evaluate your own performance in regards to tradeshow management:

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Rate Each on a Scale of 1-5:

\_\_ Attendance

\_\_ Lead Quality

\_\_ Booth Location

\_\_ Booth Staffing

\_\_ Preshow Planning

\_\_ Tradeshow Management

\_\_ Display Effectiveness

What competitors were present, if any?

Recommend to Attend/Exhibit Next Time? Yes/No (Do not provide a maybe box, get a committed answer.)

Comments/Summary:

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This data, some of which is more subjective in nature, can still help to make a good decision as to whether or not to sign up for next year. Pay particular attention to the lead quality rating assigned by your staff, as this will be your best indicator as to whether a high conversion rate is likely.

## **A Common Expense Management Mistake in Small Business: No Investment During Trying Times**

Today more than ever, small businesses are struggling with questions of appropriate allocation of resources. When money is tight, the decisions as to how to allocate it often fall on the accounting department or the owner, who may well not be financial planners or investors. The common strategy during hard times is to use funds to brace against financial disaster. While this might make perfect sense, it can also be a way to almost guarantee that your business continue to run at a loss. During hard times, small businesses may need to shift the focus of their costs and expenses, but in a different way than might be apparent. Making investments good, solid investments—instead of pulling out of the market further due to perceived lack of resources—can be the golden ticket that allows a small company to survive financial hardship.

One such investment that often suffers during economic hard times is investment in marketing and infrastructure. In marketing, this may include scaling down or elimination of web marketing, targeted print advertising, tradeshow activity, and telemarketing. In infrastructure, this may include elimination, scaling down, or non-implementation of key business growth factors, like scooping up talented sales staff that are laid off elsewhere and investing in inventory and cash-flow management systems that help you stay profitable and allocate funds where they will draw the best return on investment.

The investment in marketing and the investment in infrastructure actually go hand-in-hand in many cases. For example, an expense management system will allow a business to identify waste and areas for improvement, thereby allowing the company to allocate funds in a more meaningful, results-driven way. Hopefully, this will help you spend less on phone bills and more on investments that will yield returns, such as marketing campaigns.

As difficult as it can be for small businesses to survive an economic downturn, forward-thinking actions are truly the only way to stay afloat. The more you withdraw from marketing activity, the more you risk a serious cash-flow problem. It is precisely when your regular, returning customers aren't coming in as often—or at all—that you must find ways to invest in bringing in new customers and increasing the efficiency of your organization. What investments are most important? Here's a short list:

- If you do not have one, implement a professional-quality inventory management system. This will help you keep inventory small but in line with customer demand.
- If you do not have one, implement an expense management system. Track all your expenses in a way that can be evaluated using multiple criteria, and identify waste within your organization
- If you are not already doing so, attend at least one tradeshow a quarter. Choose tradeshow in which the participation cost if not exorbitant.

- Invest in search engine marketing and web marketing. Online marketing is the best way to get the most out of your marketing dollar, or the best bang for your buck.

Most importantly, remember that there is no time like the present to make your name known, to win new clients, and to chase new opportunities.

## **Marketing and Sales to and for the Gold, Silver, and Precious Metals Industry**

Have you looked at gold and precious metals prices lately? One look at silver prices per ounce over the last several years should take the doubt out of anyone's mind as to whether silver and other precious metals are a solid investment to make. Clearly, the precious metals business is booming, and if you provide a product or service that adds value to the precious metals industry, your business will be booming too. How can you get in on the precious metals boom? Read on.

1. Sell or market a technology that has applications in the precious metals industry. For example, portable precious metals melters or furnaces are becoming more and more useful and common as the precious metals industry gains steam. Analytical equipment that can be used to accurately analyze and hallmark gold and silver content, for example x-ray fluorescence analyzers, is also seeing an uptick in sales from the precious metals industry.
2. Because of the high price of precious metals, refineries and mints are currently in competition for sources of scrap precious metals, usually jewelry. Become a refinery marketer or customer relationship manager, and be the relationship manager between pawn shops and cash-for-gold buyers and refineries. Find the most efficient shops with the highest intake, and partner them with the refinery that has contracted you. Alternatively, market yourself as a manager for smaller scrap precious metals collection ventures, such as individuals, and become an umbrella organization or middle man that brings refineries and scrap jewelry together faster.
3. Become an affiliate marketer for a refinery or mint, and market the final product (precious metal bullion or rounds) to communities that the refineries or mints do not easily reach. Are you part of a community where English is not the only language spoken? You can add value to a mint or refinery by helping to target communities in their native or heritage languages. Are you a trusted member of a community? As an affiliate marketer, you can tout the benefits of being a precious metals owner, and the quality and return of precious metals investments.
4. Become a scrap silver and gold buyer yourself, and market yourself locally while offering competitive prices for scrap jewelry.
5. Claim or buy properties that are likely to contain precious metals deposits, and then market them to mining companies or investors at a profit. Old-fashioned prospecting still does pay off.
6. Become a precious metals commodity trader, or manage investments that include precious metals investments for yourself or others.

Whatever you do, remember that the value proposition in the precious metals industry always comes down to purity, accuracy, and profit. Also remember to watch the prices of the precious metals in which you are investing, whether as a direct investor or a marketer. While the general cost of precious metals is squarely rising, daily fluctuations may help you make an extra buck. Lastly, whatever your role, remember that trust, honesty, and accuracy is of the utmost importance in the precious metals industry. Never give anyone an incorrect or inaccurate value as to the precious metal content of any given object. If you do, you'll find yourself short on associates very quickly.

## Defining and Perfecting Value Propositions for Personal Financial Products and Services

Marketing of personal financial products is a unique space in the marketing world. Credit monitoring and repair services marketing in particular brings with it a unique set of challenges. As with all other fields of marketing, defining a strong value proposition for your product or service is one of the most essential parts of a marketing strategy, as well as one of the most difficult. Marketing in the credit monitoring and repair industry presents an additional layer of challenges because of the need and perceived obligation of the credit service provider to educate the customer about credit building, repair, and maintenance while also providing a credit repair service. In addition, customers that require a credit repair service may be reticent in general about the industry due to prior negative experiences, and an extra level of effort must be made to establish trust.

How do you, the marketing professional, tackle crafting a unique value proposition—defined as a unique and complete customer-facing statement of the value you provide to them—for a company that provides credit monitoring and repair services? Let's start with the basic characteristics of a strong on-target value proposition. A value proposition that is on-target with customer needs and desires has the following three characteristics:

- The key to a unique value proposition is differentiation. Your product or service must be clearly differentiated from those of any competitors. How is your service, or the way in which it is administered, different from all the competition?
- For those parameters that do not benefit from differentiation in regards to the competition (that is to say, they are not definably different from service parameters offered by your competition), a strong value proposition makes clear that those parameters are equally good or robust as those of the competition.
- A particular aspect of your service must be defined as being superior to anything offered by the competition, and this superior quality must take the spot-light in the value proposition.

Now, how does one apply these characteristics of a solid value proposition to the building of a unique value proposition for a credit repair service company? A meticulous effort must be made to connect the principles discussed above with the value-added aspects of your credit repair and counseling service from your customers' point of view. For those customers that choose you over the competition, what is different about you versus any other service they might have considered? Does your service provide faster results? Does it come with credit monitoring after the repair service is completed? Is there a component of credit education that is not offered by other? Whatever factors make you noticeably different from the competition should be identified and put forth in your value proposition.

For those parameters that do not differentiate you from the competition, make a statement of their quality anyway. For example, are your credit counselors friendly and nonjudgmental? Say so, even though everybody else does too. You can take this a step further by "proving" your point, perhaps including a personal testimonial from one of your friendly counselors.

And finally, what is the one truly outstanding feature of your service? Do you charge the lowest fees in the industry? Have the highest success rate? Get customer's credit scores above 650 in the shortest amount of time? Whatever it may be, place this statement front and center in your value proposition. Put all these factors together into a clear, succinct value proposition, and you will surely be the customers' first choice for credit repair services. Your understanding of customer needs and desires, and your clarity in expressing this understanding are not only essential marketing tools, but essential customer service tools as well.