



# 5 Marketing Must-Haves

For today's small and mid-sized business

By Ruth P. Stevens





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Making decisions about marketing investments can be frustrating, because there are so many options available. Which marketing tools are most important? What tactics will give you the most bang for the buck?

The answer to these questions depends a lot on your situation, your target audience and how they buy; not to mention your relative strengths as a marketer.

But getting to the basics, there are a handful of key tools and marketing activities that every small to medium company should have. Let's review them in turn.

#### Must-Have #1: Professional identity materials

The first essential tools in your marketing tool kit are professional identity materials.

At a minimum you need:

- Business cards for all customer-facing personnel
- Letterhead, envelopes, note cards, invoices, purchase order forms, etc.

Be sure you have these materials professionally designed and produced using the same look and feel as your Web site and your sales collateral.

#### Must-Have #2: A Web site

It's not an overstatement to say that today, if you don't have a Web site, you don't exist as a business. Your site doesn't have to have all of the top-notch functionality in the world. It just needs to state clearly who you are and explain why someone would want to do business with you.

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The 5 essential characteristics of a Web site today are:

1. Clear copy, simply stated, with no typos.
2. Professional-looking design, preferably consistent with the look and feel of your other marketing communications materials.
3. Clear and intuitive navigation, so the content is easy to find using conventional methods, like a menu bar on the top, bottom and left side of the home page.

#### Web site tip: Turn your Web site into a lead generation machine

Company Web sites that were originally designed as little more than online brochures can easily be converted into a lead generation tool with the addition of a registration area accessible from the home page. A registration form can be such a powerful generator of leads that it makes sense to put them on other pages throughout the site as well. Best practices include:

- Use welcoming, benefit-oriented copy explaining why visitors should register. Include a call-to-action, like "Register now" or "Click here."
- Include an offer, such as a downloadable white paper or a free consultation.
- Make the registration form short and easy to complete. Only ask for the absolute minimum amount of information needed to get back in touch with the prospect, such as name, company name, email address and phone number.
- Establish a process whereby the registered visitors are contacted speedily for follow up, whether by a marketer for qualification purposes or by a sales person.



4. An invitation to ongoing communications. This can be as simple as a phone number and email address, or more elaborate, like a registration page or a contact-us form.
5. Content that provides value and motivates visitors to come again. This can be articles, research reports or case studies. It can be product information, technical specifications or how-to guides.

### Must-Have #3: Sales literature

Your Web site will serve as your key piece of sales collateral. But even in a digital age, you need a certain amount of printed sales material. It's helpful to have something physical to hand over, whether it's a take-one on your counter or used as a leave-behind on a sales call. People still appreciate and value printed material.

So what items are essential? Here's a few:

- An 8 ½ x 11-inch folder with pockets. Include cuts on the pockets where a business card can be inserted. The design on the outside should be simple and consistent with your other materials, including your Web site.
- Materials to put inside the folder. This will depend on what you are trying to accomplish, but can include:
  - A cover letter introducing your company
  - A brochure
  - Sales sheets on particular products
  - Case study or research report supporting your sales story
- An outer envelope large enough for mailing the folder that includes your company address in the upper left-hand corner.

Other sales literature you might consider:

- A sales video on your company or products
- Reprints of print ads from trade publications
- Print-outs of PowerPoint sales presentations

### Must-Have #4: Lead generation program

Nothing makes a sales force more productive than a steady stream of qualified leads. Sales leads reduce the amount of time sales people need to spend making cold calls and increase the time they can be in front of likely prospects, selling and closing business.

Generating leads effectively involves 5 steps:

1. Set campaign objectives.
2. Select the most effective media.
3. Develop a compelling offer.
4. Plan for response management.
5. Qualify the responses and nurture the leads.



### 1. Set campaign objectives.

We all know that you won't be able to recognize success unless you clarify exactly where you are heading. When planning lead generation programs, marketing objectives typically involve one or two of the following categories:

- the number of leads expected
- their degree of qualification
- the time frame during which they will arrive
- the cost per lead
- lead to sales conversion ratio

### 2. Select the most effective media.

Not all communications media are equally effective in lead generation. Start by defining markets and market segments in quantities of people with certain characteristics that allow you to compare these definitions to available media data (mail lists, magazine circulation, etc.). Determine all of your media options that can reach the markets/segments you've defined, such as radio/TV stations, newspapers, magazines, direct mail, Web sites, etc.

Then narrow down your list to identify specific media options that will accomplish the following:

- Offer **exposure** and achieve **reach** to your target markets/segments with minimum waste
- Provide significant **impact** to cut through the clutter that buyers – business or consumer – face every day
- Allow for enough **frequency** to maximize effectiveness, based on what you know about readership levels and your goals

Make final decisions based on your long-term and short-term goals, your market definition, price/performance norms and available funds.

### 3. Develop a compelling offer.

Like any direct marketing effort, lead generation offers are designed to motivate a response. The offer should provide a reason to act to overcome people's natural inertia.

It can be a consumer-like incentive with personal benefit to the recipient. Or, it can be related to solving a business problem.

- Free information
- Premium
- Free trial
- Free sample
- Free shipping
- Seminar or Webinar
- Demonstration
- Discount
- Free installation
- Sales call
- Free consultation or audit
- Free estimate
- Self-assessment tool
- ROI calculator



One of the most effective categories among B-to-B offers is “more information.” Business buyers need information to do their jobs, and they welcome information supplied by prospective vendors. Among the most popular informational offers are:

- Brochure
- White paper
- Case study
- Demo CD
- Newsletter
- Research report
- “10 Tips” document
- Book or video

#### **4. Plan for response management.**

Before you go out with your campaign touches, you need a plan in place to capture the inquiries so they can be fulfilled, qualified and managed properly.

Campaign inquiries come through a variety of media, among them:

- Mail, including business reply mail.
- Telephone, to an 800 number or your company office number. Train the people answering the phone to capture key information and ask the qualifying questions.
- Fax. If possible, set up a dedicated fax line for responses, so they don’t get mingled with regular business communications.
- Email. Like phone and fax, email brings with it an expectation of fast turn-around.
- Web response form with a Generalized URL (GURL) or Personalized URL (PURL).

Inquiry handling includes the following steps.

1. Log the inquiry in a database whether a dedicated lead management database or the general marketing database. Match the inquiry against prior sales and marketing contacts to make sure it is not a duplicate.
2. Fulfill the inquiry with the appropriate materials.
3. Conduct a first screening of the inquiry.
4. Begin the qualification process.

When considering inquiry fulfillment, time is of the essence. As a rule of thumb, inquiries should be fulfilled no later than 24 hours after receipt. Studies show that the faster the fulfillment materials are received, the more likely the lead is to be qualified.

You may choose to fulfill the campaign inquiry in a variety of ways. Traditionally, the promised material is delivered in a flat mail piece. But consider some other ways to mix it up:

- Multi-dimensional mail piece
- E-mail
- Fax
- Sales call
- New product announcements
- Personal notes, like congratulations
- Catalog
- Web-based download
- Telephone follow-up call
- Press releases
- Events related correspondence
- Surveys

## 5. Qualify the responses and nurture the leads.

Not all leads are created equal. You must find out if the prospect is ready to see a sales person according to pre-determined qualification criteria. You can find this out via two methods:

- Ask the qualification questions on your response form.
- Use follow-up communications to qualify. Email is excellent for this purpose.

The most important approach to setting qualification criteria is to follow the needs of your sales force since they will be handling the lead and taking it to closure. They know best the nature of the sales process and what kind of buying characteristics are most likely to be workable.

Qualification criteria will vary by company and by industry. Most criteria involve the following categories:

- Budget. Is the purchase budgeted, and what size of budget does the prospect have available?
- Authority. Does the respondent have the authority to make the purchase decision? If not, you should try to capture additional relevant contact information.
- Need. How important is the product or solution to the company? How deep is their pain? This criterion may be difficult to ask directly, but it can be approached by roundabout methods. “What is the problem to be solved?” “What alternative solutions are you considering?” “How many do you need?” “What product do you currently use?”
- Timeframe. What is their readiness to buy? When is the purchase likely to be? Also, be sure to ask whether they would like to see a sales person.

Other common criteria include:

- Potential sales volume. How many departments in the company might use this product? How much of, or how often, might they need the product?
- Predisposition to buy from us. Are they past customers of ours? Are they similar to our current customers? Would they recommend us to their colleagues? Are they willing to call us back?
- Account characteristics. Company size (number of employees or revenue volume), industry, parent company.

When an inquiry is only partially qualified and does not make the grade of readiness for the sales team, it needs to be nurtured in a process sometimes called “incubation” or lead “development.” Nurturing involves a series of communications intended to build trust and awareness and keep a relationship going until the prospect is ready to buy.



Nurturing can be done via all kinds of media – telephone, direct mail, and email being the most popular. Here are some typical nurturing tactics:

- Catalog mailing
- Seminar invitation
- Trade show invitation
- New product announcement
- Newsletter (email or print)
- Press release
- Survey
- Video or CD mailing
- White paper, downloaded or mailed
- Article reprint
- Testimonial
- Case study
- Personal communication, like a birthday card or holiday card
- Letter from various sides of the company, such as the CFO, customer service department, engineering, or senior executives

The objective of the nurturing program is to be in touch with the prospect when he/she is ready to buy. Things change rapidly in businesses. The only way we can know when someone is ready is by regular communication.

### Must-Have #5: Customer communications

An ongoing means of staying in touch with customers and key prospects is essential to business success. The best way to organize your ongoing communications is to set up a plan for periodic contact with various customer segments, based on such factors as customer value and customer buying process.

For example, consider a segmentation scheme based on customer lifecycle. You want to invest the greatest marketing expense with the customers who will provide the highest return. In the Customer Contact Matrix, we are looking at customers who inquired, but haven't bought yet; customers who have bought once; multiple buyers (our best customers); and customers who haven't bought in a long time. Our objective is to communicate with them based on their potential, and to optimize the value of the communications.

So we might set up a plan to contact our best customers 25 times a year: 12 by email, six by phone, six by mail and with one face-to-face sales call. Inquirers, on the other hand, merit a different set of contacts designed to move them along to become first-time customers. Our lapsed, or dormant, customers would be treated entirely differently with a series of contacts intended to win them back.

Customer Contact Matrix									
		Email	Mail	Phone	Sales visit	Total contacts	Expense per customer	Revenue per customer	E:R
<b>Customer segment</b>	<b>Customer quantity</b>	<b>\$0.25</b>	<b>\$1.50</b>	<b>\$15.00</b>	<b>\$250.00</b>				
Inquirers	350	6	1	1	0	8	\$18.00	\$50.00	36.00%
1-time buyers	400	12	3	6	0	21	\$97.50	\$500.00	19.50%
Multi-buyers	200	12	6	6	1	25	\$352.00	\$2,000.00	17.60%
Dormant customers	150	3	1	1	0	5	\$17.25	\$75.00	23.00%
<b>Total</b>	1100								

There are two key advantages to putting in place a contact strategy:

1. You are investing wisely in customer management, putting the money where it will work most effectively.
2. You reduce the “random acts of marketing” that may be unfocused and reactive instead of proactive.

With a contact strategy in place, you can be sure your market is effectively covered over the period, whether you plan by the year, or the quarter. The plan can also be adjusted in response to market conditions, like special promotions to meet sales targets.

Contact strategy segmentation can be set up any way that makes sense for your business. For example, you might set up your contact matrix based on such variables as:

- Industry
- Company size
- Geographical location
- Products purchase patterns

### Keep your customer information clean and accurate

Business data tends to degrade quickly. Jobs change, departments are reorganized – numerous forces conspire to make it tough for us to stay in contact with our customers and prospects.

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By some estimates, business files degrade at the rate of 4-6% per month, which means a third of your file each year may become undeliverable or give you false intelligence.



### **Data hygiene best practices**

Business contacts tend to represent a lot of value, so it is both important and potentially profitable to invest in data hygiene. Here are some ways to keep your customer and prospect data fresh and up to date.

- Begin by entering the data correctly in the first place. Create a standard operating procedure for data-entry, and train your key personnel on it.
- Standardize your format of business addresses. Refer to Publication 28 from the United States Postal Service for examples of recommended field selection and layout of business addresses. It is available for free download as a PDF, from <http://pe.usps.gov/cpim/ftp/pubs/Pub28/pub28.pdf>.
- Pay for postal returns (endorsements) and update your files with the returns. This should be done at least once a year, and ideally 2-4 times a year.
- Use data-cleansing software regularly. Send a sample of your data to hygiene vendors to find out which one does the best job on your file.
- Take regular statistical samples of the data and check it manually using an outbound phone call. Decide in advance the acceptable incidence of errors in the record. If that error rate is exceeded, then undertake an outbound communications program by phone and email to update the records. You may want to segment the file, investing more in keeping up data about your best customers and less in those who have not bought from you regularly.
- Ask for customer data regularly, and make it very easy for the customer to provide the information. Always ask for the information the same way – no matter where you ask for it.

### **Comparing communications media options**

Each business communications medium has its strengths, weaknesses and best applications. So your communications programs must carefully harness the right medium for each job. Let us look at each of the key media used in B-to-B and B-to-C marketing communications today.

#### **Direct mail**

Reports of direct mail's demise are greatly exaggerated. The old reliable medium still delivers. With 18,500 business response lists available for rent, plus comprehensive compiled files, most prospective business buyers can be found through the mail, even for obscure products or very targeted niches.

According to many studies conducted by member companies of the Direct Marketing Association, direct mail is opened and read at least partially by 75% of the people who receive it.



More key facts about the power of mail to engage customers and prospects come from research commissioned by the United States Postal Service:

- 48% of consumers read their mail to relax
- 42% read mail to save money
- 38% read mail to stay informed
- 64% of consumers buy something every month based on the mail they receive
- 90% of adult Americans have ordered a product or service as the result of mail received

One reason for direct mail's staying power is its vast flexibility. Direct mail can be short or long, colorful or plain, including many or few components. Consider some of the most productive direct mail formats in use today:

- **Flat mail.** Business mailers generally prefer enveloped mail, whether it is in #10 business size envelopes or 6 x 9 inch or larger packages. The standard elements of a direct mail package (outer envelope, letter, brochure, reply form, business reply envelope) work solidly for lead generation.
- **Self mailers.** Self-mailers are widely used to promote seminars and trade shows. The main advantage of self-mailers is cost, plus the likelihood of their being passed along from inbox to inbox within an office. There is still considerable debate about which is better for lead generation campaigns, a self-mailer or a package, and of course the only answer to that is to test.
- **Postcards.** Postcards appeal to marketers because of their low cost and to recipients because they can be skimmed and absorbed quickly. The typical format is an oversized postcard that can be used to announce a new product feature, or an upcoming seminar – a communication that serves the need to stay in touch with a prospect but does not require much detailed explanation or content.
- **Dimensional mail.** These are oversized, cleverly designed, and typically very expensive pieces that are intended to cut through the clutter of an administrative person's inbox, and actually get past the gatekeeper and onto the desk of a decision-maker. They often contain a physical premium – a video, a gift, or some item that a secretary will think the boss will want to see.
- **Catalogs.** Catalogs are an important and versatile business-to-business tool, bridging both the sales and marketing functions. Catalogs can be used to sell via the mail. Or they can serve as collateral material, providing an easily referenced and long-lasting source of detailed product information for customers.

### Telephone

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The phone is still one of the workhorses of B-to-B direct marketing. According to the DMA, B-to-B marketers will spend \$31.7 billion on telephone as an ad medium by 2012, compared to \$16.7 billion spent on direct mail.



The reason telephone is so powerful is that it is the closest thing to face-to-face selling. In sophisticated buying environments, when you are trying to find a technical buyer or a senior decision-maker, a well-trained phone-based sales force can have serious, productive conversations, explaining product features and benefits, probing on needs, networking around to the right parties and even closing sales.

The beauty of the telephone is that it is flexible, personal, and cost-effective, and it supports both inbound and outbound communications. Some of the best applications of the phone in B-to-B are:

- A substitute for, or supplement to, direct mail (outbound)
- A campaign response medium (inbound)
- Sales appointment setting
- Inquiry qualification
- Lead nurturing
- Data hygiene
- Data discovery
- Maintaining customer relationships

### **Email**

Email is proving to be a powerful medium for lead qualification and nurturing, not to mention customer relationship management, up-selling and a host of other business marketing applications. Because most business buyers are connected to email, and comfortable with it, email can provide a very fast and inexpensive supplement to direct mail and the telephone.

Despite its promise, email has failed business marketers as a prospecting medium due entirely to the scourge of spam. There are some categories where rental email names can still work – technology and engineering, for example. But overall, these days, you will get better cost-per-lead results using direct mail.

This is not to say email should be banned from the entire mix. Email is superb for lead management and nurturing. Once you have persuaded someone to raise his or her hand, email is the perfect medium for staying in touch and moving the prospect along the sales cycle. E-newsletters are particularly effective in this regard, especially in narrow niches when the content can be made highly relevant to the industry.

### **Trade shows**

Exhibiting at trade shows and conferences is a time-honored way to get in front of customers and prospects in a focused, concentrated manner. Attendees are often highly qualified, their minds are on business at the show, and they are seeking solutions to business problems.



Regrettably, marketers often squander the opportunity to put trade shows to their best advantage. Trade shows are simply inefficient for branding and awareness building. But they are excellent vehicles for beginning or deepening a business relationship.

Here are some suggestions for optimizing trade shows and conferences:

- Set your objectives clearly and in advance. If generating qualified leads is job one, then focus all of your show activity toward that goal.
- Conduct pre-show promotions to identify the best prospects among show attendees and improve the chance of your meeting them at the event. Don't forget to include current customers and inquirers in your pre-show communications, as well.
- Design your signage to state clearly what your company does and how it benefits the customer. Passers-by will give you only a few seconds to get your message across.
- Train your booth staff in the art of engagement – and disengagement.
- Insert one or two qualification questions into your inquiry-gathering process by attaching a short form to the prospect's business card.
- Remember that there is a direct inverse correlation between gift-giveaways and inquiry qualification levels. In a highly qualified environment, a show where most attendees are already solid prospects, using an incentive can be an excellent traffic generator. But go slowly when the audience is more broadly based.
- Put in place a process to qualify the leads – or have them contacted by a sales representative – immediately on return from the show.

### **Referral marketing**

Business buyers are very good sources of referral business for two reasons. First, they are likely to know their counterparts in other companies through their own professional networking. And, second, they are often happy to introduce a solution to a colleague as part of nurturing their web of business relationships.

From a marketer's point of view, referrals are an outstanding source of new business. Recommendations from a colleague have great credibility, so not only is the referred prospect likely to be qualified, he or she is likely to be motivated. The only downside of referral marketing is that the volume of referred business you can ever hope to get is rarely enough to sustain your needs for growth.

The Internet's speed and informality lends itself well to referral practices. Some points to keep in mind when applying referral marketing to the lead generation process:

- Review all your marketing communications, and add a referral request where appropriate.
- Conduct regular referral-request campaigns to your current customer base. You may want to offer an incentive to both the referrer and the referred to increase response.
- Place a pass-along request at the bottom of your emails, especially those that contain valuable information or an offer.



### Marketing Nice-To-Haves

Once you've nailed your 5 must-haves, you may want to consider other options that work for business marketers.

- Search engine marketing. Google is the market leader with 65% of the searches online. Google's AdWords program allows you to bid on certain keywords and pay for your advertising only when your ad motivates someone to click through to your Web site. Google explains the program and makes it very easy to get started at [www.adwords.google.com](http://www.adwords.google.com).
- Contributed articles. One low-cost way to get publicity for your business is to contribute a short (300-500 word) article to publications read by your target customers. Most trade publications accept contributed articles that are well-written and not blatantly self-promotional. Topics like "5 Ways to Success," or "3 Mistakes to Avoid" are always popular. Include a byline from an executive in your company plus a headshot.
- Sales promotional items. The average cost-per-impression of an advertising specialty item is \$0.004, making it less expensive per impression than nearly any other media. Promotional items are a good choice for special events, sales meetings, customer appreciation and employee recognition.

### Author's biography



Ruth P. Stevens consults on customer acquisition and retention, and teaches marketing at Columbia Business School. She is past chair of the DMA Business-to-Business Council, and currently serves as president of the Direct Marketing Club of New York. Crain's BtoB magazine named Ruth one of the 100 Most Influential People in Business Marketing in 2002. She is the author of *The DMA Lead Generation Handbook*, and *Trade Show and Event Marketing*. Ruth serves as a director of Edmund Optics, Inc. She has held senior marketing positions at Time Warner, Ziff-Davis, and IBM and holds an MBA from Columbia University.



## Where Do You Go From Here?

As a marketer of a small or mid-sized business, you are contending with a growing list of challenges – both internal and external – that influence your development of a successful marketing program. Fewer inside resources in people, time and dollars, increased competition in the marketplace and a proliferation of available marketing strategies that produce varying outcomes all seem to work against you when you need to demonstrate results.

### Where does a marketer begin?

Direct marketing is a proven strategy that generates measurable outcomes when done right. Managing all of the components of a successful marketing campaign can be time-consuming. Using multiple resources or freelancers can be cost-prohibitive and inefficient. The most effective use of your staff, time and dollars is found in consolidating your program with a single source to develop, produce and deliver your direct marketing programs.

Beginning with creative development and design, Allegra works closely with clients to define and refine key messages tailored to target audiences. Taking a concept to creation is the next critical step. It's Allegra's core business to know how to print a direct marketing piece in the most cost-effective and time-sensitive ways.

Allegra is locally-owned and operated. Our focus is on small and mid-sized businesses and organizations that need marketing services and print-related communications. Our skills include customer/donor communications, special events support and brand identity – whatever it takes to make an enterprise like yours not just survive but thrive.

Want to learn more? Contact your Allegra representative today.



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