6 TO FIX™

Six Strategic Areas of Marketing

to Grow a More Valuable Small Business

Terry Sullivan

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www.6ToFix.com

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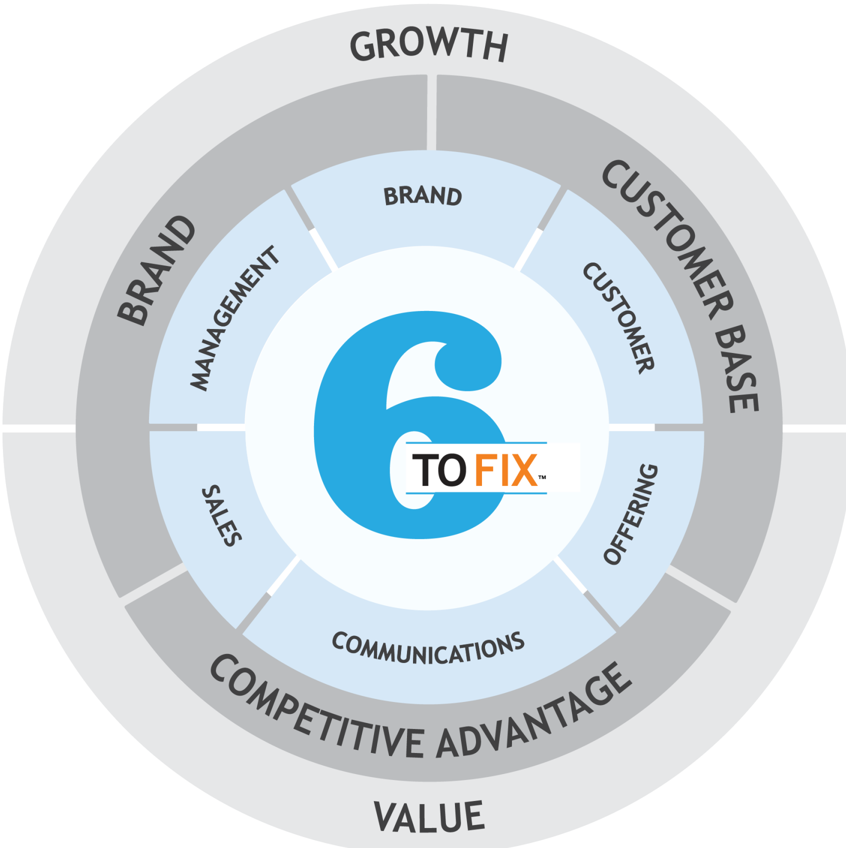
Bonus Content

As an added bonus, you have free access to an exclusive webinar presentation that covers additional content not found in the book.

You also have access to three 20-page customer reports covering Lead Generation, Customer Acquisition, and Customer Retention.

Access to the webinar video and customer reports are available through the links on the 6 To Fix Digital Bundle order summary page and on your receipt.

For support accessing these materials, please email support@strategicglue.com.



6 To Fix Marketing Strategy Framework

By focusing on the six key strategy areas that marketing can and should affect (inner blue areas), companies can build their brand, customer base, and competitive advantage, which ultimately foster business growth and value creation.

Introduction

For Whom This Book Was Written

After working with many different types of clients; as an employee at various types of companies; and starting several businesses, I wrote this book for business owners and managers at small to mid-size companies. Additionally, I think marketing managers and aspiring entrepreneurs will benefit from reading this book.

Many business owners are not trained in marketing; and there are many people in leadership positions at small businesses that need help with marketing strategy–even if they have experience or education in marketing. In either case, most people are stretched thin, resources are limited, and time is scarce. The framework proposed in this book is for anyone confronted with that triumvirate of challenges in growing a more valuable business.

Why I Wrote This Book

I wrote this book based on 30 years of experience in working for a variety of different businesses and clients. The basic premise of the book is this: there are several areas of marketing many smaller businesses either only dabble in or ignore that inhibit business growth and value creation.

I'd like to underscore the term "value creation." Most small business owners want to create a business that continues to grow and become more valuable. Others might like to sell their business at some point either to retire or pursue other opportunities.

Unfortunately, the truth is very few small businesses are worth buying. According to business guru Tony Robbins, "87% of American businesses aren't sold… because the majority of owners don't run their business in a way that they can legitimately sell their business."

In the late 90s, I sold my first start-up after six years of operation. I was able to do that because the business had a brand, a customer base, and a competitive advantage.

Those three things fostered business growth and value creation that enabled me to sell the business. Fast forward 22 years and the marketing strategy framework proposed in this book stems directly from that personal experience. And I think it can help you achieve more growth and value creation in your business.

While there is always a pronounced focus on growth, there should also be a pronounced focus on value creation so that you're building a business that you *can* sell. Just because a business grows in terms of revenue or market share doesn't necessarily mean that it's a *valuable* business that someone would buy. Even if you don't plan on selling your business down the road, it only makes sense that you're building a valuable asset - one that increases in value over time.

Anyone who has ever started or managed a business knows the countless issues that virtually all companies face. Everything from sales and cash flow to employees and payroll, small business feels like many things and small isn't one of them. But, in so many cases, a lot of *business issues* are actually *marketing issues*.

The Second Reason Why I Wrote This Book

This brings up the second premise of this book: most people think of "marketing" in terms of *marketing* *communications* like advertising, social media, search engine optimization (SEO), etc. But marketing comprises strategy *and* execution, and within both sides of the marketing coin are customers, branding, messaging, competition, product, pricing, distribution, promotion, and much more.

As a marketer, entrepreneur, and educator, I have concluded that the majority of businesses struggle with the same issues and challenges; it's usually a matter of scale that makes the difference. So, I think this book will be valuable to aspiring and existing business owners and managers at small and mid-size companies.

While marketing is strategy and execution, in today's current environment there is a profound emphasis on tactics at the expense of strategy. I think this is especially true now because we have so many ways to communicate digitally as well as offline.

Within the goals of business growth and value creation, strategy is critical because it can be the differentiator that affects virtually all aspects of a business. Even "strategy" is a debatable term that means different things to different people. We'll talk about strategy throughout the book, but strategy isn't just what you do; it's what you don't do as well.

Underpinning the book's premises are six key strategy areas that marketing can and should affect, but which are often glossed over or ignored. The house built on a solid foundation has a much greater chance of withstanding the ravages of time and storms than the house built on sand.

Overview

If you think about building a "valuable" business, you would probably agree that having a reputable brand is worthwhile because having a brand nobody wants or recognizes hurts the business. You would probably also agree that your employees and customers are your most valuable assets. The products and services you sell would certainly be deemed as important because what you sell directly affects revenue. Marketing and sales are critical because they bring in customers and promote the business. Lastly, being able to measure your success and to know what's working and what's not working is certainly critical to growing a business.

But if all of these things are so important to business growth and value creation, why don't more businesses have strategies around *each* of these areas? How many small businesses have a plan that addresses each of these?

The most important aspects of marketing deserve strategic thought because those areas foster business growth and value creation. It is easy for us to forget that the most visible and successful brands were once start-ups with big visions and aspirations, too.

Business growth and value creation can be achieved through brute force, but generally speaking, successful brands are not just a “happy accident.” For all the Coca Colas, Nikes, and Apples of the world, there are a lot of very successful and valuable small and mid-size businesses you’ve never heard of that will continue to grow or be sold as part of an exit strategy or as an acquisition target. *That could be your company*.

This book is dedicated to helping business owners and executive managers focus on six key strategy areas that help build brands, customer bases, and competitive advantage that lead to business growth and value creation.

The **6 To Fix Marketing Strategy Framework** reinforces the following key strategy areas to make profound and measurable differences in your business:

1. Brand
2. Customer
3. Offering
4. Communications
5. Sales
6. Management

At this point, you might be thinking, “We already have a marketing plan…”. If you do, congrats! You’re in the 50% of small

businesses that have a marketing plan.[1] Indeed, your business should have a marketing plan, but many small businesses don’t. What’s more, a lot of marketing “plans” are simply identified tactics to support objectives, with strategy being completely absent from the plan itself. More on missing strategy in a moment.

Technically speaking, the marketing strategy framework espoused in this book comprises a marketing plan or at least ensures you’re covering the pertinent aspects of marketing to build your business through your own marketing plan.

It has been widely reported that 50% of small businesses fail within the first five years, but up to 95% of franchises succeed at the five-year mark.[2] Why is that? Because franchises are based on *systems* that support a proven concept. The majority of small businesses, on the other hand, lack systems and, consequently, are often inefficient, unprofitable, and unstructured.

Between these stats and Tony Robbins’ stat mentioned earlier, it underscores the need for strategy or, in the case of this book, a systematic framework of strategies for the most important aspects of your company's marketing.

A Word About Strategy

We'll cover more about strategy throughout the book, but *strategy* is a very misunderstood and misapplied term.

At a basic level, this book is aimed at the notion that executing tactics without a strategy is often going to deliver subpar results. Execution is critical; a strategy without good and consistent execution is probably an unsuccessful strategy. Conversely, great execution without strategy often results in inconsistent messaging, missed target markets, and a host of other downsides.

In short, if you're missing strategy altogether–what you're doing and not doing, significant value will likely be left on the table. Lost value means lost opportunity.

A simple analogy works well here: If you lived 2,000 miles from Los Angeles but had to drive there for a meeting 3 days from now, you would probably devise a plan. You would calculate how many hours you could drive each day, where you might stop for gas and food, where you would sleep, and you would most certainly use a GPS or a map (if you're old school). You wouldn't just drive out there by the seat of your pants and expect to have a smooth trip and arrive in time for your meeting.

Yet, this is exactly what many small businesses do in terms of running a business. We expect to get to our destination (growth and value) without any kind of plan (strategy) and we think our execution (tactics) will get us where we need to go in the time we want to get there. For a lucky few businesses, this works and the company succeeds…perhaps in spite of itself. But the majority of these businesses will struggle without building value or eventually fail.

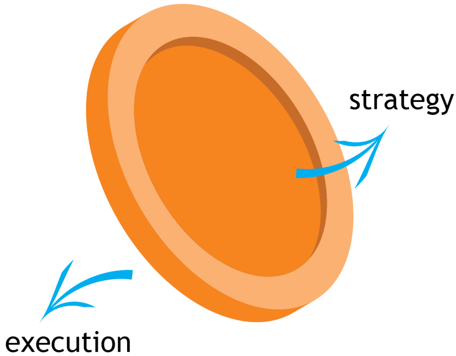
A Few Thoughts on Marketing

In a lot of cases when people refer to “marketing,” they mean “marketing communications.” Marketing means a lot of things to people, and it’s a multi-tentacled beast that grasps everything between strategy and execution. So, at the risk of providing a primer on what marketing is from an academic sense, we’ll do some 101. If you are a marketing guru, these may be redundant, but they are very salient points raised from many years of working with clients who thought marketing was one thing (i.e., marketing communications) - when, in fact, it encompasses many different things.

Two Sides of the Coin

Marketing is strategy and execution; like two sides of a coin. Among many small businesses, there is a pronounced focus on execution—tactics like advertising, social media,

Marketing is:
Two Sides of the Same Coin



SEO, etc. But, strategically, marketing concerns itself with many significant areas of business including anything touching customers, product, pricing, and promotion. In a lot of companies, Sales and Marketing are separate departments, if not downright adversaries. From the academic viewpoint of Integrated Marketing Communications (see Communications Strategy chapter), "Personal Selling" is a component of IMC. From a Communications standpoint, sales might be regarded as a tactic, but Sales is certainly its own critical function, which is covered in the Sales chapter.

Regardless of size, most small and mid-size companies are faced with the same challenges when it comes to growth and value creation:

- Lead generation
- Acquiring more new customers
- Keeping and growing existing customers
- Building brand awareness
- Creating brand loyalty
- Driving more web traffic
- Improving the customer experience
- Among many others

The bottom line is that strategy and execution work together. The best strategy won't do much without effective execution. On the other hand, brilliant execution without a strategy might not yield lasting results or achieve the goals desired by the organization.

GOST

There are a lot of scary things about small business, but a GOST shouldn't be one of them. Author Rich Horwath introduced *GOST–an* important acronym that clarifies how Goals, Objectives, Strategy, and Tactics work together.

The important point I want to make in this section is that Strategy is often overlooked in many businesses, both large

GOST

and small. Strategy is commonly misunderstood and often mistaken for objectives. Sounds kind of ridiculous, doesn't it? But when you break it down, one can see how it happens.

The S In GOST: Strategy

Typically, Goals are long-term and aspirational to the company. For example, a company decides "We want to be regarded as the thought leader in our industry." The next step is to identify objectives that would support that goal.

Objectives are usually short-term, more specific, and likely measurable. An example might be, "In 2020, a primary objective is to build a world-class website with more than 100,000 visitors annually and a 10% conversion rate (i.e., customers).” Three to five significant objectives are usually advisable for a calendar year, depending on the size, complexity, and importance of the objectives.

This is where things go astray. Strategy is the next thing that should be addressed, detailing “what” you’re going to do to achieve the objectives. Strategy informs us of what we will and what we won’t do. However, at this juncture, many businesses skip strategy and go straight to tactics and begin executing to support the objectives.

Strategy is where companies can differentiate from their competitors, tell their brand story, and articulate why customers should do business with them, among many other things. Without a strategy, it can be difficult to execute effectively, because messaging would likely be inconsistent, the story might not resonate with intended target audiences, etc.

To continue with our example, the company’s *strategy* might be one that emphasizes industry authority or credibility, which differentiates them from their competitors and resonates with their target audience. “We’ll achieve our objectives by emphasizing industry leadership, market-first innovations, and the illustrious histories of our executive management team.”

From there, Tactics like advertising and social media would support this strategy, which would include messaging and imagery of the company's innovation and management team credibility. Without a strategy, ads and social media might simply spout features and benefits, or simply contain superfluous messaging. Tactics without a strategy could result in lost value and lost opportunity.

In many cases, a business may think it has a strategy, when in fact, it has an objective. For example, in its quest to become the industry thought leader, a company identified the objective of building a great web presence toward achieving that goal. However, the great web presence isn't the strategy; it's an objective, which requires a strategy. Without a strategy, the website will likely flounder as one of a billion websites - kind of like saying you're going on a vacation without knowing where you are going or ever planning on how you're going to get to your destination.

The 4 Ps and the Missing 5th P

Business and Communications courses teach about the 4 Ps - developed in 1960, which stands for Product, Price, Place, and Promotion. Note that the 4 Ps begins with "product," which makes sense given the era in which it was introduced. 1960 was a different world, and product-based companies had not proliferated to the extent of what we see today across town, the country, or the world. The missing 5th “P,” which we now spend a lot of time on, stands for “People” or the target audience.

Without a lengthy diatribe on all the things that marketing comprises, basically anything that has to do with the product, identifying the audience to whom the product is sold, where and how the product is distributed, the price for which it is sold, and the messaging around the product (advertising, social media, etc.) - all of these are in the domain of marketing.

The Value Exchange

Marketing is about one thing: creating value. It sounds easy but it isn't because to get value (for the company), you have to give value to the customer. It's a reciprocal relationship. If you make a product that sells for $20.00 (and you can make a healthy profit) and I'm willing to pay your asking price, we've established a mutually beneficial, reciprocal relationship.

Getting a Sale is More than Just Selling a Product

Today’s marketing landscape is littered with talk about how to increase “*conversions*,” which is the ultimate goal of online marketing and e-commerce businesses. A conversion can be whatever the particular goal is, but the most common and ultimate

**Marketing Value Equation =
Give Value to Get Value**

definition of a “conversion” is a *sale*. Other conversion types include a visitor completing a form, downloading a PDF, watching a video, etc. For our discussion, however, “conversion” means a sale.

Whether your business sells products online, or you sell offline but use digital marketing in your lead generation and customer acquisition efforts, conversions are becoming more challenging by the day. It is a hyper-competitive world out there with a lot of “noise” and distractions, thereby making sales much more difficult. Coupled with the fact that people research and buy products much differently and more independently than they did even a few years ago, the challenge becomes even greater.

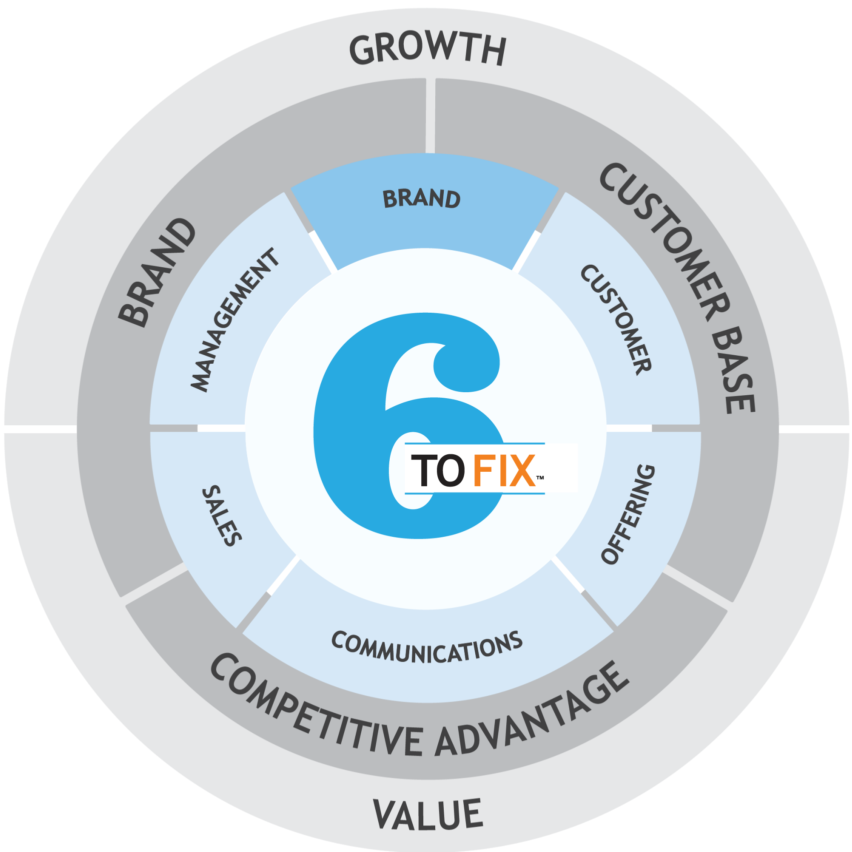
To reach a prospect, to help them along their "customer journey" of gathering information, affirming they have a need or opportunity, making the decision to make a purchase, and deciding to purchase your product or service–that is not an easy feat.

Getting a sale and increasing revenue takes a lot of strategy and execution. Marketing is more complex and technical than ever; it's easy to forgo strategy just to "get stuff out there" and make some activity happen. But the groundwork...the foundation...the *strategy* will enable more effective execution (tactics), which together will foster business growth and value creation. That's what this book is about.

Marketing is Not a Linear Subject

The graphics representing the 6 To Fix Marketing Strategy Framework are circular for a reason–because marketing is not a linear subject. Thus, it is difficult to simply go topic by topic without some redundancy–both intentional and unintentional.

Throughout the book, there is some overlap between chapters but I have purposely covered specific topics in multiple chapters to reiterate key points and/or if readers jump around, which they often do.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SALES
OFFERING
COMMUNICATIONS
6 TO FIX™

1. Brand Strategy

Why Having a Brand Strategy Matters

The term "brand" has become synonymous with marketing, and everything from a person to a product to a movement is now a "brand." If your company builds a brand that is *preferred* or, even better–*relevant* in your particular industry, that can significantly fuel business growth and value creation.

Most small businesses and even mid-sized companies are not proactive in building their brands, and most do not have a brand strategy. Brands are recognized and often revered by customers, but many companies mistake the brand for the logo and how the business *looks*. Identity is certainly important, but brand strategy starts on the inside and is significantly controlled by the company's vision, mission, goals, passions, and values.

Overview

Brands are something we see and interact with daily. As consumers, we help build brands by buying products and popularizing the brand. We associate brands with their logos, how the brand looks and feels, and how it makes us feel. But brands are built from the *inside*. Think about one of your favorite brands. Chances are good that you admire or are even loyal to the brand beyond the product or service you purchase. The way you think about the brand. What it represents to you. How you think about it compared to the competition. These are all intentional and driven by the company.

The logo and aesthetic of the brand are hugely important, but they are not the brand per se. Identity is the manifestation of the brand. Some say that the brand is a promise. A mark that shows the maker of something. A symbol of consistency. Whatever its exact definition, it is something that all businesses–small or large–have control over in terms of its intention, focus, and how it wishes to be perceived by prospects and customers. It is certainly something that can drive business growth and value creation.

Brand Building in the Digital Marketing Era

As overused as the term "brand" has become, it is more important and more complicated than ever. Virtually every product and service is a commodity, and even many brands now look and feel the same. In our “templated” world–particularly in the digital age–there is so much emphasis on the look and feel of the brand. However, the way a brand "acts" and "behaves" is the true differentiator.

Brand Awareness is Important

Branding in the digital age is quite different than in the broadcast era. We’ve seen a momentous technological change in just the last several years. B2B and B2C audiences are exposed to thousands of messages every day and have near-complete control over messaging, which includes numerous screens, platforms, technologies, and unparalleled “noise” that are on 24/7/365. There is an unprecedented and unparalleled amount of "brand" choices.

Awareness is Not Enough

Today most products and services are commodities with direct competitors or close substitutes for nearly everything. As many brands look, act, and feel like other brands–the very nature of “differentiation” has itself become a commodity. But differentiation is still important, if not difficult, to achieve. It used to be that a great product from a good company meant a loyal customer base, sustainable competitive advantage, and ultimately shareholder value. Not anymore.

It's About the Customer

Relationships, feelings, and experiences –the "soft stuff" is now the most important and hard to replicate…or beat. Features and benefits are a dime a dozen. Even titans like Apple and Coke are not immune to a bevy of "me too" competitors, but a great brand transcends the product. It delivers something that means more to the customer.

The proliferation of digital platforms and social media has elicited different expectations of what customers want from brands. A brand is a living thing that goes beyond providing products and services. Today, people expect interaction with company employees–even CEOs, and things like corporate citizenship and social responsibility are no longer reserved for the few "aware" companies.

A Brand is Not a Logo

Understandably, people often associate a brand with a logo; identity is a critical component of branding. But identity should be the manifestation of what is happening *inside*…with the people.

The identity reflects the intentions of the brand, the vision of the company, and underscores strategy and execution consistently over time. But a great-looking identity loses its luster if the company is lousy, a liar, or lacks a good personality once you get to know it. Beauty is more than skin deep.

The Internal Brand

The “internal” brand is crucial because internal stakeholders must know the brand vision, believe the brand promise, and "live" the brand. If not, the “external” brand might fail or simply fail to reach its full potential. Iconic brands cast a long shadow over lesser-known brands. Sure, many iconic brands are category leaders and, in many cases, they created the category they dominate. But, regardless of revenues or market share, iconic brands are iconic for a reason.

Coke built its brand over 130 years. Nike over 50. Apple over 40. Smart people. Great products. Loyal customers. Countless “great” brands exist in more obscure categories and industries but are iconic in their own right. Why?

The *internal* brand drives the *external* brand through passion, authenticity, and belief of the people inside the company.

The Power of Positioning

When you think of a favorite product, company, or brand, you probably associate it with a specific word or “image concept” in your mind. Companies spend extraordinary time, effort, and money to occupy that unique place in your mind known as a “position.”

When you think of Volvo, what do you think of? Safety. Apple? Innovation. Nike? Perseverance. Honda? Value. Well-known examples for sure, but even local and regional brands capitalize on the power of position. When your brand occupies that corner of someone’s mind, that can be a wonderful…or an awful place to be.

There will always be competition. There will always be customers (hopefully). There will always be an ever-changing, technology-driven environment. But the space for a position within your prospects' and customers’ minds is limited, coveted, and needs to be respected and protected. People do a lot to occupy a "good" space in others' minds, and to avoid a "bad" space; brands are no different.

How do people think about your brand?

Product Focus vs. People Focus

Unparalleled competition. Transparent pricing. Customer control over media consumption. Nearly unlimited offers and promotions. Doesn't it make sense that our marketing should be focused on "people," i.e., the target audience rather than just the product?

Great products are a must. But great products fail all the time, in many cases due to never finding an audience. Successful products can attract and convert prospects into customers; but brands encompass the product, passion, people, and experience to *keep* the customer. For many businesses, unfortunately, a *product-focus* precludes a *people-focus*.

Even in the case of Nike, there was a pronounced focus on the product, but there was a significant people focus, too. Because running was a fringe and solo sport back in the 60s, there was a sense of the indomitable spirit, individual power, and incessant willpower. The power to be able to achieve anything isn't a product focus, it's a people focus.

Unless you are Apple or Nike, chances are good that building the “better mousetrap” is not a winning strategy because products and their respective features and benefits are copied all the time. But copying a *brand* like Apple or Nike? The incredibly valuable intangibles like culture, loyalty, and reverence...those are difficult to mimic.

Inside Out

When we think of brands - either as a consumer or for our business, we are likely thinking of it from an external point of view; how it is viewed. This naturally leads one to the “look and feel” of the brand.

But, if we dig deeper, we might consider that we as business owners and executive managers have great control over what people think and how people feel about our brand. Just as a person will dress, talk, and act in a way that reflects how they would like to be “seen,” so does a brand. If I have an interaction with a brand that is characterized by a subpar product, lousy service, and terrible aesthetics, I will likely have a dismal view of that brand. On the other hand, great products, great service, and attractive aesthetics will likely foster a great brand experience. All of this is internally driven; it is intentional and doesn’t happen by accident. You control all of this.

Whether you are a very small company or have a significant number of employees, the brand is the company. Because the brand is about and derived from the people inside the business. The ones who design and create products. The ones who support customers. The ones who make sure money is collected and bills are paid. And the ones at the top who are responsible for driving the business and the people inside.

People Buy More than Products

In 1960, the “4Ps” of Marketing (aka the "Marketing Mix") was first published - Product, Price, Place, and Promotion, which is still taught throughout the world today. A marketing truism, but 1960 was a different world in countless ways. First, it was a product-focused world; America was not a services-oriented economy yet. And there were only so many companies manufacturing products…appliances for example.

The 60s was an analog world; companies advertised through broadcast media such as newspapers, radio, TV, magazines, and billboards. Sales happened in the local retail store, door-to-door, and over martini lunches. Naturally, the first “P” emphasized "product." Because in 1960, America was *product-focused.*

In the mid-late 60s, Phil Knight was selling running shoes at track meets out of the trunk of his car. The Nike logo adorned shoes beginning in 1971. Since then, Nike has become one of the most iconic brands in the world…and in history. But do you think Phil Knight was thinking that in

50 years, he and his team would build one of the world's greatest brands? Probably not.

Nike makes great products. Has a great logo. But look at its commercials going back to the late 70s. The commercials very rarely focus on the product. The commercials reflect bigger ideas, which reflect the bigger ideas of the company. The people inside the company drive the ideas and the products. In the case of Nike, the brand has become legendary because it is a lot more than a cool logo and good shoes.

The Big Picture of Marketing

Another crucial concept of branding has to do with how we as owners and managers interpret our brand versus how prospects and customers interpret the brand.

Our view is skewed because we have a vested interest in the brand; what *we* think the brand represents, and how we see our products and services as well. This may or may not be how our audience thinks and feels about it. That's where the big picture of branding comes in.

Imagine a framed picture with your product and service in the foreground. It's in the foreground; we likely put it first because it's what we do and what we sell. In the background is just space. That's often our interpretation of where we fit in the picture; we're often so product-focused that we think our product is the focus of the picture.

Prospects on the other hand (and maybe even customers) probably have a different interpretation of the picture. Their needs, wants, challenges, and opportunities would fill up that empty space; so, what is background to you is not background to them.

What they see in the foreground is context, relevant messaging, connection, and reason that positions your brand (and product) to meet their needs, wants, challenges, and opportunities. So that means all of that space we see as background should be filled with information and engagement, which will lead them to a good customer experience. If not, they're going to see just another product in a sea of sameness vying for their attention without an authentic and motivating brand behind it. Thus, they likely will not buy your product or appreciate your brand.

That background space is your opportunity to build your brand and differentiate it from the competition. Your product is still important but think about your prospects and customers' view of the picture and the importance of that empty space. Fill it with meaningful awareness, engagement, and “customer first” actions and behavior. Demonstrate your brand DNA and you will build affinity, relevance, and ultimately, a brand that transcends the product.

A Different World

Today: The digital world. Hyper competition–across town, the country, and the globe. America is largely a service economy. A billion active websites. Millions of blogs published every day. Multiple screens. Social media. Real-time. Consumer control over media reception and consumption. Transparent pricing in countless industries.

Unparalleled "noise" –some estimate the average American is exposed to 2,500 - 5,000 messages per day. Reaching an audience, much less selling them something, is more difficult than ever. In our commoditized world, consumers have an abundance of choices from an endless array of brands.

Relevance Isn’t Relative

The digital world is rife with a seemingly endless choice of products and brands; the competition is endless. How does a brand create that *position* in the mind that they represent something special, different...and relevant? This goes back to the notion that brands are intentional and driven from the inside. Creating and establishing brand relevance doesn't just happen—it's strategic.

Relevance Beats Preference

There is a big difference between *brand preference* and *brand relevance*. You may prefer a specific product –like a brand of peanut butter—but there are other situations where there is only one relevant choice for you. This is the holy grail for brands because it means loyalty, price inelasticity, customer advocacy, not to mention sales, profitability, and brand value.

Branding guru David Aaker states that brand relevance is about making competitors irrelevant. *Preference* indicates just that but leaves an open door for a lower price, better terms, or a new feature. *Relevance* means there is no other choice; the position is locked-up in the customer's mind. What a great place to be.

For example, you may prefer Heinz ketchup, but if Hunt's or another brand is on sale, you may be open to buying that brand to save money.

Apple users are notoriously loyal, and in their minds, Apple is the only relevant choice when it comes to computers or smartphones. A loyal Apple user is eager to spend more on a laptop for instance, because it's the only relevant choice.

Culture as Strategy

Brand building is about more than building a better mousetrap. In a noisy world with an endless array of products, services, and brands, what is the real "difference" in stand-out brands? Is it more than just a great product?

Brand Value

A brand is defined as many things, but one thing has become clear: brand adds value. Coca Cola had revenues of approximately $37 billion in 2019, but according to brand valuation experts *Interbrand,* Coca Cola has a brand value of approximately $63 billion. Apple is reputed as being worth $1 trillion against $265 billion in annual revenues. The Kardashians. Musicians. Politicians. Brands matters. Regardless of type or size.

Do you buy brands? Would you pay more for a Mac or iPhone versus a competitor? Do you prefer Heinz over Hunt's or a house brand? Honda over Hyundai? The list goes on and on, but brands elicit feelings in people beyond the utility and value they extract from a product. Building your brand fosters business growth and value creation.

Compare your brand to your competitors; what do you see? What do customers think and feel about you and the competition? Building a brand that means something to customers means your brand has value within your industry. And this can equate to a much more *valuable* small or mid-size company...beyond the standard multiples of revenue or gross profit.

Leveraging Cultural Innovation

Nike makes great products. But so does Adidas, Under Armour, Reebok, and others. Over the last 30 years, Nike has tapped into a bigger idea: personal perseverance, or "solo willpower." As mentioned, most of its advertisements going back to the late 70s and early 80s had little to do with the actual product; the message has always been “bigger” (about people) and not just about a better product.

Douglas Holt and Douglas Cameron, authors of *Cultural Strategy,* show numerous examples of breakthrough brands like Nike, Ben and Jerry’s, Starbuck’s, Patagonia, among others, that leveraged *cultural innovation* to sell something much bigger. Better mousetraps can be mimicked; cultural innovation takes strategy and competitive advantage to another level. Cultural innovation builds powerful brands.

Conclusion

Building a brand is different today, as companies both small and large have so much at their disposal in terms of building their brands. A brand starts on the inside and is the culmination of the team, its products, and the customer experience.

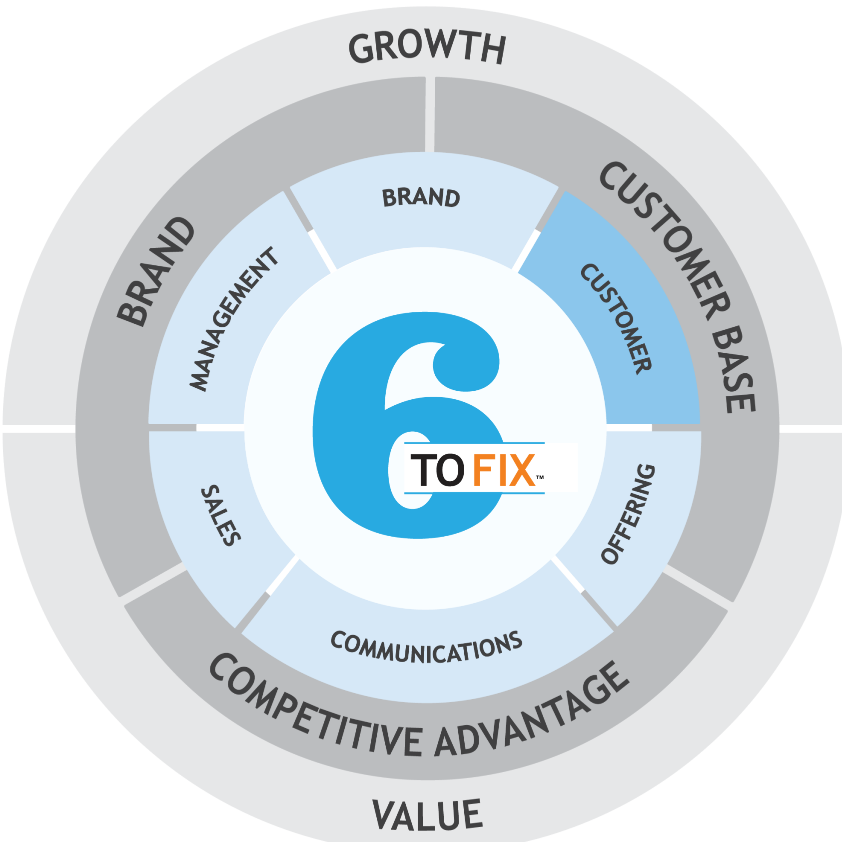
It is easy to point to the giant iconic brands and see what their success looks like from the outside. The world's best brands transcend their products and build brand advocates by offering a great product, service, and customer experience. Most importantly, winning brands create a connection with people in the heart and mind that is difficult to compete against. It's driven by the people inside the company.

There are countless direct competitors and substitutes for Starbucks coffee, Nike shoes, HubSpot's marketing automation platform, or Amazon. All have great products. All of them have distinct logos. You could buy other great coffee, shoes, marketing automation, and retail products elsewhere. What you can't easily do is create a brand that means something special to someone and is their only relevant choice.

Each of these companies is about more than just selling a product. Each of these brands goes way beyond its logo. At one time, each of these companies was a small brand with lofty aspirations and big intentions. *This could be your company.*

Think about some smaller businesses…maybe a local company that has an established, well-known brand within its respective industry. Does its brand *matter* in terms of driving customers, revenues, and profits? What about when that company is ready to
sell? Chances are pretty good that the business is valuable and therefore worth purchasing.

Your brand deserves a strategy.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2. Customer Strategy

Why Having a Customer Strategy Matters

Arguably, the two most important assets in a business are its employees and its customers. Virtually every company is in business to serve customers, but many small and mid-size companies don't have a customer (or employee) strategy.

Acquiring new customers and retaining existing customers are essential for most businesses. Sixty-one percent of marketers report that lead generation (for acquiring new customers) is their top challenge, yet many do not have a strategy for how they are going to do this.[3]

Customer retention generally takes a back seat to customer acquisition, but it accounts for significant revenue and profit. However, most small businesses do not have a customer retention strategy either.

Finally, treating different customer types the same can leave a lot of value on the table and result in an indifferent or unpleasant experience for the customer. Good products and services are pretty easy to find these days; a great customer experience has yet to become a commodity.

Overview:

Customers are the lifeblood of a business. So, it only makes sense that we think about:

- To whom are we marketing?
- How do we want *prospects* to think of us?
- How are we acquiring *new* customers?
- What's the *experience* we want them to have from their first interaction through their last?
- What are we doing to *keep customers* from going elsewhere?
- What can we do to *proactively* help customers sing our praises to others?
- Do we consider employees as *"internal" customers*?

These are just a few questions, but the idea is obvious: Customers (internal and external) are the whole point of being in business, so being intentional about them makes a lot of sense. Think about all the time, effort, and resources that go into acquiring and retaining customers, and what it means to the company and brand.

Introduction

For all the emphasis placed on customers, how many companies have a "customer strategy"? Sure, many businesses have marketing strategies, sales strategies, growth strategies...but a customer strategy is often missing. Why?

In most cases, a company's customer base is its most valuable asset. Thus, in building and maintaining that asset, it makes sense to think about it strategically and plan for it accordingly. At Strategic Glue, I advise clients to break down customer "types" into three buckets: internal customers, existing customers, and new customers. All customers probably shouldn't be treated or messaged the same because they are, indeed, different types of customers.

Planning for multiple customer types and their respective customer experiences is difficult. From a visitor to a prospect to a customer to an advocate or employee—it is a lot of work, and there are myriad details within those phases. The customer *journey* (the journey one takes to become a customer) isn't the same as the *customer experience*. Identifying steps in the journey to becoming a customer don't necessarily include all the things that need to be done within each phase to make it a killer experience for the customer. Or what happens *after* they become a customer.

For all the energy and money we expend to win and keep customers, ensuring customers' success…and the company's success only makes sense.

Internal Customers

Employees are truly the company's most valuable customer, as this "asset" comprises people who directly *affect* the *customer experience* of external customers…and *customer success* at virtually every level. Think about it: if team morale is low or if job satisfaction is subpar, chances are good that the internal team will not be giving the external customer experience the attention, passion, and vigor it deserves.

What's more, how many employees are not privy to the strategies put in place by owners or executive managers? They are often the last to know when a new initiative, marketing campaign, or product release is being planned…or worse, has already launched. Sir Richard Branson famously said, “If you take care of your employees, the business will take care of itself.”

By thinking of employees as internal customers, one can quickly see the logic in winning these customers over by including, motivating, and inspiring them. Even if it’s just a “job” to some people, nobody likes being in the dark or feeling like they’re not part of the team. How many times have you felt or heard sentiments like, “Management doesn’t know what the hell they are doing!” or “It’s not like they’re asking for our opinions.” Such thoughts and expressions are not conducive to fostering the best experience for your external customers. And such sentiments often stem from a lack of internal communication.

A famous example of internal marketing is UPS and the “What can brown do for you?” campaign. Before this campaign went live to the public, a different campaign took place internally to educate, motivate, and inspire company employees about the new initiative and advertising campaign. Creating excitement and encouraging employees to “live the brand” makes business sense, but also demonstrates respect, value in the team, and fosters excitement and ownership.

What are a few ways that a company can treat employees as internal customers?

- **Market to them**. It doesn't have to be fancy or elaborate, but speaking to them in a way that demonstrates that the company knows they are the heart and face of the organization.

- **Getting team feedback**. People want to be heard, and the people on the front lines have more knowledge about the customer than the owners and executive management.

- **Interactive town hall meetings**. This can be difficult for larger companies, but communication to employees is essential and communication from employees is arguably as important. Zoom meetings and other technologies easily enable remote team meetings as well.

- **Set-up a feedback loop**. Whether through Slack, email, or intranet, make it easy for employees to provide ongoing feedback, with the intention that taking care of the people who take care of your customers is a pretty smart move.

- **Educate the team**. Many people want to do a "good" job, and people like to learn more about their company, products, services, industry trends, productivity tools, etc. Education translates to investment, respect, and, ultimately, improved customer care.

- **Employees want to know the plan**. Nobody likes navigating without direction or feeling like they're on the Titanic. It doesn't mean every employee is privy to every decision, but inclusion breeds motivation and satisfaction.

Switching our thinking from "employees" to "internal customers" provides a shift from people who get paid and *have* to do their job to people who are essential to providing for our customers, growing our business, and creating long-term sustainable value.

Customer Lifetime Value (CLV) and Customer Acquisition Cost (CAC)

When thinking about retaining existing customers or acquiring new customers, it's a pretty logical assumption that we want to keep as many of our customers as we can. But when it comes to Customer Lifetime Value (CLV), do you know how much a customer is worth to your organization?

Customer Lifetime Value shows how much a customer is worth over their lifetime of doing business with a company. CLV is an eye-opening metric for the uninitiated, but one that helps underscore the importance of maintaining and maximizing existing customer relationships.

Customer Lifetime Value can be calculated in many different ways, but the basic CLV calculation is:

Profit per Customer

x

# of Years as a Customer

-

Customer Acquisition Cost

=

CLV

Customer Acquisition Cost (CAC) shows how much it costs to acquire a new customer, which works in tandem with Customer Lifetime Value. By knowing how much a customer is worth to the organization, one knows how much could or should be spent to acquire a new customer.

For companies that don't know these numbers (and a lot of companies don't), it can be very surprising to learn the actual cost of acquiring new customers. A simple way to get to CAC is to take your sales and marketing spend for a specified period (i.e., one year) and divide that by the number of customers acquired in that timeframe.

So, as an example:

Let's assume you spent $50,000 on sales and marketing in a year and acquired 200 new customers. Your cost to acquire each of those new customers is $250 (50,000/200).

Now, let's assume the following for each of those customers:

Profit per customer is $200

x

The average customer stays with the company five years (5 x $200 = $1,000)

-

CAC ($250)

=

CLV = $750

The salient point is knowing how much value customers bring to the organization, so we know how much to spend to acquire a new one. Generally speaking, it is ideal to make a profitable return –or at least break even on a customer acquisition within one year. However, many companies may have a longer breakeven time, knowing that they can achieve profitability in subsequent years of the customer relationship.

A common CLV:CAC benchmark is a ratio of 3:1; meaning Customer Lifetime Value is 3x the cost of customer acquisition. So, if it costs you $100 to acquire a new customer, the customer lifetime value is $300. Depending on the time, most people would consider 300% a good ROI.

A significantly larger ratio could signify that more money could be spent on customer acquisition. For example, if it were a 5:1 ratio, some of those “excess” positive returns could be reinvested in customer acquisition efforts to acquire more new customers.

A 1:1 ratio means you’re breaking even, but even a 2:1 ratio might not yield optimal levels of profitability depending on service costs and other expenses.

By thinking about the value that existing customers bring to the organization and knowing how much to spend on new customers, you can formulate a plan to keep and grow those customers. New customers become *existing* customers, and churn (customer loss) is a challenge for small *and* large companies. A retention plan to maintain and delight customers can reduce churn and lead to significant revenue growth and profitability.

Existing Customers

How is it that as owners and executive managers we know that customers are the lifeblood of the company, but we largely concentrate our best efforts on only winning *new customers*? Or that loyal customers are usually excluded from special incentives that are reserved for new customer recruitment? It is rather counter-intuitive if you think about it.

Customer retention is something we know we should be concerned about but many companies have no strategy for their existing customers.

Ask yourself these pertinent questions:

-

- Does your company have a *customer retention* strategy?

- Does your company have an actual documented plan designed solely for retaining the customers you fought so

  hard to win?

- Has your company thought about how it will keep customers, why customers will stay with you, and the impact that retention has on the overall business?

For many companies, there is so much focus on new customers that existing customers are often forgotten or taken for granted.

If you have a hole in the bucket where you keep putting in new customers but existing customers keep falling out, that is a painful place to be. Customer churn is the dreaded gerbil wheel of business. And the Achilles heel of profitability.

Countless statistics prove that customer retention improves growth and profits, but here are just a few to consider:

- "It costs 6-7 times more to acquire a new customer than to retain an existing one" - Bain & Company

- "There is a 5%-20% probability of converting a prospect into a new customer, but a 60%-70% probability of selling an existing customer." - Marketing Metrics

- "A 5% reduction in the customer defection rate can increase profits by up to 95%." - Bain & Company

- "80% of your company's future revenue will come from 20% of your existing customers." - Gartner Research

Customer Retention

Customer retention might be the unsung hero of revenue and profitability. A lot of companies live and die by retaining customers and reducing customer churn. But a lot of small businesses largely focus on new customers to build market share and increase top-line revenue. Your company is missing a lot if it's not keeping and growing existing customers.

A lot of time, effort, and resources are spent on customer acquisition –getting new customers– but customer retention is about keeping the customers you have. What's more, most businesses can sell additional products and services to grow existing customers.

Customers are the point of being in business - including new, existing, and internal customers. A significant amount of marketing and sales is spent on lead generation and customer acquisition. Are we making similar efforts to continue to earn existing customers' business? Are we creating engagement and a customer experience that's intentional and rewarding for them? Let's look at three compelling reasons to focus on our existing customers.

1. ***A sale to an existing customer is typically more profitable***. Customer Acquisition Cost represents significant sales and marketing dollars associated with acquiring new customers. Let's say you land a new customer and sell a $500 product that costs $250 to make. Let's assume your customer acquisition cost is $100. You profit $150 on that sale. Now let's say you sell a $500 product to an existing customer, but you don't have to spend that additional $100 acquisition cost. You now profit $250 on that sale or 67% more than you would have on a new customer.

Example: Sale including Customer Acquisition Cost

Sale	$ 500
COGS	$ 250
CAC	$ 100
Profit	**$ 150**

Example: Same Sale to an Existing Customer

Sale	$ 500
COGS	$ 250
Profit	**$ 250**

This sale represents **67% more profit** than a sale to a new customer because there is no CAC.

2. ***Existing customers are easier to sell***. Assuming you have up-sell and cross-sell opportunities with current customers, why not sell them time and again? You've already sold them! Assuming we've done a great job with our customers, they should be easier to sell. New customers are the shiny new object…and existing customers usually know our warts and scratches. But, if you've done a good job, most customers don't want to go elsewhere. Your competitors know: A great customer relationship is hard to compete with.

3. ***Existing customers can represent recurring revenue and qualified leads.*** Depending on your business, existing customers can offer revenue and profitability that can be accurately forecasted and delivered. What's more, existing customers will speak-up for you in terms of testimonials, and most will gladly refer other qualified prospects to you.

Customer retention is about keeping and growing existing customers, but let's not forget *other potential value they bring*.

Existing customers should be our biggest brand advocates, buying more from us, providing referrals, testimonials, reviews, and spreading the news of how great we are. But they're not going to do those things simply because they bought something from you. Relationships take work and current customers can't be taken for granted.

Lead Generation

New customers typically begin as leads. Advertising, referrals, direct marketing –numerous tactics elicit leads. But lead generation is a multi-step endeavor, particularly as it pertains to digital marketing. Planning and executing lead generation efforts today is much more technical than in the past, requires greater knowledge about prospects and the tactics to reach them, and necessitates consistent follow-up.

Inbound Sales and Marketing

The term "inbound marketing" has been popular for many years now. It was initially coined by HubSpot because its suite of software solutions facilitates inbound marketing and marketing automation. This is covered in more detail in the "Communications Strategy" chapter.

As the internet proliferated, consumers and businesses were able to self-educate as more content was available online. No longer was a salesperson the gatekeeper to pertinent information that would help a prospect make a decision to ultimately make a purchase. Information and pricing became more transparent and the respective roles of Sales and Marketing changed.

The premise of inbound, which has proven to be true over the last 14 years, is that prospects and customers are empowered to do a lot of their own research, typically beginning with an internet search. Getting found is of paramount importance, but assuming you get a

visitor to your website or social media, then what? Do you have content that provides value for visitors? Enough for them to stick around? Enough to come back to your website? (On average, it takes *seven touches* before someone becomes a customer).[20]

So, shouldn't this information be covered in the "Communications Strategy" chapter? It is, but it is touched upon here because

"inbound" is directly about *new customers*…people with whom we want to establish a very important relationship. But it starts with thinking of prospects as *people* before we think of them as a "target market" or "persona" in terms of building a lasting and valuable customer relationship.

New Customers

This section will look like a "marketing" section to many. It is, but all of the information pertains to lead generation and winning new customers. What used to be the domain of Sales has transformed into a larger, more technical, and more complicated effort.

Customers are vital to any business, and most businesses spend significant time and resources - human and financial - to acquire new customers. If we know the Customer Lifetime Value of our customers (see preceding "Existing Customers" section), then we also know our Customer Acquisition Cost and how much we should be spending on new customers.

A lot of small businesses –even larger companies –don't necessarily have a plan as it pertains to new customers. Sure, a sales plan might exist, but that is often simply a quota for each salesperson against a monthly or annual goal. This is where Sales and Marketing should be working together to formulate a plan that generates awareness, gets prospects into the funnel, converts prospects into customers, and, ideally, customers into loyal brand advocates.

What about when that new customer is "*new*"? Is there a strategy to onboard that new customer in a way that sets the customer and the company up for maximum success? Can the customer be delighted early in the game, so they become advocates and help bring in more customers like them?

Digital Myths That Affect Customer Acquisition

A lot of businesses still think a cool website or having something in stock is going to win them a lot of customers. The truth is that, on average, it takes seven touches to win a customer. Statistics show, however, that salespeople generally give up after 2 or 3 attempts.[4] Another truth is that the majority of people who visit your website will never make a purchase. Ninety-eight percent of web visitors are tire kickers or simply doing research. The odds of "converting" a visitor to a customer in one fell swoop is analogous to winning the lottery. Possible, but highly unlikely.

Let's assume someone actually makes it to your website. What then? Is the content on your website such that visitors will stay on the website and engage? Without engagement, trying to convert a customer is like trying to steal second base without ever getting a hit. Engagement can't happen without compelling content.

Digital Marketing Has Changed Everything

Acquiring new customers will always be a priority for businesses because new customers typically represent growth. But the current digital environment is very complex, and it continues to change at an unprecedented clip. It all begins and ends with the customer. By thinking about what a prospect wants and what can add value to their journey, businesses have an opportunity to differentiate themselves from the competition, build brand affinity, and convert more customers, thereby fostering growth and value creation.

Customer experience starts long before someone becomes a customer; it starts with the first awareness or interaction with your company –as a visitor or suspect.

Customer Experience

Marketing is rife with buzzwords, acronyms, and hyping the latest trends. Top of the list is “customer experience,” but for good reason –it’s important…arguably as important if not more

important than the product. Customer experience is nothing new; it’s how we provide it today that can be different. Think about it: old school, offline customer experiences might have been a great dinner with good ambiance or a pleasant buying experience from a car or clothing salesperson.

People are still purchasing all of those things; it’s the way we do it that has dramatically changed due to the internet and technology. From hand-held supercomputers to voice-activated assistants, digital has truly revolutionized our behavior in profound ways. We can shop anytime day or night. Across town or the globe. We can email, text, and chat for questions and support. The customer experience is and always has been a massive differentiator.

When was the last time you were wowed by a customer experience? Maybe it was a great offline shopping experience. Maybe it was a stellar website that was so intuitive and easy-to-use that it blew your mind. Or maybe it was a phone call or chat with a customer service rep that made your day and restored your faith in humanity. Customer. Experience.

Never before has there been such hyper-competition in every category. Every product and service is a commodity. So, what's left to make a difference in keeping and acquiring customers? Customer experience. What characterizes a great shopping experience either online or offline? Customer experience.

But back to the "customer journey": From the time someone begins searching and learns about a brand to the time when they've been a customer for many years, how has their customer

experience been along the way? How much value have we added? How many times have we touched our customers? Did we invest in the relationship to the point that we "earned" it initially and on an ongoing basis?

Customer success is imperative for the customer and the brand. But being intentional about a great customer experience that breeds success is challenging, if not downright difficult.

A great customer experience should extend from the initial visit to ongoing interactions with the company. The result should be loyal customers who exemplify the time, money, and effort spent to win and foster relationships that bring significant value to both the customer and the organization (CLV).

Example of a Great Customer Experience

I'd like to share details of a recent customer experience that I had, including the journey, a challenge, and its resolution. By the way, I have zero affiliation with the company I'm going to talk about.

As professionals, we all spend our days on products and services, marketing, selling, etc. Customer experience is all of those things combined.

Customer experience –particularly in the digital age– is a culmination of all the steps in our journey in interacting with a brand and making a purchase.

Over the last couple of months, I've used the online printing company Moo for business and thank you cards.

From my first website visit to the receipt of my first order, it was a stellar experience. The website user interface, online design tool, and e-commerce couldn't have been easier. Smartly written, personalized follow-up emails told me my order was placed, and when it shipped. Upon arrival, the quality of the product was amazing. The packaging and inserts were top notch with a very personalized approach.

The real test of a great customer experience, however, is what happens when the customer has a problem. I went back to Moo's site, made a change to the business card, placed the order, and received my *old* business card.

I hopped on their website and chatted with a customer support rep named Ashley, who couldn't have been more positive and polite.

It turns out I saved my changes to the business card, but somehow ordered the old card. She immediately fixed it for me and said the new cards would be arriving in two days – free of charge. I thanked her profusely but wanted to know what happened so it wouldn't happen again. Also, if it was my error, I didn't want a free order that I didn't deserve. We don't know for sure, but I'm guessing it was my fault. But, either way, Ashley was going to make sure I was taken care of.

Two days later the new cards show up. Moo shipped the cards the same way I had originally ordered them, with two-day shipping versus standard. Most companies wouldn't do that on a free reorder.

Ashley's attitude, resolve, and empowerment took my "brand sentiment" and potential customer lifetime value from 100 to 1,000.

How many amazing customer experiences have you had from all your purchases and interactions over the years? Probably not too

many. Customer experience is critical and a true differentiator –THE differentiator in today's crazy, commoditized, competitive environment.

Customer experience is worth obsessing over because it is both great *product* and great *marketing*.

Experience Begins with Engagement

Customer experience is a popular topic; particularly, how it impacts customer retention. But what begets both of those things? Customer engagement.

It would be difficult to foster a great customer experience without engaging the prospect or customer first. If you think about all the digital marketing concepts covered thus far, the reason is to win new customers or earn more business from existing customers. If we don't engage with prospects and customers and think about what they want, need, or what would be useful to them, we probably won't deliver a great customer experience. Not paying attention to engagement in the customer experience is like planning for a touchdown without having to move the football down the field.

Customer engagement is usually part of a great customer experience in winning new customers. But what about customer engagement to retain and grow *existing* customers?

Ok, who is your best customer? The one you already have! But coming up with unique content, how to connect with them, and specific promotions are often more challenging for existing customers. Most businesses can cross-sell or up-sell customers to grow the relationship –and Customer Lifetime Value. So, let's move from disengagement to creating engaging experiences for those existing customers.

Personalization fosters customer engagement. Using data for relevant, personalized content and communications beat one-size-fits-all messaging that doesn't engender engagement the way personalization can. This example shows a personalized landing page using variable data that presents information specific to a returning customer like name, the last race in which they participated, and their finish time.

Relevance is a key consideration in customer engagement. A relevant experience can be tied to products or services purchased, challenges or opportunities, and time spent as a customer, among others. But nothing crashes the customer engagement party faster than irrelevant content or offers that don't align with the customer's needs or business. The following example of relevance is a promotion that targets a specific customer segment –in this case, drummers, who were invited to play a monthly online scratch-off game where they could win a daily or monthly prize or were encouraged to try again.

Customer engagement is more likely if it's ***contextual.*** A common contextual example is a remarketing ad that you

continue to see after visiting a website. Similarly, contextual engagement is based on customer data, marketing activity, or purchase history. But contextual engagement doesn't have to be content-related. Hubspot's software suite offers multiple support channels and encourages engagement based on customer preference. From a self-serve knowledge base to chat, email, or phone, customer engagement is crucial to customer experience and customer retention. *Personalization, relevance,* and *context* are three things to consider in building next-level customer engagement.

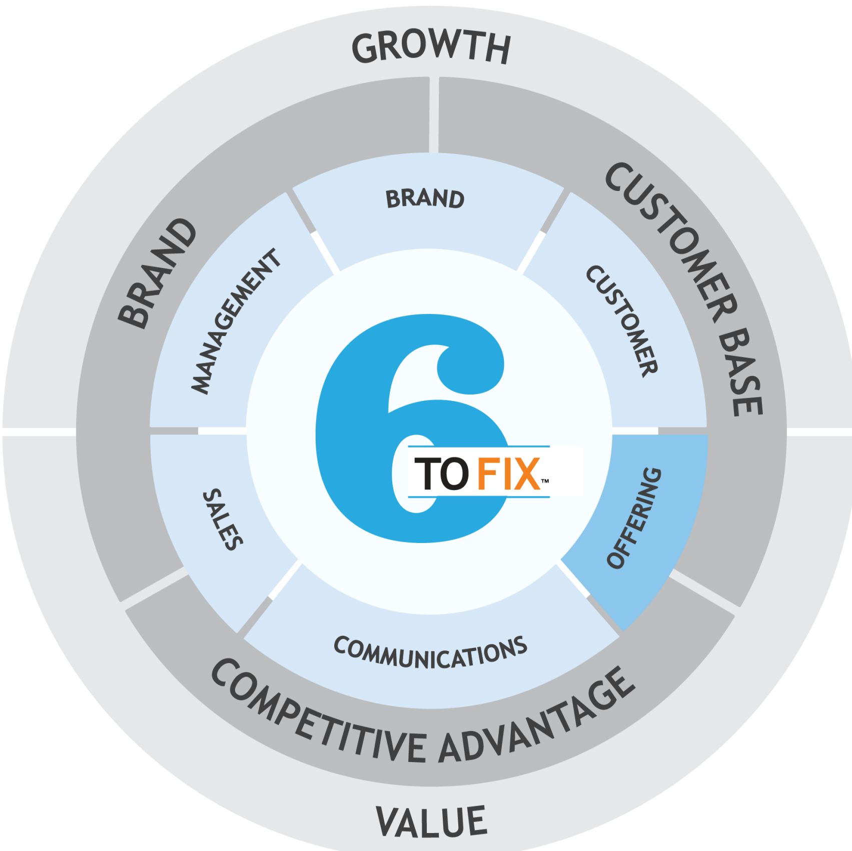
Conclusion

By looking at customer types differently and asking pertinent questions, it becomes apparent that *planning* for all customer types is essential. Planning for their success –

whether its *new*, *existing*, or *internal* customers –is what leads to growth, brand building, and value creation.

Customers are crucial to the survival and growth of a business and are the biggest expense when you figure in payroll for internal customers, acquisition costs of new customers, and service costs of existing customers. Building a strategy to leverage those investments, planning for optimal customer experience, and
proactively fostering customer success are true differentiators in today's competitive environment.

Your customers deserve a strategy.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3. Offering Strategy

Why Having an Offering Strategy Matters

Creating or selling products and services is pretty straightforward, right? Just find the right customer, sell it at a competitive price, and provide good customer service. It's not rocket science. Isn't that enough? No, it isn't. Why? Because you have countless competitors who do the same thing. And, customers *expect* a lot more.

According to a recent Harvard University study, approximately 80% of new product launches fail each year [5]. The big question is *"why"* do so many new products fail?

A *Harvard Business Review* article written by Joan Schneider and Julie Hall states, "*The biggest problem we've encountered is lack of preparation: Companies are so focused on designing and manufacturing new products that they postpone the hard work of getting ready to market them until too late in the game*."[6]

In other words, brands are too *product-focused* versus *people-focused*.

Chances are good your company sells multiple things: maybe to different customers and perhaps even through different channels. Hopefully, you have marketing and sales plans, but do you have plans around your *offerings*? If you actually develop products and services, you probably have a product strategy and product management…right?

Customers, competition, the business, and the environment (macro) are, generally, areas of particular attention, as these characterize the issues that impact the success or failure of an offering.

Working with Sales and Marketing is key to establishing acceptance and success in the market. Customer Strategy and Offering Strategy are in lockstep, resulting in things like feedback loops from team members and customers to iterative rollouts, which is why an offering strategy is essential.

Introduction

Next to acquiring new customers, products and services (collectively referred to herein as "product") probably occupy the most mindshare within companies. It makes sense because the product is what we make and what we sell; it's what we do. But sometimes, we get so consumed with the product that we miss the forest for the trees.

A lot of companies are more *product-focused* than *people-focused,* which means a lot can be missed as it pertains to selling and supporting those products…and the customers who purchase them. Despite that product focus, a lot of companies don't necessarily have a strategy around their offerings. Between Sales and Marketing products usually are covered in a lot of ways, but

sometimes they're not. Why? Because Sales is concerned with actually getting the sale and earning new customers while Marketing is concerned with many things, including the product itself, pricing, distribution, promotion, and the target audience.

More than Features and Benefits

A lot of this information may sound like it belongs in the subsequent *Marketing Strategy* or *Sales Strategy* chapters. There is a lot of overlap in these areas but it's important to think beyond features and benefits. Some questions we need to ask ourselves include:

- What is our primary offering? Are we leading with this? Why? Why not?
- Our secondary offering? Tertiary offerings?
- Have we determined how our offering(s) are "delivered?"
- What is the experience we want for customers when they purchase?
- Do we have a documented process that is known by and shared with team members?
- Do we have a customer delivery process?
- Is our delivery process unique? Can it be a branded process?
- Is there an onboarding and follow-up process?
- Is our USP (unique selling proposition) conveyed throughout?

The "4 Ps" Revisited: *Product*

The 4 Ps are Product, Price, Place, and Promotion. What's missing is "People," but the 4 Ps was developed in 1960 at a time when everything was product-driven. The product is still critical; it's what we sell even if we do put customers first and prioritize the customer experience. Product development or the services we offer go through research and development, testing, market research, significant launches, marketing campaigns, etc.

So, it only makes sense that the offerings we sell need a strategy. Even if we're reselling products and services, what we prioritize in terms of primary and secondary offerings, how we sell them, and the way we deliver them matters. A lot.

Primary and Secondary Offerings

Think about your business and answers these questions:

- Is what we're selling reflected in our marketing communications?
- Is it reflected by our team?
- Are the Marketing and Sales teams leading with the optimal product and messaging?
- Or does it make sense to lead with something else to up-sell into a specific product or service?
- Are we spending too much time and money selling secondary products instead of primary products?
- Finally, *how* are we helping our customers?

These are basic, but very pertinent questions. While fighting the fires of the day, we typically sell what we can to whoever will buy. But that short-term necessity can enable longer-term problems, which can impact revenue as well as your brand, customers, and overall growth and value creation.

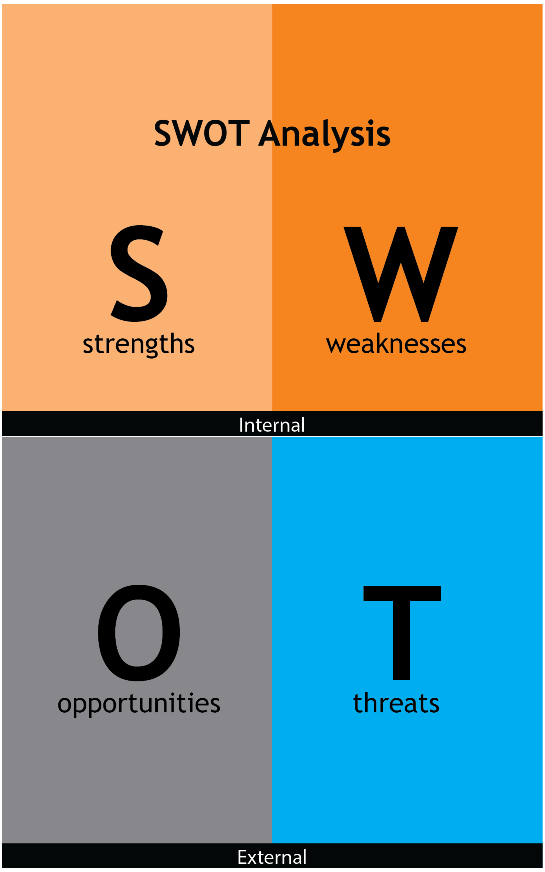
We're all selling something; it's how we live and stay in business. But if we move up to the 40,000-foot view, how are we helping our customers? What are they purchasing, and what problem is it solving? What opportunity is it creating for them?

Amazingly, these questions are not so easily answered; even though we could recite all the product features and benefits that make our products seemingly unique. Always put on your customer hat.

SWOT

A SWOT analysis is often employed for offerings or marketing efforts to firmly identify challenges, opportunities, or just general issues related to your offerings.

Strengths and weaknesses are internal to the organization; things that are within the control of the company. Opportunities and threats are external to the organization; things that are beyond the control of the company, which could adversely or positively affect the business or its offerings.



A SWOT is considered a standard and, perhaps, academic exercise, but it is designed to be a user-friendly way to identify the internal and external factors that can be controlled by the company and those that are beyond the business's control.

Unique Selling Proposition (USP)

The USP belongs under "Sales Strategy," right? Well, it does, but it begins with Offerings because if you can't answer the USP question here, it likely won't be reflected by the Sales team.

A company's unique selling proposition answers the customer questions, "Why should I do business with you?" and "How are you different than your competitors?"

It is usually assumed that your offerings support your USP or at least align with your USP. However, that's not always the case. It's easy to lose focus given the numerous responsibilities that small businesses face– scrambling to make sales and even just surviving to live another day. Sound dramatic? Perhaps, but building and maintaining a business is not for the faint-hearted. Quite often we sell what we can, whether it supports our USP or not.

But if what you sell, how you sell it, and how much time and effort you spend selling one product versus another are ill-defined, it is realistic that the business is being built (or not built) in unintended ways.

I had a client who had a retail athletic gear store but pivoted to a lesson and training facility. They moved to a new facility, completed the build-out, installed turf, weight training gear, but guess what happened? Few people came.

Turns out that the company did little to market the new offering and new facility, but there was little initial planning and research around the new offering. They still led with product sales but never really capitalized on how to sell or deliver lessons and training. Product sales were still essential to the business, but they were also the stepping-stone to the new offerings, but the team didn't have a plan or process to make this happen effectively or consistently.

Planning the actual offering is essential, but research around the following questions is imperative in increasing the odds of success of an offering:

- How will it benefit the customer?
- How will it impact current operations?
- How will it be sold? Relative to existing offerings?
- How will it be "delivered" to the customer?
- How will it be marketed?
- What are the communications strategy and messaging priorities of the offerings?

Answers to these questions are equally as important if not more important than the actual offering. As mentioned earlier, great offerings fail all the time and oftentimes the offering may be very good. There are many considerations regarding the customer and the company that affect an offering, which are often overlooked…particularly by small businesses.

Customer Delivery Process (CDP)

A customer delivery process isn't the literal delivery of a product, such as when Amazon delivers a package on your doorstep. Rather, it's the process by which customers purchase and experience your offering. It's the culmination of doing business with your company. It can be the difference between "making a sale" and building a long-lasting customer relationship. The difference between you and your competition. The difference between growth and value, or stagnation.

A customer delivery process can add considerable value to the overall customer experience, which, in turn, can pay big dividends for the company. A CDP can increase revenue, profits, and build brand value…but it's part of what you "sell" –your offerings.

Think about any purchase you've made that required some consideration: Did you simply purchase the product or was there more to it that provided additional value? Does your company sell a product, or does your company go above and beyond in a way that makes a customer feel valued and delighted they are doing business with you? A customer delivery process is intentional and requires effort, thought, and focus. But it can make a profound difference. Consider this example:

Customer A buys a product, and it comes with an insert in the box. The customer is happy with the product but receives no follow-up or onboarding.

Customer B buys a product, which is accompanied by a personalized customer-only website, so when Customer B logs-in, he is greeted by name and content tailored to what he or she purchased and how to use their product or service. Customer B also receives a follow-up call or email to set up a time to go through problems, issues, or questions with a customer support rep.

Big difference. A delivery process doesn't necessarily have to be extravagant or expensive to be effective. Human touches, effort, and initiative can go a long way in providing a great customer experience.

MOO, the online printing company mentioned in the previous chapter, is a prime example. MOO makes it exceptionally easy for customers to order printed items online. Their product is printed materials like business cards, but it's also the experience that accompanies the order placement. Ease of ordering is just the beginning. MOO's follow-up process includes personalized emails, smartly written product inserts, and packaging that denotes a customized experience. All without ever talking to a human being. But their live customer support is top-notch –exactly what you would want from a stellar customer experience.

So, it's great to make a "sale" and "close" a new customer. It's infinitely better for the customer and your business to build a relationship that fosters differentiation, brand loyalty, and customer retention.

Popular Customer Delivery Process Examples

- Wayfair.com's white glove delivery service
- Geek Squad's delivery and set-up
- HubSpot's personalized training program
- Carvana's car delivery
- BMW's European Delivery

A Branded Experience

Let's assume you have a customer delivery process that cements a great customer experience when someone buys your product. Is your delivery process *branded* so that it's a unique differentiator for your company? Consider how prospects might view your product with a branded delivery process. Seldom are people just buying a "product";

they're buying a sales rep, company, and support. They're expecting more, so why not give them more and help your business at the same time?

Branding a customer delivery process adds more perceived value for the customer and helps differentiate you from the competition. Branded CPDs galvanize the legitimacy or innovative nature of your unique delivery process.

A Documented Process

- Does your company have any kind of documented process for the offerings you sell?
- Is the team playing from the same playbook?
- If your company has a delivery process for the product you sell, is it documented and known by the entire team?
- Is it a systemized process or some loose guidelines in a Word document?

Consistency and repeatability breed efficiency and efficacy and improve the customer experience as well. The brand and customer experience can be radically different when the same "approach" is interpreted by different people. What's more, when a process is documented and becomes a system, the system is *managed* by people as opposed to being reliant on people to simply perform a given function based on their interpretation.

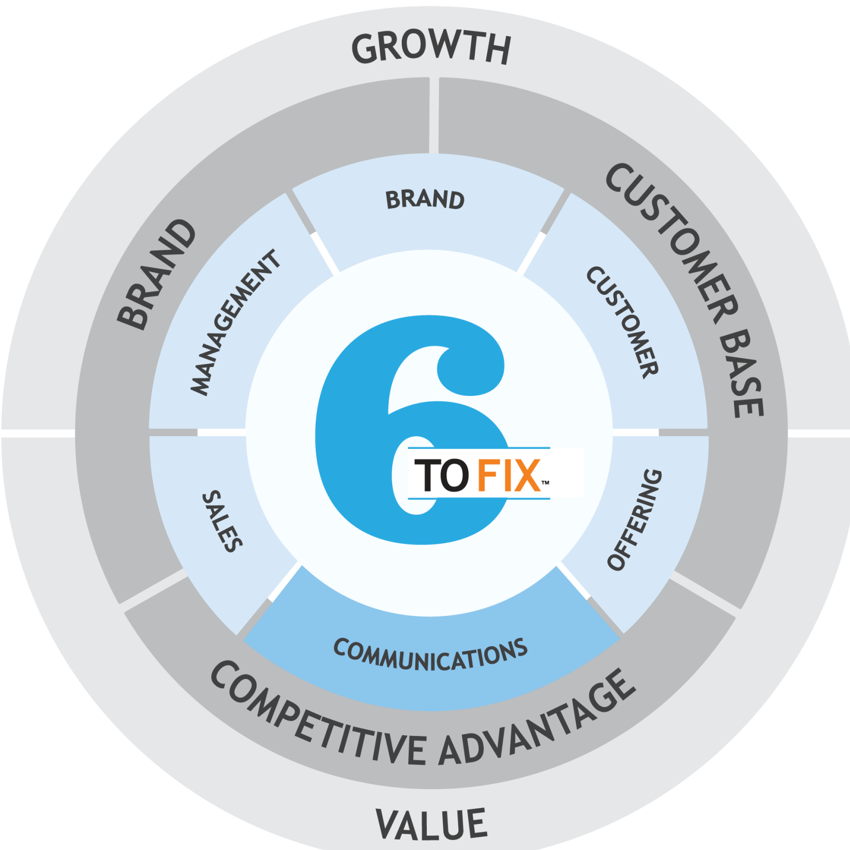
Conclusion

Companies are in the business of selling something, whether that be a product, service, idea, movement, cause, etc. However, the actual product, how it's positioned, the method of how we sell our products, and the messaging around the products isn't just sales and marketing; it's ensuring value extraction at the product level.

Customer experience continues to grow in importance as companies look to differentiate and add value to customer relationships. The way customers experience the delivery process, interact with the product, and feel about the brand are all influenced by the intentions of the company and building value around the offerings.

Your offerings deserve a strategy.

6 To Fix


GROWTH
BRAND
CUSTOMER BASE
BRAND
MANAGEMENT
CUSTOMER
SALES
OFFERING
COMMUNICATIONS
6 TO FIX™
COMPETITIVE ADVANTAGE
VALUE

4. Communications Strategy

Why Having a Communications Strategy Matters

Marketing communications has evolved into a highly technical and specialized field that comprises *strategy* and *execution*. With an unparalleled number of tactics that companies can use to message and promote their brands and products, it can be truly overwhelming and, in many cases, ineffective.

People are inundated with messages every day from countless platforms and technologies. There is a lot of "noise" competing for our collective attention and, for the most part, we can tune out and turn off messaging we do not wish to hear or see.

In today's highly evolving environment, marketing communications comprises a diverse skill set of technology, data and analytics, and creativity. Oh, and let's not forget strategy, which is needed now more than ever to be effective, much less successful.

Introduction

As mentioned in the introduction, an important premise of this book is clarifying the difference between *"marketing"* and *"marketing communications."* After working for various companies and consulting clients, I've learned that many people are referring to *marketing communications* when they talk about *marketing*.

It makes sense because it is the communications we see, hear, and interact with on a daily basis. It is estimated that, on average, we are exposed to 2,000–5,000 messages per day. That certainly underscores the importance of communications, but also exemplifies its greatest challenge: getting through.

It has been said that marketing is about reaching the right person with the right message at the right time through the right medium. Amazingly, any business can connect with consumers today at all. That alone emphasizes the need for a communications strategy.

The 4 R's of
Marketing Communications

Right person.
Right message.
Right time.
Right medium.

Execution, or the "tactics," is what we experience through advertisements, social media, and websites, among many others. But without a strategy, these tactics might be meaningless in that they may reach the wrong audience. Or have the wrong message, and so on.

However, if we have made it a point to strategically think about our brand, customers, and offerings, we will likely have a much better idea of to whom we are marketing, the messaging, the mediums, the platforms, the timing, etc. The more strategically we think about the key areas of the business that marketing can affect, the more strategic our communications can be, which will be exemplified through more effective, relevant, and contextual tactics.

Putting the Pieces Together

Generally speaking, there are six things with which to concern yourself regarding marketing communications:

1. What is the objective(s)?
2. Who is the target audience or persona(s)?
3. What is the story/messaging?
4. What platforms and channels will you use to reach your audience?
5. What is the process to create marketing communications?
6. How will you measure success?

Revisiting GOST

Like everything else, it is important to ascertain why you're doing something. Think back to GOST: Goals are longer-term and generally more aspirational. Objectives are shorter-term (usually one year or less), more specific, and measurable. Strategy ("what") supports the Objectives, and, finally, Tactics ("how") support the Strategy.
As you delve into the various concepts and tactics within this chapter, it's important to think about objectives, strategy, and tactics and how they intersect with marketing communications, particularly owned, earned, and paid media.

***Owned Media*:** Includes your website, content that you have created for your site and social media channels, email list, etc. In building a *subscribed audience* (one that wants to hear from you and gives permission), owned media is an important objective. Keep in mind that you may have a social presence on several networks, and you may own some content on those channels, but you don't own the platforms.

Earned Media**:** Social media sharing, reposts, retweets, public relations, reviews, and traffic to your website are examples of earned media. Owned media often leads to earned media, which is often viewed as more credible from the audience and is often more useful and cost-effective to the business.

Paid Media**:** Paid media is generally advertising, which helps ensure message consistency, placement, and frequency. Advertisements are often seen as less credible compared to non-paid media, and capturing audience attention has become more challenging than ever.

Target Market Segmentation

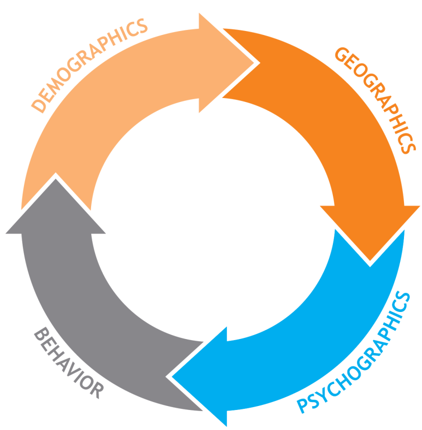
Marketers are very concerned with target audiences because reaching the right audience is what eventually leads to more sales. The four primary methods of customer segmentation to reach an intended audience are:

- Demographics (age, income)

- Geographics (city, state)
- Psychographics (beliefs, attitudes)
- Behavior (purchase, usage)

Rather than send a one-size-fits-all message to everyone in your database, you may want to segment by focusing on women ages 18-24, who live in the Midwest, are college-educated, and are politically and fiscally moderate. Segmentation enables relevant messaging to the *right* audience.

Standard Market Segmentation



Despite various technology and platforms, it's never been more difficult to reach an intended audience because of the noise, distraction, and ability to tune out. Segmentation allows marketers to focus on specific characteristics to reach an audience. For example, a local pizzeria may focus an ad campaign on a specific geographic area like a municipality within a city instead of the entire city.

With the advent of digital and inbound marketing, “Personas” take segmentation to a new level with additional information for specific targeting and messaging. A Persona is a detailed representation of your ideal customer, which incorporates standard segmentation along with other specific details. *Personas are explained in greater detail under Inbound Marketing later in this chapter.*

Story and Messaging

Knowing the “story” of your personas –who they are, what they like and dislike, where they go for information and entertainment, etc.–will help you develop messaging that will resonate with them. Ideally, you will be able to craft your own stories that place them as the “hero” or “protagonist” in the story you’re trying to tell as it *relates* to your brand, product, or service, helping or creating an opportunity for them. Your messaging will resonate a lot more if it’s about them rather than you.

Storytelling is a popular concept in marketing communications and for good reason. Stories are interesting, memorable, and educational, but the story needs to resonate with the audience. As owners and managers who are generally product-focused, there is a natural propensity to spout off about features and benefits. But, when you place your audience at the center of the story and illustrate how your company can help them along their journey to fix a problem or seize an opportunity, it's a story that resonates because it's about them.

Platforms and Channels

"Platforms" are the content types that personas prefer to consume. For example, a Millennial (born between 1981-1996) or Gen Z (born between 1997-2012) persona will likely prefer video or audio, whereas a Boomer (born between 1946-1964) persona may prefer text or images.

"Channels" refer to the mediums with which your personas prefer to communicate and consume content. Millennials and Gen Z are avid YouTube users and even do most of their searches on YouTube as opposed to Google. Boomers, on the other hand, have been the fastest growing segment on Facebook.

The more you know about personas, the better stories and messaging you can develop by reaching them using their preferred platforms and channels.

Process

Do any kind of internet research, and you will likely find an astonishing array of content on virtually every topic. We'll discuss more in the Content Marketing section, but the salient point to marketing communications today is that content needs to be created and used strategically to reach and engage your personas.

Creating valuable content requires planning and process, which are underscored by the big three finite resources: time, people, and money. Creating a process and committing to content development can pay dividends, because content generally has a long shelf-life and can be repurposed in multiple ways.

Developing a plan and process ensures you avoid a "one and done" scenario. Consistency and frequency are key, but, unlike advertising, good content adds value, has a pass-along factor, and helps convert prospects into customers.

Measurement

In digital marketing most of the tactics can be measured, which is a good thing; but measurement can also become an obstacle when stakeholders become too consumed with data and results. As many companies deploy a lot of

different tactics, *attribution reporting* –attributing what touches led to a sale–is more powerful than ever but can still be difficult and imprecise.

Measurement requires key performance indicators (KPIs), so you're measuring what's important to your company relative to your objectives. It is also critical to establish "what is success?" metrics, so there is an established baseline with which to measure your tactics against. It's difficult to know if you're being successful without established goals and baselines.

KPI is a popular acronym in marketing, for good reason. Without firmly establishing what is important to the business to reach its goals and objectives, what to measure, and what success looks like, the business is driving blind.

Digital Marketing

While digital has been pervasive in our lives for quite some time now, the specifics and nuances of digital marketing are many. This is meant to be a primer for those who are not aware of the many areas comprising digital marketing.

"Digital Marketing" typically refers to search engine marketing (SEM), which encompasses search engine optimization (SEO) and paid search including pay-per-click (PPC) advertising, display ads, and retargeting/remarketing ads. Additionally, tactics like email and content like blogging and landing pages are staples in the modern marketing playbook. Digital marketing, inbound marketing, and content marketing are often referred to synonymously even though they are technically different, which I will explain throughout this chapter.

A couple of things to ponder regarding digital is how radically the environment has changed in just the last several years and how it has affected our collective behavior. The way we communicate, shop, and learn is immediate and intimate, but the media landscape is very fragmented. In addition to websites, there are many social media platforms, email, texting, instant messaging, apps, video channels, podcasting, gaming, connected TV, and programmatic advertising…with more new tools and platforms evolving every year.

While we are empowered to reach many different people through so many channels, platforms, and tools, it has never been more difficult to do so because of media fragmentation. Marketing communications has been described as getting the right message to the right person at the right time through the right medium. Think about that: With so many people on disparate platforms, a lot of stars have to align to actually reach them.

Today, more than ever, it is imperative to know your audience, brand, and messaging. You will likely be engaging with different audiences and personas on different platforms with different types of messaging and content.

A well-devised marketing communications strategy isn't an option anymore. The amount of potential tactics available to a business can be overwhelming. It is essential to define your message; to know to whom the message is directed; to identify the platforms through which the message is delivered; and to know when the message will be delivered.

Customer Relationship Management (CRM) and Marketing Automation Systems

With the advent of early customer relationship management systems (CRMs), companies were able to collect and compile information about customers, which were typically used for internal reporting as well as email and direct mail lists. In 2006, HubSpot (and others) burst on the scene with "marketing automation," which enabled marketers to leverage CRM data in terms of using existing data, collecting new data, and using that data to market to prospects and customers in a new, more direct way.

As the internet proliferated and more people conducted more searches (in 2020, there were more than 5 billion Google searches per day)[14], those search requests led to websites, social media, news, images, video, and books that contained a lot of content. Supporting many of these communications tactics are CRM and marketing automation systems.

Gone are the days where marketers don't know if their prospects and customers are opening emails, clicking on website buttons, or downloading e-books. A startling array of insights and metrics are available through marketing automation and CRMs providing marketers with an incredible amount of intelligence on what prospects are doing as well as how to lead them to take further actions toward “converting” them into customers.

Data and Analytics

The use of data in digital marketing is the critical underpinning of the power–and a potential roadblock–of digital marketing. From simple names and email addresses to data profiles used for sophisticated and detailed targeting, data is the currency of digital marketing.

Even small businesses are sitting on valuable data that can be used to do more effective and relevant marketing. Data your company owns would be considered “first party data.” This is usually data that has been collected through a CRM, marketing automation system, website analytics tool, online surveys, as well as accounting and e-commerce systems.

First party data is often the most relevant because it is data that your company has collected. This data can be put to great use when it comes to digital advertising, particularly in remarketing efforts using custom or “look-alike” audiences, which allows you to advertise to more people similar to the customers and prospects you already have.

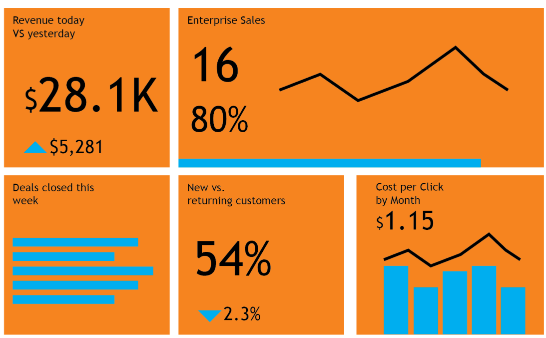
Second party data is data that belongs to someone else, which is usually *their* first party data. Organizations that have a symbiotic relationship may share data, and thus, such data is often relevant and useful. Examples include companies sharing data of a mutually similar target audience but selling different products to that shared audience.

Third party data is broad data that is generally readily available and affordable and, therefore, likely used by a variety of companies. So, multiple companies using the same data sources may be hitting the same targets, and competitive insights from these lists might not be unique to your business. An example of third-party data is industry data or data from a source like Facebook.

Tech giants like Google, Facebook, and Amazon have a plethora of data and tools to reach audiences, based on astonishing array of criteria. Whether campaigns through these platforms utilize their data or are combined with your existing data, digital advertising is much more technical, precise, and measurable than traditional offline advertising.

Through data, tools, and platforms, nearly everything in the digital space is measurable. Thus, analytics–the ability to track and measure a bewildering array of metrics–has put a new spin on marketing and advertising. From a detailed view of who has visited your website, along with pages viewed and buttons clicked, to stats on how a blog post or social media affected website traffic, nearly everything is measurable.

Dashboard Reporting Tool



Because so much can be measured one can get lost in collecting vast amounts of data, which can work against you. Each platform has a reporting tool, and aggregating those into a cohesive and relevant view takes understanding and planning. The key is to define the KPIs (key performance indicators) that are meaningful to the goals or objectives of the business and determine what success means against those KPIs. Knowing *what* to measure and *how* to measure it is what provides meaningful insights into what's working, what's not, and how it's impacting the business.

Personalization

The abundance of data coupled with sophisticated digital marketing tools and platforms has enabled a new level of personalization affecting customer engagement, the overall experience, and conversions.

Personalization has become a very noteworthy topic because technology has enabled brands to tailor messages and ads to specific personas, perhaps to an alarming degree. As with anything too much of a good thing can lead to abuse, which could alienate a prospect or customer versus engendering a brand relationship.

On the other hand, personalization fosters relevance, intimacy, and contextual messaging. Personalized experiences are expected by more prospects and customers, which can elicit more sales, brand loyalty, and better customer experiences.

If we think about the current digital environment and the amount of noise and messaging that people are exposed to every day (it is estimated that, on average, people are exposed to 2,000-5,000 messages per day)[24], personalization can be a welcomed relief. Based on the data and technology available to even the smallest businesses, most companies can personalize and improve their customers' experience.

Relevance

Relevance is a key consideration in customer engagement. A relevant experience can be tied to products or services purchased, challenges or opportunities, or time spent as a customer, among other things. But nothing crashes the customer engagement party faster than irrelevant content or offers that don't align with the customers' needs or business.

Customer segmentation tools and platforms assist in reaching prospects and customers through the media channels they prefer to use. This enables a more personalized approach, thus reducing the need to send impersonal "one size fits all" messages. People are busy and bombarded with a plethora of messaging throughout any given day; the more relevant the message, the more likely it will be valued.

Contextual

Customer engagement is also more likely if it's contextual. A common contextual example is a *remarketing* ad that you continue to see after visiting a website. Or, perhaps, receiving an email for a discount on your next purchase or for referring a friend who makes a purchase.

Contextual engagement is based on customer data, marketing activity, or purchase history. However, contextual engagement doesn't have to be content-related. Conversational marketing from companies like Drift make use of chatbots ("chat robot"), which are simulated human responses powered by artificial intelligence (AI) that interact with prospects and customers 24/7/365. Gartner predicts that in 2020 the average person will have more conversations with chatbots than their spouse.[7]

The reason we block out the messages to which we are exposed each day is because they are out of context or irrelevant to us. It is only logical that people are more likely to respond to messages that are contextual and relevant to them. Being able to provide that requires knowing your prospects and customers and how to reach them. It requires a strategy.

Inbound Marketing

The internet and digital technology have changed our collective behavior dramatically, particularly over the last 10 years. We have the world at our fingertips, and the ability to self-educate on any variety of products, services, and information has made the world more transparent and infinitely smaller.

HubSpot pioneered the term “inbound marketing,” through its marketing automation software (they also have CRM, sales and support software as well). The premise was simple yet profound: the internet enabled people to search and find information, so companies should be there with valuable content to “pull” prospects to their brand versus the old interruptive methods of advertising and sales calls.

The way prospects research, evaluate, and purchase have changed dramatically over the years. Thus, inbound marketing became more essential to sales and the sales process, and the need to create more valuable content became the mantra of marketing. A seismic shift occurred within marketing to “pull” prospects to the company versus outbound efforts that “push” messaging through interruptive advertising, sales calls, and a host of other tactics to generate leads. That’s a big difference in the approach, skills and planning needed, technical prowess, and the time, budget, and resources to create valuable content.

Content Marketing

Content is the fuel for inbound marketing. Content marketing and inbound marketing are often considered separate efforts, even though they are symbiotic and intertwined.

Content marketing is developing value-added information in various formats and deliverables that appeal to the way people like to consume content. Some prospects prefer to read while others want to watch videos. Some prospects may search for content in Google, but a person who learns through video may go straight to YouTube and do their searches there. If we have an idea of what our ideal customer wants and where they go to find it, then we can develop the right content.

Content marketing posits that a brand should invest in making valuable content available through a variety of mediums and platforms to best attract prospects. Content marketing entails honing your message, knowing where to reach your audience(s), and producing a variety of relevant content in different formats, which can be a daunting task. However, content marketing can build your brand, increase revenue, and foster value creation by adding value to your customers' journeys and differentiating your brand from your competitors, among many other things.

In content marketing, content is ideally developed for a particular persona throughout various phases of their customer journey, which makes it more relevant and contextual. When compared with a one-size-fits-all message, the possibilities to offer more value and cultivate better customer relationships are endless.

Personas

A persona is a more detailed look at a target market. It incorporates standard target market segmentation including demographics, (age, income), psychographics (attitudes, beliefs), geographics (city, state), and behavior (purchase, usage). It also includes other pertinent details such as the content platforms they prefer (audio, video), and the channels they use to communicate (Facebook, Apps), among other things.

A persona is a fictional representation of an ideal customer and incorporates elements of the four standard areas of market segmentation. Personas emanated from inbound marketing, which makes sense because identifying a persona and knowing the types of content platforms and channels they prefer is critical in reaching and nurturing them into customers.

With a persona, marketers attempt to learn about this “person” and put a face to the persona (versus a blank “target”), along with details such as where they go for information, how they feel about specific issues, where they shop, what they like and dislike, etc. The idea is that by creating a persona and knowing as much as possible about them, marketers can develop relevant messaging and content that will appeal to them and through media and channels they favor.

Inbound and content marketing have helped refine how prospects and customers do research and buy products and services. Due to the information available on the web and through social platforms, the process by which companies implement these new methodologies has become much more technical, tactical, and focused. These characteristics profoundly underscore the necessity for a strategy.

Personas include general customer segmentation, but instead of a demographic of women ages 18-34, for example, there might be multiple personas within that group that include students, married women, women with children, and single career-focused professionals. After all, there are a lot of differences among women between the ages of 18-34. Personas help companies know their audience and provide a much clearer picture of the type of content to develop to add value to their respective customer journeys.

Think about various products and services that you purchase. Chances are good that the marketing communications you receive treat prospects and customers as one homogenous audience. How many times have you received something intended for a prospect when you were already a paying customer?

Persona Example

Zara M.

Age: 38
Residence: St. Louis, MO
Family: Married, two kids 6,10
Education: College Graduate
Occupation: HR Director
HHI: $90,000
Work/Life: Husband works, school PTA, tennis, reading

Or, in the case of differentiating between personas, if a younger person purchases a product,, and a middle-age person buys another product, it makes sense that the company would speak to them differently and likely reach them through different mediums as well.

Personas put a face and additional details to an otherwise less descript target audience. Thinking about prospects as individual people assists in developing relevant messaging and content to improve the journey of leading a visitor to becoming a prospect and ultimately, a customer.

The Customer Journey

The customer journey identifies the steps a persona takes toward their purchase of a product or service. The goal of inbound marketing is to create valuable content for each step of the journey that helps move the persona from prospect to customer. Typically, the customer journey is where prospective customers consume content–videos, blogs, podcasts, and webpages, for example–to become educated, informed, and delighted.

The following customer journey graphic characterized by HubSpot breaks down the journey into three simple phases: Awareness, Consideration, Decision.

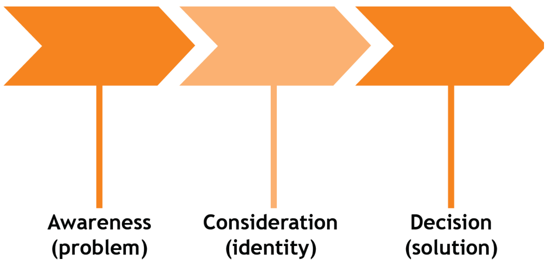
Assume you have a persona defined and are now ready to think about how you are going to market to this persona. While the journey identifies the steps one may take toward becoming a customer, the onus is on the company to create content that adds value in leading them to becoming a customer.

The effort to make the journey as fruitful as possible is where different content types, i.e., e-book, video, podcast, blog, etc. help a prospect learn more and increase the likelihood of a “conversion” (someone buying your product or service).

For example, someone just beginning to think about an electric vehicle might do the following:

- Google information on electric vehicles

Customer Journey

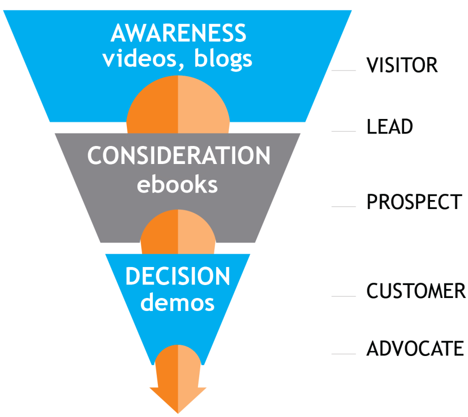


- Seek information about mileage, charging, and maintenance
- Compare electric vehicles against high-mileage traditional gas-powered cars
- Check-out posts on the web and social media regarding electric vehicles

A person much further down the “funnel” might do the following:

- Research specific brands and models
- Read reviews on various models
- Post questions on forums or social media
- Research interest rates

In this example, it would be ideal to develop content for various phases of the journey that speak to the questions a prospect may have or the information they may seek. For top of the funnel, a company might write a blog, "Everything you wanted to know about electric vehicles but were afraid to ask." Similarly, middle of the funnel content might include a detailed video or e-book that covers a specific model and its respective features, benefits, costs savings, and more. Finally, bottom of the funnel content might provide in-depth case studies, side-by-side comparisons, and offers for test drives, discounts, etc.



The customer journey ties into personas because the goal is to make the journey valuable for prospects and customers (personas) as well as the brand. So, as owners, managers, and marketers, the more we know about a persona and their respective customer journey, the more we can craft valuable content along the way that will help lead them to appreciate our brand, buy our products, and ultimately become a brand advocate.

The customer journey resolves to show understanding about the persona(s). This includes where and how to reach them, as well as learning as much as possible to ultimately fulfill needs, meet challenges, or seize opportunities.

The Funnel

The funnel is an age-old concept that emanated in Sales. The idea is that as you put more leads into the top of the funnel, serious prospects will move further down the funnel, and the few that convert to a sale are your new customers.

In the past, prospects moved through the funnel linearly, because sales reps were gatekeepers to pertinent information and, thus, controlled the sales process. Today, the reverse is true; prospects are more empowered because there is endless content for them to consume to learn just about everything they need to know before making a purchase.

As prospects do their homework by researching websites, asking questions through social media, and reading reviews, they become very well-informed. Thus, the onus is on the brand to ensure prospects are consuming the "right" content to lead them to make a favorable purchase decision.

Because of unlimited content, transparent pricing, and 24/7/365 access, most prospects are much further down the funnel (closer to making a purchase) by the time they speak to a sales rep. It is estimated that prospects are close to 75% of the way to making a purchase before speaking to a sales rep.[8]

Because prospects are more empowered and more knowledgeable than ever, the new funnel is not linear and is far more fluid. Internet searches, online content, social media, reviews, and targeted ads have resulted in prospects skipping the typical funnel phases to go from brand new prospects to customers in one fell swoop.

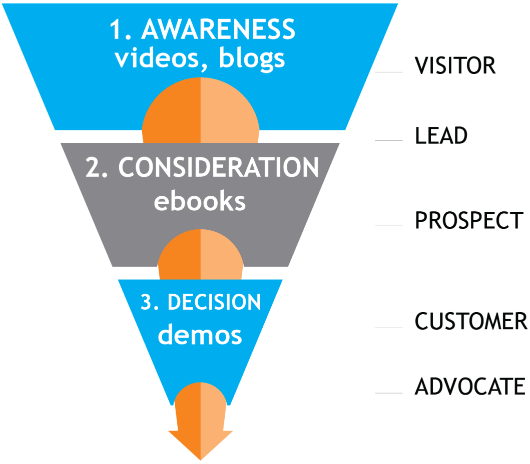
In the past, funnels were strictly the domain of Sales. Today, Marketing is heavily involved and typically "owns" the top of the funnel (TOFU) and middle of the funnel (MOFU). In these cases, it is Marketing's responsibility to drive leads to a point where they become a sales qualified lead or "SQL," which is a hand-off to Sales once the lead is deemed worthy to personally contact and move to a close situation. This way, Sales is spending time on truly well-

qualified prospects that are more likely to become customers.

Top of the funnel (TOFU) leads are generated by creating awareness through tactics like web pages, blogs, and videos. Middle of the funnel (MOFU) leads might include more in-depth content like whitepapers, e-books, comparisons, and, likely, “gated” content that requires a prospect to complete a form to access the content. Bottom of the funnel (BOFU) leads are typically handled by Sales and include demos, case studies, consultations, and free trials.

Traditional Funnel

1. Top of the Funnel (TOFU)
2. Middle of the Funnel (MOFU)
3. Bottom of the Funnel (BOFU)



The important point is that the funnel is largely co-owned with Marketing. This is where digital marketing comes in because filling that funnel and moving prospects through it takes a completely different skill set, one comprising strategy, content, data, and knowledge of platforms, channels, and tools.

Today, it is essential for the team–Marketing, Sales, and Management–to be on the same page regarding the funnel, including the content that drives each phase.

The total number of leads, the amount of leads in each part of the funnel (top, middle, bottom), and the probability of each group ultimately closing has become more science versus the *art* and science of yesteryear.

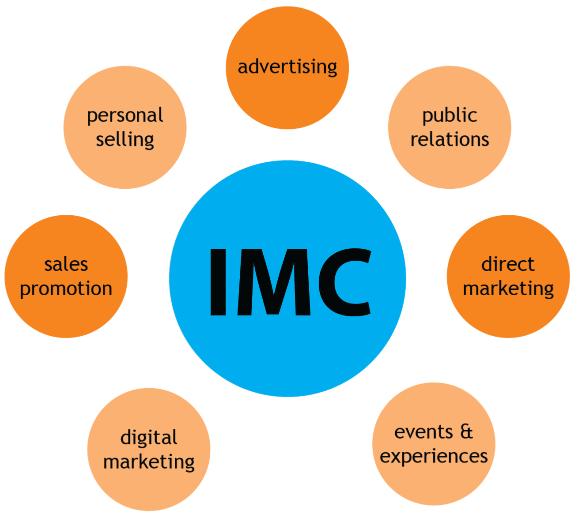
Integrated Marketing Communications

Integrated marketing communications (IMC) is the "creative" side of marketing, which is the "promotion" in the 4 Ps (Product, Price, Place, **Promotion**). IMC is important because it demonstrates the various tactics that companies use to communicate. While the preponderance of tactics we see today are digital, like websites, search, and social media, plenty of offline tactics like billboards, live events, or in-store sales promotions are still widely used.

The graphic illustrates the components of IMC (advertising, public relations, social media, internet, direct marketing, personal selling, sales promotion, and events and experiences), but these respective areas are seldom executed in silos; most companies do several or all of these things as part of the "marketing mix" (also known as the 4 Ps).

The following is in no way a conclusive look at each of the IMC components; entire books are available on IMC. This is

Integrated Marketing Communications (IMC)



just to provide an overview of each and stimulate thought for those who have not considered or been exposed to the depth and breadth offered by each component or as a collective whole. Additionally, by looking at each of the components it becomes abundantly clear why you need a strategic plan for your marketing communications.

Advertising

Advertising spend in the U.S. for 2019 totaled $240 billion.[9] Digital advertising ("online advertising") comprised $129 billion but is expected to increase to 67% of total spend by 2023.[10]

The big difference between digital advertising and broadcast advertising ("offline advertising") such as TV, radio, and billboards is the ability to target an audience based on extensive data. A radio station has demographic data on its listeners, but it's not nearly as targeted as being able to show an ad to a VP-level employee of specific companies within zip codes of specific cities.

Broadcast advertising still has its place, which is why we still see and hear so many ads across more traditional mediums. With broadcast advertising, reach is still a big advantage because you can reach a lot of people with a single ad. On other hand, you don't know *who* you're reaching, if they really watched, read, or heard the ad, and the effectiveness of the ads is often unknown.

However, with digital advertising you're using detailed data to reach very specific audiences/personas and you have the benefit of seeing what worked and what didn't. For example, how many people clicked on an ad, visited a web page, or made a purchase?

Digital advertising is about reaching different audiences where they are –in front of a screen, but the data that exists on various publishers' platforms (Facebook, LinkedIn, etc.)

offers unprecedented targeting and reach.

Cable companies are now enabling advertisers to upload digital video and self-select specific criteria to broadcast to different intended audiences. This is a new “hybrid” offering between digital and broadcast advertising.

The salient point is that despite being inundated with ads either online or offline, companies will probably always continue to advertise. Why? Advertising can be effective, but it is often *perceived* as an effective way to promote...and it also satisfies the ego of business owners and managers because it demonstrates (perhaps falsely) a level of activity, growth, and sophistication.

Getting found through search engines (SEO, explained more fully below) especially showing up on the first page, is getting harder and harder to do. Word of mouth and referrals are still the best source of new business, but can prove to be sparse and inconsistent. Salespeople, too, can be very effective, but expense and scalability are often insurmountable. Advertising, however, remains relevant because it works.

Advertising has typically been looked to for one reason: reach. Historically, broadcast media has allowed advertisers to reach very large audiences. However, we have moved from a “one-to-many” model to a “many-to-one model,” where many companies are available to pinpoint target audiences–even an audience of one–with incredible accuracy, efficiency, and effectiveness. Choices are numerous for advertisers, with obvious attention paid to the large digital platforms like Google search, YouTube, Facebook, Instagram, and LinkedIn, among many others.

With digital, the reach on Google or Facebook is potentially billions of people. The power of digital lies within the data to target an audience that is more likely receptive to your message…and more likely to buy your product or service.

Paid search or *pay-per-click* (PPC) ads are the text ads you see at the top or bottom of the search engine results pages (SERP). These are based on keywords (search terms) that people enter to search. For example, if someone types in, “Mexican restaurant, Ballwin, MO” or “Mexican restaurant around me,” a local Mexican restaurant can bid against other restaurants for the ad to show up before their competition when someone searches that specific term. This is a deep topic, and more information can be found at ads.google.com or by Googling “paid search.”

Display ads are *image-based* ads that you see on various websites, as made popular by the Google Display Network. Websites that participate in the Display Network show relevant ads on their websites. For example, a camping gear company's ads might be displayed on the website of a travel company that specializes in hiking and camping excursions.

Retargeting or remarketing ads serve ads to specific people based on previous actions or behaviors. For example, you visited the website of a specific shoe brand and then see display ads for that particular shoe on various other websites or Facebook. This is typically referred to as "pixel-based" retargeting because a piece of code, i.e. the pixel or "cookie" is placed on your browser, which indicates that you visited a specific website or webpage. Another example is list-based retargeting, which enables advertisers to upload lists to retargeting platforms like Facebook that will serve ads specifically to the people on that list based on matching email addresses.

Social media ads from platforms like Facebook and LinkedIn offer a wide variety of advertisement types. But the big benefit of advertising through these platforms is the amount of data these platforms have collected on their users and the targeting tools available to reach those users. Ads can be served to specific individuals or companies based on a vast array of criteria, including job title, industry, demographics, interests, hobbies, and much more.

The social platforms boast astounding statistics, which make them an essential way to reach leads and cultivate qualified prospects. Facebook has 1.62 billion users that visit the platform on a daily basis[11] and LinkedIn has 675 million monthly users.[12]

A Word About Native Advertising

The ads you see in your Facebook feed that say, "Sponsored" or "Promoted" on LinkedIn are paid ads known as "native" advertising. These ads look like "native" content– content that is posted natively by people using the platform. Again, the social platforms have deep data and next-level tools to easily deliver compelling content that looks like content but are paid ads.

Advertising has changed dramatically and will continue to evolve as digital technologies mature and new platforms emerge. Spotify, Netflix, HULU, and a host of other OTT apps offer compelling advertising options ("Over the Top" are media apps that are "on top" of your internet connection or cable provider). And, as the majority of us spend a lot of time in front of screens, mobile is the new frontier. As of April 2020, 52% of all internet traffic was through mobile[13], and, as of this writing, there are 293 million U.S. internet users (out of 330 million people) with more than 5.6 billion global Google searches per day.[17]

Google earned an estimated $116 billion in advertising revenue in 2018.

Public Relations

A lot of people don't know what constitutes public relations (PR) and how it can help or hurt a company. Additionally, many people may feel like public relations is sort of old school or less relevant because digital advertising and social media have become so prominent. But, ask companies like United Airlines, Nintendo, or Quibi if PR is relevant, and they will most likely tell you that it is indeed very important.

Public relations is often referred to as *earned media* because it's typically not paid, whereas with an ad, you can control your message, placement, and frequency. PR is largely about getting the media to cover a company favorably through written stories, TV and radio coverage, etc. PR is about image shaping, storytelling, reputation and crisis management, and everything in-between as it relates to a company's public perception. What's more, with the proliferation of social media (see below), PR has become even more important as companies have direct communications with their respective public constituents.

While we'll treat social media as an IMC component in this book, PR is a unique discipline because it's different than paid advertising, even though PR can be “paid” as well. Because PR doesn’t usually feel like paid ads, it’s often perceived as more authentic, credible, and honest. It’s different from social media, even though PR utilizes social media in its efforts to help a company communicate with its audiences. In a world that is on 24/7/365, where good or bad news can spread like wildfire in record time and where opportunities are seized to reach large swaths of people to persuade, inform, or influence, PR is more relevant than ever.

An effective example of PR versus advertising might be something like this: An advertiser pays a significant amount of money to run TV, radio, and print ads, which are clearly paid ads. It is often unknown if people hear or see them, whether they will respond, or how they feel about the ads.

Conversely, a company could be mentioned in a national article in a widely read publication (pitched by a PR professional), which could be seen by many people as more credible and trustworthy, thus eliciting more inquiries than the paid ads.

Social Media

Social media was once considered a novelty for business applications but has become one of the most important components of IMC. In terms of reaching a wide audience, and with the ability to use unique media and vast datasets to reach specific audiences, social media is unparalleled. It is important to note that social media may require different strategies, depending on whether your company is posting organic content or also running paid ads.

Facebook, Instagram, YouTube, LinkedIn, Snapchat, and other emerging social networks are more than just amazing communications platforms. Each of these is a giant database with detailed data on each of its members along with sophisticated tools to advertise, create community, and build your brand. Measurement and analysis are readily available through easy-to-use dashboards.

While social media presents many opportunities, the challenge for most small businesses is knowing *what* to do on social media. It's not uncommon for business owners to say, "We're doing social media…" but they don't have a plan for consistently posting organic content, paid advertising, or even what success looks like from being on social media. The short-term tactics typically stop pretty quickly when immediate results are not achieved.

It is tempting to look at the various social platforms as just large audiences to whom we can market. But *social media* is just that: media to be used for social purposes. It's not the place for blatant sales pitches and endless interruptive advertising as we've known it. Social is about interacting with people, sharing interesting and relevant information, and adding value to the collective conversation.

Never before has an audience or brand been able to intimately communicate as they can through social media. The days of companies only reaching people through advertising are gone; but with that comes the understanding that people *expect* more from brands, too. They want direct access to people in the company; to see them live their mission and values; to know what's in the works, and much more.

The biggest benefits of social media to small businesses are listening and engaging. While you can advertise on social media, the bigger win is learning about your audience, interacting with them in a way that offers immediacy and intimacy like never before. Customers are now empowered and enabled to speak to companies directly, and the expectation is that companies—including owners and executives—will participate in the dialog.

Consider the example of a Twitter user suggesting that Tesla add a feature to their next software release. Elon Musk, CEO of Tesla, replied directly to the suggestion, agreeing that it was a great suggestion and they would add it to the next release. Musk was widely celebrated as was the Tesla brand, but this exemplifies the new world order:

participate and be part of the two-way conversation with customers.

Being part of the conversation–listening and contributing–takes time, focus, and resources, just like everything else in social media and marketing. While it's great to get "likes" and "followers," it's not about "vanity" metrics; it's about building an authentic relationship with prospects and customers. It's about the long game.

The sticky point with social media is understanding *how* to use the platforms–both organically and for paid advertising. Using the platform from a technical standpoint isn't the issue; it's understanding how to leverage the platforms, content types, and audience knowledge in ways that facilitate *compelling* messaging and apparent value to your audience.

Effective and useful social media takes planning, dedication, and authenticity. When your brand participates in social media, the possibility of your audience sharing your content is where it can get exciting. While getting something to "go viral" is unlikely and something you really can't plan for, you can build great awareness and engagement through consistent and frequent posts.

But what about *paid* social? Can't we get some quick sales that way? Perhaps. But, again, the short-term mentality might not be the optimal way to look at it. All of the reigning platforms have sophisticated tools to reach literally everyone and probably anyone your company wants to reach. But understanding how to use the platforms, the data available, how to leverage *your* data, what type of messaging will resonate with your audience, and, finally, what you want them to do after they've consumed the message are but a few of the pertinent questions around paid social.

Website and Mobile

Nearly every small business has a website, but some are eschewing a website altogether in favor of social media. There are several reasons why this is not optimal, but the main one is that your website is a *brand platform* that you *own*.

The internet is a very crowded place, so getting traffic to your website has become more challenging. However, your website is an asset that needs to be nurtured so that it can grow and provide value for the business.

Here are a few questions to ponder regarding your website:

- When was your website last updated?
- Do you have a content plan?

- A plan to drive traffic to it?
- A plan so visitors will stick around once they're there?

While your website is "marketing," it's customer experience, your store, your other office, that is open 24/7/365 across the globe–it's your brand! So how is the website just another tactic, and why doesn't it receive more strategic thought?

Your website is *owned media*. You own the domain name, the content, the messaging, the user experience, the strategy around it…so it should be helping you build business value.

Social media is awesome but it's *earned media* on platforms owned by somebody else –so they can change the rules at any time. Google and YouTube, Amazon, Facebook, SEO or social, organic or paid, it's the same thing–somebody else owns the platform…and, really, the audience.

Of course, we want to use all of these channels to grow business and foster value creation. The website should be part of the strategic plan to leverage these platforms and tools to a brand platform we own to generate leads, deliver content, create a great customer experience, acquire new customers as well as retain and grow existing customers.

I had a client who was generating thousands of site visits per month with nothing in place to nurture those visitors into customers. Thousands of lost opportunities per month in terms of potential sales and repeat sales representing significant customer lifetime value.

Think about building a *subscribed audience*: get visitors to your site, give them a reason to stick around, and get permission to start a relationship and nurture them into customers *over time*. On average, it takes seven touches to make a sale. And 98% of web visitors won't purchase–so it makes sense to *engage* visitors on your site and entice them to come back. How? With good content, which is a reflection of your brand, an opportunity to build differentiation, and added value for your site visitors.

Customer experience is the new black…the new best product. It begins before someone becomes a customer–even before they're a prospect when they're just a visitor. Your website is a very valuable introduction to your business. And it's a great opportunity to *personalize* the customer experience.

Just like in person, first impressions are lasting impressions. If someone pulled up to your office or store and the awning was ripped, the welcome mat was in tatters, and a window was broken, they likely wouldn't come in. Your website is no different. If it's unattractive, hard to use, and a chore to navigate, you're pushing users away rather than inviting them in to have a look around.

The *customer journey* traces the stages that prospects or customers go through to make a purchase. So, if we put on our "customer hat," what content can transform their journey into a great customer experience and add value for people at different stages?

Mobile has surpassed computers in accessing the internet. So, your website needs to offer a seamless experience–in terms of usability, content, and e-commerce *on mobile* and computers.

Your website is your brand platform. Treat it like the growing asset it is by thinking about it more strategically.

Search Engine Marketing (SEM)

SEM is the catch phrase for *"search engine optimization"* and "paid search," both of which have become essential to a well-rounded Communications Strategy. A website needs to be found and if it's not on the first (or maybe the second) page of the search engine results page (SERP), search won't help you. That's unfortunate for a couple of very important reasons:

- Intent is the motivation behind someone searching.

    - Certain keywords and phrases show more intent than others, which is why keyword strategy is so important.

- There are 5 billion Google searches per day for a reason.
    - People are constantly in front of a screen, and mobile has increased search exponentially.

Let’s say it’s a toss-up of where you want to spend marketing dollars: Would you rather try to help a person who is trying to find your product or randomly put out advertisements that *might* reach a lot of people?

Search Engine Optimization

It will be difficult to talk seriously about websites without addressing the elephant in the room: getting traffic to the website. Long gone are the days where just having a good website means they will come. They will not.

Search engine optimization (SEO) is the subject of countless articles and entire books for a several reasons: It is important, technical, complex, and requires strategic thinking.

SEO entails many things to help searchers find your website when they search, either typing in a keyword or using a smart assistant like Siri. It is estimated that in 2020, 50% of all searches will be voice versus typed through a keyboard.[15]

According to Gartner, 30% of all searches will be done without a screen in 2020. Additionally, it is estimated that 55% of US households will own a smart speaker by 2022.

Generally, SEO begins with keyword research because companies want to rank as high as possible on organic (non-paid) search engine results pages (SERP) when someone searches on a specific keyword that relates to their business. SEO is extremely competitive, and it takes considerable time, research, and effort.

Given the predilection of prospects finding information and self-educating, the need to understand personas and the customer journey is critical. SEO is imperative because the customer journey often starts with a search. Given that there are over a billion websites and over a billion blogs, your website, social media, and content need a plan for your brand to be discovered before you can convert customers.

Other aspects of SEO include "on-page" tactics such as ensuring each webpage has the required "meta data" (tech speak for appropriate formatting of the title and description of a web page) that relate to your keyword strategy. “Off-page” SEO entails link building (acquiring “inbound links” from other reputable websites), which is a significant Google ranking factor as links back to your website are like a vote of confidence to Google’s algorithms.

Keyword research and content strategy is central to SEO to improve rankings for specific search terms. Understanding what terms are being used to search for your product or service helps define the beginning of the customer journey. Identifying content that needs to be created to match the search term is about helping people get to the right to destination that contains the information they seek.

The internet is a very crowded place; building a great website is not nearly enough. Getting *found*–resulting in “earned” traffic that is “free”–is becoming more and more difficult. SEO is a strategic endeavor that takes time, effort, and focus.

Paid Search (Pay-Per-Click and Display Advertising)

Digital advertising was covered under "Advertising" earlier in this chapter, but merits consideration here because it is included in most Search Engine Marketing efforts.

SEO is more about the long game because it is incredibly competitive as the internet becomes more crowded with websites, content, and the number of people conducting searches. Thus, it takes strategy, execution, and often considerable time to get first-page rankings (and in some very crowded categories, first page ranking might not be achievable).

Paid search, on the other hand, offers more immediate and measurable results without the time, effort, and wait typically associated with SEO. Additionally, paid search is attractive to marketers because search often demonstrates "intent." Again, showing an ad to someone looking for your type of product or service makes a lot of sense compared to advertisements that have little proof of being seen, heard, or acted upon. "Impressions" have been the long standard of measuring the number of eyeballs on an advertisement, but paid search offers statistics on the number of clicks and views.

Pay-Per-Click (PPC) and display advertising related to search include a variety of different types of advertising and, based on available data from Google and other search engines, offer sophisticated targeting options.

PPC is the most visible type of paid search, which are the text-based ads one sees at the top and bottom of the SERP (Search Engine Results Pages), which are denoted by the descriptor, "Ad."

Paid ads allow businesses to effectively gain high visibility on search terms that would likely be unavailable to them through organic search efforts. The bidding process on keywords can be automated or done manually, which allows businesses to “bid” on keywords.

In today’s environment, paid search has become necessary for many businesses as SEO efforts can take significant time and effort to show results. In some cases where established companies dominate broad keywords i.e. “insurance”, it may be impossible to rank on the first page. Broad or “fathead” keywords typically like “insurance” have high search volume, carry a higher cost per click, and are often highly competitive.

On the other hand, “long tail” keywords, e.g. “real estate agent Chesterfield, Missouri” are more specific, signal deeper buyer intent because of specificity, and usually have less search volume, thereby making them more cost competitive.

Display advertising comprises display or image-based ads that one sees on websites, like the example below. Google’s Display Network (among others) shows a company’s advertisements on relevant websites that are part of the Google Display Network. For example, a company that manufactures aftermarket automotive parts and accessories might feature ads displayed on car enthusiast websites.

Another type of display advertising is *remarketing* or *retargeting*. These display ads “follow” someone after they’ve visited a website, specific page on a website, or mobile app. An example is seeing an ad for the shoes you searched for on various other websites you visit.

Remarketing also includes the ability to show a list of customers specific ads if they are signed-in to Google or show ads to people who have interacted with videos or a specific YouTube channel. Google utilizes a tracking “pixel” that remembers a user’s online history, thus enabling display ads that meet a certain action like a website visit or specific search term.

There is a good reason why there are so many agencies and consultants who specialize in paid search. Understanding your target market, making use of *existing* data, and leveraging the data and tools from Google (and others) is challenging and technical, but can pay big dividends.

According to Wordstream, on average, businesses make two dollars in revenue for each dollar spent on advertising. These platforms are very sophisticated databases with unsurpassed tools to target personas and audiences based on large data sets and a variety of actions and behaviors.

As it becomes ever more challenging to show up on the first page in an organic (non-paid) search due to unprecedented competition, many businesses are compelled to advertise. Google and YouTube are the largest search engines on the Internet with daily searches of 3.5 billion17 and 3 billion per month, respectively.[18] As such, they comprise the majority of search on computers and mobile, so paid search offers another way to show up on the first page of the Search Engine Results Page (SERP).

Attracting people to your website organically is becoming more difficult to do, and paid search is a compelling way to get in front of targeted personas who are demonstrating intent. Whether showing text ads based on a specific search term (keyword) or showing a display ad to someone who visited a specific website or social media outlet, there has never been a better time to target specific people with specific, relevant, and contextual messages.

Direct Marketing

Direct marketing consists of email marketing, direct mail, messenger apps, and text-based messaging. Considering each of us is inundated with email and direct mail every day, it's easy to take these things for granted. Or worse, we may dismiss these as viable tactics for our own business because we don't "like" them. But the truth is that direct marketing can be very effective in acquiring new customers and retaining existing customers.

The real power of direct marketing…or perhaps, the real asset, is the database your company builds through direct marketing. The idea is to build a valuable database of people who are interested in what you're doing and who ultimately may become customers. The goal is to build a *subscribed audience*.

Direct marketing is typically associated with lead generation and driving sales. But, what about driving *permission* to contact someone directly? Building a *subscribed audience* is the smart play, because when you have people that have said, "Hey, I want to hear from you…," you are no longer reliant on spending money on advertising alone to drive leads. Imagine, you've captured names and email addresses of people who want to hear from your company. You now have "direct" access to them and can message them anytime. That's powerful. As you build rapport and trust with a subscribed audience, you may also be able to contact them via text, messenger, chat, or mail but email is at the heart of building a subscribed audience. Email continues to significantly outperform all other digital marketing tactics in terms of conversions and ROI.

When you think about prospects as *people* and build content to *help* or *inform* them, you are thinking more like a media company attracting people to your *brand* versus a company that just wants to sell something. Because if you're thinking about what prospects and customers want to know or learn about, you can *earn* an audience. That audience will become *owned* media in that you will own the list and have far more control in messaging your database as well as driving traffic to your website and social media channels as well.

At the end of the day, all integrated marketing communications tactics share the same ultimate goal: more sales. Direct marketing's power lies within the ability to target specific people through "direct" access to them. But direct marketing is only as good as the list, and, ideally, your list is built from people who have raised their hand that they want to hear from you.

Sales

In many textbook descriptions of integrated marketing communications (IMC), "personal selling" is included as one of the eight components, but Sales isn't a *tactic*. Sales is a critical function of most businesses, and the focus here is on activities and deliverables that comprise *marketing* tactics and execution.

While Sales is covered in much greater detail in the following "Sales" chapter, it is worth discussing now how Sales figures into IMC, particularly in the era of digital marketing.

In most companies, Sales is not a component of Marketing; in many cases, Marketing is about doing “creative” for Sales. But if we look at Marketing from an academic viewpoint, Marketing is more strategic and accounts for how *products are priced, distributed, and promoted*, all of which includes Sales.

The Marketing versus Sales conundrum that exists in many companies is controversial and not meant to be addressed here. It’s worth noting, however, that Sales “should” be impacted and enabled by Marketing and, ultimately, the goal of Marketing is to sell something.

But the tactics associated with generating leads, converting them into customers, and retaining them typically entails all the IMC tactics: advertising, social media, websites, PR, direct marketing, sales promotion, events and experiential, as well as sales.

Sales Promotion

Do you use coupons and enjoy discounts? Try samples at Costco or Sam’s Club? Do you take advantage of rebates or trial offers? What about grabbing something from a point-of-purchase display at the grocery store? Or ordering a drink or appetizer after seeing a table tent at your favorite restaurant? All of these are examples of sales promotions.

Sales promotion is an important component of IMC because it generally has one goal: stimulate interest to lift sales short term. An entire industry exists around sales promotion, and it's responsible for generating a tremendous amount of sales in virtually every industry. But why is sales promotion its own "category" within IMC? Sales promotion generally consists of shorter-term objectives such as:

- Stimulating interest for a new product launch
- Increasing sales at the point of purchase
- Reducing inventory
- Short-term sales lift
- Response to competitive threat
- Brand awareness
- Increase sales from existing customers

Sales promotion is generally characterized by "Push" and "Pull" strategies. A "Push" strategy is designed to push products from the company to the consumer, which is usually done through offers by wholesalers and retailers to the final consumer. A "Pull" strategy, on the other hand, is designed to get consumers to pull products from the company, which is usually achieved through incentives, coupons, limited offers, etc.

Even if you don't operate a B2C business or operate a retail store (physical or online), Sales promotion is heavily used in many businesses including B2B and trade organizations. As with most marketing communications efforts, sales promotion typically works in conjunction with many of the other IMC components.

Events and Experiential

For all the emphasis placed on digital over the years, one might think that is all that matters when it comes to marketing communications. But the abundance of concerts, festivals, trade shows, live theater, etc., exemplifies that offline events are alive and well. Live interaction and connection are part of the human condition and are probably “needed” and relevant more than ever amid a predominantly digital landscape.

Sponsored events are an optimal way for brands to interact with their respective target audiences. Events can range from displaying products at a trade show to more elaborate interactive experiences where prospective customers can get “hands-on.”

A great example of a sponsored event is Ernie Ball Music Man guitars. As a key sponsor of the Warped Tour during the mid-90s to early 2000s, music fans and aspiring musicians could visit the Music Man booth and try out guitars and basses while directly interacting with the company. The Warped Tour featured many top rock and alternative acts and was a great fit in terms of exposure to a large audience of younger players and musicians.

The beauty of the digital age is that tying into events and experiences–both online and offline–enables a wider view of the audience, their characteristics, buying behavior, and more. However, there are countless live events *online* as well.

The web and, in particular, the mobile web has evolved to include a vast array of technologies that enable unsurpassed events and experiences. From Zoom meetings to interactive software simulations, the digital environment has created a world that is fully immersive from any screen, including a smartphone.

A couple of great examples from the furniture industry include IKEA Place, an augmented reality (AR) application that allows customers to place IKEA furniture in their room at home. Modsy.com, also in the furniture space is an online service that enables customers to do virtual interior design. The customer takes a photo of their room, uploads the image and then selects and places furniture "in" the room, which they can order on the spot via e-commerce on the website.

Much like sales and sales promotion, events and experiential don’t live in a vacuum; rather they incorporate the other IMC components to create awareness, stimulate word of mouth, and drive paying customers.

Conclusion:

It has never been a better time for marketing and communicating. Businesses have countless tactics at their disposal, and in many ways it is a level playing field. The question boils down to: what do you want and need to do?

Marketing comprises many different areas but, in short, *marketing communications* helps your company attract and convert customers, sell products, and build your brand. On the other hand, countless business issues are impacted by marketing communications, including customer acquisition, customer retention, revenue, profit, and cash flow, among many others.

The sticky point here is that marketing communications offers countless tactics from which to choose. Remember, doing any or all of these things in a coordinated and cohesive way requires a plan because marketing communications is strategy *and* execution.

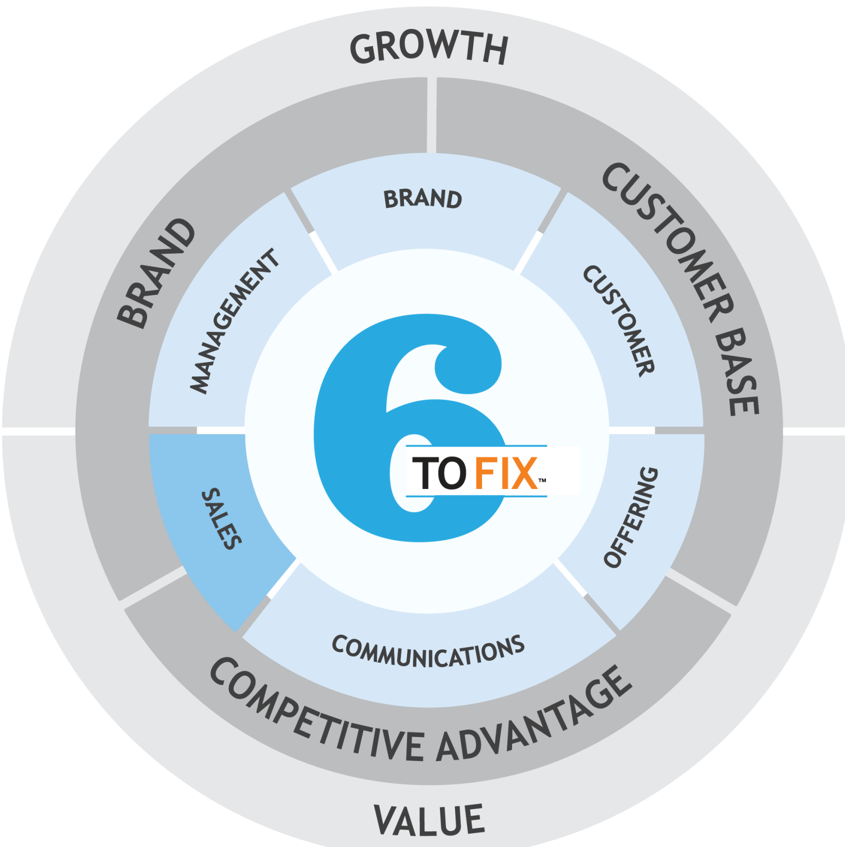
But without strategy, how can a business answer and act on these pertinent questions:

- *What* should we communicate?

- *How* do we message in a way that *differentiates* us from the competition?
- How do we *add value* to customers' journeys?

A strategy detailing these efforts allows companies to create effective and cohesive messaging, maximize costs, and produce results that support the goals and objectives of the business.

Your communications deserve a strategy.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5. Sales Strategy

Why Having a Sales Strategy Matters

Sales are at the heart of every company–profit or non-profit. Without sales, you don't have customers and, without customers, you don't have a business. Whether your company has a sales force, sells product through eCommerce, or both, sales are essential.

At sales-driven organizations, you will likely find a more formal sales structure. But at many small and mid-market companies, sales can often be chaotic and unstructured. Even worse, the results can rest on hope and prayer, which doesn't bode well for consistently and predictably building business growth and value creation.

Introduction:

Considering the importance of sales to any business–particularly, those with a dedicated sales force, it seems like having a sales strategy would be a given. But sales is one of those things steeped in tradition and myths and the belief that success is some sort of alchemy reserved for an elite few who are "rainmakers" or "natural-born" salespeople. You just hire the right "mavericks," and the rest falls into place, right?

Sales is essential. Complicated. Difficult. Expensive. Time-consuming. Labor-intensive. Unpredictable. Given all of these descriptors (and there are countless others), sales might be broken down into the following activities:

- Prospecting
- Generating leads
- Closing new customers
- Up-selling or cross-selling existing customers
- Servicing accounts

Given the complexity and importance of sales, a strategic plan that interconnects sales with brand, marketing, customer, and offering and management strategies is essential. Yet, for a lot of organizations, sales efforts are often undocumented, non-systematic, and siloed from other areas of the business.

Sales has never been more difficult and complex than it is today. The way we collectively sell has changed because *the way prospects and customers buy* has changed dramatically. What has always worked likely doesn't work the same way anymore, if at all, and reaching prospects and customers have never been more difficult. Below are just a few things to consider about *how* sales strategy can foster business growth and value creation.

Back to Basics: Unique Selling Proposition (USP)

The unique selling proposition (USP) should be known by everyone in the organization, not just in Sales. What's the big deal about the USP? It answers a couple of really important questions for the prospect: "Why should I do business with your company?" and "How are you different from your competitors?"

Ask yourself these two questions and be honest about whether you can answer succinctly and in a way that would resonate with a prospect. Then ask your team these questions and take note of their responses. You will probably be surprised–by both the Sales team and others in the organization.

The sticky point here is if the team cannot answer these questions, can the prospect? What can a prospect learn through our collective sales and marketing efforts? Are we demonstrating our overall value and how we add value to the customer journey from the first touch to the most recent?

Inbound Sales and Inbound Marketing

Did you know that on average sales reps spend only 34% of their time actually selling? Their time is largely spent on administrative tasks, creating content for presentations, and follow-up, among others.[19]

As mentioned in the preceding chapter on Communications Strategy, the internet and digital technology have changed everything–in particular, it changed the *behavior* of prospects and customers. They have become much more empowered regarding access to product information, transparent pricing, and ultimately, making a purchase decision on their own terms, including *how* and *when*.

Traditional outbound methods of cold calls, email, direct mail, and interruptive advertising have been met with serious challenges for a variety of reasons:

- Prospects and customers are harder to reach because so many platforms and tools compete for their attention.

- There is more direct competition and more distractions vying for their attention.

- Prospects and customers are empowered to self-inform on a significant level; they don't need to engage a sales rep until much later in the game (further down the funnel), if at all.

- People are busier than ever and can evade contact more easily and choose to communicate on their own terms through phone, email, chat, text, or social media.

As mentioned in the Communications Strategy chapter, the inbound methodology extends into sales, which makes sense. Prospects and customers are self-informing and performing their own research. They reach out when they're ready. If a sales rep is fortunate enough to secure an appointment or a call, chances are good that the prospect is pretty far along in their customer journey or in the funnel signaling the likelihood of a purchase.

Because of this reality and the need for companies to put out valuable content to help nurture visitors into prospects and prospects into customers, Marketing is joined at the hip with Sales more so than ever before. The funnel is now co-owned by Marketing, and in many organizations, marketing owns the top and middle of the funnel (see

Funnel under Communications). Sales focuses more on the bottom of the funnel where presumably qualified prospects are closer to closing.

Data-Driven Sales

Ask just about any sales rep about being required to use a CRM (customer relationship management) system, and you'll likely get varied responses but probably a lot of eye rolls and sighs. But sales reps get pretty excited when they see what CRMs coupled with marketing automation can do on *their behalf* to help close new business.

CRMs emanated from contact managers where reps could document and keep track of the contacts they were working as viable prospects to close. With the advent of CRMs, and, in particular, Salesforce's cloud-based CRM, a new level of data-driven sales emerged.

Integrated with marketing automation tools like HubSpot, Salesforce's Pardot, among many others, marketing has the ability to use and collect a vast array of data as well as pinpoint personas and target audiences, making sales a seriously different ballgame.

CRMs and marketing automation tools foster effective lead generation, qualification, and nurturing to move prospects through the funnel. And, at the heart of these tools is data.

Data is more important than ever because it is used to target the "right" prospects and customers. A key marketing objective, however, is to *collect* data from prospects and customers as well. As mentioned under Inbound Marketing in the "Communications Strategy" chapter, getting data from prospects and customers enables more detailed targeting, relevant content, and contextual messaging.

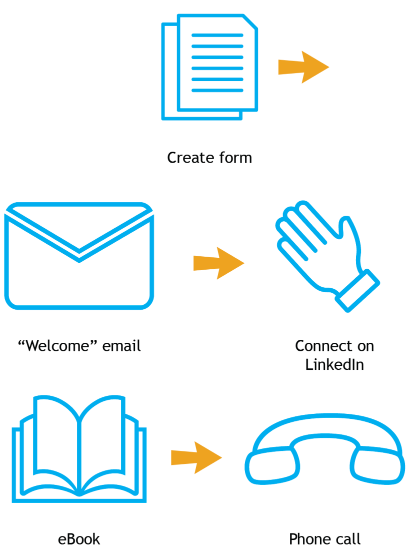
A common example of effectively using data includes segregating prospects and customers into respective lists and breaking those down by product usage, purchase history, etc. From there, content and messaging can be developed to target lists with information and content that add value and ultimately stimulates more sales. What's more, much of this effort can be automated and free salespeople up to do what they do best: close.

Lead Generation

Of all the activities within sales and marketing, lead generation is usually at the very top. There is a pronounced emphasis on customer acquisition, and it's pretty difficult to acquire new customers without qualified leads.

Historically, sales reps have been responsible for generating their own leads, and some companies provide leads based on inbound or outbound efforts like telemarketing and direct mail. But lead generation has fallen into the hands of marketing, as generating a lead "digitally" is often more effective than other offline activities by sales reps. Given the competitive and noisy environment of the internet and social media, lead generation has become much more strategic *and* tactical. One really needs to know their audience (personas), the messaging, and how to "lead" a visitor or prospect to a place where they can create engagement and, ultimately, conversion. Below is a sample workflow of nurturing a visitor into a lead then to a prospect and finally, to a customer.

Sample Prospect Nurturing Sequence



The Funnel

The age-old "funnel," which was solely owned by Sales is now largely co-owned with Marketing. Putting leads in and nurturing them to a certain point is the job of Marketing. When leads are considered "sales qualified" (SQLs, which are usually measured by *engagement* or response to content and activity on the website, social media, etc. indicating interest or buying signals), Sales takes over the leads and works to convert them into customers.

The challenge today is that it is often hard to gauge when a prospect is qualified or when they are ready to purchase. The older, linear funnel was born out of the fact that sales reps were the keepers of the knowledge; everything started with the rep. A linear funnel made sense because the path

to closing was dictated by the sales rep. Fast-forward to current day where the internet and a plethora of digital tools and platforms have made information on virtually every product and topic ubiquitous. Thus, the linear funnel isn't as applicable today because prospects and customers are self-informing through their own research, and they could literally be ready to purchase at the first contact with a company or sales rep.

A Word About Follow-Up

Loading the funnel with leads is fantastic and makes everyone in the organization feel good. But the truth is that, across the board, many leads are not followed-up on consistently if at all. Salesforce reported that, on average, it takes between 6 to 8 touches to close a new customer.[20] It's been estimated that more than 80% of sales opportunities require 5 follow-up calls, yet 44% of sales reps give up after one attempt.[21]

Additionally, web visitors are highly unlikely to make a purchase online (if you sell products or services online). Ninety-eight % of web visitors are tire-kickers doing research and will not make a purchase; most will never return to your website. Creating a relationship with prospective customers entails engaging them, adding value to their journey, and nurturing them into a customer. All of this requires focus, consistency, and persistence–again, it's about the long game.

Customer Lifetime Value (CLV) and Customer Acquisition Cost (CAC)

We covered CLV and CAC pretty extensively in Customers, but it's worth revisiting here. Most small businesses don't know their numbers when it comes to the value of a customer to the organization and how much should be spent on acquiring new customers.

Sales needs to know these numbers, particularly if you have a sales team in a B2B environment. Discretionary pricing (different pricing or different customers, discounts, etc.) is not uncommon and it's always tempting to win business with the idea that more business can be won from the customer down the road–even if it means at a loss on the front end.

Some pertinent questions around CLV and CAC include:

1. How much is the average customer worth to the organization over their lifetime of doing business with the company?

2. Has your company ascertained how much it can/should spend on acquiring a new customer relative to marketing and sales spend?

3. Has your company defined goals around the number of new customers it would like to acquire in a given time period (e.g., one year)?

These are a few important questions to ask and answer as part of the customer acquisition strategy. Knowing your CLV and CAC numbers can make a big difference in the way you sell, the types and quality of customers you bring in, and the focus put on retaining those customers.

Customer Acquisition

Assuming that lead generation is a process or systemized approach by or with Marketing, here are some pertinent questions to ask and answer:

- Is there a plan to nurture prospects to a close?
- Is there a documented process?
- What happens immediately after closing the sale?
- Is there an onboarding process?
- Is the customer passed off to another department like Customer Support?

Because sales and marketing have become more technical, technology-based, and intertwined, it is reasonable to assert that expectations can be managed, and risks minimized by developing a strategic plan that identifies what happens when and by whom.

Customer Delivery Process

This topic is discussed within Offering Strategy but is certainly pertinent to customer acquisition and customer retention. Does your company have a process that defines the experience the customer will have when they take delivery of the product or service? Who does what and when? Unless you're selling a once-in-a-lifetime thing like a burial plot, chances are good you have the potential for upselling or cross-sell opportunities down the road.

A customer delivery process can add serious value to your offering, which can equate to more sales, higher revenues, and increased profits. Delighting your customer can lead to additional sales, referrals, and brand advocacy. What's more, a delivery process can be a branded offering that differentiates you from your competition while adding value for your customers...and your business.

Onboarding

Somewhere between closing a sale and retaining a customer is the crucial element of onboarding. A prospect should be aware of onboarding early in the journey because it is a value add (and likely a part of your "offering") and a way to manage expectations. But for many companies that are fighting the good fight every day, onboarding can be an afterthought, which can translate to lost revenue, subpar customer experience, and diminished customer lifetime value.

Depending on your product or service, onboarding can range from simple to extensive, but just having a documented onboarding process is a step in the right direction. Onboarding helps the customer and the company because it sets mutual expectations and minimizes risk in terms of customer dissatisfaction and potential defection. A great way to cement the relationship after the sale, onboarding poises the company for continued growth with new customers.

Customer Retention

Most sales-based organizations grow their customer base by maintaining existing customers in addition to acquiring new customers. But keeping customers–assuming they have a reason to make additional purchases–can be very difficult because it requires focus and resources that are typically assigned to securing new business.

Customer retention is a whole topic unto itself (see Customers chapter). The bottom line is if you're serious about keeping, and growing existing customers, you need a plan. Here are a few questions to ask:

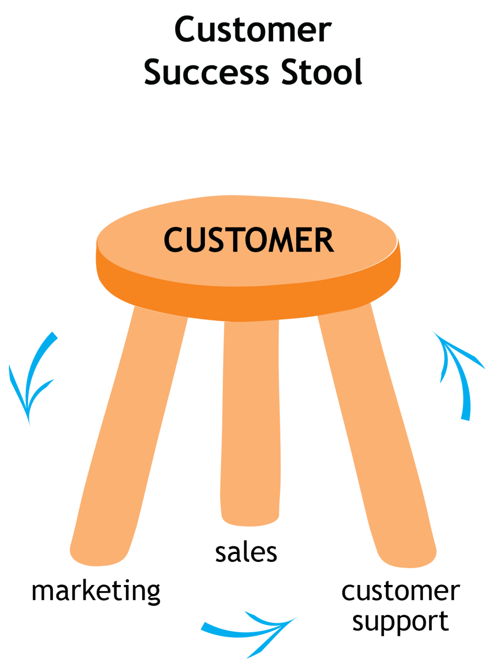
- Do we have a customer retention strategy?
- How often are we touching our customers?

- How are we touching base with them?
- Who is responsible for the touches?
- Does our retention marketing include an onboarding process after they have become a customer?
- What information and training can add value to the customer relationship and actually improve their customer lifetime value to the organization?

Related to the CLV/CAC topic under Customer Acquisition, understanding the average Customer Lifetime Value (CLV) is very important because retention efforts can directly impact CLV and CAC. But reaching out to customers and proactively helping them become better-performing customers is not easy, which is probably why so many companies either don't do it at all or don't do it as well as they could.

Break Down the Silos: The Stool Concept

As previously mentioned throughout this book, the way prospects and customers make purchases has changed dramatically, thereby affecting the Marketing and Sales functions. Additionally, the hyper-competition that exists in virtually every category and industry has necessitated that brands provide a stellar customer experience in addition to delivering great products. For most companies, this means Sales and Marketing can't do it all when it comes to generating leads, following-up with prospects, converting prospects into customers, following-up with existing customers to keep and grow them, and providing the best end-to-end customer experience for all customers. This is where Customer Support comes in. The "stool" largely applies to B2B companies with internal/external sales



forces, but certainly applies to B2C companies as well. Customer Support is more relevant than ever because they are at the heart of the customer experience or should be.

When prospects need information beyond what they have been able to access via the internet, or when customers have issues or problems, they typically contact Customer Support.

But Customer Support for many companies has been literally an extension of the Sales team and the overall Marketing effort. And when you consider the needs of the company to acquire new customers as well as maintain and grow existing customers, clear questions emerge as to who is doing what to provide that excellent end-to-end experience.

It is typically challenging for small businesses to scale the way they want because human and financial resources are limited. But the customer relationship becomes paramount as do the strategies to build and support those relationships in order to compete, grow, and create value.

The Stool concept is one that we recommend to clients of Strategic Glue for a variety of reasons:

- Sales, Marketing, and Customer Support have the same goals: Customers.

- Customers are owned by the company, and the Stool supports team ownership versus an individual (sales rep) or department (Sales).

- Marketing generates leads, but Customer Support can handle questions and issues from prospects.
- Sales focuses on taking bottom-of-the-funnel, “sales qualified leads” (SQLs) to the finish line.
- Customer Support handles customer onboarding with a documented process created by all three departments.
- Customer retention efforts are coordinated through Marketing and Customer Support.
    - Marketing automates periodic follow-ups to prospects and customers.
    - Customer Support does periodic personal reach out to existing customers.
- Sales focuses on customer acquisition as well as cross-sell and up-sell opportunities with existing customers.

Customer retention is where the Stool concept really comes into play because existing customers are often forgotten, as the focus on customer acquisition is so pervasive in many companies. However, if the organization wants to maximize revenues, profits, and efficiency, distributing the customer load across the three functions ensures stable coverage, superior attention, and the best customer experience to new and existing customers. The result is a healthy customer base that helps the company grow and create significant value in a strategic, sustainable, and process-driven manner.

Referrals and Testimonials

Assuming you have satisfied, or better yet, delighted customers, does your team actively pursue referrals? More than likely, customers have friends, family, and colleagues who could benefit from your company's offerings. For some reason, however, many salespeople are reticent to ask for referrals. Most people are happy to help you with referrals or at least spread the gospel if they've had a great experience.

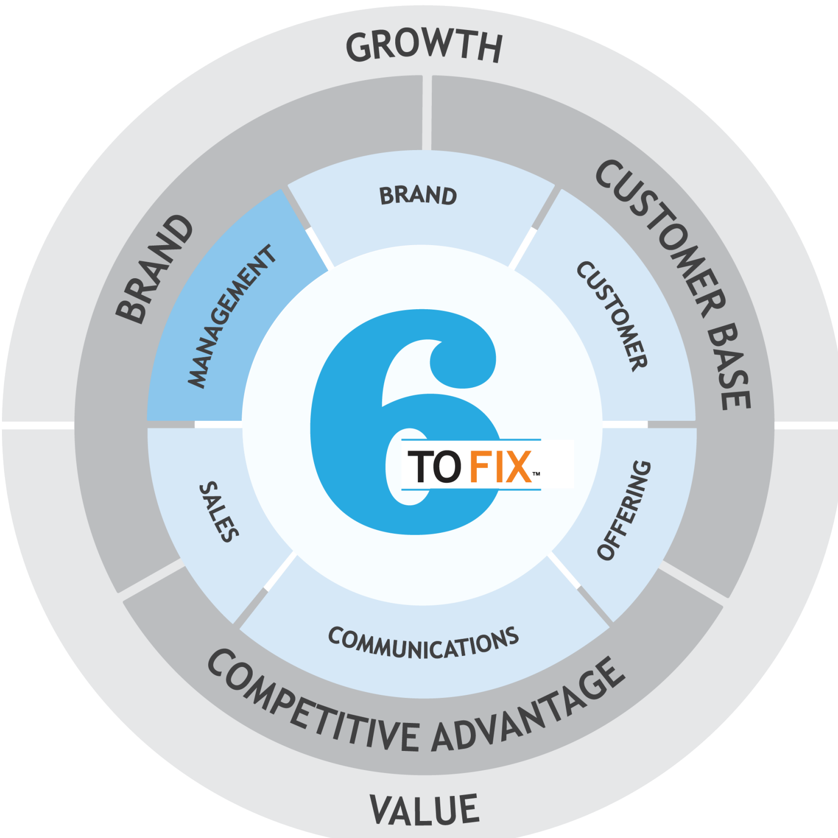
Most satisfied customers are also willing to provide a testimonial for a job well done or a great experience provided. Unfortunately, many salespeople are hesitant to ask for testimonials yet testimonials are often one of the first things prospects inquire about: "Who else have you helped with your solution?" and "Are they in my industry or a related industry?" When requesting a testimonial from a customer, a *sample* letter takes the onus off the customer in terms of time and effort. If you have a team, imagine if each rep secured five testimonial letters. Across a team of 5 or 10 reps, that's 25 or 50 letters that speak to the excellence provided by your company. Simple and effective selling at its best.

Conclusion

Sales is crucial to the growth of the organization, but the way people buy…and sell has changed dramatically over the years due to the internet and digital technology. Marketing is conjoined with Sales–particularly in a predominantly digital world. The technological demands of digital marketing, including data and analytics, means the Marketing team is more essential to the modern sales process than ever before. Sales and Marketing integration is no longer optional because customer behavior and a dynamic selling environment necessitate co-ownership of acquiring and nurturing leads to close.

Like Marketing, Sales affects everything in the organization and impacts all other strategy areas. Marketing, sales, customer, brand, offering, and management strategies need to be like interlocking pieces of a puzzle. Each is dependent on the other to form a whole, and the whole doesn't exist if one of the pieces is missing.

Your sales deserve a strategy.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6. Management Strategy

Why Having a Management Strategy Matters

Management Strategy might seem pretty obvious but knowing what to manage and how to measure efforts can be trying for managers and owners–especially amongst their other daily duties and responsibilities. Thinking about the business holistically and ascertaining what the goals and objectives are and how to attain them requires strategic planning.

One has to ask a lot of pertinent questions before finding the correct answers. It is difficult to reach a goal or a destination if you haven't determined what the destination is or how you might get there. It's not uncommon for business owners and executive management to talk about getting to the "next level," with no concrete definition of what the next level is.

Introduction

The adage, "You can manage what you measure" holds a lot of weight today. Most marketing efforts are digital or at least largely comprised of digital tactics that are data-driven and measurable. It's relatively easy to start collecting data; it's another to know what data to collect, how to interpret that data, and, ultimately, what decisions to make based on the data.

Marketing (and Sales) has grown significantly more complex, and the expectations of marketing have grown tremendously. Therefore, it's essential to have a strategy to manage all of the moving parts, and the process by which these efforts are managed comes down to what is being measured.

Business Growth and Value Creation

As today's emphasis on marketing largely revolves around technology, it's easy to become so focused on the tech that we forget about the ultimate goals: business growth and value creation. Technology enables many things, but it's important to remember that it is the *enabler*.

The challenge is using technology to manage the business from a stance of intelligence; from one of being proactive versus reactive. Gaining insights into what's working and what's not; data insights and predictive analysis can help companies avoid pitfalls or costly mishaps, among many other things.

GOST Revisited

At this point, we are back to where we started–with objectives. It completes the circle in that everything starts with goals and objectives and what follows should support them, including management strategy. How can we determine if we're meeting our goals and objectives without a plan to measure the results...and the actions and behaviors leading to the results along the way?
Because there is such a bewildering array of data available, it's important to step back from the data and look at the company in a more simple and structured way:

- What are the company's longer-term goals? (This can range from more aspirational, e.g., "We want to be the market leader" or "Our goal is to be regarded as the thought leader in our space" to "We want to be a $50 million company in 5 years")

- What are the company's objectives to reach those goals? (These are more specific and shorter-term, like one year.)

- What is the company's strategy to support those objectives?

- What are the tactics the company will execute to support the strategy?

GOST

With answers to these questions, it then becomes a matter of defining what you want to measure. What metrics will indicate that you're headed in the right direction? What are the measures of success? And how will you measure these things?

Different Environment, Different Thinking

Marketing budgets are increasingly digital, but offline and integrated strategies continue to be relevant to numerous customer segments within a variety of industries. Marketing departments have been measuring sales, market share, share of customer, and countless ROI metrics for ages. However, digital marketing departments now enjoy a more sophisticated playing field due to ever-evolving technology and analytics tools amid increasing management demands. But the pertinent question is, *"What should be measured?"*

In today's environment, it's really about one thing: the audience. Due to such a fragmented media landscape, our respective audiences can largely be on one platform, or, more likely, they hang out in many different places on the web and social media. Therefore, identifying, reaching, and measuring the audience as well as its collective actions and behaviors brings many challenges.

Two challenges are: understanding how current customers and prospects interact in the digital world and recognizing that most purchasing processes are anything but simple or linear. Nurturing the audience from prospect to customer to advocate is the "new" marketing. How should things be measured? By whom and with what tools? What does success mean?

Question Everything

Historically, research has largely been reserved for companies with large budgets and decent-sized teams. But research is readily available to virtually all companies; one just needs to ascertain what needs to be known, the tools to use, and what actions you want to take based on the research. What is the point of research? *Insights*.

Insights help you get to where you need to go. Companies both large and small are conducting "real-time" research through their website, social media, surveys, and more. First-party data (data unique to your company) is easier than ever to procure given the ubiquity of analytical tools, but it still starts with the internal questions, "What do we want to know?" "How will that data inform our actions and behaviors toward achieving our goals and objectives?"

Data-Driven Everything

Because so much of marketing communications is digital, nearly everything is measurable and it is very easy to get lost in data that is superfluous or not meaningful to the progress of the business.

The proliferation of CRMs, marketing automation systems, sophisticated analytics, and data visualization has resulted in an abundance of data–often referred to as "big data." However, all the data in the world isn't going to help your business if it's collected but not acted upon. Data itself isn't smart; what we do with the data in terms of decisions and actions is what leads businesses to operate from proactive intelligence.

Research is Marketing, Marketing is Research

Data and analytics are often thought of within the context of measurability and results. The digital landscape has enabled continuous research all the time...in real-time.

Data is abundant...but what are the useful metrics to drive the business forward? We use research and data to learn what all of this means to the business. Some pertinent questions to consider:

- Are prospects converting to customers after site visits?

- Where are we losing people?

- Is social media impacting sales?

-

- Is our investment in marketing showing a positive return?

- Are we helping customers along their journeys?

For example, your website is a live research tool: unique visitors, page views, forms submitted, links clicked, videos viewed, e-books downloaded, etc. Your social media platforms provide access to deep data in your network as well as prospects in your network.

Online survey tools enable direct access and feedback from prospects and customers. CRM data provides trends, demographics, and purchase history, among other things. That's potentially a lot of *first-party data (unique data that your company owns)* without even really looking for it. So, what do we do with it?

The salient point here is to remember that technology is the enabler; research starts with questions and hypotheses. The real opportunity lies in using these tools to inform, disprove, or validate questions we seek regarding prospects, customers, site usability, customer experience, sales, ROI, and more.

Insight Breeds Foresight

Retail pioneer John Wannamaker famously said, *"I know half of my money is wasted on advertising; I just don't know which half."* Many companies view marketing as an expense versus a strategic weapon, and attribution has historically been difficult to report on and, in many cases, still is. "Attribution" reporting is being able to identify what steps are *attributable* to a prospect or customer making a purchase or some other action. A prime example is measuring e-commerce sales. If someone clicked on an ad and made a purchase, was that ad responsible for them making a purchase? This is called *last-click attribution*. Or were there other interactions or behaviors that can be attributed to that sale as well (previous ads, website visits, etc.)?

What to Measure? What Not to Measure?

Indeed, that is the question. The first step? Determine what you need to know and what you don't. What is working and what isn't? It seems counter-intuitive because we love success, but it is just as important, if not more so, to know *why* something *worked* as opposed to simply focusing on what didn't work.

Google Analytics, marketing automation (HubSpot, MailChimp), CRMs, and tools like Databox and DOMO empower businesses to understand their marketing efforts and to act upon those efforts. Analytics provide insights for current efforts and proactive, data-driven marketing in the future. Data should be about fostering *insights*; but too much data can hinder marketing, steal focus, and thwart progress.

Key Performance Indicators (KPIs)

Much has been written about KPIs over the years, and it has become another overused buzzword or acronym that marketing loves so much. But KPIs are important because they provide focus on the metrics that matter such as:

- Sales
- Revenue
- Customer Lifetime Value (CLV)
- Customer Acquisition Cost (CAC)
- Customer Retention/Churn Rate
- Number of Leads
- Cost Per Lead
- Cost Per Conversion
- ROI
- ROAS (Return on Ad Spend)
- And many more

Several of those are final results-based KPIs. Those are obvious. What about all of the things that *lead* to the results? For example, what about audience engagement that leads visitors to become prospects and prospects becoming customers? In this example, you would need to know if people are visiting a specific web page or social media. Are they taking the action you want them to take? Are there identified follow-ups that Marketing can make after the intended action to get prospects to the finish line?

Engagement is Not About Vanity Metrics

It's pretty easy to track sales and revenue numbers, but what about the activities that *drive sales*? What about the marketing tactics necessary to drive prospects and customers to the point where they make a purchase? Multiple purchases?

In the marketing world, "vanity metrics" are things that make us feel good, like website visits, Facebook likes, or LinkedIn connections. These metrics prove that customers know we exist and our current efforts are validated, at least to some extent.

Just as it's difficult to create a brand advocate before someone is aware of your brand, it's difficult to make a sale before you've had some kind of engaging experience with a prospect. Some of the engagement metrics worth measuring that can lead to a relationship with prospects and perhaps signal a deeper relationship with customers include:

- Website visits
- Time spent on the website
- Bounce rate on website
- Downloads of e-books or whitepapers
- Video views (and how long people are watching)
- Social media likes, shares, follows

The sticky point here is that these aren't *vanity* metrics. They are engagement and "indicator" metrics that you are interacting with your audience and providing value that can ultimately lead to an initial or repeat sale.

Just being concerned with closed sales is like only being concerned with crossing home plate and not the actual hit.

Activities that Can't be Measured

Numerous qualitative measures foster business growth and value creation but are very difficult to measure. For example, a customer may be a staunch brand advocate for your business. As such, if that customer completed an NPS survey (Net Promoter Score, which measures whether someone would recommend your business to a friend or colleague), that would be great, but NPS doesn't provide insight to such questions as:

- What do customers love about our brand?

- Where can we improve?
- How can we add value to customers' lives?
- Are they really loyal, or would a competitor win their business through a lower price?
- Is the CLV of the average customer as high as it could or should be?
- Is our commitment to customer success demonstrable to the customer?
- Are we innovating beyond the product?

NPS is a brilliant barometer of the ultimate question of brand loyalty, which is "Will a customer refer someone to my business?" But it doesn't provide the details and nuances that tell us "why" people like our brands or don't and where we can make improvements.

NPS assumes the business is doing most or all things right because otherwise why would someone refer another to the business? However, there could be numerous things customers may not like, even though *overall* they would recommend a business to others.

Data Takes Us Out of the Darkness

Below are a few common refrains I've heard time and again regarding marketing. Naturally, such statements elicit a host of questions and, ultimately, the need for further analyses.

- “We just need our marketing to do more.”
- “We do social, but not sure if it does anything.”
- “We’re spending a lot of money on marketing, but we don’t know how effective it is.”
- "We spend a lot on our website; not sure how much it helps us.”
- “We just need our marketing to produce more leads.”

How does one begin to answer such questions? An obvious first-step analysis includes the current strategy: is there a strategy? If so, how is it being executed? Does the current strategy and execution support the company's goals and objectives? What are the current digital marketing efforts? Website? SEO? Social? Are there technologies like marketing automation and CRM systems employed in your current efforts? What is being measured? How are current efforts measured, analyzed, and evaluated? What does success look like?

The answers sought always begin with questions. Answering those questions enables identification of the pieces of information that need to be measured and reported on so that we are not operating in the dark.

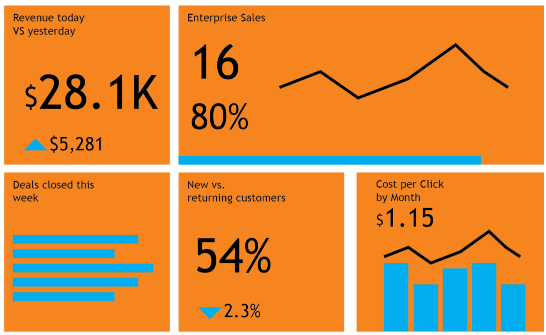
Reporting

Just assume for a moment that you are collecting a lot of different data through several disparate systems. Perhaps, Google Analytics for your website, HubSpot for marketing automation and CRM. sales data from e-commerce or a POS, just for starters. Or maybe you are currently collecting different metrics and using Excel as your reporting tool. How can you effectively interpret the data from all those disparate sources? How can those disparate data sources be synthesized–intersecting and working together to tell us what we need to know?

A very common challenge for many small and mid-market businesses is being able to visualize the data. Usually, existing data sources are present; but being able to visualize the data makes it more accessible to more people, easier to interpret, less time-consuming to interpret, and more useful. Real-time access provides “on the fly” insights and decision-making, which means you can be more proactive versus reactive and change gears quickly if something is not working.

Additionally, data “cards” like the one shown here can be configured to show pertinent metrics to specific people. For example, some of the engagement metrics are

Analytics Visualization Dashboard



important to marketers, whereas upper management will likely be concerned with sales, revenue, and other results-oriented metrics.

Conclusion

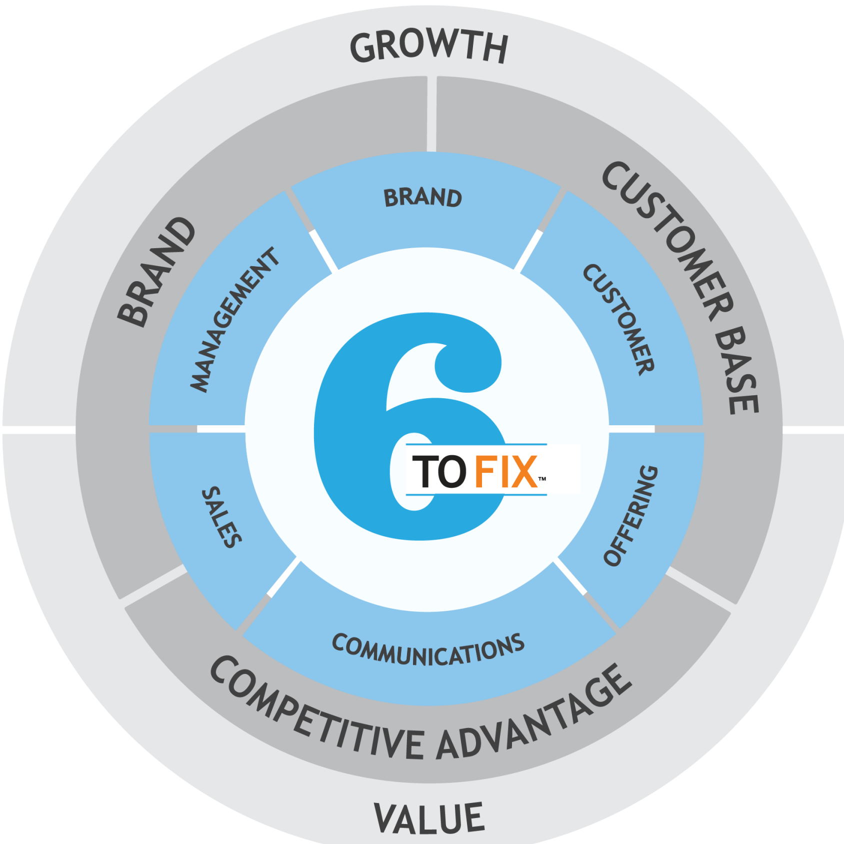
There has never been a better time to use marketing and communications for business growth and value creation. But it's never been more difficult to reach an intended audience, due to so much noise, distraction, and competition.

Myriad tools and technology exist for measuring and reporting, but the starting place is ascertaining *what* should be measured, *how* these metrics will be measured,

determining what *success* looks like,
establishing *baseline* measurements, and tying all of these efforts back to the goals and objectives.

Effective management beings with questions, which are about gaining insights–the ultimate goal of research. Once insights are attained and measures of success have been determined, a plan of what to measure and how to do it can be implemented.

Your marketing deserves a management strategy.


GROWTH
BRAND
CUSTOMER BASE
COMPETITIVE ADVANTAGE
VALUE
BRAND
MANAGEMENT
CUSTOMER
SALES
OFFERING
COMMUNICATIONS
6 TO FIX

Conclusion

Why Marketing Strategy Matters for Your Business

Running a small business is extremely challenging, yet in 2016, more than 25 million Americans were starting or running a small business. A recent survey from Vistaprint showed that 62% of Americans would like to be their own boss.[22]

But would they *really*? I'm convinced that the majority of people would change their minds if they saw what entrepreneurship really entailed—especially for those who bootstrap their fledgling companies. However, there are so many things that can improve the odds of survival, growth, value, and success.

Countless statistics show why businesses fail, but chief among them are issues that are greatly impacted by marketing. A recent *Entrepreneur* article, "10 Reasons Why 7 Out of 10 Businesses Fail Within 10 Years,"[23] illustrates how "business issues" are really "marketing issues":

1. Failure to deliver real value
2. Failure to connect with the target audience
3. Failure to optimize conversions
4. Failure to create an effective sales funnel
5. Lack of authenticity and transparency
6. Inability to compete against market leaders
7. Inability to control expenses
8. Lack of strategic and effective leadership
9. Failure to build an employee "tribe"
10. Failure to create the proper business systems

To reiterate the major premise of this book: marketing is more than just *marketing communications*. For many small businesses, there is a pronounced focus on executing tactics without building a strategic foundation that fosters growth, value creation, and sustainability.

The *Entrepreneur* list highlights the need for marketing strategy; you usually can't execute your way to success–especially, if you want to scale the business.

Many entrepreneurs also think about the day when they may exit their business. Unfortunately, few small businesses are worth much to prospective buyers because lack of strategy and systems have stifled growth, efficiency, and profitability. On the other hand, there are many success stories of owners who have created very valuable companies that they have either sold or continued to grow. It's safe to say that very few were just "happy accidents."

Most small businesses lack structure, resources, and time, so a lot of strategy gets put to the side just to make payroll… or to stay in business. But this becomes a self-fulfilling prophecy; like a gerbil on a wheel, it becomes very difficult to step off short-term thinking, reactive measures, and unproductive activities.

The good news is that marketing touches most areas of the business and sound strategy can solve a lot of problems. Marketing is strategy and execution; both can be challenging but each is essential to business success. Identifying and addressing the key strategy areas that marketing can and should affect makes business growth and value creation much more probable.

Your business deserves a strategy.

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About the Author

Terry Sullivan is the owner of Strategic Glue, a marketing consultancy that focuses on helping small and mid-size companies with marketing strategy that fosters business growth and value creation.

With 30 years of marketing experience as an entrepreneur, consultant, and corporate executive, Terry has started several small businesses (including the successful sale of his first company), worked for a variety of small and large companies, and consulted with a vast array of clients in numerous industries.

An Adjunct Professor in the School of Communications and the School of Business at Webster University in St. Louis, Missouri, Terry develops and teaches a wide variety of marketing-related courses. He studied English and management as an undergrad and has a master's degree in International Business from Saint Louis University.

Terry resides in St. Louis, Missouri, and is married with two sons. He enjoys songwriting, movies, reading, exercising, and occasional skateboarding.