

# Small Business Marketing 101

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So you've got a great product or service and have built a solid business infrastructure to support it. How will you get customers to buy it? The process of reaching out to potential customers and trying to attract them to your business is what's known as marketing. Some business owners look forward to the marketing process and enjoy the creative aspects of it; others find it intimidating and bewildering. The good news is that marketing your business does not have to be terribly time-consuming, complicated, or expensive. In fact, the best marketing methods are often the simplest and cheapest.

For example, encouraging good word of mouth and networking within a well-defined target audience will cost you little (if anything) and will greatly help your business develop name recognition and build a potential customer base. In fact, generating positive word-of-mouth is one of the most powerful ways for a business to develop its reputation and attract customers. Other inexpensive marketing methods, such as sending out press releases and fostering media coverage, can generate far better exposure than spending a fortune on advertising.

Before we dive into the nuts and bolts of marketing, keep in mind an important and often misunderstood distinction: Marketing is not synonymous with advertising. Paid advertising can be part of a marketing strategy, but it seldom makes sense for a small business to invest precious resources on ads. Paid advertising is much more expensive—and less effective—than many cheaper (or even free) methods of getting exposure. More efficient ways to promote your business include:

- networking with potential customers, other business owners, government officials, and community leaders
- creating incentives for your customers to pass good word of mouth about your business to others
- pitching stories about your business to local media
- organizing or participating in special events such as a grand opening party, product demonstration, trade show, or informational seminar

- creating a website and promoting it
- distributing brochures, flyers, or other literature, and
- listing your business in local directories.

This chapter outlines a simple, affordable, and effective approach to marketing your business. The strategies and tips described here will help get your marketing machine up and running and can be expanded as your business grows. Chapter 13 focuses specifically on online marketing.



TIP

#### Valuable marketing lessons are all around

**you.** We live in a world saturated by marketing appeals. As annoying as it is to be relentlessly courted by thousands of companies each day, constant exposure to marketing messages does have a bright side: Whether you've "studied" marketing or not, you've unwittingly absorbed some basic marketing know-how. As an experienced marketing target, you probably know more about marketing than you think you do. Use this knowledge to turn the tables—to think like a marketer, rather than a "marketee."

## Defining Your Market

Your very first concern when marketing your business is making sure you understand who and what your market is. In fact, defining and learning about your market is a fundamental step in planning your business, period. You've probably heard this advice before, but what exactly does it mean to "know your market"? It's helpful to break the concept of "market" down into three components:

- your potential and actual customers
- your competition, and
- your industry.

Often, the term "market" is used as shorthand for your customer base. But it's crucial to understand that knowing your market also means knowing who your competition is, and what the trends are in your industry. When you have a clear vision and understanding of all three—customers, competition,

## Common Marketing Terms

So many terms are thrown around when people are referring to marketing efforts—it can be hard to understand the distinctions among specific types of marketing, such as publicity, public relations, and media relations. Truth be told, there's often only a fuzzy line among these categories. Here's a quick definition of some of the most common marketing terms as they are used in this chapter.

**Marketing** means just about any promotional activity: advertising, special events, direct mail, online discounts and promotions, and the like. Marketing includes all ways of promoting your business. This chapter uses more specific terms to refer to individual types of marketing activities.

**Branding** refers to the process of developing positive and specific associations in your target customers' minds regarding your business, above and beyond the basics of what products or services you provide. When a company has a well-developed brand, customers have an emotional tie to the company and a feeling of connection to the brand. For example, McDonald's is typically understood to be family-friendly, cheerful, and fun. Volvo conveys the feeling of safety and quality. Levi Strauss & Co. projects a hip-yet-timeless vibe.

**Advertising** means buying space or airtime to deliver a promotional message designed to reach the general public, usually through print media, television, radio, or the Internet. Of course, just about anything can carry an advertising message, including the sides of buses, billboards, and park benches.

**Listings or directories** include phone books, business directories, and other specialized publications, both in print and online. Some, such as a directory of film production companies in a city, are highly targeted; others, like the yellow pages, are very broad. As with advertising, you must pay for a listing. But, unlike most ads, directories often serve as valuable resources that are used again and again, which means that they can be much more effective than typical display ads.

**Public relations** is another broad term that can refer to many different types of outreach efforts. In this chapter, public relations means a coordinated, multifaceted effort to get your business's message out to the public. Public relations might include sponsoring events, pitching stories to the media, inviting key people to participate in conferences, public speaking, and advertising—all coordinated to ensure clarity and consistency of message.

**Media relations** refers to contacting the media and pitching story ideas in hopes of obtaining editorial coverage—coverage in articles or feature stories not tied to advertising. Most commonly, media relations involves sending press releases to newspaper editors, reporters, and television producers to announce an event or provide information that could be the subject of a news story. Another media relations technique is to hold a press conference at which your business conveys a specific (and newsworthy) message to invited members of the press.

**Publicity** means exposure in the media and in public generated via a variety of methods, such as holding or participating in events, or making media appearances.

and industry—you'll be well positioned not only to tailor your business to a profitable customer base, but also to reach that customer base with effective marketing strategies.

Let's look at each of the components of your market in a bit more detail.

## Who Are Your Target Customers?

When you've come up with an idea for a business, one of the first questions you need to consider is whether there are enough potential customers to support the business. If there aren't enough people or other businesses willing to buy the product or service you plan to offer, you'll obviously have a hard time turning a profit.

To evaluate your potential customer base, start by putting careful thought into exactly whom you expect to be your most likely customers—in other words, your target customers. Part of the process of defining your target customers is learning as much as you can about them for a number of reasons: so you can make sure they are in fact a profitable customer base, so you can tailor your products or services to better suit their needs and desires, and so you can plan the most effective marketing outreach. We'll discuss methods of researching and learning about your target customers in “Learning About Your Market: Market Research,” below. For now, we'll focus on why defining your target customers is so important, and on how to develop a target customer profile.



TIP

**Defining your target customers and learning about your market can be a circular process.**

Typically you'll start by identifying your best customer prospects based on your observations and intuition about your market (remember, your market includes not only customers, but also your competition and industry). Next, you'll want to do research to learn more about your market, such as what your target customers' buying habits are, what your competition is doing, or whether there are important industry trends. Based on this research, you may want to refine your target customer definition or refine

your business idea to make the most of an unmet demand in the market. Also, remember that learning about your market and adjusting your business plan accordingly is an ongoing process, and lies at the heart of running a business. Successful business owners constantly monitor market conditions and make adjustments to their businesses in order to stay profitable.

Every business needs to have a clear idea of its most promising and likely customers. Without having a clear vision of your expected customer base, you will seriously diminish your business's chances of success for a number of reasons:

- You may fail to realize there are not enough potential customers for your business (in other words, there is not enough demand for your products or services).
- You may miss opportunities to tweak your business idea to better meet the needs of a potential customer base.
- You won't know how to reach your most promising prospects, which is another way of saying you won't know where to target your marketing efforts.
- You won't be able to craft your marketing messages appropriately—using the right tone, language, and attitude to appeal to your best prospects.

In a nutshell, defining your target customers means identifying specific characteristics of the people or businesses who you believe are most likely to actually buy your product or service. These characteristics are sometimes called a demographic profile. Common characteristics used to classify customers include:

- age
- gender
- income level
- buying habits
- occupation or industry
- marital status
- family status (children or no children)
- geographic location
- ethnic group
- political affiliations or leanings, and

- hobbies and interests.

Use these criteria to draw a profile of your most promising potential customers, those who have a real need or desire for your products or services. A maternity store specializing in professional wear, for example, may identify its target customer as 25- to 40-year-old pregnant, married women in the legal, financial, and real estate industries, within a ten-mile radius of the store. A bike shop with a focus on single-track mountain biking gear might define its target customer as 18- to 25-year-old single males living within two miles of the local university.

Deciding how narrowly to define your target customer is more of an art than a science, but in general it helps to err on the side of being more specific. It's far more common for business owners to make the mistake of envisioning their customer base too broadly, making it very difficult to engage in effective marketing efforts. Remember: A solid definition of your target customer serves as a foundation for all your marketing activities. The more carefully you've defined your target market, the more likely your marketing efforts—even simple, low cost methods—will bear fruit.

### Defining a Niche

The term “niche” is somewhat of a buzzword in business. A niche is essentially a relatively narrow or specialized market; for example, a maternity clothing boutique specializing in corporate/professional wear or a law firm that specializes in immigration cases. In a crowded marketplace, a niche serves the critical function of distinguishing you from your competitors.

Focusing on a niche can be an effective and profitable strategy for small businesses because it is often too difficult and costly to try to cater to very broad audiences. Instead of trying to appeal to everyone, a small business usually will do better to develop a specialty in an area that is not being fully served by other businesses, and exploit that niche with cost-effective marketing strategies. Think of a niche as a hook that will help you reel in the potential customers that you have identified as the most profitable and likely prospects for your business.

There are two aspects of defining a niche: an operational aspect and a marketing aspect. Operationally, you'll have to decide to what degree your business will tailor its products or services for the target customer base. This is separate from the question of how you'll market your business to this target market. Targeting a niche usually involves both, to varying degrees—tailoring your products or services for a specific market segment, and actively reaching out to this segment with your marketing efforts—and it's up to you how you balance the two aspects.

For example, a vegan catering business is a business that is heavy on the operational component of defining its niche: Its services (providing vegan meals) are completely dictated by its aim to appeal to the vegan market. Of course, it will also focus its marketing efforts on outreach to vegans.

In contrast, consider a day spa that mostly caters to local residents, but that recognizes an opportunity to boost business from the sizable number of tourists that come to its city. Though the spa's massage and other services might not be highly specialized for tourists, it could focus its marketing efforts on this niche by reaching out to the city's hotels, tour group companies, and travel agents. While its operations might not be wholly dictated by its goal of attracting tourists, it might make small operational tweaks such as offering a free shuttle service to local hotels or including maps of local tourist attractions in its lobby area.

The point to understand here is that marketing to a niche usually involves some combination of operational adjustments to appeal to a target audience, along with focusing your marketing outreach to this audience. When you do both well, you'll be on your way to carving out a niche for your business.

Niches are by definition narrow, but not so narrow that they don't contain enough customers to sustain your business. The key to defining a profitable niche is to find an area where there is an unmet demand, and to fill that need with your products or services.



TIP

**Defining a target market will not limit your business.** New entrepreneurs sometimes resist defining a target customer base, thinking that it will somehow limit the business or reduce the number of potential customers. This is a misconception. For starters, identifying target customers in no way prevents a business from accepting customers that might not fit in the target. If a customer who completely does not fit your target profile walks through your door and wants to buy your product or service, great. But what's crucial to understand is this: Unless you have unlimited marketing resources, it's much more effective to focus your marketing efforts on potential customers who you have determined are *likely* to buy your product or service—and not waste your time and money courting the vast world of prospects who merely *could* become customers.

Bear in mind that some businesses may focus on selling to other businesses rather than individuals. Selling products or services to other businesses (sometimes called B2B, for “business to business”) can be lucrative because businesses usually buy in larger quantities than individuals. For example, a soap manufacturer might sell 50 bars of soap to individual customers via its website in a given month, but could sell 500 bars in just one sale to a hotel. If your business is targeting other businesses, you should still define your target customer, using characteristics such as:

- industry
- size, by number of employees or annual sales, and
- geographic location.

## Evaluate Your Competition

Another crucial part of your market is your competition: the other businesses that are trying to sell similar products or services to roughly the same customers as you are. Knowing your competitors is just as essential as understanding your potential customers. Knowing who your competitors are and what they are doing will help you establish and

maintain a competitive edge. The more that another business targets your customer base, the more important it is for you to develop compelling reasons for customers to choose your business instead of theirs.

When evaluating your competition, start with the businesses that are your closest, most direct competitors—the ones that target the same customers as you do. If you want to focus on a specific niche, you'll need to know whether other businesses are doing the same thing. If so, that niche may not have room for another business and you may want to find a different angle.

Niches that have little competition offer good opportunities for your business to be profitable. But keep in mind that a profitable niche that has little or no competition will likely not stay that way for long—you should expect competition to arise in any market that proves to be profitable. Sometimes, in fact, being the first business in a profitable niche isn't an advantage. Other businesses can observe and learn from the experiences of a “pioneer” business and improve upon the business model, sometimes beating out the original pioneer. The moral here is that profitable markets will either already have competition or will develop competition in the future. To keep your competitive edge, you'll need to stay current on what customers want and what the competition is offering. In addition, you'll want to know about industry trends, which we'll discuss next.

## Know Your Industry

Anticipating change is essential for all businesses, and staying abreast of industry trends is an important way to stay ahead of the curve. Your industry is not the same as your competition—rather, it's the broad world of businesses that operate in your general field, some of which may be competitors. Learning about industry trends helps a business improve its competitive edge by incorporating trends that aren't being adopted by its competition. It also helps a business avoid trouble by knowing about trends that may pose a threat to the business.

For example, any restaurant should know about trends in the restaurant industry, which may include learning about what is happening in New York and Los Angeles restaurants. For a restaurant in Austin, Texas, the New York and Los Angeles restaurants would not be actual competitors, but the Austin restaurant might want to read about their practices and experiences in order to learn valuable information about the restaurant industry. A trend such as eliminating foie gras from menus because of inhumane farming practices might be happening in New York and getting positive reactions from diners, but not happening at all in the Austin area. A smart Austin restaurant owner that is familiar with the trend could be the first to cut foie gras from the menu and reap valuable positive publicity.

Some trends can threaten entire industries, so being aware of them might be essential. The low-carb trend of the last several years was a serious blow for bakeries, pasta makers, and anyone serving or manufacturing carbohydrate products. The smart businesses learned about the trend and adapted their business strategies appropriately. Many restaurants began making rice or pasta optional in certain dishes, or offering burgers without a bun. For some businesses like bakeries, the best way to respond was to offer other products like expanded coffee and tea menus, or deli items heavy on meat and cheese. Others responded not by changing their product offerings but with marketing messages trying to convince customers that not all carbs are bad. Whatever the strategy, the key was to recognize the trend in the first place and respond in time rather than be blindsided by it.

General economic conditions are also important to your business. General forecasts for your city or region can give you an idea of whether economic upturns or downturns are on the horizon. The health of other key industries may also have a big effect on your business, even if you're in a completely different industry. For example, if you run a restaurant in an area where a major hospital is facing huge layoffs, that will certainly impact your business. Keep a broad view when evaluating market conditions that can affect your bottom line.



TIP

**A profitable niche may exist in bucking a trend.** For example, a technology might become obsolete (technology businesses are particularly vulnerable to trends and market changes), which could open a possible niche of serving the few customers who continue to use the obsolete technology. If you're the only electronics shop in town that fixes or sells turntables, you may have a profitable niche with little competition, even though turntables and vinyl records (while seeing a resurgence) are hardly a major growth industry. As with any niche, the trick is to make sure it is big enough.

## Learning About Your Market: Market Research

Effective marketing starts with knowing key information about your market—your potential customers, competition, and industry. Doing market research is an important and effective way of testing your assumptions and answering any questions you may have about your market. For example, if you want to open a coffee shop, you may be confident that the university area would be a great location, but not sure whether the students will be willing to pay a bit more for fair trade coffee. Market research will help you test your assumption about the location, and answer your question about pricing—and in turn give you valuable information upon which to base important business decisions.

The term “market research” tends to scare business owners who think it means hiring pricey firms and conducting complicated demographic studies. In fact, market research can be much simpler and just as effective. Most small businesses can do their own market research with a very limited budget. Large business ventures might hire a firm to do more extensive market research studies, but the simpler approach usually makes more sense for small to medium start-ups.

Market research can include primary and secondary research. Primary research involves doing studies with potential customers to find out how

Market Research Questions and Methods		
Subject	Questions to Answer	Methods
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Who are your target customers?</li> <li>• What products/services do they need or want?</li> <li>• Where/how do they buy products/services?</li> <li>• What do they typically pay for your type of products/services?</li> </ul>	<p><b>Primary Research Methods:</b></p> <ul style="list-style-type: none"> <li>• Surveys and questionnaires</li> <li>• Focus groups</li> <li>• One-on-one interviews or inquiries of trusted contacts</li> </ul> <p><b>Secondary Research Methods:</b></p> <ul style="list-style-type: none"> <li>• Magazine or trade journal articles</li> <li>• Reports from previously conducted studies</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>• What do they offer?</li> <li>• What do they charge?</li> <li>• How do they provide the products/services?</li> <li>• Who are their customers?</li> <li>• What is their competitive edge?</li> </ul>	<ul style="list-style-type: none"> <li>• Primary sources (marketing materials, websites, and so on)</li> <li>• Trade shows</li> <li>• Networking</li> <li>• Magazine or trade journal articles</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>• What are standard practices?</li> <li>• What are the latest trends?</li> <li>• What does the future hold?</li> </ul>	<ul style="list-style-type: none"> <li>• Magazine or trade journal articles</li> <li>• Trade shows</li> <li>• Books</li> </ul>

they feel about your product or service and your competitors' offerings, and to answer a myriad of other questions about their shopping habits and preferences. Secondary research involves studying what others have learned about your market; typically this involves reading trade journals, other business publications, or reports generated from studies that others have commissioned. Small businesses often focus on secondary research because they find primary research intimidating. But as described below, small businesses can easily and inexpensively tackle primary research—and there's no substitute for the information you get directly from your target prospects.

## Clarifying Your Research Objectives

The first step in doing market research is figuring out exactly what questions you want to have answered: What specifically do you want to learn about your market? A very helpful way to go about this is to

approach each aspect of your market—potential customers, competition, and industry—separately.

The table above offers a breakdown of the types of questions and research methods that would be appropriate for each group. It's not an exhaustive list, but is meant to illustrate how your inquiry will shift depending on what you're researching and what you're trying to answer.

With a clear outline of what questions you want answered, you'll be in a good position to choose the best research methods. The best approach is to conduct both primary and secondary research—getting information from actual prospects (primary) and reading what others have to say about your market (secondary).

## Primary Research Tools

Though primary research may not be quite as easy as reading a trade magazine, it's very doable and will generally yield much more valuable information

because it comes directly from your prospects. The specific way that you'll ask questions to those prospects will depend on your type of business and the product or service you're offering, but in general there are three options: surveys and questionnaires, interviews, and focus groups. Let's look at each of these.

### Using Surveys and Questionnaires

Presenting your target customers with surveys or questionnaires is a great way to answer specific questions you have about them. Start by identifying exactly what you want to learn; you can call these your research questions. Based on these research questions, you'll draft the actual survey questions themselves. It's a subtle but important distinction: Your research questions are not exactly the same as the survey questions. Instead, the survey questions should be crafted so they yield results that will help you answer your research questions. Your research questions will be more general than your survey questions, and you want your survey questions to be as specific as possible.

**EXAMPLE:** Solange plans to open a massage studio in San Francisco. She'd like to open it in the Nob Hill neighborhood because she thinks this neighborhood would appeal to her target customer base. To test her assumption, she creates a survey and distributes it via email to her contacts who fit her target customer profile. Solange's research question is: "Is Nob Hill a good location for a massage studio?" To help her answer this fairly general and subjective question, Solange drafts more specific questions for the survey, such as:

- "Do you consider parking in Nob Hill to be a problem?"
- "Do you currently get massage services in Nob Hill, and if so, where?"
- "What massage services are currently lacking in Nob Hill?"
- "What would be the ideal neighborhood for you to get massage services?"

The survey responses indicate that there is a great desire for a massage studio in Nob Hill, and

only mild concern about parking. The primary complaint about the existing massage services is that they don't offer enough different massage styles such as hot stone therapy. The survey results solidify Solange's decision to open her studio in Nob Hill, and help her tailor the services to her target audience.

You can send surveys in hard copy via mail, in plain text format via email, or—even better—by using a Web-based service, many of which are free. At sites such as SurveyMonkey ([www.surveymonkey.com](http://www.surveymonkey.com)) and Zoomerang ([www.zoomerang.com](http://www.zoomerang.com)), you can create professional-looking online surveys, invite your prospects by email, and tabulate the results in useful ways, all for free. More features are available if you upgrade to a paying account, but the excellent free versions are a great place to start.

### Interviewing Prospects One-on-One

There are a few different ways of getting information directly from individuals. One way is simply to set up interviews with people whom you trust and who may have relevant opinions. For example, if you want to start a child care referral service, you could meet with people you know who have young children and ask them about their experiences. Or if you're starting a software company that will focus on data management for construction companies, set up lunch meetings with people you know in the construction business and pick their brains about their data management challenges.

Another way to interview people is to canvass them at locations where you are likely to encounter people within your target profile. A good example is going to a trade show related to your industry, standing in a high-traffic area, and asking people if they could answer a few short questions. The key here is to have just a few short questions that passers-by could answer quickly with concise answers ("yes" or "no" or a numerical answer, for example) that you can easily record on a clipboard or laptop computer. Other locations might include special events that appeal to your target audience.

## Working With Focus Groups

A focus group is simply an event at which you provide a presentation or demonstration to potential customers and solicit their feedback. Often, feedback is gathered via a survey or questionnaire prepared in advance. Feedback is also obtained through oral question-and-answer sessions and discussions among the group, which are recorded by someone taking careful notes. Examples of focus groups might include:

- A food manufacturer holding taste tests of a new salsa, asking participants to rate flavor and texture and to compare the new salsa to the competitors' versions.
- A software company having users test their new time-management application, asking them to rate it on ease of use and timing them on how long it takes to complete certain tasks with the software.
- A nail salon demonstrating its signature pedicure on focus group participants, asking them for feedback on their experience during the pedicure and on the results.

While there's nothing inherently complex or expensive about conducting a focus group, it will require at least a nominal commitment of your time. If you don't have a retail or other space, you may need to rent an appropriate venue. Because of the preparation and possible expense involved, be sure to start the invitation process early enough to ensure that you get enough confirmed participants to justify the time and expense of doing the focus group.

## Getting Started: A Basic Approach to Primary Research

Now that you have an overview of primary research tools, here's a simple approach to help get you started:

- **Start by identifying the questions that you want answered—your research questions.** In other words, specify exactly what you want to learn.
- **Decide the best way to get those questions answered.** As described above, the basic

methods include surveys, interviews, and focus groups (usually in conjunction with a survey or questionnaire). The methods you choose will largely depend on the types of questions you want answered and the nature of your product or service.

- **If you'll be using a survey or questionnaire, you'll need to draft the questions.** Your goal is to craft questions that will yield responses that will help you answer your research questions.
- **Identify and invite your study's participants.** Start with your list of contacts and include people who fit your target customer profile. Build and expand your list by asking trusted contacts to suggest others that would be appropriate. Developing your list of contacts—particularly before you've started your business—is often a matter of networking, unless you want to pay for mailing lists. Networking is discussed under “Cost-Effective Marketing Tools,” below.
- **After conducting the study, compile the results.** Remember, doing market research is all about obtaining data, so don't neglect the essential task of assembling and analyzing your results. Once this is done, you'll be poised to make business decisions based on the information you've learned.

## Secondary Research Tools

Doing secondary research is generally as simple as reading trade journals and other business publications. It's something that all businesses should regularly do. Most businesses have at least one trade publication (many have several); identify the ones most relevant for you and read them as often as you can. Note that trade magazines do tend to be expensive, so read them at your local library if it's not in your budget. Also, particularly if your business will mostly have local customers, read your local newspapers and other media to keep an eye on your local economy.



## TIP

**Read beyond the business pages.** Valuable industry and other information is often found in other sections of your local newspaper. For instance, if you run a garden supply company, the home and garden section will have lots of information on trends and may feature other companies in your market. And an owner of a clothing store might find out about interesting fashion trends in the arts and culture section.

### Effective Marketing Starts With a Solid Organization

Lots of small businesses fail to understand the importance of having an efficient, organized operation in place *before* they start their marketing efforts. After all, you'll want to be ready to handle the heightened attention your marketing will bring to your business. For example, a restaurant should not start a big marketing campaign without already having a good chef and enough waitstaff in place to handle a surge of diners. Otherwise, the unprepared restaurant's marketing efforts will likely result in unhappy diners and bad publicity.

Here's another way of saying this: Before you decide *how* to market, pay attention to *what* you're marketing. Make sure your house is in order before you worry about how to call attention to it.



## RESOURCE

**Nolo's *Marketing Without Advertising* offers useful marketing ideas, especially valuable for budget-minded enterprises.** Written by Michael Phillips and Salli Rasberry, this Nolo book explains how to build positive recognition without spending a dime on traditional advertising.

## Cost-Effective Marketing Tools

There are endless ways to market your business—the key is to pick the methods that will give the most bang for the buck. Forget about the mega-budget

strategies of the big businesses you see advertising on TV. The best bet for small- to midsized businesses is to focus instead on building an excellent reputation and encouraging great word of mouth. Think about it: How did you choose a hair salon, plumber, or auto mechanic? Chances are that you asked your friends and acquaintances for a recommendation. Likewise, you want your customers to recommend your business to their contacts. The more that you can motivate your customers and clients to rave about your business, the more likely your business will be a success.

This section provides an overview of the many ways you can market your business, focusing on some key, tried-and-true methods: networking, media relations, special events, and listing your business in directories.

## Networking

Key contacts are essential to every business and the best way to develop these contacts is through networking. Networking involves actively cultivating relationships with people, businesses, community leaders, and others who present possible opportunities for your business—not just as potential customers, but also as vendors, partners, investors, or other roles. Networking is not the same thing as sales: Rather than the simple goal of making a sale, a huge goal of networking is to inform other businesspeople and influential people about what you do in hopes that they will recommend your business to their circle of contacts.

Lots of folks new to the world of business fear that successful networking requires unsavory schmoozing or pandering. These concerns are unfounded. In fact, if you adopt a sleazy wheeler-dealer approach, you risk alienating the very people whom you want to make your allies. Instead, successful networking is little more than sincere communication with others about what you do. You are “networking” every time you attend an event held by a local trade association, get to know other business owners and community leaders, write a letter to the editor, participate in an online discussion group, or have lunch with another local business owner.



TIP

**Forge relationships with contacts before**

**you need help from them.** For example, if you need the support of a local politician on an upcoming city zoning decision, you'll have a better chance of getting the politician's vote if he or she already knows you and thinks favorably of your business than if you place a call to his or her office out of the blue.

While it may be easiest to meet someone at an event, introducing yourself to a potentially useful contact can be as simple as picking up the phone, writing a letter, or sending an email. In making your initial contact, you should be as formal or informal as is appropriate for the person with whom you are making contact. A letter of introduction on attractive letterhead might be best for an influential politician, for example, but a phone call might be fine to introduce yourself to a local business owner. In your letter, email, or phone call, explain who you are, what your business does, and why you thought that person might be interested in your products or services. Try to conclude by encouraging further communication in the future, such as inviting the contact to an event or asking if he or she would be interested in receiving email updates from your business. If you talk to someone on the phone, a follow-up email or letter thanking the contact for his or her time is always a smart idea.



TIP

**Check out online networking.**

Social media such as LinkedIn and Facebook offer lots of opportunities for networking. See "Social Media: Facebook, Twitter, and More," in Chapter 13, for details.

## Media Relations

Another excellent—and inexpensive—way to promote your business is to generate media coverage in newspapers or magazines, or on radio, television, or the Internet. Your goal is to get "editorial" coverage, meaning some mention of your business or event in news or feature stories (as opposed to paid

advertising). Because editorial coverage is far more credible than advertisements or paid publicity, it will have a greater impact. For example, a local newspaper article about your business being awarded a lucrative state contract will almost always generate a more favorable and lasting impression than any advertising.

The term "media relations" means the process of attempting to obtain editorial coverage. It is a fairly simple process: You contact the media on behalf of your business and encourage an editor, producer, or reporter to write or produce a story about your particular subject. As with most marketing efforts, the more specific and targeted your message, the more impact it will have. For example, you'll be much more likely to interest an editor in your business's recent expansion and opening of a new facility than of the very general fact that your business exists.

The basic steps for conducting media relations are:

- **Write a press release.** A press release is a key tool to use when pitching a story idea. Typically, a press release is a one-page announcement outlining the information you want the media to cover. You have two main goals in writing a press release: 1) to capture the journalist's attention, and 2) to make it easy for the journalist to write the story you want published. Stylistically, press releases are usually written like news stories, offering journalists an example of the story you want them to produce. (See "Elements of a Strong Press Release," below, for more details on how to put together a winning pitch.)
- **Make initial contact with the journalist by phone.** Make a preliminary phone call before sending a press release, so your release doesn't get lost in the shuffle. If you don't know which reporter would be likely to cover your story, call the news department, briefly describe the nature of your press release, and ask who might be the best person for you to contact. Once you have a name of a reporter, editor, or producer, give that person a call to introduce yourself and your business, briefly explain the nature of your news story, and tell the person you will be sending a press release. If you can't reach the journalist

## Elements of a Strong Press Release

The better your press release, the more likely a journalist will write about your business, giving you valuable exposure in the press. Reporters, editors, and producers are chronically busy and squeezed by deadlines; they need good story ideas and clear information to get their jobs done. The easier you can make it for them to cover your story, the more likely they are to oblige. If you write a strong, clear press release, they may even use parts of your release verbatim. But because most media people are flooded with press releases and story pitches, you'll need to keep your press release as succinct as possible.

Here are some tips on how to construct a compelling press release that is likely to generate media placements.

- **Start with a news hook.** Like a news story, your press release should have a strong first sentence, known in the news biz as the story's "lead" (sometimes spelled "lede" in publishing circles). What is the most important point you want to get across? Write it in a clear, straightforward style and you will have your lead. Compare the following examples:
  - **Weak lead:** "ClearVue Video Production Services provides professional videography and editing services."
  - **Strong lead:** "ClearVue Video Production Services recently launched a major new post-production facility, doubling the number of professional editing systems available for rental in the city."
- **Date, time, and location information should be easy to find.** If your press release is promoting an event, don't bury important information deep within long paragraphs. Include important event details such as date, location, and registration deadlines in the first sentence or two, the last sentence (perhaps in bold text), or summarized in bullet points at the end of the press release.
- **Include the most important information first.** Like stories in the newspaper, your press release should include all important details up front, then work toward more general or background information in later paragraphs. You could even put background information at the end of the release, in a separate section.
- **Include quotes from yourself or other key people.** Reporters like to include quotes from real people in their stories, so include at least one or two catchy quotes in your press release. If you are writing the release and you are the best person to offer a quote, don't be shy about quoting yourself! It may feel strange but it's perfectly appropriate. Remember, you're offering the media a sample of the story you want them to write, so include a quote as if an outside reporter interviewed you.
- **Include a separate section with contact information.** The journalists who receive your release may have additional questions to ask you. Choose a point person who will be available to field any such questions and include his or her contact information clearly at the end of the release.
- **Create a news angle.** If it is appropriate and possible, tie your release into a topic that's currently in the news. For example, if your press release is announcing your furniture manufacturing company starting a new line featuring environmentally friendly materials, you'd certainly want to include a reference to the rapid growth of "green" businesses—a hot news topic.
- **Use statistics.** Reporters love statistics that show how prevalent a problem is or how many people are affected by an issue. Using the previous example, you could include recent statistics that 35% of people surveyed would be willing to pay a premium for environmentally friendly products.

## Sample Press Release

### FOR IMMEDIATE RELEASE

May 6, 2014

#### **State of Illinois Contracts with Data Solutions, Inc. for Data Communications Equipment and Services**

CHICAGO, Illinois—The state of Illinois has entered into a purchasing contract with Data Solutions, Inc. for a wide array of data communications equipment, related software, and Data Solutions' award-winning network management services. Under this agreement, the equipment and services provided by Data Solutions will be available at special volume pricing to all Illinois state agencies, municipalities, and educational institutions.

"We are thrilled that the state of Illinois has chosen Data Solutions to fill its data communications needs," said Data Solutions CEO Steven Dutch. "As a growing Illinois company, we are proud to play a role in keeping technology money in the Illinois economy."

Illinois' contract with Data Solutions will allow state procurement agencies to support and enhance their data communications networks with the highest-quality products and support services. In addition to the data communications equipment included in the purchasing agreement, Data Solutions' engineers will be available under this contract to provide analysis, design, installation, training, and maintenance services for the equipment included in the contract.

The agreement will be effective until December 31, 2016.

#### **About Data Solutions**

Data Solutions is a privately held Illinois-based company specializing in the design, implementation, support, and management of voice, video, and data communications infrastructures. Data Solutions offers unparalleled expertise in IP-based networking, including LAN, WAN, and IP multiservice technology. Data Solutions is headquartered in Chicago and has a second site in Milwaukee, Wisconsin. More information about Data Solutions and its award-winning products and services is available at [www.datasolutionswebsite.com](http://www.datasolutionswebsite.com).

#### **Contact Information**

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by phone (as is often the case), don't let it hold you up: Leave a message and send out your press release. While you could make this initial contact by email, a phone call makes a stronger impression. And creating lasting relationships with individual reporters is the best way to get positive coverage over the long term.

- **Send the press release by email, fax, or both.** Years ago, press releases were sent by mail, then by fax. Today, press releases are usually sent via email, ideally as a both a PDF attachment and as plain text in the body of the email. Emailed press releases work because reporters like having an electronic copy from which to cut and paste when writing their stories. Still, some reporters and newsrooms continue to ask for faxes. To cover your bases, send your press releases in both forms, or even better, ask the reporters which method they prefer.
- **Follow up after you send the press release.** Shortly after sending your press release—a few hours or a day later, depending on the timing of your announcement—follow up with another phone call or email to make sure your press contact received the release and to answer any questions he or she may have.

An example of a press release is shown below.

Some people feel timid about contacting the media and asking them to cover a specific story. While you shouldn't be a pest, you also shouldn't feel shy about pushing your story idea persistently. To do their jobs, journalists must come up with a constant stream of interesting new story ideas. Local business journalists are often particularly challenged in finding newsworthy business stories. Just as you need their help, they need yours. Because you will often know more than reporters do about a particular story, you can offer valuable information that they can use. If you are honest and reliable, you will usually be treated with respect.

If you don't get a response after an introductory phone call, a press release via email and fax, and a follow-up call, let the particular story idea rest; this will help you preserve your reputation as a pleasant,

professional person to deal with the next time you want to pitch a story. A journalist may not cover your story because he or she does not think it is newsworthy or because there are other stories that take precedence. A few months later, when you try again, you may be pleasantly surprised to find that you've pitched the right story on the right day.



TIP

#### **Relationships with media people are gold.**

The most effective media relations come from relationships you build with reporters, editors, producers, and other media contacts. Because you are more likely to get news coverage from a reporter with whom you've worked before than from someone who's never heard of you, you should always treat your relationships with people in the media as the valuable resource they are.

Finally, keep in mind that having a story written about your business isn't the only way to get media coverage. Another great way to get exposure is to be interviewed and quoted for articles on subjects in which you have expertise. Ideally, you'll develop relationships with reporters who will understand you to be an expert in a certain area, so that they call you for a quote when covering that topic. Similarly you might be invited to participate in a local TV show on a topic within your expertise. Foster this type of coverage by making sure your reporter contacts understand your area of expertise, and that you are willing to offer your opinions and information if they need them for a story.

## **Special Events**

Holding events such as a grand opening party, a product demonstration, an informational workshop, or a holiday gala will help you forge a closer bond with your customers, while simultaneously generating valuable publicity for your business. Special events tend to grab the attention of the media, making them a particularly effective marketing method. The icing on the cake is that events can (and should!) be fun, for both you and your customers.

One reason that special events are such effective publicity tools is that the media is generally more responsive to specific, time-sensitive activities or events than to the business in the abstract. An event is an easy hook, particularly if there is any educational or public interest component to your event. For example, if your housewares store offers a half-day workshop on how to make your home more green, a reporter might well be able to craft a story around the event and discuss the timely topic of sustainable living.

Even if your event isn't newsworthy enough to merit a whole story, most events can be listed in local business calendars, usually for free. Most daily papers have a business section with events listings, and submitting your event is an easy way to get a dose of publicity.

## Listings or Directories

Getting your business listed in appropriate directories is a great way to boost your visibility with your target customers. Listings work so well because consumers who consult a particular directory or directory category have already determined that they are looking for a specific type of business. In addition to every city's phone books, most communities have other types of directories—for example, the local chamber of commerce membership directory, a directory of women-owned businesses, or the African American business league's directory. Some directories are published in hard copy, though many directories are posted online.

Most business directories charge fees. You'll have to evaluate whether the fees fit into your budget and whether the directory exposes your business to the right audience. While most directory fees are modest, some are prohibitively expensive; these are not worth considering unless the audience you're trying to reach is extremely narrow and desirable, and the directory is highly targeted to that audience.

Note also that some membership organizations include a directory listing as a benefit of membership. Chambers of commerce, for example, will typically list member businesses in their directories—print,

online, or both. As with regular directory fees, you'll have to judge whether the directory listing (plus any other benefits) are worth the membership fee.

With any kind of directory, the most important consideration is what audience the listing will reach. Ask about how and where the directory will be distributed, how many copies are printed, and how often a new edition is published.

To find all of the directories in which you should list your business, you'll have to do some homework. Looking online is a good start, but you should also check with local resources such as local government offices, chambers of commerce, economic development organizations, and trade associations.

## Sponsorships

Sponsoring an event, sports team, nonprofit organization, or public television or radio station is a great way to develop your brand. Sponsorships are a lot like advertising in the sense that you pay money in exchange for having your business recognized in some way, usually with a display of your logo and sometimes a short marketing message. But unlike advertising in traditional media like newspapers or television, a sponsorship does more than just communicate your marketing message: It also conveys a sense of connection to whatever you are sponsoring and thus creates more positive associations in your potential customers' minds.

For example, if you sponsor a local golf tournament and have your logo prominently displayed on signs, event schedules, and other materials, the golf-oriented attendees will start to see your business as an ally and begin to develop an emotional connection to your business. Similarly, a business that sponsors a gay and lesbian film festival will develop a connection to the gay and lesbian community.

Sponsorship opportunities tend to fall in a few categories:

- **Events.** This includes events such as sport tournaments, film festivals, trade shows, street fairs, concerts, and just about any other event open to the public. Event organizers often want businesses to help fund the event in exchange

for recognition, usually on signs, in printed materials, and in TV or radio ads.

- **Facilities.** New building projects such as sports arenas, courthouses, or university buildings, sometimes ask for corporate and business sponsors, who are often recognized on a plaque, statue, or other sign in the building. Being recognized in this way helps show your business is a pillar in the community.
- **Nonprofit organizations.** Most nonprofits welcome sponsorship funds from businesses and will have specific benefits available for different levels of financial support. Sponsoring a nonprofit is an excellent way to build your reputation in the community served by and involved with the nonprofit.
- **Public television and radio.** While public TV and radio sponsorships are beginning to blur into the more traditional commercials, there still is a distinct difference in the perception of sponsors of public media. You'll also typically reach a more affluent, educated demographic via public media than with commercial stations.

## Email Promotions

First off, we're not talking about spam here. While unsolicited junk mail is a huge problem, there is also a legitimate way to send out emails to your target customers to let them know about upcoming promotions, events, and other business information. This approach involves sending useful information to a list of people who have indicated a desire for your emails. See "Email Marketing and E-Newsletters," in Chapter 13, for advice on email promotions.

## Direct Mail

Besides sending out email promotions, you can send out hard copy marketing materials by U.S. mail—a process that's called direct mail. People often perceive direct mail campaigns to be complex and expensive, and they can be both. However, direct mail campaigns can also be simple, targeted mailings that are effective without costing a fortune. If you keep the materials simple and develop your own mailing list

instead of paying a firm for a list, you can engage in a direct mail campaign that's both thrifty and effective.

First, decide what the goal and subject of your direct mail campaign will be. As with most types of marketing outreach, the more specific your message, the better. Instead of sending out a general brochure about your printing business, for example, send out a postcard offering a 50% discount off the first order for new customers. Special promotions, discounts, or giveaways are the best way to capture people's attention amid all the junk mail.

You can take different approaches in developing your mailing lists, from simply compiling names of everyone you know and looking up their addresses to hiring a mailing list firm and paying a fee for a list. You may be surprised at how many names you can come up with on your own. Start with the people within your target customer profile and work outward. Ask your friends for names of people they know who might be interested in your business. If you'll be targeting other businesses, scan other directories for their contact information.

Creating the printed materials for your mailing can be more affordable than you might expect. You don't need to produce a high-end direct mail package like the ones you get in your own mailbox, printed in full color on heavy paper with special die-cut shapes and other frills. Instead, focus on creating simple layouts of text and graphics on standard-sized pages or postcards. Ideally, you, a partner, or employee can design your materials in-house, using relatively inexpensive software such as Adobe InDesign. Alternatively, a professional graphic designer can be immensely helpful, particularly if no one in your business has graphic design skills.

## Samples

Everyone loves stuff for free. If you have a product that lends itself to being sampled, consider setting up a table at a trade show or other venue and offering freebies to the public. Sure, you'll always end up giving things away to people who have no intention of buying your product, but it's usually worth it to forge

a connection with even a few potential buyers. Some examples of offering samples effectively include:

- a handmade soap maker offering small slices of their beautiful soaps at a table in the health food store
- a coffee shop offering small free cups of their house-roasted coffee at a street fair, and
- a massage studio offering free five-minute massages at a local trade show.

When offering samples, prepare in advance to ensure that you make a powerful and positive first impression. Have your business name and logo prominently displayed. And remember to have business cards or brochures available so that the people sampling your product or service can find you later.

## Customer Loyalty Programs

The phrase “customer loyalty program” sounds much more involved than it really is. What we’re talking about here is implementing ways to keep your current customers coming back for more. Here are a couple of ideas:

- **Offer punch cards for repeat customers.** Coffee shops often use these, but plenty of other businesses can use them too. After a number of purchases—measured either in units or dollar increments—the customer gets something free. For example, a coffee shop might offer a customer a free cup of coffee after they had purchased ten cups, tracked on the punch card. Or a record shop might punch the card for every \$10 spent, and after \$100 is reached the customers might get \$10 off their next purchase.
- **Include freebies with each sale.** A shoe store, for example, could include a small tin of shoe polish with every order. A baby store could include a free rubber duckie with each sale. It’s amazing how much customer goodwill you can generate by including something worth about 10¢ in each sale.

## Print Materials

Brochures, business cards, flyers, letterhead, and other printed materials can help you spread the word about your business. It might be worth hiring a professional graphic designer to create these materials to ensure they convey a professional image. It’s also important that your logo and other imagery remain consistent across all the media you produce, both in print and online.

## Websites and Social Media

As described in detail in Chapter 13, every business should have at least a simple website with basic marketing information. These days, if customers Google your business and come up empty-handed, they might think your business isn’t very professional or stable and might keep looking, choosing one of your competitors that does have a useful site. In addition, there are endless ways to network online, including social media such as Facebook, YouTube, and countless others. Read Chapter 13 for guidance on how to establish your business online and effectively network within online communities.

## Publishing Articles or Newsletters

Publishing substantive information is a great way to establish your credibility and enhance your reputation, particularly for professional service businesses. Accountants and lawyers, for example, are perfect candidates for newsletters because the heart of their businesses is information. Newsletters—both print and email versions (discussed in Chapter 13)—are powerful marketing vehicles, helping to strengthen the relationship with existing clients and to broaden the customer base when existing customers pass on the newsletter to their friends and family.

On the flip side, newsletters do require a fairly sizable time commitment, and possible expenses if you need to hire someone to help. Writing and editing are time-consuming tasks (even for professional

writers), and you might need to hire a designer for the layout work if you plan to distribute a hard copy version.

Also bear in mind that by its nature, a newsletter is distributed periodically, so if you can't commit to whatever time frame—typically weekly, monthly, or quarterly—then don't do it at all. Starting to send a monthly newsletter and then have it disappear after six months will give a much poorer impression than never offering a newsletter in the first place.

If you really want to publish but can't commit to a newsletter, consider publishing occasional articles on topics of your expertise. There are often opportunities available online (for example, some lawyer directories include articles by lawyers who have signed up for the directory). Or, consider sticking with marketing copy rather than substantive information. Putting out regular flyers or emails highlighting your products or services and any special events at your store is much easier than a substantive newsletter, and might be all you need.

## Chapter 12 Checklist: Small Business Marketing 101

- Define your target market—potential customers, competition, and industry—and learn everything you can about it. Based on what you learn, you might decide to tweak your target market or aspects of your business operations in order to better appeal to a profitable customer base.
- Engage in primary market research to get information directly from your potential customers. Web-based surveys are excellent tools to use.
- Have an efficient, organized operation in place before you start your marketing efforts.
- Focus on marketing strategies other than advertising—particularly on ways to encourage good word of mouth—that are usually less expensive and just as effective.
- Network by cultivating relationships with other businesses, community leaders, and others.
- Develop relationships with reporters and editors and pitch newsworthy stories about your business to them. Make your expertise clear to media people so that they contact you for quotes or interviews when writing stories on certain topics.
- Maintain at least a simple website and network online.

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