Where are the Customers?

Here is a question for business owners. When business activity slumps, is “the economy” to blame or could it be your marketing?

We certainly know that when the economy is not doing well, our business activity can certainly be affected. But that may be just the time to ask, where did the customers go? Why aren’t they “buying” like they used to? Where are they buying? How is your marketing going? Are you getting results? Marketing is the process of creating customers, and customers are the lifeblood of your business. What is your plan for marketing? Have you reviewed it lately? If things aren’t going so well, do you plan to do the same thing over again and expect different results? So let me pick your marketing brain a little.

First, let me ask you what is your marketing strategy? There is no single way to approach a marketing strategy; your strategy should be part of an ongoing business-evaluation process and unique to your company. However, there are common steps you can follow which will help you think through the direction and tactics you would like to use to drive sales and sustain customer loyalty. An overall marketing strategy should include at least these elements:

- A market penetration strategy that clearly defines who your ideal customers are and how you will get your message to them.
- A growth strategy that will take your sales to the level needed to sustain and grow your business.
- A strategy for distribution or selling your products or services.
- A communications strategy that defines how you are going to reach your customers? Usually a combination of the following tactics works the best: promotions, advertising, public relations, personal selling, electronic media, a company website and printed materials such as brochures, catalogs, flyers, etc..

After you have developed and or refined a comprehensive marketing strategy, you can then define the sales strategies that you will use to actually sell your product or service. Your overall sales strategy should include two primary elements:

- Who or what is your sales force? Who is doing the selling now? How much time and effort is spent on this? If you are a small company, are you allowing yourself to get so busy doing the things you really like to do and are good at and not focusing on selling? If you are going to have a sales force, do you plan to use internal or independent representatives? How many salespeople will you recruit for your sales force? What type of recruitment strategies will you use? How will you train your sales force? What about compensation for your sales force?
What are your sales activities? When you are defining your sales strategy, it is important that you break it down into activities. For example if you are selling a product or service, you need to identify your prospects. Once you have made a list of your prospects, you need to prioritize the contacts, selecting the leads with the highest potential to buy first. Next, identify the number of sales calls you will make over a certain period of time. From there, you need to determine the average number of sales calls you will need to make per sale, the average dollar size per sale, and the average dollar size per vendor. Do the numbers. What kind of sales activity do you need to sustain and grow your business?

So, now I ask you, how is your marketing plan doing? Is it missing some elements? What changes may need to be made? In fact, that is the topic of the next Small Business Round Table this Saturday cosponsored by SCORE and the Rochester Area Chamber of Commerce.

To learn more about growing your business or other topics, contact SCORE on our website: www.score-SEMinnesota.org. Also look at this site for current workshops and how to participate in the next Small Business Round Table on February 26th with the Hot Topic of “How to market your business”.

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