

## SIX KEYS TO COMMON SENSE MARKETING

### Key #2: Work the Marketing Success Pyramid

Some of the best ideas for a business fail, not because they are bad ideas, but simply because the business owner didn't know who to sell her products and services to, how to reach those people and what to say to them when she did.

Bottom line, if you don't do your homework, the result is often a lot of wasted time, energy and money.

Whatever product or service your business provides, you must find the right market to sell to – the people that have a legitimate need for what you have to offer and that will appreciate those things that you do particularly well.

Finding that market *and getting to know them* requires research. There's no getting around it: research is critical to effective marketing strategy and action.

Let's look at an example. Amy owns a family hair salon in a busy strip mall location that offers hair styling as well as basic aesthetic services like manicures and pedicures. She thinks that if she adds facials and massage services it will increase her revenues substantially.

After all, many other salons in her town have done so in the past few years and they are thriving. So, she hires another aesthetician and a massage therapist and leases the space next door to expand her business.

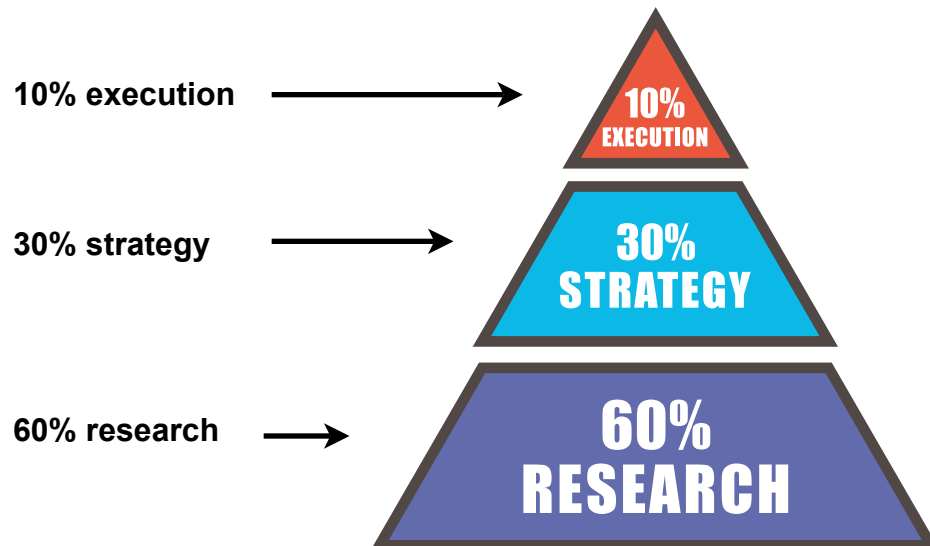
The added cost of the new salaries and space leave her with little marketing budget to promote the new services, so she focuses on her existing clientele with in-store sign-age and word-of-mouth to let people know about them.

After six months, the new services have not significantly increased either her client numbers or her sales, and the additional costs are negatively affecting her bottom line. Amy is not sure why the new services have not been successful.

To understand why let's look at the second key to common sense marketing:

## Work the Marketing Success Pyramid

This key states that marketing success comes from:



**Research** = identifying and coming to understand your best potential customers

**Strategy** = figuring out the best message to deliver to the best customer at the best time and in the best way

**Execution** (or tactics) = delivering the message

**The only sure way to arrive at good marketing is through research.**

**Otherwise, it's hit-and-miss - trial-and error.**

## **To work the marketing success pyramid you need to:**

- start with a little internal research: what do you want to accomplish with your marketing; what are your personal and business goals?
- break the big market into manageable chunks; divide it up into groups that differ from each other according to when, where, how and/or why they would buy from you
- pick your target group or groups: those people whose wants and needs are matched particularly well to your strengths and your goals
- decide what you want to say to your target customers: create a message
- figure out how and when to say it so that you reach your target customers when they are making a buying decision: plan your tactics
- follow your plan
- track your outcomes

## **Let's take a little closer look at these steps.**

It is very important that your marketing strategy, whatever it is – and whatever it is likely to produce – is consistent with your priorities and your motivators.

If, for example, you need a certain level of income, your marketing strategy is going to have to support that. If you need a certain amount of time with your family, it will have to support that too.

Once you look internally, it's time to look outside – to the marketplace. Who are all the people who might buy your products and services? How can you break this large group into smaller groups that differ from each other in terms of either why or how they would buy your products and services?

Separate potential customers from each other according to their purchasing motivations and behavior specific to your products and services. This is called market segmentation.

People who are new to marketing often segment their market according to the tried and true demographic characteristics: gender, income, age, and location.

But unless those factors are relevant to how, when, where or why a person would buy from you, they are not valid segmenting characteristics for your business.

In Amy's case, her personal and business goals were to provide new services for her existing clientele and increase the volume and revenue of her business. She didn't conduct research that would have helped her to understand her existing clientele and to judge whether or not the new services would appeal to them.

In fact, she had no idea who the new services might appeal to or why. She mistakenly looked at all salon customers as a generic bunch with all the same needs and motivations. If the customers at other salons wanted these new services, then surely hers would, too.

Turns out her existing clientele weren't looking for the new services and, by focusing her promotional efforts on them, Amy never reached other segments of the market that might be.

Worse yet, she may have confused some of her established customers by bringing in services that didn't interest them and, perhaps, by failing to ask them or anticipate what they would like.

Had Amy conducted market research, she might have learned that the most likely clients for facials and massages are professional women. Perhaps it is these women who go to spas regularly for appearance reasons and a retreat-like experience from the hustle and bustle of work responsibilities.

She may have learned from her research that another high-volume market segment for massages and facials are high-income, unemployed women with the time and money to pamper themselves.

She might have identified several market segments overall: people who get massages and facials as an infrequent treat and pay their own way; those who get them infrequently with gift certificates, as a treat from someone else; those who get them occasionally with friends/spouses/groups as a social outing; those who get them regularly for therapeutic reasons, etc.

With all this knowledge, Amy could have made an informed choice: cater to her existing clientele with new services they would appreciate; or, target a new market segment.

Ways in which she can do both is: design her salon to offer the kind of experience clients would want, create a message that would appeal to those people and deliver that message through vehicles they are most likely to come in contact with.

**It comes down to this: a business has to focus on its customers - who they are and what they need. The only way to find this out is through research.**

Once you understand your target customers, you're in a position to speak directly to them and their needs, not only through promotion, but also through the types of products and services you offer, how you present them, your prices, your location, everything about your business. That's your strategy.

What to say, who to say it to and when and how to say it so that it produces the desired result which often, in the case of business, is a sale, are your tactics.

If you've done all your research and planning, the actual implementation of your marketing tactics is little more than a formality. All the work has already been done and the guesswork has been, as much as it can be, eliminated. Now you just follow your plan.

You do want to make sure, when you implement your plan, that you have ways of tracking your results. That's how you know whether your strategy is sound and you are following the right path with your tactics. Is the plan working? If it is – great! You've got a strong foundation to build on.

If it isn't, you have a good indication that something is off. Either the target market you selected can't support your goals for the company, or you don't understand them well enough to reach them effectively when they're making the buying decision. Hence, you will find yourself back at the drawing board.