



Morningstar Multimedia
Marketing Strategy Guide, 2nd Edition

What is Marketing?

Whenever prospects call me up, one of the first questions I ask is "What are you currently doing to market yourself?"

Many tell me that they've tried advertising but mainly get new customers by referrals. They may have tried sending some postcards or creating a website, but nothing has been effective in generating new leads.

Does this sound familiar?

When most people think of marketing, they think of all the things they could be doing to tell people about their business. They think of advertising, websites, newsletters, postcards, or other various tactics. They also might think of sales techniques like cold calling. These each have their place in marketing, but marketing includes much more.

The Marketing Mindset

"Marketing" is an umbrella term that involves everything you do to attract clients and help them solve their problems. It includes:

- ✓ the types of services you offer
- ✓ how you position and package your services
- ✓ what you charge
- ✓ your marketing materials such as ads, websites, brochures, and newsletters
- ✓ how you present yourself in meetings
- ✓ how your staff treats clients through phone and email
- ✓ networking such as lunch, golf, or organizational events
- ✓ how you get referrals

As you can see, marketing is not just a set of tools to communicate with prospects and clients. Marketing is a mindset. It is more than the casual philosophy of "just do it" - just send out those postcards or catalogs or newsletters and wait for the phone to start ringing. It's about everything you do or say to customers and prospects through any type of medium - phone, email, brochure, website, etc.

And marketing isn't limited to just the marketing department. It is something that every member of your staff must believe in and promote with passion and enthusiasm. It is the mindset that your products and services are so exceptional that they are worth talking about and communicating the value to anyone that might have a need for them.

Not hype! You should never over-promise. But you must believe in what you offer because what you believe will effect what you say and do.

Also, marketing is an ongoing process. Rarely will one letter/postcard/newsletter close the deal, especially if you are selling something complex like professional services when sales times can be upwards of a year. Think of marketing in the same way you approach your company's finances - you do the books and pay your bills on a routine basis. Marketing should be no different. What do you need to do every month, every week, every day to get your message out there? It can take upwards of 8 contacts with a person before they even remember who you are!

As management guru Peter Drucker has written, "Business has only two basic functions: marketing and innovation. Marketing and innovation produce results. All the rest are costs." Innovation is about tailoring your services creatively to fit your clients' needs while marketing is about promoting your services to the people who need them most for a reasonable fee.

A Closer Look At Marketing

When most people think about marketing, they think about all the stuff they see on a daily basis - emails, TV commercials, billboards, mail, posters, vending machines, signs, etc. What they often don't consider is how much effort (meetings, money, time, people) went into planning, organizing, and testing each message and marketing tool.

Do you think McDonald's just decides one day that it wants to run a commercial? Of course not. There are many

meetings with ad agencies about their target audience (kids, teens, moms, health conscious), their message (McDonald's is a cool teen hangout, McDonald's now offers salads and healthy options, McDonald's has cool prizes in its kids meals), and how to communicate their message (through movie tie-ins, celebrity endorsements, games like Monopoly).

Marketing involves thinking beyond ads, brochures, or websites. How can each marketing tool help you achieve your marketing goals? Yes, goals - to increase sales, generate leads, cut down on sales time, enter into a new segment or whatever goals you have in mind.

Marketing is about setting realistic and measurable goals. Can you really do this? Have you come close with similar efforts in the past? Has your competition done something similar? Are the numbers, time frame, money practical?

Marketing is about setting metrics. What specifically does your marketing need to achieve to grow your business? Number of leads generated per week? Percent of leads converted to sales? Total revenue?

Marketing is about planning. Where do you want to be and how can you get there? After all, if you don't know where you're going, how can you expect to get there?

Marketing is about clarity. - How do you define who you are, what you do, and why people should care. If you can't summarize this concisely, how can you expect others to understand what you do?

Marketing is about understanding your prospects. What are their main goals and what prevents them from achieving those goals? Too many small businesses want to help "anyone that can use my service." This is the quickest way to burn through your marketing budget with few (if any) results.

Marketing is about narrowing your focus. Which customers will be a good fit for

your services? These types of people are the most likely to be qualified - meaning they have a need for your services, can pay you, and are looking to buy in the next few months. Once your target audience is defined, marketing involves understanding:

- 1) what are their key goals
- 2) how can you help them achieve those goals
- 3) what is it worth to them to achieve those goals

Marketing is about building awareness.

How can you let your target audience know that you understand their key goals and problems, and that you can help them achieve those goals or solve those problems at a reasonable price? You can't sell a service no one has heard of. Yet, rarely will a brochure or advertisement sell your service - only you can do that during your face to face or phone interaction with your prospect. Each marketing tool plays a role in building awareness about your service and sparking that initial interest that will motivate them to pick up the phone or send away for your information kit.

Finally, marketing is about commitment.

It's about devoting time and resources monthly to investing in your business, even when you get busy. It's about sticking to the plan for the long-term, adjusting it as you get client feedback and measure results from your marketing activities.

Planning vs. Execution

When many people think of "strategy" they think of games like chess. In chess, each piece has a certain way it can move. If you're not careful, a pawn can take a queen. And sometimes it's best to sacrifice a prized piece to win the game.

When you first learn the game, chess is more tactical than strategic. You make your moves based on how the board is set up and how your opponent moved on his last turn. Each time you move, you focus on where you are now. Yes, the goal of checkmate looms in the back of

your mind, but you don't have a step by step strategy to take the king.

More advanced players play the game on a strategic level. Instead of reacting to their environment, they calculate the most effective way to win and play out variations in their head. They consider what future moves will be open to them and how their opponent might react if they move specific pieces. Their focus is always on the big picture (checkmate) and how they can best place (or sacrifice) each of their pieces to bring them a step closer to that final goal.

Marketing as Strategy

You can think of marketing in similar terms. Your goal is steady (or growing) cash flow. To obtain your goal, you need paying clients who will purchase your product or service for a reasonable fee.

When most small businesses start out, marketing is an afterthought. When things slow down, they decide it might be time to buy advertising in their local newspaper or mail out postcards. Many take a "hope and pray" approach - if they tell enough people about the great products and services they offer, eventually someone will buy. When that doesn't work, they write off marketing as a waste of money.

The problem with this tactical approach is that it focuses on short term results rather than the big picture - to maintain a steady stream of clients. It focuses on what the business owner wants - more clients - rather than looking at things from the prospects' perspective.

Just as in chess, when you start with a strategy, you will do much better. Strategic marketing starts with specific goals and objectives (like checkmate or bringing in new clients) and works backwards to develop a system that will best get you to that goal. It takes into consideration what you do, who you do it for, your competition, and the overall state of your industry.

Most importantly, it focuses on your prospects. Who are they and why do they

need your products or services? It then uses marketing tactics such as postcards, newsletters, brochures, and websites (like pawns, knights, and the queen) to help you most efficiently achieve your marketing goals by showing why and how you are different from your competitors.

Why is this necessary? Because the internet has made information widely available. Now, there is always someone who can provide what you offer better, faster, and cheaper. And if your prospects can't see a meaningful difference between you and your competitors, they'll judge you on price.

A strategic approach to marketing also focuses on people who aren't ready to buy yet but will be sometime in the future. Many small businesses aren't concerned with these people - they only want the people who are ready to buy now - but they should be! Why? The Association of Sales Executives revealed that 81% of all sales happen on or after the fifth contact. Not first or second, but fifth! Without a marketing system in place to capture those leads and keep in touch, you are losing a lot of business to your competitors.

A healthy marketing system includes both strategy and execution. It starts with strategy to focus your marketing efforts and provide a meaningful message to your target audience. Then, you must execute the strategy by creating ads, postcards, newsletters, and websites to communicate that message to your target audience, capture leads, and keep in touch with them until they are ready to buy.



Marketing As A Process

Rarely is marketing a one time event. It is not a quick fix or magical formula to flood you with new clients for little investment on your part. Rather, it is a series of interactions you have with prospects as they try to solve their problems.

THE BUYING PROCESS

There are a number of steps people take before they decide to buy something.

a) Awareness

For instance, say a co-worker just bought a cool digital camera and is showing it off. Suddenly, you start to think "That is a nice camera and mine's getting old, maybe I should look into getting one." This is the awareness stage - when you realize that you might have a problem.

b) Research

So, you ask your co-worker questions about where he got it, how much he paid, how it works, how he likes it, and so on. You'll probably ask other people about their digital cameras, potentially do some research on the internet, and even go to Circuit City to check out floor models. Here, you're researching your problem. You're trying to get a sense for what new features are out there, whether they are better than your old camera, and if it's worth it for you to buy a new one.

c) Evaluate Solutions

Once you feel you have collected enough information, you start to compare solutions. You'll probably find a handful of cameras that fit your needs and have excellent reviews. At this point, you're becoming enthusiastic about owning a new digital camera and have sold yourself emotionally on buying one. The only thing left to do is narrow down your choices and pick one.

d) Buy Solution

Once you pick the one you want, you buy it, perhaps over the internet or at a nearby store.

e) Re-Evaluate Solution

Finally, now that the camera is yours, you re-evaluate your purchase. Is it as cool as you thought it was? Does it do what it says?

If the potential purchase is simple like buying a candy bar in the checkout lane, people make their decisions fairly quickly. On the other hand, if thousands of dollars and numerous decision makers are involved, the buying process can take years.

The Selling Process

Now, let's look at how companies can use the stages of the buying process to market their products and services to prospects.

a) Prospecting

The first stage of the buying process is awareness. In this stage, companies want to reach prospects and let them know their company exists. How to do this? Here, you are trying to find prospects that might have a need for

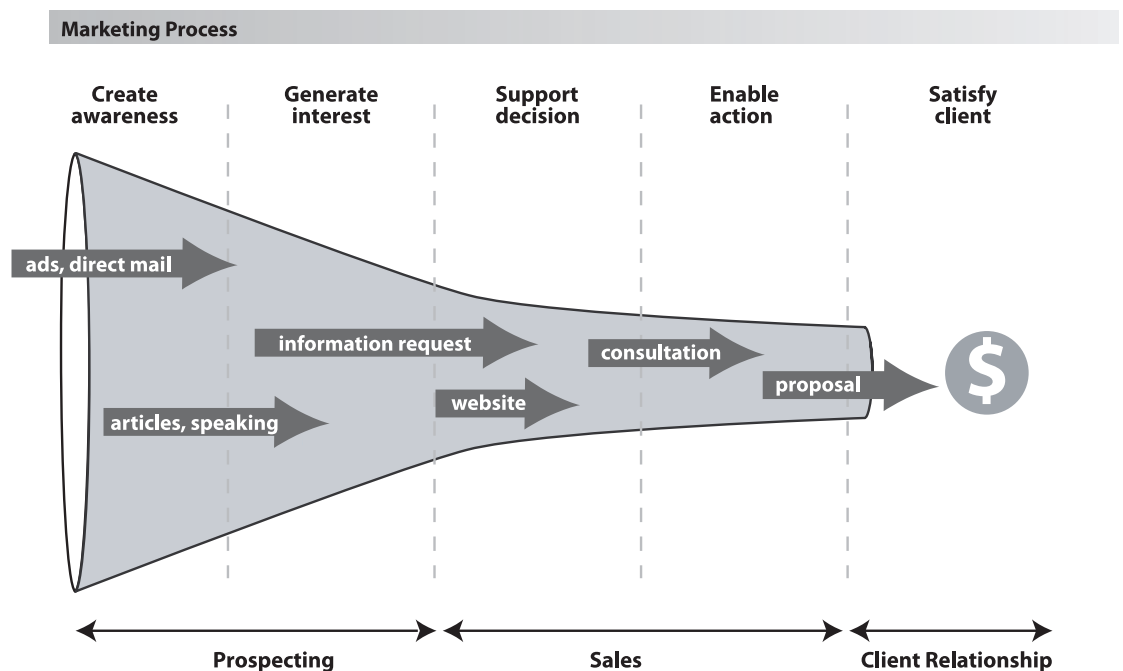
your services. You want prospects to identify themselves to you as potentially interested in buying a solution. The best ways to do this are to offer complementary reports, free evaluations, a seminar or webinar invitation, or other education based ways to collect prospect's contact information.

The goal here is not to close the sale but to collect their contact information to keep in touch. Remember the buying process. Your prospect won't be ready to buy. They'll be looking for information on how to make their purchase, what criteria they should be looking for, what might best fit their needs, and how to go about selecting a vendor. At this stage, they'll be just starting to gather information about whether their problem is significant enough for them to purchasing a solution.

b) Nurturing

Now that you have their contact information, you can keep in touch, offering them other information to generate interest in your services while help them in making a decision. Here, you check in with prospects on a regular basis while reminding them that you're still in business and have solved similar problems

Diagram shows how marketing materials fit into your prospect's buying process.



Marketing Process



Buying Process

Align your marketing with your prospect's buying process for maximum results.

for other companies. This stage is about building rapport with prospects while demonstrating your expertise.

The goal here is with repeated exposure, you position your company as one that might be a good fit with theirs during the vendor selection process. Remember, prospects in this stage are now collecting information so this stage can last awhile. Other projects come up. Life happens. So, it usually takes repeated exposure for prospects to eventually contact you.

c) Qualifying

At this stage, your prospect has decided to move forward and is ready to contact vendors about potential solutions. So they call you. Now, not everyone that calls you will be ready to select a vendor. Some will still be in the information gathering stage. Others will be a bad fit for your company.

Your goal is to weed out those that are serious about buying from those that are still looking for information. That doesn't mean throwing away anyone that's not ready to meet with a company representative, but putting them back into your nurturing database.

Now, let's look at what makes a lead qualified. Generally, determining what a "qualified lead" is requires a number of meetings between sales and marketing. Here, you need to ask "What do you

consider a qualified lead? What characteristics do your ideal prospects have? Who is involved in the buying process?"

Typical answers usually include:

- ✓ Does the inquirer have a specific need for your solution?
- ✓ Are they a decision maker?
- ✓ What is their time frame for purchasing?
- ✓ Do they have a budget for the project?
- ✓ Is the size of the opportunity worth your time and effort?
- ✓ Are they ready to speak to some one at your firm?

d) Sales

Once a lead has been qualified, you will probably have a phone or face-to-face consultation to evaluate whether your company can help the prospect. Here, the prospect is probably evaluating a handful of vendors/partners, so you must understand what they are looking for and work to put together a mutually beneficial proposal that will stand out from all the others. Sales means asking lots of questions about the project, asking for the business and hopefully closing the deal.

It may take more than one consultation with a prospect to understand their motivations for buying and craft a solution that meets their needs. With complex sales, there are often numerous decision

makers and layers of management who must all buy into your proposed solution, so don't be surprised if this stage lasts awhile.

e) Follow Up/ Referrals

With professional services, once the deal has been closed, the working relationship begins. Now, your task is to manage expectations and keep your client happy until the work is complete. You can evaluate how well you've done by giving client satisfaction surveys, conducting interviews, and asking for referrals.

Your marketing process will work best to attract new clients when it is in parallel with your prospects' buying process. This means that each communication you have with prospects should encourage them to take the next step in their buying process. To do so, you must think about how different types of prospects would go about purchasing your services, and adjust your marketing and sales processes accordingly.

What Can a Marketing Plan Do For You?

Strategic marketing can be quite overwhelming. There are so many things to think about that it's virtually impossible to keep it all in your head. That's where the marketing plan comes into play.

A marketing plan is a written document that acts as a blueprint to get you from where you are currently to where you want to be. It helps you focus on what is most essential to your business goals and defines the foundations for what your marketing message will be and how you will communicate it to your ideal clients.

As described above, marketing is about understanding your clients - who they are and what they want. The marketing plan is a snapshot of what the current buying environment is like - what types of problems are prospects facing, who is offering solutions similar to yours, and what types of regulations govern the industry - and how you can meaningfully differentiate your company from everyone else.

Here are some things a marketing plan will help you with:

FOCUS

Your marketing plan helps you articulate your goals and objectives and gives you a foundation for making future decisions. It also focuses you on the big picture rather than your daily operations.

Tracks Costs

It provides you with a step by step guide that documents how and when you should communicate with prospects and how much it will cost you. This allows you to accurately budget your marketing and keep your expenses under control.

Measures ROI

It gives you specific criteria to measure your marketing results such as cash flow, marketing expense ratio, and response rates.

Defines Your Marketing Message

Your marketing plan forces you to think about your target audience and how you differ from your competition. This allows you to create a specific marketing message tailored to your target audience.

Components of a Marketing Plan

Market Overview

How big is the market for what you are trying to sell? Is it big enough to make money? Will the market want what you have to offer?

Competitive Landscape

How many competitors do you have? What are their weaknesses that you might capitalize on? What are their key selling points?

Understanding Your Customers

Who are your customers? What do they want? What problems do they have that your product or service solves? What will motivate them to buy?

Setting Sales and Marketing Goals

What are you looking to accomplish? Your goals should fit the SMART formula to ensure that they are (1) Sensible (2) Measurable (3) Achievable (4) Realistic and (5) Time Specific.

Defining a Marketing Message

Your marketing message should define what you do and motivate people to become your client. It should specifically address a problem your target audience has, provide proof that this problem is urgent, and explain why you are the person to fix it for them.

Developing an Action Plan

This details the nuts and bolts of your marketing system and includes the best tactics to reach your target audience. It should address each of the following:

Prospecting - Which tactics will work best, based on your goals and how your prospects buy, to capture your prospects' attention and get them to contact you?

Nurturing - Once prospects contact you, which tactics will work best to follow up with prospects from first

contact to purchase (which can sometimes take upwards of a year or more)

Sales - When prospects contact you, here's how you qualify them and guide them from initial consultation to proposal.

Customer satisfaction - What you will do to ensure customer satisfaction and how you will ask for referrals.

Creating the Marketing Budget

Now that you have a sense of what you need to do to reach prospects, you can budget how much those activities will cost you and actively track how much you spend.

Set Controls

Controls document how you will monitor your marketing system's effectiveness and provide a Plan B if specific threats or opportunities materialize.

4 Reasons Your Marketing Isn't Working

If your marketing isn't working, it's usually because of one of the following:

Confused or meaningless message

If prospects don't understand why you are different from your competitors or they don't find your marketing message compelling, they won't take notice. If your differentiating factor involves providing "quality service," the "best price," or that you've been in business "over 20 years," chances are, you aren't saying anything meaningful to prospects. Your message must focus on how prospects see their problem and demonstrate that you have a credible solution that will save them time and money in the long run.

Asking for the sale too soon

Marketing is a multi-step process. It's rare that a prospect will see an ad or brochure and "call now for your free consultation." Why? Because prospects are skeptical. While you may say "free consultation," they hear "sales pitch" and few people want to sit through a dull, boring sales pitch that explains how wonderful the company is. They aren't interested in you. Instead, their interest lies with their problems and how they might solve them.

Here's where you can help them and start winning their trust. Often, prospects may realize they have a problem but are clueless about what to do next. At this stage, they're just gathering information. This is your golden opportunity to provide information that can help them in their decision making process. If you offer them a free guide or report that addresses their problem and provides options to solve it, you'll start gaining their trust. From there, you can follow up with other marketing materials until they feel comfortable enough to pick up the phone and call you.

Services don't meet prospects' needs

Often, companies will explain their products and services from their own perspective. They're so excited about their wonderful offerings that they tell whoever will listen. This "telling" is basically a sales pitch - and your prospects aren't interested in that. They're interested in their problems. They don't want to know about you - they want to solve their most pressing concerns.

Instead, companies must package their services in a way prospects can understand. Doing so requires that you understand your prospects extremely well - why does he have this problem? How does he see it? Is it a big or small concern for him? What is he willing to do to solve it?

Your prospect sees taking any action as a risk. It's your job to minimize the risk for him. If he thinks that your fee is too high or your commitment terms are too long, he won't take action. How can you better package your services to minimize the risk?

You aren't reaching enough prospects

No matter how many postcards you send out or how many people read your ad, only a small percentage will respond. On average, that number is 1-2%, though it can be higher or lower depending on your distribution, the relevance of your message, and your offer. If you send out 1000 postcards and have a 1% response rate, that's 10 responses. If you usually close 30% of everyone that contacted you, you're down to 3. With all numbers, there's an average and a standard deviation, so sometimes you might get a few more, sometimes, a few less. If you're only sending out a few hundred mailings at a time, you may need to increase the number of people you mail to.

Finding Credible Marketing Resources

If you're like many small business owners, you don't have formal training in marketing. Of course, marketing is all around you - from TV commercials to billboards to email to postal mail. It's easy to think that you should be doing the same kinds of things as similar businesses. After all, these tactics seem to be working for other people, so they should work for you, right?

Wrong! Here's where many small businesses get into trouble. Without a strategy in place, you will only waste money buying ads, a website, or other marketing materials.

So where should you start? There are numerous resources out there to learn the basics of marketing. Doing some initial research upfront can save you a considerable amount of time and money in the long run. To get you started, here are a few excellent resources:

Books:

- ▶ **Guerrilla Marketing in 30 Days**
Jay Conrad Levinson, Al Lautenslager
- ▶ **Spin Selling**
Neil Rackham
- ▶ **Free Prize Inside**
Seth Godin
- ▶ **Selling the Invisible**
Harry Beckwith
- ▶ **The E-Myth Revisited**
Michael E. Gerber
- ▶ **Getting Things Done**
David Allen

Websites:

- ▶ Clickz.com
- ▶ MarketingProfs.com
- ▶ KnowThis.com
- ▶ MarketingPower.com
- ▶ MarketingSherpa.com

And, of course, our marketing blog at www.momingstamultimedia.com

Should You Hire Outside Help?

If you feel overwhelmed with your marketing, you aren't sure why your marketing isn't attracting the response you had hoped, or you just don't feel you have the marketing expertise to do it yourself, hiring an outside marketing company may be the way to go. Here are four reasons why hiring an outside marketing company can benefit your firm.

Save money and achieve greater ROI

A marketing firm can audit your current marketing process, point out where the problems lie, and offer targeted suggestions to improve your marketing's effectiveness.

Tap into additional expertise

Marketing is a full time job with a steep learning curve. If you need training in a particular area or just want a crash course in the basics, an outside marketing firm or coach may be the answer.

Outside perspective on your business

Sometimes you can be too close to your business and not see things the way your audience does. A marketing firm can add fresh ideas and new perspectives to shed new light on your marketing process.

Focus on what matters most

Let's face it - you went into business to do what you love and were trained to do, not to spend hours trying to understand the latest marketing trends, techniques, and fads. An outside firm can get your marketing process up and running faster so you spend less time worrying where your next client will come from and more time with your clients.



6 MISTAKES

Small Businesses Make When Hiring a Marketing Firm

1) Outsourcing Your Marketing

Marketing is a critical component to your business and must be aligned with your business goals and objectives to be successful. A marketing consultant will help you package and refine your message, but you - the expert on your business - must play an active role in the process.

2) Not Focusing on Your Business

Marketing firms should ask tough questions and dig deeply into how you do business. Claims like "great service", "lowest prices" and "#1" are fluff and mean nothing to prospects. Marketing campaigns must focus on the true value

your service provides. Often, effective marketing requires internal changes - setting up systems to improve efficiency and changing current methodologies.

3) Not Looking at Your Competitors and Market Environment

It's not just about you, your services, and your features. It's about what prospects already think of your services, who your competitors are and what they say, if prospects think their problems are big enough to fix, and how they describe their problems and needs.

4) Focus On Branding

Branding and image marketing work well

Choosing the Right Marketing Firm

Picking the right marketing firm for your business can be difficult. When looking for marketing help, you'll find writers, graphic designers, web developers, search engine marketers, public relations people, printers, and even those "in-between jobs" that call themselves marketers. Often, these people are focused on execution and put little emphasis on strategy.

Here are some characteristics to look for when weeding out the good consultants from those that only know the buzzwords.

- 1) Experience** - How long have they been in business? What are their qualifications? What have they done for other clients? What were the results?
- 2) Marketing Background** - Do they have academic qualifications? College courses alone don't create a competent marketing person, but they are a step in the right direction.
- 3) Methodology** - Good marketing consultants can apply their marketing process to any industry or specialty area. Ask how they can help you generate leads.
- 4) Size and Efficiency** - Large firms charge more, but have access to more resources. They also might choose junior staff members to work with you. Smaller firms don't have as much overhead and can charge less. They also understand the risk you're taking to own and operate your business and can guide you past common pitfalls.
- 5) Presentation** - How professional are they? Do they have compelling materials? Good writing skills? Do they practice what they preach?
- 6) Accessibility** - Do they answer their phone and email?
- 7) Prices** - Can you afford them?

for large companies with big marketing budgets like Microsoft and Coca-Cola. Smaller businesses should focus on education-based marketing to motivate prospects to take action. This involves creating strong headlines and designing for prospects, not for designers' egos. Graphics should complement compelling text that draws the reader in and encourages them to contact you.

5) Not Focusing on Educating Prospects
You can always generate leads by giving away valuable information. If your prospect already had all the information they needed, they'd already bought it. They need information to make a deci-

sion. Using information to market yourself is good because it positions you as a trusted expert advisor. It gives them something of value and it gains attention of prospects. A free report, ebook or seminar that addresses burning questions will make you stand out.

6) No Focus on Measurable Results
To measure results, you must ask for a response in every element of your marketing campaign. You track responses so you know which element it came from. And you strive to improve your marketing based on how well they do. Testing is critical.

About Morningstar Business Solutions

BUSINESS DEVELOPMENT

Jumpstart your marketing strategy and gain rainmaker skills to grow your business with our 8 week program.

MARKETING COACHING

Receive weekly guidance on the best ways to implement your marketing plan, stay on track, and measure results.

MARKETING AUDITS

Don't know where to start? We can audit your current marketing materials and give you tips for immediate improvement.

GRAPHIC DESIGN

We create marketing materials that look great and compel your prospects to take action.

WEB DEVELOPMENT

We develop websites that focus on usability and persuasive design.

SEARCH ENGINE MARKETING

85% of all internet users rely on search engines to find information on the web. We'll help your website stay in the top search results.

COPYWRITING

We develop content that gets attention, communicates, and persuades.

HOW MAY WE HELP YOU?

Wherever you are with your marketing efforts, Morningstar Multimedia can help you achieve your business goals.

For a free, no-obligations consultation on how we can help you solve your firm's toughest marketing challenges, contact us today at **(866) 546-7940** or by email at info@morningstarmultimedia.com.

For more information about our services, please visit us at: morningstarmultimedia.com/html/services.asp



MORNINGSTAR
MULTIMEDIA LLC

1725 Bainbridge St, 3rd Floor
Philadelphia, PA 19146
(215) 546-7940
www.morningstarmultimedia.com
info@morningstarmultimedia.com