

Often, people will spend money on branding initiatives, they are not even sure are working. If you aren't sure an initiative is driving sales, then allocate the money to something you know does.

— *Evan Carmichael*, small business advisor

SMALL BUSINESS: FP ADVICE

MARKETING FEATURE

Building value for customers

BY KYLE McNAMARA

Understanding your customers is fundamental to building sales and marketing strategies. Who are they? What are their characteristics? Why do they buy from you... or more importantly, why don't they? How are they using your product or service? How often are they buying it? Your customers hold the key to unlocking ways to build better value, no matter what product or service you offer.

You can maximize your sales and marketing program by focusing on a specific segment. For example, focus on selling to more customers in a segment you already serve. Or, look at new customer segments. We've seen businesses that sell to health-care professionals expand into related professional segments as a method to increase revenue. Consider selling new products or services to existing or new customer segments. Increase sales frequency with incentives, repeat margins and costs carefully. Use your business plan and the financial projections that are part of that plan to model various scenarios.

To build both top-line and bottom-line revenues you need to examine your pricing models, profit margins and costs carefully. Use your business plan and the financial projections that are part of that plan to model various scenarios.

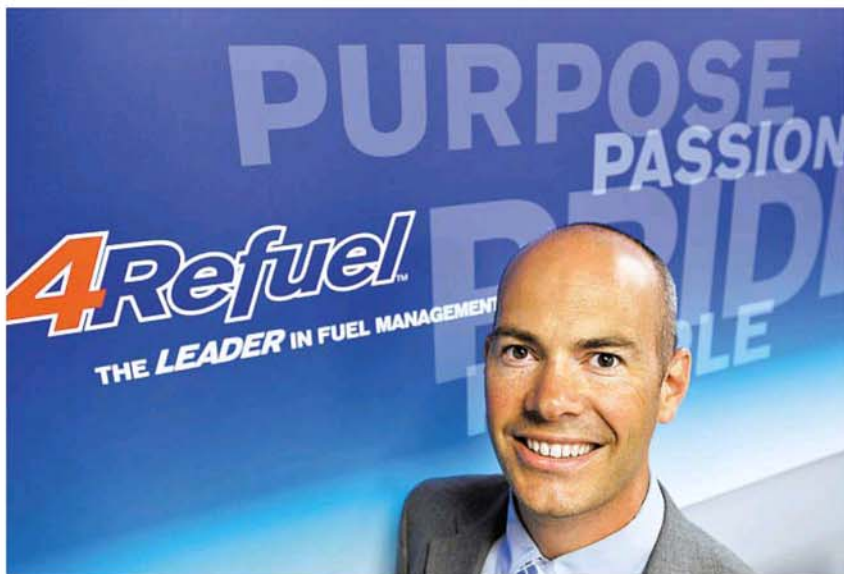
The key to any revenue growth is your sales forces. Whether it's you or a full team, you'll have difficulty growing if your sales force is not firing on all cylinders. Good sales people have great customer relationship skills and they know how to close a sale. But they also need to know who their target is, how to leverage your business' competitive advantage and how to build a sales pipeline. A strong sales team needs to have the tools and resources to support their activities, including the right marketing program and support material.

The most effective organizations are those that ensure their sales and marketing team work hand in hand to deliver effectively on growth strategies. When you combine the power of a common focus with an understanding of your customer, the right message and the right marketing material to support the sales program, your business has a powerful advantage that can help you unlock its growth potential.

Kyle McNamara is managing director, small business, for Scotiabank.

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Bill Bishop, vice-president of marketing and communications at 4Refuel, says if you focus on where your customers are looking, your dollars go further.

Tight marketing budgets call for more focused campaigns

Manage your message

BY MARY TERESA BITTI

How do you get the word out when you have a solution to a problem people don't know they have? That's exactly the situation Bill Bishop, vice-president of marketing and communications at Langley, B.C.-based 4Refuel, came up against when the company began the shift from an onsite wheel-to-wheel refueler to an end-to-end fuel-management company that helps business clients figure out what each dollar cost of fuel contributes to their bottom line.

"We help them become more efficient," Mr. Bishop says. "When you can measure things you can manage them and that's the essence of the service. With this information you can work out your ROI for fuel. This is a big part of our marketing campaign now. In the past two years, we've shifted the culture to say our product is not diesel fuel, our product is intelligence. We deliver fuel but we sell information."

With a modest marketing budget — just \$100,000 to purchase media for the year — 4Refuel has had to be innovative to educate customers such as CN Rail, Purollator, FedEx, Tim Hortons, Coca Cola, Wal-Mart and some smaller mom-and-pop operations. At a time when many companies

have cut their marketing budgets, 4Refuel is honing its message and getting it out there in effective, inexpensive ways.

"We've had to be smart," Mr. Bishop says. "Our media campaigns are very targeted. We've stayed with trade and association publications, which are read and trusted by our potential customers. We don't need to build brand profile. We need to drive sales. By focusing on where our customers are looking, we are able to make our dollars go further."

Two years ago, Mr. Bishop took a look at the company's press releases, which were used predominantly to make announcements, and began instead to use them to promote the expertise of its people. "We positioned ourselves as the leader in fuel management, now we have to go out and demonstrate it," he says.

"We came up with Ask A Fuel Expert, so every month our CEO writes an article and offers it to trade and industry publications North America wide as free content. Last month, the topic was Is Fuel Theft OK? Who wouldn't want to read that? It's a bigger problem than you think. Here are some of the things you can do. And, oh, look, one of the solutions is 4Refuel. Learn more at our Web site."

Each month, 43 magazines are in effect running full page ads at no cost. The equivalent media

spend would have been more than \$500,000.

4Refuel has revamped its external newsletter and expanded it to take advantage of the lack of clutter/noise in the market. It went to its business partners and asked them if they wanted to be part of it and share their knowledge by providing articles.

"Now we are providing a newsletter full of useful business information as well as our own marketing pieces that come out quarterly," Mr. Bishop says. "It's easy to spend money, harder to spend it smart. But that is what we are focused on doing."

Evan Carmichael, small business expert/advisor and founder of www.evancarmichael.com, couldn't agree more. He offers best practices for business-to-business marketing.

Track and demand a return for every dollar spent Marketing budgets are tight. Look at where you are spending the money and make sure what you are doing is bringing customers to you. Often, people will spend money on branding initiatives, they are not even sure are working. You want to be able to test everything. If you

aren't sure an initiative is driving sales, then allocate the money to something you know does. You don't want to just buy an ad and hope business happens.

Target, target, target Generally, 80% of revenue comes from 20% of your customers. Think about your top customers. How did you find these customers and engage in those same activities to find new customers. Target your approach; don't chase anything and everything.

Listen to your customers Find out what they want and where they are spending their money. Many entrepreneurs are shifting their plans to better tailor offerings to their customers.

Use search engine optimization and pay per click campaigns These are cost effective ways of reaching your target audience. A pay per click campaign lets you know exactly how much you are spending and exactly how much business comes from that. When people are looking through a search engine, they have the intent to buy. For this reason, more entrepreneurs are moving their marketing dollars online.

Form partnerships Who are your target customers buying from before they buy from you and who are they buying from after they buy from you. Can you make partnerships with those companies to help you drive leads/sales?

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