



Article 31

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Your Marketing Budget: Cost Effective Isn't a Synonym for Cheap

By George Kenefic, Director of Enterprise Development, and Mary Schmidt, Marketing Advisor, The Loan Fund

Whether you publicize your business through advertising, public relations, brochures or direct-mail appeals, make sure your message is consistent, integrated and versatile enough to be used in multiple ways. And make sure your campaign is measurable, or you'll never know if it's working.

This is especially critical in a weak economy, when consumers become conservative about spending. This is when it's even tougher to draw customers to your door (or to your Web site if customers are unwilling to pay escalating delivery costs).

Know your target market. Unless you know where to find your target customers and how they gather and process information, you might as well throw money into the wind. Once you've confirmed your targets, consider how many benefits you can get from the same marketing dollar. Save money and time by keeping messages simple and consistent and by repeating them in every medium (when you're truly sick of your message is when people start remembering it). Any article you write, for example, can be recast as Web site content, a blog entry or an event handout.

Creative ads don't guarantee results. Best-selling authors Al Ries and Laura Ries in their book *The Fall of Advertising and the Rise of PR* contend that advertising lost its effectiveness when it became a creative art rather than a tool to boost sales. The same has been said of the press release. While consumers enjoy clever ads (and their creators love the awards they generate), they don't necessarily boost a client's sales. For example, can you remember your favorite Super Bowl commercial? What was the company advertising? Did you buy anything because of the ad? If you decide to advertise, make sure you're doing it where your target customers will hear or see your message. Getting their attention is a separate challenge.

Public relations = personal relations. A good PR contractor costs at least \$750 per month in New Mexico (and at least \$5,000 per month at the national level). Before you spend money on a contractor or on press-release services such as PRWeb, make sure you have something newsworthy to say. Having a customer rave about you is the best PR there is, so consider spending your PR budget on employee training, renovations to your building or customer-appreciation events.

A brochure never closed a deal. Have you ever bought *anything* simply because you loved the brochure that described it? Of course not. The traditional glossy brochure might even be unnecessary in today's Web-enhanced economy, but if you think it's essential, spend the money to have it professionally designed. Why risk coming across as a penny-pinching amateur (and undermine your negotiating power) by using the generic templates and clip art that came with your computer software when an excellent graphic designer can create a professional-looking brochure for less than \$1,000?

Direct mail: Will they read it? A *terrific* response rate using direct mail is about 2 percent. If you spend \$5,000 to design, print and mail 5,000 postcards and half of the 100 customers who respond spend an average of \$50, the result is a net loss: You've spent \$5,000 to earn \$2,500. And once you calculate all the other costs involved in sales, you could end up even further in the red on just one campaign.

If you do use direct mail, make sure your message provides value in the form of information that improves a customer's business or life. Invite customers to a seminar or offer a free educational report. Rather than forcing potential customers to open an envelope, send a postcard: It has plenty of room for a message that can persuade people to buy your product or visit your store. And it can do double duty as a handout at events.

The same message can be sent by e-mail, thereby pleasing customers who might otherwise resent your business for wasting finite natural resources.

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