

Marketing Can Add to Your Long-term Success

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This past year was running smoothly for my businesses until mid-fall. October and November brought unseasonably cold and wet conditions, preventing many of our contractor customers from being able to work.

For many businesses, marketing is the one of the first parts of the budget to be slashed during tight times. Though we experienced a significant drop in late-2009 sales, our consumer sales seemed on par with past year.

I believe that marketing is the most important part of a retail budget, especially for a small business. Instead of slashing the marketing budget, we refocused our advertising dollars to attract foot traffic. In December, consumer sales for both stores were up by more than 50 percent.

Is that 50 percent increase by chance or the result of focus marketing? We cannot say for sure, but the money is in the bank, and no one was as surprised as me.

Marketing dollars are an investment rather than an expense. There is a direct correlation between advertising and revenue generation.

The rule of thumb for our marketing expenses is that it should amount to about 3 percent of sales revenue. If my budget is tight, cutting back on advertising to save that 3 percent barely will help my bottom line and at what cost? I lose traffic, leads, referrals and the top-of-the-mind awareness that advertising creates.

As a pond and water garden retailer, the volume of foot traffic coming in the door directly affects my sales. More traffic equals more sales.

1. Develop a marketing plan. It can be tweaked as the year progresses, but have a good idea of where you want to concentrate your dollars.
2. Cultivate a theme. An ad that stands alone probably will not be as effective as a series of ads with a common theme.
3. Exploit your uniqueness. If you are uncomfortable designing your own ads, then hire an ad agent. Most ad agents work on sales commissions with the media outlets, much like travel agents do.

If budget cuts are necessary, consider labor expenses first. Labor is the single biggest expense in most companies. In retail, labor equates to about 50 percent of all expenses.

This also might be a good time to re-focus on your target audience with your marketing efforts. Good marketing can sell anything, even mediocre products or services. Sustainability, however, comes from delivering and exceeding customer expectations.

Remember: Good marketing + a great product + a sterling reputation passed on by word of mouth = long-term success.