

The Lowdown on Down Market Marketing

By Alyssa Dver, author of "No Time Marketing: small business-sized steps in 30 minutes or less"

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I bet you are as sick as I am of "down market" advice. It's almost as bad as having another political campaign drowning us with repetitive negative messages. By now, we get it. Business is slow. Expenses must be watched and if possible, altogether cut. Hunker down and prepare for lean, tough times. Think austerity, not prosperity.

So why on earth would any company spend available resources on marketing? It's a cost center, not a revenue producer – right? Absolutely not (bet you figured I would say that)...but think about it this way: Marketing is really about making the sales process quicker. Marketing does this by producing qualified leads to sales and providing the relevant information for buyers to make their decisions more quickly and with greater satisfaction. That is how it *should* work. Unfortunately, both marketers and other business people get overwhelmed by the hype tossed out about marketing issues such as search engine optimization, social networking, and the latest in marketing research techniques that we often forget some of the basics that help us literally see straight. So here are ten valuable tips to make your marketing more efficient, more effective and overall more visibly worthwhile.

1. Be sure you know who uses your product, who buys it and who influences both of these people.

Depending on their motivations, people will have significant differences in their interests and perspectives with regards to your product and company. For example, a prospective IT person may be the one who signs your purchase order and must budget for the product and/or implementation of it. However, it may be a very hard sell to an IT manager to add yet another project to their overflowing, personally-irrelevant task list. If your product is going help make product management more efficient, for example, product managers are the users but typically have no budget for anything, let alone new software tools. In this scenario, think about gaining an ally from the CFO who may be happy to hear that the tool will help PMs better scope ROI for development projects. Once you understand who is involved in a purchase decision and how, not only can you sell more effectively, but you can more targeted marketing and even better development that will cater to the proper prospects. Your demos and collateral will speak more directly to them. Your decisions about what conferences and webinars to do will become clearer. Your feature list will be clearly justified. Ultimately, your sales cycles will be more predictable and successful.

For example...

In my household, my kids are the primary Wii users. My husband definitely was an influencer and I am the ultimate buying decision maker. The way my boys all convinced me to go forward (mind you this was over a year ago), was not that I would love the system itself, but that the days that the kids were trapped in the house due to weather or sickness, they could play Wii for some time which would free me to do work or other things. The Wii represented an always available 'babysitter' that would actually have the kids learning and moving inside without my complete involvement or attention. This had value to me and as such, we got the Wii. Consider the different needs and messages among my family. Had the pitch been to me that I would have so much fun playing it, I would never have agreed to buy it. (However, I admit that now I am a power user!)

2. Once you identify the buyers, users, and influencers, don't assume that you know these people.

Just because you consume, you aren't your own customer. Spend time really studying your consumers and understand their demographics and psychographics. You can do this through simple primary research such as surveys and interviews. Depending on your market, you may only need a handful of samples to be able to generalize your buyer personas. More mass market products usually require larger data sets which will result in clusters of target consumers with similar characteristics. This type of profiling is the most important marketing activity there is. It can help you really reach your audiences in ways that are productively personal and relevant.

For example...

One of my clients is a major cell phone provider. They have divided their target users into 12 distinct persona groups. This helps them identify how each type of consumer uses a cell phone and therefore, what product features and sales messages are important to that specific group. For example, a midlife business person may need Outlook connectivity and an abundance of internet access time. A female tween wants a stylish phone with lots of text messaging time. By understanding the demographics and the associated use cases of each group, the marketing message and even products offered to that group change dramatically.

3. Understand the buying process

It sounds so obvious but do you know if your product can be purchased anytime? Does it need to be budgeted for or part of a budgeting process? If so, what and when is the process? Does your product replace another similar product or money allocated to something else? How long do you need to sell and what are the steps? Do you need a live or canned demo? How much time can and should a sales rep spend on a deal and are certain deals worth more to your company than others? For example, will certain

accounts be better references or showcases for future deals? All of these factors can significantly impact the sales process and your company's ability to sell efficiently. It will also help the marketing team to know what they can do to support the sales process.

For example...

I just spoke recently with some realtors who are frustrated with the down market malaise of potential buyers. "We're interested but waiting until Spring when the market is better" is the most common phrase among lukewarm leads. The realtors and I considered ideas about how to keep the educational process and their brand in front of these stalled buyers. We acknowledged that buying primary real estate isn't something you can force on someone and the economic situation is real and real frightening to many. Therefore, we decided to do a seminar on "Preparing for Your Next Home Purchase". We figured that this wasn't so hard hitting but yet would continue the sales dialogue and move some of the issues now that might free some people to actually consummate a deal or at least be more ready when the time was ripe for them.

4. Make sure marketing interacts with prospects and customers regularly

Don't let marketers be ivory tower practitioners. Get them in the field with sales people feeling the same pain and understanding the sales needs firsthand. There is no course that can teach the marketing team more than a few sales calls can. Consider making field work part of marketing's job required objectives. Send them on a few sales calls. Have them carry a small quota. Make them act as presales support to help your sales people.

For example...

A former client was developing a new wireless clock synchronization system for hospitals. Essentially, this would allow all the clocks to be connected wirelessly so they could not only stay on the same time but also able to self diagnose when one needed maintenance or new batteries. The client had gotten pretty far into development when they hired me to do product requirements and as such, I embarked on talking with a dozen potential clients. I uncovered all sorts of issues and opportunities but the one surprising marketing data was how important the savings would be for batteries. Most hospitals were changing the clock batteries on a pre-determined schedule whether that battery needed it or not. With hundreds of clocks and subsequent batteries, they only had to change a wireless clock battery if and when it expired and were notified that was failing. Therefore, the wireless system offered a more efficient use of batteries and could save the hospital many thousands of dollars in batteries as well as maintenance staff time. This provided a very concrete marketing message and easy sales ROI calculation that could help justify the purchase of the new system.

5. Don't underestimate your competition

Don't ever think you have no competition. You always do. It may not be companies that do exactly what you do but inevitably, you are competing for the same dollars from the same targets. In addition, your competition is also older or manual means to accomplishing the same tasks as well as the prospect doing nothing at all. It is naïve to think that your prospects have money budgeted and set aside for your product. Look at what else could take that money from your prospects hands and how you want to ensure that your product offers a better benefit directly to the person who is making that decision.

For example...

Remember Netscape? IBM's OS2? And dozens more as documented in Rick Chapman's "In Search of Stupidity". Do you think 3 years ago Starbucks considered McDonald's competition? If you sell a small business application, you need to think about other applications used by those businesses such as Constant Contact, MS Office, and others that use up available budget. They may not compete functionally but they do compete for the same dollars you want for your product.

6. Realize that value is not ROI.

People pay for many things: service, brand, trust, confidence, and other intangible benefits. When pricing your product, it is so important and difficult to assess the overall value to your prospects. However, doing some very simple primary research can really help. Ask customers, prospects and most importantly, lost sales accounts. These people will most honestly tell you what they think of your value proposition and how it should be positioned and priced.

For example...

Think about how Apple garnered a loyal following that people who are still willing to pay more for a PC. It's not just easier to use, its way cool. And when you are cool, you can charge premium pricing. How about SaaS applications? Are they really cheaper to use and maintain? Usually, but the value to many people is that they don't have to manage the system itself and that backups, upgrades, maintenance is all handled by someone else. This has value to some, though not all people (like IT). So it is very important to know who is buying, influencing and using your product so you can understand the value proposition as it effects even pricing.

7. Watering holes are where it's at.

Regardless if you do advertising and PR, you need to know what your prospects and customers are reading, what conferences they are attending, and who's opinion they respect. This not only forms the basis of your marketing communication plan but also helps you filter out what you should be reading and attending yourself. Save yourself a ton of time and money by focusing on the influential channels that your targets care about. You can find these out simply by asking your customers and prospects where they get their related information by using a survey or doing personal interviews.

For example...

Two great (and free!) tips for finding customer and prospect watering holes are: 1) go to your competitors' websites and find out which media and which reporters are covering them. Build your media list with this information! 2) Set up Goggle alerts for keywords but also on your competition. Here again, note who is writing about your topic and competitors and then use this knowledge to pitch your message in a unique but relevant way.

8. Don't be impressed by quantity. Quality always rules.

Number of impressions, views, users or other quantitative bragging isn't really relevant. It sounds impressive but in reality, it can't tell you if you are hitting the right people with the right information. Who cares that a million school kids saw your billboard from the bus on the way to school? Once you know the answers to the above questions, you can fine tune your communication and sales strategy to focus on the absolute appropriate targets with the appropriate information and sales process. In this case, fewer are better if the quality of the lead is well understood and achieved.

For example...

Down market marketing is all about targeting so don't expect to see more startups buying Superbowl ads anytime soon. Geographical, vertical, and other types of affinity groups are what's driving social networks and blogs. I loved watching the commercial on Animal Planet about a Shriner's Hospital for Children. Turns out that animal lovers tend to be emotional and caring making them perfect targets for children's causes. An ad on Animal Planet is much more cost effective than a major network and should reach a better psychographic audience given the content. My lakefront real estate friends tell me their next big marketing program is exhibiting at the outdoor fish and game show. Sounds weird? They figure that people who sport on lakes would be good targets as lakefront property customers and/or evangelists. If you focus on the target customer and their needs, you can more easily find unique and affordable ways to reach them with your message - often in a non-competitive field that you can really impact.

9. Take advantage of free evangelists.

Your employees and current customers are already on the team. Use them to help spread the messages. Make sure they understand the information and consider giving them some simple incentive to pass on the info to a friend or colleague. Easy and powerful ways to rally these allies is through advisory boards and referral programs. Even retired employees should be tapped. Our Maslow-based needs make us want to be part of a team and help promote the team as the place everyone wants to be part of. Proactively manage these resources and you have a great marketing asset that is typically underutilized.

For example...

Again let me use Starbucks as an example. Their baristas are encouraged to share conversation with customers when the stores aren't too busy. The employees are happy to tell you about some of the great things happening at Starbucks. You can't pay for that kind of advertising to customers or potential future employees.

10. Don't drop leads.

Shame on you if you don't have a tight process for taking in, cultivating and managing leads. Many companies spend tremendous amounts of money to get leads and then store the leads in some database or other form that is never to be seen again. Make sure you have a lead follow-up plan for every program done. Marketing should want control of this if they are measured by the success of lead generation accomplished relative to the number of sales deals closed. Tossing leads over to sales is the old, irresponsible way to do business. Marketing should be held accountable to generate and foster leads until they are completely ready to be handed to sales. Why bother doing marketing programs to get leads that then drop off because sales is so busy trying to focus on pending deals? It may seem silly but it is all too common of a situation.

For example...

I just recently bought a new car and given an obviously dismal auto market, I was very surprised that several sales people that I met with never followed up with me. They clearly had time when I went into the dealerships and helped me test drive various cars. However, they didn't find time to call to thank me or ask what the next steps would be to selling me a car. Seems like a total waste of the company's marketing efforts. As the marketers got me into the dealership, the sales reps let me leave for good.

Conclusion:

So there you have it: Ten potentially pedantic but hopefully helpful tips to improve your marketing now and in any economic climate. Yes, we should all buckle up as it is still a bumpy ride but by not doing marketing well or not doing it at all can make the ride much worse. They say that there is always opportunity in times of greatest challenge...My contention is that smart marketing is an advantage that any company can use to win now and in the future.

About the Author



Formerly a CMO for a public company, Dver is chief executive for [Mint Green Marketing](#) which consults for companies ranging from large multinationals to small startups. In 2007, BusinessWeek recognized Dver as one of 8 female entrepreneurs to watch. She authored the well-endorsed books, "[No Time Marketing](#)" and previously, "[Software Product Management Essentials](#)". A featured columnist for Software Magazine, she has also been published in Forbes, BusinessWeek, Entrepreneur, Promo Magazine, and dozens of others. Ms. Dver regularly presents at venues including The World Diversity Leadership Summit at the UN, The Women's Congress, The American Marketing and American Banking Associations, and Strategic Management Institute. A graduate of Wharton Business School, she is currently working towards her PhD at the University of East London.