

10

Selling Our Products

Marketing Our Image
Letter Marketing
Meeting Advertising Goals Demands Commitment
Advertising In The Classifieds
Lateral Thinking, Credibility and Advertising
Bantering
Nurturing Credibility
Living Up to Our Image
Telephone Musings



Sales, we must have sales to survive! How do and how should our customers know us? Hermes, Zeus' Messenger, travelled as swift as thought in his winged sandals, and his shrewdness and cunning made him the god of commerce and the market, protector of all traders. Lacking the divine gifts of Hermes, and struggling with limited budgets or resources, how can we create and promote our products (and our corporate image) to get and maintain customers? How can we develop a positive image? Try some of these tips.

SELLING OUR PRODUCTS

MARKETING OUR IMAGE

How we define our target audience is critical to determining what is said, how it is said, where it is said, and who says it.

An image can masquerade under various euphemisms—as a slogan, theme, appeal, or idea—any of which really amount to communicating an attitude, posture, or proposition of the company and our product. In short, what is the bill of goods we want them to buy?

If we're honest, and the boss is not around, we'll probably admit to glancing at Tuesday's *Wall Street Journal* ads. I enjoy reading them for comic relief from the typical ad that seeks to interest us in a new position, sufficiently anyway to fire off the old resume and perhaps risk a career change. To learn what not to do in presenting our image, take a moment to glance at this Tuesday's issue. By their ads, we shall definitely not know them.

Here's a few dandies from recent issues: "An emerging leader in energy . . .," "Rapidly growing, privately owned . . .," "An industry leading manufacturing company . . .," ". . . your biggest challenge will be building on the excellence . . .," ". . . the nationally recognized . . .," and "a dynamic organization selling PC software."

Well, I'm familiar with more than a few companies across a broad band of industries, and I certainly didn't recognize the companies who were emerging, dynamic, and leaders in their field. I guess they're trying to get there by hiring the right people. Don't ask me what my reaction was. Oh, I nearly forgot my favorite: "At Sprint, our fiber-optic communications aren't the only thing that travels at light speed. Careers speed up, too, . . ." According to the newspapers, Sprint has had its share of difficulties. I don't think the rubber met the road.

Conversely, I have read ads for Hallmark and Nissan that almost understate the company, the position, and the opportunity. The ads were tasteful and appealing, and they clearly presented a believable image of a company one might want to work for. No, I wasn't tempted to send off my resume.

Too often, I have had to reimage a start-up and had to face the typical problems of many small businesses. Very often, the product is simple in appearance and easy to use, but how it works is highly technical. Sales people and potential buyers need to understand it. Often, it is difficult to communicate the advantages of the product and its application through ads, letters, phone, and sales calls. Personal demonstrations by technical people have successfully sold the product, but continuing this approach, with our goal of high-volume sales, is impractical because of sheer market size. In short, that's how we come to reimagining.

Questions posed by our creative people in such situations as to the image we want to sell are: Who is our target audience? What response do we seek? What message should we develop? What media should we use? What attributes should accompany the message? What feedback should we collect?

The greatest of these is audience. The audience may consist of potential buyers of the products, current users, deciders, or influencers. The audience may be individuals, groups, or the public at large. How we define our target audience is critical in determining what is said, how it is said, when it is said, where it is said, and who says it.

Now, the gurus of marketing communications have coined a vague term to measure images: semantic differential. The semantic differential consists of three basic factors: evaluation (good-bad qualities of the image); potency (strong-weak qualities); and activity (active-passive qualities).

Images are developed through the skillful combination of these three factors. Evaluation includes such markers as reliable, well-known, national, regional, or local. Potency assesses in terms of large company, small company, and friendly. Activity takes a look at descriptors like growing fast, emerging, progressive, and conservative. Typically, the marketing communicator first surveys a small customer sample and then refines the image on a larger group.

These same gurus have coined another term to describe how the message is perceived by the audience: source credibility. We are familiar with the use of the professional athlete, the professional in some other respected field, or the media spokesperson to deliver a persuasive and credible message. We may even have used customer testimonials as references ourselves. But, what are the factors that underlie source credibility? What are the factors that make the image believable?

The most often identified factors are expertise, trustworthiness, and likeability. Expertise is the degree to which we are perceived to possess sufficient authority to justify what we are representing. Trustworthiness relates to how objective and honest the company is, or how well the product's claims measure up. Likeability relates to how attractive the message and its presentation is to the audience. Candor, humor, and naturalness make a message more acceptable.

Most communicators will opt for a personal, well-supported message versus a nonpersonal image, especially in the following cases:

- Where the product is expensive, risky, or purchased infrequently. In these cases, customers are likely to be information seekers. They will probably go beyond mass-media information and seek out the product experience and opinions of knowledgeable and trusted sources.

- Where the product has a significantly social character. Such products include autos, clothes, beer, and cigarettes. These can all be significantly differentiated by brand and hence, imply something about the status or taste of the user.

The basic strategy to use with most start-up companies is to position the company as credible and well-supported with a premier product (the industry standard) in the target markets. To ensure product differentiation in each market segment, the product may be relabeled distinctively as a series of simple, easy-to-use systems for specific and easily recognizable applications.

To overcome the difficulties in communicating the advantages of the product and to reduce dependence on technical depth to sell the product, a general purpose brochure is designed. It clearly presents the technical product in layman's terms, its features, benefits, and simplicity. This brochure, when coupled with testimonials from satisfied users, plus customer lists from recognized companies to inspire confidence in the product and the company, formed the primary marketing tool and was disseminated to inquirers, customers, and distributors. Does the strategy work? Yes, it paid off immediately with the signing of a major distributor for one start-up company I was associated with.

The last word on image is best conveyed by the widely published direct mail *McGraw Hill* ad. This is the ad with the grumpy executive addressing the salesman: "I don't know who you are, I don't know who your company is, I don't know what your product is . . . now, what is it you want to sell me?"

And how can you sell me—easily?

LETTER MARKETING

Let's talk about advertising and promotion. Even common sense tells us that we have to alert our customers to our presence, our products, our services, and our location. Too often, businesses rely on the yellow pages, street traffic, and word-of-mouth with token support from limited and infrequent advertising.

Common sense aside, market research studies have consistently shown that buyers most frequently *patronize* (key word) businesses with which they are familiar. When asked to list those factors (in decreasing importance) that influence a buyer's decision, most people answered confidence, quality, selection, service, and price. How do we instill confidence in our prospects?

If you exhibit a Type A personality, and 70 percent of us do, you've probably already completed the above sentence with "advertising." You're expecting the usual package of media ads, direct mail, trade shows, sales literature, product catalogues, brochures, public relations materials . . . wrong! Surprisingly, one of the most effective, easiest, inexpensive, and overlooked methods of advertising is the "personal" letter. In the 1990s, this has been supplemented by electronic mail. (Did you know that 1996 was the first year in which the number of public emails exceeded the number of letters delivered by

the U.S. Postal Services? This doesn't include Corporate America's internal email communications! Hereafter, we should include email in the definition of a letter.)

Let me emphasize the word personal lest we confuse the approach with the deluge of "personalized" direct mail that clogs our mail boxes. Let me also emphasize that this communication approach is not generally suited to big business: it doesn't reach enough prospects to justify the cost and success ratio and, most importantly, we must personally know the intended reader. If we're a small business, or a product manager with a new or large ticket item, this approach is guaranteed to build confidence and sales. People enjoy being recognized and getting attention. A simple personal letter gets their attention quickly.

A personal letter conveys a personal feeling and reaches a special place in the mind of the reader. We can say specific things in a personal letter that are not practical in any other advertising medium except for the personal telephone call.

Ma Bell ("Reach out and touch someone") and Kodak ("Bring your memories to life") are prime examples of the personal touch. Japanese companies are also very adept at this approach; I still get Christmas and New Year's cards from people I haven't seen in years.

One of the easiest, most effective, inexpensive, and overlooked methods of advertising is the personal letter.

Include as much personal data in the letter as possible. Start off with the Dale Carnegie approach—their first name—then lead into personal items about their life and business. Gathering these personal items can be accomplished easily if we do our homework when visiting customers. Learn about their personal and working habits, their family, their goals, their hopes, and their problems. We can supplement our personal observations by networking the various chambers of commerce, professional clubs and societies, and sports clubs. The effect our letter has as a door opener will be dazzling.

The real test on whether we're a flash-in-the-pan or not comes after the letter is sent. No matter how motivating the letter has been, we must follow up our initiative with either another personal letter, within 2 to 3 weeks, or a personal telephone call initiating a meeting. The follow-up letter may be brief and summarize previous information, but it also must contain new information on why the reader might want to do business with us. Continue to send letters on a regular basis along with other sales materials.

Before continuing, the difference between a "personal" letter and a "personalized" letter must be clarified. The personalized approach, made possible by computerized word processing, uses a first name salutation and a few personal references, which are occasionally found in the body of the letter, but more often in a postscript. The personal letter is specifically directed to one individual and contains so much personal information that it is designed only for that person. This approach has a much greater impact than the personalized letter. Including additional personal items will intensify the relationship by convincing the reader that this approach is not part of a clever mass-mailed campaign: people don't like to be tricked.

When calling, take advantage of the letter, which has introduced us as a friend and not as a stranger. Refer to the letter and restate the points made to ensure familiarity. The phone, a direct pipeline into the mind and hence very intimate in nature, is a great way to develop a relationship. We better practice up on our phone manners if we're uncomfortable. Follow up with another letter confirming the conversation.

How long should a typical letter be? I try to work to a one page limit, but I don't worry about running over to a second if it ensures I convey essential information. Short personal letters have a much greater impact, particularly those with warm, motivating copy. Such letters are a welcome relief from the uninspiring, inexpressive, typically boring "personalized" business letters.

Take the time to review all the letters before mailing them. Try to follow these established gems: state the purpose of the letter early on; keep paragraphs short, six or so lines; indent or title each paragraph; don't go wild on underlining, capitals, or quote marks; keep the message short and to the point; spell the name of the person, company, and address correctly; and use a postscript to emphasize the key point if it needs reinforcement. If our writing and expression are too sloppy, we can have our English-major interns edit it for us.

As with all marketing, timing and perseverance are important. Our message may be great, but if the audience is not tuned in at that moment, we'll fail. Too often, small business people expect instant results from marketing and are disappointed when orders don't flow in. Err on the side of repetition and frequency in communicating with customers. Give it some time. Remember, it took most of us a long time to overcome our inherent shyness and develop the relationship that resulted in marriage. Courting our customer through personal letters will pay dividends over time.

MEETING ADVERTISING GOALS DEMANDS COMMITMENT

If the company is like most small businesses, spending money on advertising is considered a necessary evil. Necessary because all the management books we've ever read say we have to do it, but evil because we hate wasting money.

Typically, it's difficult to quantify the results of our advertising. We have no real idea how cost effective placing an ad for our product or service is and whether it really brings in any significant sales dollars. We take no solace in reading that research shows that when the buyer is exposed to advertising prior to the sale, our dollar sales can be increased by up to 20 percent. In short, we wonder how we can best reach our prospective customers.

How can we reasonably confront these fears and obtain real value, and results, for our advertising dollars? Before we commit funds to an advertising effort, we must establish clear and measurable objectives. It's not enough to set vague goals such as "increased sales" or "making customers aware" of our product or service. We must make our objectives very specific: create a new customer base; increase or extend usage of our

product; increase product volume; or promote frequent replacement of spare parts and maintenance. Other objectives might be to assist our distributors, improve our brand name recognition, or generate new sales leads. Once we have specified our company's goals and objectives, we can begin formulating and defining our advertising budget.

Advertising is, of course, not strictly limited to media exposure. Promotion includes marketing and media research, creative services, sales training, and agency fees. We can also prepare trade show exhibits, sales literature, product catalogues, brochures, public relations materials or Internet web sites. All are potential items in an advertising budget.

Many methods are available to us for preparing the budget; however, any method can be flawed if applied indiscriminately. Some of these methods include "match the competition," traditional percentage of total, and hysterical (read historical). There's also a fixed-dollar sum method, the whatever-we-can-afford method, the profit margin method, and the ratio of sales force vis-a-vis advertising apportionment.

My favorite method, and perhaps the least risky, to use in preparing a successful, affordable, and profitable advertising budget is the "budget by objectives" method. This approach requires allocating funds to attain specific and measurable goals. Four simple steps are all we need: (1) set specific, realistic, and measurable marketing goals; (2) plan activities to meet these goals; (3) sum the expenditures needed for each portion of the plan; and (4) provide a contingency reserve.

Our final advertising budget is the total of our expenditures plus our contingency reserve.

The most difficult part of budgeting by objectives is estimating the effort needed to achieve our goals. This is where the experience of a good agency can help. Systematic testing of results from advertising—response frequency and rate, and ratios of inquiry to prospect to sale—at varying budget levels can be used to determine an appropriate level of effort.

Three rules of thumb are helpful in preparing the advertising budget:

- When the product or service is a high-volume, high-margin, or impulse purchase item where advertising will have a significant impact on sales, allocate no less than 8 to 15 percent of total sales revenues to advertising and promotion.
- When the product or service has a large average invoice and is a preplanned purchase with a profit margin ranging from 25 to 50 percent, allocate no less than 5 to 8 percent of sales revenues for advertising.
- For commercial and industrial products, allocate 3 to 6 percent of revenues to advertising.

Keep in mind that advertising is a profitable investment to generate increased sales revenues. Not only should the advertising budget be considered a fixed annual expenditure, but flexibility should be built in to provide for revisions, maintenance costs, and increases in media costs.

Finally, advertising methods and budget are a statement of the company's business philosophy. Management studies have shown that companies that aggressively advertise are more likely to be aggressive in other business attitudes. To strengthen sales and market share, cultivate an aggressive advertising attitude and make every dollar count. Advertising can really pay off for the company.

ADVERTISING IN THE CLASSIFIEDS

Let's talk some more about marketing beyond using the personal letter as a promotional tool to build and sustain a customer base—sustain being the key word. My advice was to err on the side of repetition and frequency in communicating with our customers, and to give it some time.

Let's look at the givens. We know we've got to find those prospects and turn them into customers. We know we have to tell them who we are, where we are, and what we do. We know we have to follow up in the most friendly and helpful way and tell them how well we do what we do. We know we have to tell them without brown-nosing; we need to appear hungry, but not starving. Above all, we know we have to tell them again and again and again.

It's a Catch 22: How are we going to do all of this and how are we going to pay for it?

Marry the marketing and business concepts and we have joined desire with need.

Let's break the panic cycle for a moment and stand back and ask ourselves two basic questions: What is small business? and What is marketing? Take the first question first. The government has several "daffynitions" for small business, based on SIC code, but they all pretty much boil down to less than 500 people and \$10 million in sales. That's where we wanna be, right? But how do we get there?

Enter marketing stage left. Marketing is everything we do to promote our business on a regular basis! The key words here are everything and regular. Marry the marketing and business concepts and we have joined desire with need, which is a great combination that should lead to commitment. Even natural beauty takes time. Buy in for the long haul.

How do we make small beautiful? Classified advertising is a great place to start.

When we think of the classifieds, we probably think of the newspaper ads: buying a car, a boat, or a house; finding a job; or locating a garage sale. Think again. Think about the business opportunities and for sale columns we gloss over with eyes half opened over morning coffee. Think also about how the Internet's news groups and email fit into a "modern classified." If all of those entrepreneurs and businesses are using the classifieds, why shouldn't we? Check some back issues and discover these advertisers run the same

ads or send the same emails consistently. That should be a clue that there's a marketing payoff here.

Generally, there are two main places to run classifieds: newspapers and magazines. With the advent of the Internet, we can add news groups and web sites. For the "traditional classifieds," market research says, if our product serves local customers, concentrate on the daily or regional newspapers—90 percent of our customers will typically buy within a 7-mile radius of our facility. On the other hand, if our product serves a national market, go for the multitrade magazines and the Internet. Do a little market research. What media does the target audience read? Keep those eyes open during expensive office visits. It's surprising how many people actually read classified ads and emails. Even today's conglomerates started from humble beginnings and probably as classified business opportunities.

There's more good news. It won't cost an arm and a leg to run a classified or to advertise on an Internet news group. Even better, we'll get a break for running multiple ads. Ad charges are based on the number of words, lines, or inches. A typical small newspaper ad will cost around \$20 to run one time and will be discounted by 10 to 25 percent if we buy multiple ads. Emails often only cost a local phone call. A word of caution though—don't wear out your welcome with indiscriminate emails.

How should our ad read? Imitation is the sincerest form of flattery, so go read the competition. In general, note the better ads have a bold, short headline, describe the product and its features in crisp sentences, avoid jargon, and provide an address or phone for contact.

Don't rely on the person who sells the space to write copy. Most publications have people who can suggest text for an ad, but if we're reasonably good at writing, we should draft our own copy and spend a few bucks with an editor and graphic artist to clean up the message and presentation.

One of my favorite approaches is to literally run a business card either in the classifieds or in a section specifically for this. This approach presumes, of course, that we have designed a business card as a mini-brochure to sell our product rather than just having an anemic calling card. Whatever form we use, the ad should be designed in such a way that it contrasts with the other ads in the section. This is where the graphic artist comes in.

Where should we run our classified? Since we will have several different categories to select from, and the categories may differ between publications, we need to choose correctly. If in doubt, experiment for a while by placing the classified in more than one section and monitoring the response rate. After we find our niche, we stick with it. Buy space for the ad on at least a quarterly basis and pay for it so the company will stay the course. Otherwise, we could be tempted to quit because of initial disappointing responses.

If the response rate is less than reasonable, do a little homework on whether the message and form are correct. And, don't forget the time it takes to break into any new market—some niches are more conservative than others!

Another tip is don't get hung up on the economies of scale by buying less space than needed. It is folly to have an extremely short ad at the expense of the message. Our classified is our first sales presentation to our customers, so we can't hold back on extolling our features and benefits. But, keep to the facts. We may spend a few dollars more because our ad is longer, but often even one extra sale will easily pay for the cost of extra space.

Remember, just because classified ads are small and inexpensive doesn't mean they are ineffective. Classifieds and emails allow us to target a more widespread audience. Classifieds, when used with news releases and public service announcements, will also allow us to test the water with our product message and in selected media before committing to the more expensive display ads or web sites. Indeed, small can be beautiful—and profitable—for the small business marketer.

NURTURING CREDIBILITY

Credibility is a simple precept we can't buy or sell, but it impacts on us collectively as individuals and businesses. Credibility equates with confidence . . . and sales . . . and profits. It can mean the difference between success and failure. If we can't buy or sell credibility, how can we acquire it?

The words of the immortal Bard are apropos: "Be not afraid of greatness: some are born great, some achieve greatness, and some have greatness thrust upon them." Now substitute the word "greatness" with the word "credibility." If we weren't born with the proverbial silver spoon in our mouth, or we didn't marry into it, we're left with the latter two choices.

How do we achieve (or grow) credibility? Some people equate growing credibility with "buying" credibility, which puts me in conflict with my opening premise. Growing credibility comes from moving in the right circles, so to speak. Buying a degree from a well recognized college is often suggested as the way to the executive washroom.

While we're on the subject of education, let's digress for a minute and consider the effect of the quality of education. Midwestern businesses have been saying for some time now that some of their business problems (read failure to attract new business) are directly related to a failure to be associated with the likes of Harvard, Stanford, or MIT! What a load of poppycock. It's not until we are out of the area that we find out their local colleges are nationally recognized in key fields (not just in football or basketball!). I'll agree that a nationally recognized school increases the chance of attracting new business, but it takes much more than that to get the job done.

Midwestern cities suffer from gulag personalities. Local people, in business as well as sports, seem to want to believe that they can't compete with their east and west coast relatives. I experienced this first hand in a small firm. A major competitor had the firm believing that a market no longer existed for their product. They had bought the message of their competitor's public relations efforts even better than their own customers. The media had made them "believers" that they couldn't compete—that they were lacking something. They expected to fail; and hence, were not surprised when they "achieved" the expected result. I don't know about you, but I hate to lose—at anything! As Mao said—the longest journey begins with the first step.

It is very true, however, that a professional degree from a prestigious college will increase our chances of getting a job offer . . . , or our chances of getting our foot in the door to promote our business. The credibility of one's alma mater can be transferred (by osmosis?) to our business.

Osmotic credibility can also be used to gain an advantage. Let's go back to sports for a minute and the Michael Jordan "jock" syndrome. If a person is reasonably intelligent and has attained some notoriety in sports, it is possible for that person to transfer credibility to professional pursuits. In this case, however, that person has to continue to produce the goods to grow credibility.

Achieving professional recognition in our field of expertise also confers credibility. In the 1980s, the well-published financial analyst, Granville, established some notoriety in the stock market early on that was purloined into a successful newsletter business. People like to ask experts to make their decisions for them.

Let's also not forget the impact of the "network" syndrome. Whether we were born with it, married into it, were elected into it, or whether we've been in business for 30 years or more, or managed to make it into the people-in-the-know circle, we can barter contacts for credibility. Have you met any big name dropping would-bes, could-have-beens, politicos, or sales people lately? Were you impressed?

Let's not forget the credibility we can derive through working for various civic and charitable organizations. Friendships and relationships developed through such contacts have fueled the fires of many businesses. Take a minute to look through the membership rosters and notice that many members are from service-related businesses.

Working for a large, well respected, well known corporate giant also confers credibility. I gain attention in client communication with the two little words, "Fluor Daniel," after my name. What a shock it was when I worked for my first small business in the U.S. I would call people up and they would have me spell out the small firm's name before I could start the pitch—I lost them right there. People do equate success and credibility with size and, most often, at the expense of price or service. We have short memories and forget that these giants are made up of people, too!

Meanwhile, back on planet Earth, we small business people are trying to cloak ourselves in credibility to increase our chances of success and survival. We've read all the management books about business planning, the functions of the CEO, and how to avoid failure, but we just can't seem to get our foot in the door to pitch those critical sales. Typically, our business is less than 10 years old, we're not a jock, not degreed from an Ivy League school, and we are waiting for "the big break" to thrust credibility upon us.

To solve our problem, a little lateral thinking is in order. Read DeBono, the prince of European lateral thinking, if this is a foreign concept. He's bigger in Europe than Drucker, the U.S. management guru. The U.S. system trains us to think in selective, vertical thought patterns. In vertical thinking, one follows a stepladder series of facts, eliminates those that are false at each step, and reaches the most appealing conclusion at the top of the ladder. In short, vertical thinking has only one way to go. Contrast this with lateral thinking, wherein the idea is to find as many approaches as possible. With lateral thinking, the steps on the ladder do not have to be sequential. We can come in from left field and jump ahead whether our previous assumptions were correct or not.

How can we use lateral thinking to "thrust" credibility on our small business?

LATERAL THINKING, CREDIBILITY, AND ADVERTISING

The three basic truths of selling: nobody likes to be the first to buy anything, nobody likes to be sold anything, and there's safety in numbers.

What was the common thread binding all the elements of credibility we examined above? Name recognition! We knew the Ivy League schools by name, we knew the jocks, and we knew the companies. In each case, the individual gained credibility by association. So, how does small business build credibility (read recognition) by

association?

If we come up with only one answer, company association, we have failed the lateral thinking test miserably and definitely ought to buy a DeBono book on the subject.

But, we're on the subject of credibility building now, so let's see it through. Our customer list! That's right, who's on the customer list? Do we have any big names we can use to promote ourselves directly (by testimonial) or indirectly (by published lists)?

Remember the three basic truths of selling: nobody likes to be the first to buy anything, nobody likes to be sold anything, and there's safety in numbers. Get a few big boys on the list to nurture credibility. This works best with high ticket items or direct sales. We do have a published customer list, don't we?

A big brother company association can work for us in more subtle ways. For example, the Xerox Corporation has chosen our business to be its exclusive representative for its new zapper machine but in a limited sales territory. Play down the limited sales territory and play up the confidence Xerox has expressed in our company in appointing us as

representative for any product. Use this edge to pull through additional sales for the me-too products.

Another big brother scenario: IBM has approached us to distribute our new, patented battery charger nationwide to computer wholesalers. Here's our chance for a couple of feature stories and press releases to spur development or expansion of other markets—pull through sales again. Now that we've formed the parade, get the Chamber of Commerce or state small business development agencies to grab our flag and do a little mutual interest promotion. Everybody, particularly the politicians, likes success stories.

Here's one I bet nobody guessed: a combination big brother and media approach. Magazines such as *Time*, *Newsweek*, and *Sports Illustrated* are solid, reliable, and expensive publications in which to advertise. By association, businesses advertising in such media must be stable and credible, too. Right? The trick is how to afford to advertise in such national media and yet build sales in our local market. Here's the two-part answer: advertise only in the regional editions of prestigious publications and follow up with a direct mailing of the printed ads. If we're in retailing, we proudly display a point of sale blowup of the ad in our showroom.

To really get more bang for our buck, we will also mention our national magazine ads in the other media we use: radio, yellow pages, signs, direct mail, personal letters, and telemarketing.

If we're really strapped for cash, we can ask our advertising agency about remnant space in these media. By being flexible and patient, we can wait until our target magazine has not sold its quota of advertising space for a particular edition and then negotiate a substantial discount for the remnant space. Imagine seeing our ad alongside AT&T, IBM, and Xerox!

Another way to develop credibility is by packaging our products or services in first-quality materials. A well-dressed mediocre product, presented in a four-color package, will get a lot more attention than a superior product flimsily draped in a brown paper bag. In the eye of the purchaser, quality packaging confers product quality.

Thrusting credibility on the small business: did we also guess by people association? Think back to the media spokesperson on TV pushing the latest and greatest car (Lee Trevino), hardware (John Madden), perfume (Liz Taylor), razors . . . it's an endless list. Foul! we cry, since we don't have the bucks for a campaign like this. Wrong. We have just put ourselves into the vertical thinking box again. The concept was people association not media personality association!

People association works in small communities and industries even better, and without media advertising. For example, if Bill's best friend, or better still his competitor, just bought our product, wouldn't Bill like to get in on the deal, too? Since Bill's friend bought first, there's no risk to Bill. A little market research can turn up a lotta Bills in the market and can pay big dividends (pun intended).

Altruism can also nurture credibility. For example, our company has just developed a new product that detects chemicals in the environment. We want to get the word out to consumers and regulators that we have a solution to a problem of national concern. We start out by pitching our angle to the local media and watch the voracious national networks and media focus national attention on the issue—and our product. Everybody wins. We help solve a problem and make a little money in the process. Greed is good when serving the common good.

We can gain credibility by our address. For example, locating in a higher priced mall instead of a remote strip center is likely to make most people believe we're sufficiently established to be stable. The same is true if we rent office space in a building occupied by a prestigious firm. It's great when we tell our customers to look for the AT&T building. If we're dependent on local traffic for business, locating by McDonalds will guarantee traffic. That's how Burger King and others have picked their locations. However, a word of caution on location—do a demographic profile of the location before moving in. If you don't know what a demographic profile is, this is a signal to get some help, pronto. Rent, cheap or expensive, doesn't buy customers.

We also can lose credibility through our address. We should pick a neutral location if we want to serve customers who might be in conflict with one another.

The strength of small business lies in its quick decision-making ability, its flexibility in adapting to changing circumstances, and its survival instincts.

Never forget that the strength of small business lies in its quick decision-making ability, its flexibility in adapting to changing circumstances, and its survival instincts. Be ever vigilant in using lateral thinking to turn the seemingly insurmountable advantages of big business and big media into an advantage.

LIVING UP TO OUR IMAGE

Sometimes, the rubber doesn't meet the road. Sometimes, the product or service doesn't live up to its celluloid corporate image. Failure to fulfill expectations is a lesson that small business doesn't want to learn from big business. Handling those inevitable customer complaints is a skill small business must learn.

Let me recount several recent experiences: first, here's one for Bill Marriott. Bill runs several large hotel chains and "always" wants to know when things go wrong. Well, Bill, things went wrong in Seattle a while back. The scene: a quiet, personal, business dinner, a polite order taken, and the arrival of the meal. Just one look told me that the steak wasn't what I had ordered, but what the heck—I started into the meal. One taste told me I had gotten the "lubed" vegetables. Clearly, I had the cooking oil and not the butter sauté. Well, not wanting to make a scene, I motioned to the waiter and explained my predicament, which brought the assistant manager. The offending meal was removed, but it was returned shortly thereafter with the original lubed vegetables now slimed with a cheese sauce, but worse, my partly eaten steak had been trimmed neatly and was

accompanied with the explanation that it was the correct steak! Now I was a liar as well as being in poor taste!

Scenes are not really my thing, so I wrote a suitable note (“worst meal . . .”) on the bill and reduced the tip—all without response from three staffers, whoops, Bill’s associates. Better yet, when I checked out, no follow-up either. Well, Bill, are you going to ask me what I think?

Airlines and car companies are my next source of images misfired. Delta definitely wasn’t ready when my son came home from college with his ticket freshly laundered. In front of a long customer line, he was made to feel like a criminal for his mistake. Then there’s the oft-quoted Lee, who failed to respond to our letter when we got one of his lemon cars just out of warranty . . . “the best built, the best backed. . . .”

I’ll bet you can relate similar experiences when the rubber came up short.

Several years ago, the U.S. Government’s Department of Consumer Affairs got into the act of handling consumer complaints and came up with two important gems worth noting:

- Customers who do not complain when they are unhappy often switch products, companies, or both.
- Since marketing costs are so high, it is often cheaper to resolve the complaints of existing customers than it is to win new ones.

Clearly then, it is sound business practice to actually encourage complaints from dissatisfied customers. But it is even more important to follow through and respond positively to customer complaints. Follow-on research confirms that companies that respond swiftly and positively to customer complaints rebuild patronage and increase customer loyalty.

Now, I’ve spent my share of time on the end of a phone dealing with irate and emotional customers while trying to stay calm and detached. When we’ve reached this point, we had better be able to demonstrate interest and sincerity. More importantly, whatever marketing effort has preceded this circumstance is going to determine whether we can turn the complaint into future business.

Three aspects of our marketing will influence the likely outcome: our product and our company’s reputation for quality and service; the circumstances that led to the complaint; and our policy in redressing the complaint. Any of the three factors can be used effectively to alter the impact of the complaint either by eliminating the cause or reducing the intensity.

Our Reputation. We worked hard and spent real marketing dollars to build our reputation, although certainly not as much as our bigger cousins. If “quality is truly . . .”

is more than just a slogan in our firm, our customer is already looking for a receptive response—I was, for awhile. Reinforce the idea that the company stands behind its products and services, and offer to replace or repair whatever, if or when it seems at fault. Eighty percent of the business will typically come from 20 percent of the customers—the Pareto principle. If we handle the complaint immediately when it first surfaces, we probably won't have to worry about making that second call—the one to our lawyer!

Circumstances. Remember the worn old adage, “the customer is always right,” when gathering the details of the complaint. Take a positive (read listening) stance. Avoid criticism, arguments, or blame when discussing the situation. Most people just need an ear to blow off steam, particularly in the initial contact, or they are looking for a timely response. Larger problems may require us to call back and follow up; hence, the initial tone from our first conversation will dominate the ensuing receptivity of our customer.

Our Policy. Never, never leave it up to the staffers (read associates) to determine how they should respond in these situations. We're not facing a media crisis—not yet anyway—but we need to instruct our people on how to respond. Employee training programs are like cutting grass in the summer: we have to mow regularly if we want to

The complainer is already a customer that we had to win who is approaching us with a problem.

maintain a fresh manicured look. Our policy should include the following points: always assume the customer has a legitimate complaint; be sincere and tactful; concede to the customer before contending; never say the complainer is unreasonable; get the facts; and respond immediately. If we sent the wrong item, dispatch the correct item immediately. If a credit is outstanding, get it issued

and sent the same day. If it's a lousy meal, replace it or at least offer dessert, coffee, and an after-dinner drink. If the product is a lemon, arrange for a dealer to inspect it and offer a future rebate or free service. If we need to refer the call to another department, call ahead of time to brief and prepare our kindred, particularly if we are deferring to the dreaded “service department!” Where possible—and always on major accounts—follow up with a written note of apology in a sincere tone. We must make them a believer in our company and our products and, above all, a continuing customer.

Reinforce with the staff that the complainer is already a customer that we had to win and that the customer is approaching us with a problem. The corollary to this is the proverbial one that got away. Recognize that this problem-solving role gives us the advantage of being of service and building a continuing, profitable relationship.

We might not be able to turn lemons into lemonade, lubed vegetables into meals, nor confetti into air tickets, but we just might preserve our existing customer base while building new customers through word of mouth. If we don't choose this route, the worst that can happen is we might lose them, their children, their family, friends, professional associates, business contacts, acquaintances, or any stranger willing to lend an ear.

TELEPHONE MUSINGS

How do we view the telephone? As a source of irritation? As our direct (voice) or indirect (email) pipeline to the world? As an irritation, the telephone can be our undoing; as a pipeline, our potential salvation.

The telephone is both powerful and precarious, since without the distraction of facial expressions, the potential for intimacy is increased through the tone of our voice. The very technology that amplifies our voice amplifies our emotions.

Speaking with openness and sincerity can multiply our effectiveness with clients and associates. Portray fear and a closed mind, and a single call can create a lasting negative impression, undo years of goodwill, or break a friendship. Calling at the wrong time or being pushy will make us out to be insensitive and crass.

To develop a comfortable telephone style, we must simply remember that the telephone is an extension of ourselves. Put aside other distractions, such as reading the mail. If we're natural and courteous, we'll convey the correct impression.

Telephone Manners Are Important. Since we cannot know how the person we are calling is feeling, we need allies, the people who work with and for our party. Be nice, especially to secretaries and associates. Like all of us, they cherish hearing their own names. Respond accordingly; write them down for future calls. Secretaries are often charged with guarding the entrance to the king, and convey their feelings appropriately in messages left for the boss. A key point: consider their position. Not only do secretaries have to do their respective tasks, they must deal with complaints and any number of nuisance calls. Don't be an additional nuisance by launching into a pitch and conveying desperation. If we put a smile in our voice, it'll show through.

When we do get through to our party, we need to be courteous and check that this is indeed a good time to talk. Setting the tone for an honest and unhurried conversation will always work in our favor. We should quickly identify our subject matter, outline any points to be resolved, and reach agreement on the next steps to be taken. Limit our conversation, stay focused, and don't try to discuss too many subjects lest we confuse our audience. If the other person brings up a point we're not prepared to discuss, postpone the discussion to a subsequent call.

Remember, the people who answer our phone are key representatives of our company. The initial impression they make will paint an image of us and our company. Make sure their tone of voice conveys an "up" personality, friendliness, and a sincere impression that the business is important. Their attitude must be a true reflection of what others can expect in dealing with us and our company. Negative people do not belong anywhere near a telephone.

One of my pet peeves is being put on hold for an extended period. Usually, this is associated with being forced to listen to some kind of intolerable background music. It's bad enough to be trapped on the phone, but worse not to have a quiet moment of solitude to oneself. If we've identified ourselves, we can't risk creating bad feelings by hanging up. Conversely, if it's our practice to place callers on hold, have someone touch base with

them frequently, asking if they would prefer to leave a message rather than to remain on hold.

On the other side of the fence, when people won't take our calls, this is a clear signal that they don't want to face a problem. Whether we have become identified with a problem, or are perceived as crass or overbearing, we are dealing with a conditioned response. To break the pattern, people often try to adopt a ploy or use a gimmick, but such approaches clearly miss the mark. This further exacerbates the problem since all of us resent being used or tricked. The best advice is to back off. Start out fresh with a new approach in the future, such as providing some service to their existing account. Be sincere. Learn how to become part of the team and not an outsider.

If we want to avoid further harassing calls, we can take the call ourselves and be direct. Spoon out some strong medicine; tell the caller that we are displeased, that we prefer to take our business elsewhere, and that we will not take future calls. It's better to suffer a little discomfort now than to waste precious time later dodging unwanted calls and thus postponing the real issue.

Knowing when not to make a phone call, or when not to send an email, is also important. Never express anger over the phone or in an email. It's almost always guaranteed to work against us. Getting emotional will affect our relationships, credibility, and work atmosphere. Also, avoid putting pressure on the other party. It's just as easy for them to cut us off as the other way around.

Hanging Up. Never hang up in anger. Rather, we should hang up with a smile on our face and, where appropriate, an action to move business forward. Don't be a bear. It is a pleasure to do business with us.

Their Voice Mail. Face it, we don't like talking to machines, but they are a fact of business life. When we call, be prepared to leave a message on a machine. Keep it simple and don't be cute. When shouldn't we leave a message? Don't leave a message if this is our first contact and we are concerned about creating a poor first impression.

Our Voice Mail. Substituting a machine for a person does not abdicate the image our message creates of us. Our message should project confidence. Be brief and businesslike. Unless it's our home line, forget the rock music and the jokes. A simple and short message such as, "Hello, this is Bob Muir. Please leave your name, number, and a brief message after the tone. I'll return your call as soon as I can." If this approach isn't personal enough, transfer the calls to a competent assistant, or set up an answering service.

Remember, the telephone is an extension of ourselves, and it's as sensitive and subtle as we are. To be truly effective, treat people as we like to be treated. To gain entrance to the inner sanctum, be particularly courteous to the associates and secretaries with whom we must deal. When we do get through to our party, identify the subject, limit the conversation, stay

Substituting a machine for a person does not abdicate the image our message creates of us.

focused, and agree on the next steps. Regard the telephone as a pipeline and keep it open to the world.

