

DEFINING A MARKET AND COMMUNICATING WITH IT



What is a market? A market is a subset of the population which may be characterized as a universe or delineated as a cell of that universe. It may be segmented by reference to income, age, or occupation, or by predominant industry, geographic area or consumers' need for specific services which your business can provide. A market is also any group of individuals or businesses with which you can relate and communicate by means of a common appeal.

If you can identify some specific group of potential clients, who can reasonably be expected to recognize the benefits of engaging your business after receiving repeated exposure or a promotional message, you will have a potentially strong market to target. A market must be accessible to you.

However, just because it is accessible, does not necessarily mean that you will allocate time and resources to communicate with it. You will only do so if the market

universe or cell which you target can be served profitably. The size of the market, its growth rate, its profit potential, and the competition you will face to capture a share of it, are factors to be considered in determining whether to target any particular market or subgroup.

After having determined your objectives, your plan, your budget, and your target market, you are now faced with a decision about what you are going to say. What message is it that you wish to communicate? Before you formulate this message, understand a fundamental concept in the development of an effective marketing message. This is essential! Your prospects don't care. They don't care about you, your company, or your advertising. They would rather do anything other than pay attention to your marketing message. Prospective clients get bombarded with thousands of advertising messages every single day. They are busy and don't have time to waste.

Most prospects don't care. Any reason is a good enough reason to completely ignore your message, and therefore, your business.

Most professionals and other people in business who advertise mistakenly think that prospects are just sitting around with nothing else to do but pay attention to their advertising message. Actually, most prospects don't care. Any reason is a good enough reason to completely ignore your message, and therefore, your business. The fact that you made them work too hard to read long, boring copy, the fact that you did not immediately convey the benefits of your services, or the

fact that you did not grab their attention with a big headline or well-displayed material, can be enough for them to ignore you. The simpler your message is, or the more it focuses on one idea, the greater the chances are that you will attract your audiences' attention. This is difficult for many people to grasp. We are often so afraid of missing somebody or of leaving something out that somebody may like to see, that our advertising tries to appeal to everybody. As a result, it is totally ineffective in appealing to anybody.

The AIDA model is often used to describe the process of capturing the heart of a new customer when promoting a service or a product. It says, "An ad must grab the prospect's attention, generate interest, motivate desire, and then spur them to action." In order to be successful, a marketing message must not only grab attention, but also maintain interest. This can be done with a headline, graphics (or a photograph), and an interesting layout.

Noticing an ad is not enough if the prospect gets scared away. People get scared away when you make them work too hard by using overly long copy, by writing in a style that is not clear and concise, or by utilizing a layout that is unappealing. These things chase prospects away. Once you get the prospects' attention and maintain their interest, you must clearly communicate the benefits that they will receive by hiring

your company.

Prospects don't care about what you have to sell. They only care about the benefits they will get if they use you. Do not write your ad from your perspective, in accordance with what you have to sell. Instead, write the ad from the client's perspective and tell them up front what you have to offer them.

Having done all of this, (gotten their attention, maintained their interest, and then clearly portrayed benefits from their point of view) your advertising message must now do one of two other things:

1. It should get the prospect to take some action right now, (maybe request some information, maybe call you, maybe schedule and appointment).
2. It must contribute to the prospects' knowledge of your business and its abilities, such that they will be more inclined to use your business when the need arises in the future. Ideally, it must motivate prospects to use the firm now so that the firm quickly realizes some new business.

If a promotion can't do these things, it will not be effective. It will fail to enhance the firm's image in the marketplace and it will always prevent the firm from realizing its

predetermined worthwhile goals.

Delivering the Message

Once you have your target market and message in mind, the next step is to determine which means appear to be the most cost-effective in delivering your message. Is it direct mail, Yellow Pages, radio, TV, or newsletters? The question is "Which marketing tool will be the best selection for carrying your message to the targeted audience?" You will have to sort through the various marketing tools by considering price, frequency, reach and probable impact.

Price is obviously a concern, but price alone should not be the determining factor. A cheap but ineffective means for enhancing your image or generating new business is not a bargain. Some other strategic tool, with a higher price tag, might actually be your best buy in terms of the new business it brings to your door.

You will also have to consider the reach, frequency and probable impact of the various marketing tools. Reach is the number of all people who are exposed to the promotion. If you put an ad in a newspaper with a 100,000 paid circulation, the reach of that promotion is 100,000. Frequency is, obviously, the number of times your promotion appears in a certain time period. For instance, you may

A cheap but ineffective means for enhancing your image or generating new business is not a bargain. Some other strategic tool, with a higher price tag, might actually be your best buy in terms of the new business

choose to run an ad in the local newspaper three times a week. Impact is the qualitative, and equally elusive, measure of the effectiveness of the promotion. If, for example, you were to run an ad for a service to small businesses, you might feel that your ad has a great message and the frequency is right. However, this doesn't mean that the ad will have any impact if your target audience of small businesses isn't likely to see that ad in the large, general circulation newspaper which you selected for the ad's run. You have to constantly analyze media for reach, frequency and impact.

Consider this example. I was contacted once by a Personal Injury firm in Springfield, Massachusetts about their using local cable advertising to promote the practice. The call was prompted because the firm had been spending \$2,000 a month to advertise over a local independent television station and the consensus expressed was that it was barely a break even deal.

Why was it failing and what could be done about it?

Examining the coverage map of that local independent station disclosed that the signal went from Springfield, MA, which is located in the middle of western Massachusetts, all the way down to lower Connecticut and all the way northeast past the midpoint of the state of Maine. The reach of these spots was tremendous! But that firm was paying too much for that reach. The partners could only afford 10 spots a month on the station. The conclusion we reached was that although it

had great reach, the frequency was so low it had virtually no impact. All of the firm's work usually came from within a small radius of the city of Springfield.

When asked how and why they had selected this marketing tool, since their target audience would be exposed so infrequently that the commercial were guaranteed to be ineffective, the response was that the firm felt they just had to be on their own local independent station. This decision was not backed up by any research, analysis or information. What that firm had to do was to get off that local independent station, target an audience, select a marketing tool that would more cost effectively reach that audience, or some significant percentage of it, with enough frequency that the message could be remembered by the audience and have a measurable impact on it. What happens all too frequently with businesses like this is that they rush into programs, sometimes very expensive programs, without proper planning or analysis. The question to be asked must always be whether the media will actually work and cost effectively generate new business for the firm.

Talking about the AIDA rule and trying to make an impression upon peoples minds, I recently had a friend of mine come to me all excited. He bought into a business opportunity that had to do with a product called Slick 50, which is a type of oil additive which is supposed to make your

What happens all too frequently with businesses like this is that they rush into programs, sometimes very expensive programs, without proper planning or analysis. The question to be asked must always be whether the media will actually work and cost effectively generate new business for the firm.

car engine run more effectively. He was all excited about this opportunity and he was telling me all about it. I said to him, "I wish you the best of luck, but I have to admit that I have never heard of Slick 50. His reply was, "You have got to be kidding me. Their commercials are on television all the time and there are big ads in the newspaper. They spend a lot of money on radio advertisements. I can't believe that you've never heard of Slick 50."

I told him, "Look, it I have no interest in oil additives whatsoever. I have never heard of Slick 50, but I wish you the best of luck. Driving home from the office that evening I put the radio on, and sure enough, on comes an ad for Slick 50. What was interesting about it, is that it was an ad that I recognized as having heard many times before, but because I have never had any interest in the product my mind shut off and I didn't hear it. I got home and turned on the TV, and what do I see? I see a television ad for Slick 50 that I immediately recognize because the little oil can is coming down the middle of the road. I realized that I have seen this commercial many times before, but again, because I had no interest in the product my mind immediately shut-off and I didn't pay any attention to it. Then, the next morning I got up and opened up the *Boston Globe* and that do I see? There is a full page ad for Slick 50 products that I immediately recognized as having seen many times before. Again, because I had no interest in the product, my mind

shut off.

What's the point of this example? The point is, that it is extremely difficult to cut through the clutter and get an impression on peoples minds. You have to stay focused and be direct in order to reach out and grab them. If you can do that, the odds are much higher that you're going to build a more effective marketing program.

I also want to tell you about two rules that are very important when it comes to crafting your marketing plans. In fact, if you keep these two rules in mind, it will probably decide about 80% of whether or not your marketing plan works.

The first one is what I call the 60/30/10 Rule. In order to understand this rule, you must always remember that marketing is about getting results. Sixty percent of the reason why you're going to get results with any marketing plan has to do with whether or not you hit the right targets. It's very simple. If you fish in a pond that has fish, you're going to catch fish. If you fish in a pond that doesn't have fish, you're not going to catch fish. Therefore, aim your marketing at places where there are prospects and potential good quality customers.

Sixty percent of the reason why you're going to get results with any marketing plan has to do with whether or not you hit the right targets.

Thirty percent of the reason why you're marketing is going to be successful has got to do with your marketing message.

What you say in your offer has to create interest and desire in the people that you are targeting. Sixty percent has to do with reaching your target audience, 30% has to do with the right marketing message.

What's the remaining 10%? Ten percent of the reason why your marketing plan is going to be successful has to do with all of the other things. You have to think about the paper, the fonts, etc. that you select. It is amazing to see service business owners who spend inordinate amounts of time trying to select the right fonts for their ad or promotion. Its ridiculous. If you focus strictly on hitting the right target and getting the right message to them, all of the other stuff has only a minor impact on the effectiveness of your program. Keep the 60/30/10 Rule firmly in mind when developing your marketing program.

Simply stated, the Rule of 7 implies that people have got to be touched by you approximately 7 times before they begin to get the idea that your talking to them, never mind absorbing what your message is.

The other rule to keep in mind when developing your marketing program is the Rule of 7. Simply stated, the Rule of 7 implies that people have got to be touched by you approximately 7 times before they begin to get the idea that your talking to them, never mind absorbing what your message is. Therefore, one of the biggest mistakes service providers make is that they start a marketing program where they do something once or twice, but when things don't happen right away they stop. Understand that the rule 7 is important.

It may not always take seven touches, but you do have to hit people numerous times before you can expect them to truly absorb your message.

When it comes to crafting your marketing plan, you're going to pick a target market, create a message, and then follow through with that message, making sure that everyone hears it repeatedly.

What are the absolute worst marketing expenditures for most service businesses? Let me give you a quick list. I feel that the worst marketing expenditure for service businesses is far too much Yellow Pages advertising. I am constantly amazed at how much money businesses spend on Yellow Pages ads that they do not get a positive return on investment from. The Yellow Pages can have an appropriate place in your advertising plan, but your going to waste a lot of money if you spend too much in this area.

The second thing I see service business wasting a lot of money is on over produced business brochures. For some reason, service business think that they are going to create a brochure capable of demonstrating their brilliance in their service quality, and that people are going to be awed and amazed at their ability. This does not happen. Prospects are not going to hire you because of a beautifully produced

brochure. I'm hoping one of the things that you're learning from this tape is the importance of targeting and consistent action. All too often, a service business wants to do some marketing. Without any pre-planning or fore-thought, they jump into creating a business brochure, spending all of the money that they could to allocate to marketing, and end up getting no results.

The third bad marketing expenditure I see is what I refer to as name awareness ads or tombstone ads in the newspaper. People seem to think if they just put in an ad with their name at the top and a listing of services underneath that somehow, that will create new business for themselves. It doesn't. It's a waste of money.

Service business that want to advertise, also waste a lot of money advertising in media that has the lowest price. They think that if something has a high price tag it must have a greater value to them. However, an awful lot of money is wasted on marketing tools that have the lowest price.

Remember, price does not equal cost. Something that has a low price tag but generates no business for you isn't a bargain, but when something has a higher price tag and generates a very positive return on investments it is a true bargain as far as a marketing tool is concerned.

Another bad marketing expenditure is anything which lacks repetition and consistency. Remember, anything you do only

**An awful lot of money
is wasted on marketing tools
that have the lowest price.
Remember, price does not
equal cost.**

once is a total waste of money. Another waste of marketing money is gimmick type advertising. It is dismaying to hear stories or see businesses make major decisions because a salesman approached them with an opportunity which, if not taking advantage of immediately is going to be gone and available to a competitor across town. These gimmicks are going to waste your money. If a salesman threatens to take it to your competitor, let him. Let your competition waste their money.

Finally, the absolute worst marketing mistake that you can make is not tracking the results of your marketing effort. Good marketing doesn't happen without a plan. It doesn't happen without measuring where your successes are coming from. If you're not tracking the results of your effort, then you're not placing your resources in the most appropriate places, to get the best results, in the shortest amount of time, and for the least amount of money.

If you're not tracking the results of your effort, then you're not placing your resources in the most appropriate places, to get the best results, in the shortest amount of time, and for the least amount of money.