

Marketing – The New Sales Paradigm

Brooke Fix, Y2 Marketing, West Covina, CA USA

Global competition and many other factors have made selling increasingly difficult for all businesses. A marketing system based on pre-television marketing has been rejuvenated and upgraded with modern technology and is having success in every corner of American business. A sales veteran of the metal finishing industry discusses how to use this marketing method in our unique industry.

For more information, contact:
Brooke Fix
Y2 Marketing
2648 E. Workman Avenue #104
West Covina, CA 91791

626-966-6020
626-967-3360 Fax
bfix@y2marketing.com

Introduction

A competitor is someone who offers a product or service which will fill the needs of your customers and prospects. Whether your competitors are half-way around the world or just down the street, they're still competitors. Free markets assure us that more competitors are attracted to a profitable market and that some competitors drop out as the margins decrease. If you're going to stay in business, you'll have to compete in all business climates.

We're going to show you a step-by-step process for innovation and marketing any company. It involves two major categories. Differentiate, or **separate** your business from the competition and then **implement a marketing plan** that will dramatically increase your market share.

This system was developed over a 10 year period and has now helped thousands of companies in over 350 different industries (finishing is one) to increase sales and profits.

"The big money goes to those companies with superior marketing operations. Entrepreneurial companies of today **MUST** evolve from being sales oriented to being marketing oriented in order to now win the consumer."

Scott DeGarmo, Editor Success Magazine

I think Peter Drucker, in his book "Essential Drucker", made a more complete statement:

"Because of the nature of business, it has just two functions, and only two: Marketing and innovation. Marketing and innovation make money. Everything else is a cost."

I spent forty years in the metal finishing industry. I sold and serviced proprietary chemicals for the industry. I sold, installed, and maintained automatic plating machines. I managed a plating company that specialized in functional work for aerospace and electronics and one that specialized in high volume decorative work. Over the last 10 or 15 years, I noticed that sales were getting harder to come by, customers were becoming more price driven, and off shore competitors were having a greater impact every year. I wanted to know the causes.

Looking for answers brought me to marketing. Remember that old joke, "We have found the enemy and it is us"? Have you ever wondered why buyers always ask the price and not much else? Would you like to know how to change that?

A Marketing Process For The Finishing Industry

Before I start describing the process, there are a few axioms and rules for you to follow during the presentation.

- This program is about using a marketing system to improve your sales dramatically.
- It doesn't matter if you are selling metal finishing services or selling to the metal finishing industry, this program will work for any business.
- Advertising is part of marketing.
- Even though you may think you don't advertise, you do.
- Your brochure is an ad.
- Your business card is an ad.
- The sign in front of your building or on the side of your truck is an ad.
- Your website is an ad.
- If you have a booth in a trade show, you're advertising.
- Your stationary, purchase orders, invoices, and packing slips are all ads.
- When you're talking to someone, the words you speak about your company are an advertisement.
- When your company phone is answered, the words spoken, by the person answering, are an ad.
- Your phone system's on hold message is an ad.
- Some of the examples I will use are from industries which may not be related to yours, but the point being made will apply.
- Some examples will use media you may not ever use – the yellow pages, or magazines unrelated to finishing. The points being made will still apply.

Ok. As I said there are two main parts to this system. Let's start with separation.

Every business has an **Inside Reality** and an **Outside Perception**. Your Inside Reality is what you do and how you do it. It's the actual value you bring to the marketplace. It is based on your products or services, your quality, your people, your systems, and your level of service. A good Inside Reality can be developed by anticipating customer wants and needs and developing your business to meet them.

To create an OUTSTANDING Inside Reality, you have to live by the credo:

“If you want to know why John Smith buys what John Smith buys, you have to see the world through John Smith's eyes.”

In other words, rather than anticipate customer wants and needs, make sure you KNOW the wants and needs of your marketplace. We'll go deeper into that one in a bit.

Your Outside Perception is the way your company is viewed by prospective customers. This is based on any communication you have with them. Advertising, marketing, sales calls, and reputation - all form your Outside Perception.

Most businesses have a good inside reality. They do something or offer something that is better than the competition. It's important to have a great Inside Reality and to know what it is. We recommend that, for your own use, you identify your inside reality and describe it in writing.

- Identify Your Inside Reality
- Describe Your Inside Reality In Detail (Build an Attorney's Case)

This is important because usually, the Inside Reality and Outside Perception do not match. If you offer better performance and your prospects don't know about it, you won't get the value you deserve from it.

Why the Inside Reality and the Outside Perception don't match:

Our research into the history of advertising revealed that a huge shift occurred in the late 1940's and early 1950's. Television was the reason. When television advertising was introduced, it was an instant success. Companies selling to the average consumer could get a message in front of millions of people all across the country and for a relatively low cost. Noticing the effectiveness and value of their product, the television networks quickly began to raise the price of advertising time. Ads shrank from one and two minutes to 30 seconds as the cost skyrocketed. Only the very largest and most profitable companies could afford it. Slogans became the most cost-effective way to communicate. Creativity and repetition became the de facto advertising standard. Seeing the effectiveness of these techniques, marketing schools, courses, and teachers began to specify them. Small businesses that had no hope of getting their message on national television were being advised to use slogans to achieve name recognition.

That time has become known as the era of the brand builders. Since then, most advertising began to fit into two categories. The first is called Institutional. The institutional ad says: "Here's our best attempt at being creative and here's the biggest budget we could muster to support it." This type of marketing piece is used by most big companies and some small ones. It can be successful if it's supported by huge budgets. Some advertising budgets for the year 2002: (Source: Advertising Age)

- | | |
|--------------------|----------------|
| • GM | \$ 3.6 billion |
| • Proctor & Gamble | \$ 2.7 billion |
| • Disney | \$ 1.8 billion |
| • Sears | \$ 1.6 billion |
| • McDonald's | \$ 1.3 billion |
| • Pepsi | \$ 1.1 billion |

The second category is Menu-Board advertising. It's just like a restaurant menu. "Here's our name and here's a list of the stuff we have for sale." Anybody here publish a line card? This type is used by many small businesses. These ads are run in local media. They're commonly found in the yellow pages, newspapers, magazines, even local radio and TV.

Overall the effect of TV advertising has caused businesses to think they have to produce short ads with very few words. So, in order to say something positive about their products or services, they use platitudes.

Platitudes are words or phrases that are drearily commonplace and predictable. They lack the power to evoke interest because of overuse and repetition....They are, nevertheless, stated as though they are original or significant.

Competitive Prices
Best Service
Highest Quality

Most Professional
Engineering Oriented
Fast Turn Around

Family Owned
Most Reliable
In Business Since?

If you have any of your company's marketing materials with you today, you can evaluate them and see for yourself. Run some of them through these three "Platitude Evaluations".

1. **Well I would hope so!** Does your prospect expect you to say what you've said? If so, it's a platitude.
2. **Who else can say that?** Could your competitors say what you say? Not do what you do, but say what you say.
3. **Cross-Out / Write-In Test:** Cross your name off your ad and write in the name of your nearest competitor. If the ad is still valid, you've failed the test.

Are you beginning to see why prospects are defaulting to price? If they can't tell the difference between you and your competitors, they have to have some valid reason to select one of you.

Introducing: "The Confidence Gap"

Not so long ago, there was a period now referred to as "The days of simple selling". Don't confuse the word "simple" with the word "easy". Sales people had to work hard in those days, but the process was not as complex. Compared to now, there was less information, technology, education, resistance, competition, and choice. The buyer could make a decision more easily because he had very few options.

The Confidence Gap represents the buyer's inability to distinguish whether any of the businesses, any of the products, or any of the services are any better, any different, or any worse than any of the others.

The new paradigm shift to marketing is caused by the Confidence Gap. Now the buyer has the power and the seller is at his mercy. There are more competitors and more choices. More information, more resistance. Buying cycles are longer. There is more price competition. Products have become commodities and the buyer is seeing and hearing identical marketing messages...

In his book, “The Laws of Success”, Napoleon Hill said:

“...It is as useless to try to sell a man something until you have first made him want to listen....as it would be to command the earth to stop rotating.”

Good marketing is partly the art of getting someone to want to listen. Marketing can bridge the Confidence Gap. It can get the sales person in front of a prospect who is interested, informed, and ready to listen. It’s like a little army of sales people that marches on relentlessly and is not afraid of the word “no”.

Recap:

History of advertising, Era of the brand builders, Platitudes, Days of simple selling, the Confidence gap. These problems result in most companies’ Inside Reality and Outside Perception not matching.

Solution: The Marketing Equation

Human nature demands that buyers always want to make the best decision possible. Marketing and advertising should get the attention of the target market, facilitate their decision making process, and lower the risk of taking the next step in the buying process. The process for accomplishing this, for every kind of business, is the marketing equation:

Interrupt + Engage + Educate + Offer = More responses, higher conversion rate, more sales.

- **Interrupt:** Get qualified prospects to pay attention to your marketing. Accomplish this by identifying and hitting your prospects’ “hot buttons”.
- **Engage:** Give prospects the promise that information is forthcoming and will help facilitate their decision making process.
- **Educate:** Identify the important and relevant issues prospects need to be aware of, then, demonstrate how you stack up against those issues. Build a case for your business.
- **Offer:** Give prospects a low-risk way to take the next step in the buying process...put more information in their hands and allow them to feel in total control of the decision.

Let's discuss how Interrupt and Engage work: Earlier we said: "If you want to know why John Smith buys what John Smith buys, you have to see the world through John Smith's eyes." To do that we need to understand the three concepts of how his brain works. These three concepts are called:

- Alpha Mode
- Beta Mode
- And the Reticular Activator

Alpha mode is when you automatically run patterns that allow your brain to habitually perform tasks without any conscious effort. Have you ever driven to work and then realized you hadn't seen anything along the way? You were in alpha mode. If you go to the same place every day, you don't have to look for street signs to find your way. It's automatic. While performing this habitual task, your brain is available for talking on the phone, listening to the radio, or working out a problem in your head.

Beta mode is the brain's state of active engagement. You could be driving to work in a thunder storm. You know the way but there are dangerous conditions to be aware of that are unusual. Beta is "alert" mode.

The reticular activator is the part of the brain that is on the lookout 24 hours a day, seven days a week for things that are 1) familiar, 2) unusual, or 3) problematic. When your brain detects any of these things, it sends a message to the conscious side of the brain that says, "Hey, wake up! There's something that needs your attention. For example, while driving, you're suddenly cut-off by a large truck. The reticular activator instantly switches you into beta mode. You now grip the wheel more tightly, focus your eyes on the danger, and generally pay attention to things around you until the danger has passed.

So, the first part of a marketing piece (the Headline) should be familiar, unusual, or problematic to snap your prospect into beta. Good. Let's consider how to keep him there. If you are in a room full of people and someone calls your name, you turn and look - ready to respond. (Your name is the most familiar of activators). When you see that the person is talking to someone else of the same name, you return to what you were doing. This is called a false beta. The same thing will happen in a poorly structured marketing piece. A picture of a dog will get people who like dogs from alpha to beta. They look to see what they will learn about dog related topics. But you begin telling them about the anodes you want them to buy. There are four groups of people who might see this marketing piece:

- Not interested in dogs or anodes
- Interested in dogs, not anodes
- Interested in anodes, not dogs
- Interested in dogs and anodes

The first group is not your target market and they were not snapped into beta. No loss. They were not going to buy anodes at any price.

The second group is not your target market, but they want to learn something related to dogs.

Your false beta may tick them off a little, but they are not anode buyers either.

The third group is your target, but.....they don't look at your ad because you have used a dog as an activator. They don't respond to a dog. This **IS** a big loss.

The fourth group is attracted to dog information and looks more closely. "Anodes? Oh, well, I'm looking for some anodes." You may get some of these, but you may also lose some because the "bait and switch" irritates them. To lose one client for that reason is another big loss.

Overall, the bait and switch will under perform. If you're selling anodes, the activator needs to be "anodic". It must hit one of the hot buttons of an anode buyer.

"Cleaner Plating Baths And Lower Anode Inventories"

This headline will get anode buyers switched into beta. Now you will need to promise them they will get more information by continuing to read the ad.

"Learn How High Grade Anodes Can Improve The Purity Of Your Deposits And The Performance Of Your Plating BathsAnd How We Get Them To You When You Need Them"

This is the Engage part of the Marketing Equation. If your prospect wants to buy anodes, he or she needs information in order to make a decision. After you have interrupted them and switched them into beta mode, you must engage them.

"Send For Your FREE Report: 'How To Buy The Right Anode'"

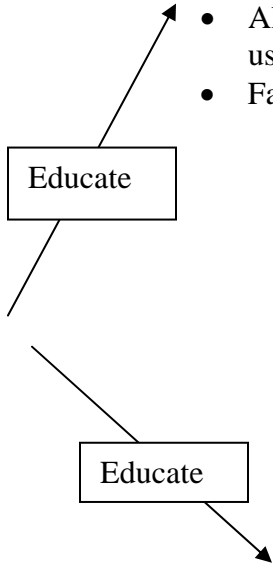
In this case, the third line takes care of the last two components of the Marketing Equation; Educate and Offer. The report will educate them and the offer of the report will get them to take action.

Another way is to put some serious education right in the ad.

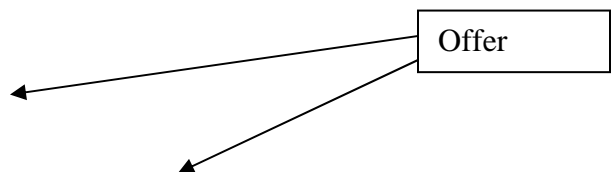


This line has been specifically designed and constructed to meet your high reliability electronics and wave-guide application requirements. Here are the specifications of this newly available resource:

- Gold over nickel plating only.
- 99.9% purity of both nickel and gold deposits
 - Using Type III, Grade A gold
 - A gold foil is produced and sent to a testing lab every quarter for purity analysis
 - All plating thickness measurements by X-ray; 10 samples per load with all data used in statistical process control (SPC)
 - Facility and control features of this unique operation
 - Class 100 ceiling
 - Fitted covers on tanks when not in use
 - Weekly carbon filtration of gold solutions
 - Constant (24/7) 10 micron filtration of gold solutions
 - Proprietary anode design and rotating rack for best distribution of plating
 - All gold is “pulse plated” for distribution control and tightly structured, fine grain gold deposit
 - Cleaning solutions operate under (SPC)
 - Adhesion pre-test samples are run every morning
 - Nickel baths are continuously filtered and carbon filtered monthly
 - Corrugated “dummy” panels are plated in the nickel baths at 1 amp per square foot of surface area, 16 hours per day, to prevent metallic contamination in your deposits
 - Sulfur depolarized anode bars (bagged) are used in the nickel – no nickel chips or basket anodes – maintains length of anode for current distribution and prevents contamination from basket and anode material residuals
 - The first four hours of every work week are dedicated to cleaning the shop and, particularly, the rectifier-to-anode-cathode connections. Any resistance must be controlled at the in-tank cathode to control proper thickness distribution



Send sample parts to: _____



We'll plate them **FREE** and return them within three days for your evaluation.

Now that you have something good to say and you know how to say it well, we will talk about how to say it often. Not as simple as it sounds. First of all, you want to say it to your potential customers as well as existing customers. Both of these groups are people you do not want to annoy.

The Marketing Equation should be used in all forms of marketing pieces. Brochures, lead generators, and other hard copy items are what you're thinking of I'm sure. There are also the scripts you should write and use for promoting your business.

The basic script, your 60 second elevator pitch, is derived from the "attorney's case" you built earlier. You can use parts of it for all the other scripts. What's a 60 second elevator pitch? Let's assume that you are the owner of a small plating company. You have an automatic line which is designed and equipped to barrel plate tin on very small parts such as insertion pins. Your biggest prospect is "Pin Industries". The president, "Bill Pinworthy", is known to be visiting Surfin this week. The word is out that he is dissatisfied with his current plater. He's been in your radar for years and you know exactly who he is and what he looks like, but he doesn't know you from a load of coal. One evening after the day's activities, you go back to the hotel for some rest. When you enter the elevator, you recognize the only other person there. It's Bill Pinworthy. He notices your Surfin badge and says "Hello. How's business?" You are starting a 60 second elevator ride that offers the opportunity of your life. What do you say? How do you answer his question?

Your 60 second elevator pitch should be written just like other marketing pieces. Even though Pinworthy has asked the question, you still need to start with an interrupt. Why? Because Mr. Pinworthy could ask a question like "How are you?" or "How's business?" while he stays in alpha mode. We do this all the time. We ask a question to be polite, but we really don't want or expect the true answer.

"Business is great for me. My name is Tommy Tinplater and I have developed the most reliable barrel tin plating line in North America. The three biggest problems people have with tin plated pins are bent pins, poor plating distribution throughout the lot, and stains. We have developed our own barrel design, load size, and rotation rate to eliminate all of these problems. We can produce huge volumes of tin plated pins with the lowest after plate sorting and re-cleaning costs of any one in the industry. In fact we offer a FREE 10,000 piece plated lot to any company that wants to see the difference."

Can you find Interrupt, Engage, Educate, and Offer in that paragraph?

Now it's your turn to ask Pinworthy a question: "So, (looking at his name badge as if you didn't know his name) what business are you in, uh.. Bill?"

Once you've written your elevator pitch, use it all the time. Every time someone wants to know what you do. Even if it's a relative who will never use what you sell, it will be a good way to explain what you do and practice your speech at the same time. Also, everyone in your company should memorize and use the elevator pitch. And, all other scripts will be built from the elevator pitch. Phone answering script, sales lead forms, and recorded on hold messages will all use parts of the 60 second elevator pitch.

The Hopper System

Another extremely important element of your marketing program is gathering and using contact information. In the Days of Simple Selling the salesmen had all the contacts. A salesman's contact book was with him at all times and the contents were his private property. Computers have changed all that. But, are you using a data base to your best advantage?

A data base Hopper System is one of the best marketing tools a small business could have. To understand why this is so important we need to start with the "education spectrum".

A _____ Z

A simple graphic of the education spectrum uses the alphabet. When considering a product or service provider, a buyer goes through a process. Point 'A' on the spectrum is when they first begin to think about it and point 'Z' is when they buy. Only about 5% of buyers are in the 'W X Y Z' area at any given time. That means 95% of interested parties your marketing will attract are not ready to buy NOW. But, they will buy sometime.

Consider the education spectrum to be a plum tree. All the prospects on the spectrum are plums on the tree. A healthy plum tree could easily have 1,000 plums but, they don't all ripen at the same time. When 50 plums become ripe, you pick them. Do you abandon the tree or continue to nurture it so you can harvest the remaining 950 plums?

Your Hopper System constitutes your nurturing equipment and process. Collect all pertinent information from every prospect and customer you have: company name and location, contact's name, phone, and fax numbers, contact's e-mail address. Put this information into a contact management software data base. Using automated e-mail and fax programs, and/or post cards, letters, or flyers, remind your customers and prospects of the reasons to do business with you. Why and how you are better than your competitors. Continuously educate them and make offers to get them to take action. Before you start, ask them if they would prefer to be kept informed by e-mail or fax. These messages are very easy for them to deal with. They can do it on their own schedules, they can just ignore them, they can use some of them and throw others away, but they will remember you when it's time to order.

Monitor, Evaluate, Measure

Like your other processes, your marketing program needs quality control. Monitor it constantly. Evaluate the pieces before you put them out and evaluate results. Measure the effect of your marketing. It is supposed to help your bottom line. Is it doing that? There are many measuring techniques but, the best one is to keep track of the responses to your offers. How many responses did you get? How many responders are converted to business, and how much revenue is added? Then, of course, calculate the cost of the marketing program versus the revenue increase. Marketing, like any other investment, must produce a return.

Summary:

The two main parts of this marketing program are:

- Separate your business from the competition
- Create and implement marketing that will help the marketplace understand and appreciate the advantages of doing business with you.

The steps are:

- Identify (or innovate) your Inside Reality and record it in detail.
- Prepare an “attorney’s case” for your business.
- Find out what your Outside Perception is to “John Smith”.
- Make the Inside Reality and the Outside Perception match.
- The history of advertising and other factors have caused a Confidence Gap between buyers and sellers.
- Marketing can bridge the gap.
- Use the Marketing Equation: Interrupt, Engage, Educate, and Offer for any marketing piece. These elements will make any marketing more successful.
- Use contact management software to build a Hopper System and keep your prospects and customers constantly educated and reminded of why they should buy from you.
- Measure your results. Be sure your marketing is helping you make more money.