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**The Top 10  
Marketing  
Mistakes  
Small Businesses  
Make**

**By Susan Burnash**



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# **Top 10 Marketing Mistakes Small Businesses Make**

Marketing is critical to the success of every business. Unfortunately, many businesses discount the effect it can have, and they forgo marketing because they believe they can't afford it or simply don't have the time or energy to create a plan. Perhaps this is why a high percentage of small businesses fail. But you don't have to be a statistic when you approach marketing with the importance it deserves. Below you will find some of the most common marketing mistakes businesses make.

## **Mistake #1: Not Developing a Marketing Plan**

Most entrepreneurs or small companies are understandably eager to see a return on the investment of time and money they have made in their business. Ready to start cashing in, they either hit the pavement running or hire a salesperson to do it for them. But a business trying to sell a service or product, without first creating a marketing plan, is much like a marathon runner with no finish line. At first, you may feel like you are moving forward and passing some of your competitors by, but sooner or later you'll find yourself running in circles; frustrated, exhausted and sadly disillusioned by an idea that not too long ago created the exact opposite effect. What is a marketing plan and why create one? Because it's the foundation of your business and it helps you design your product and service, identify your target audience, and provide a roadmap to head you towards your final destination: Success. But equally important, a marketing plan provides the specific details needed to increase visibility, expand your customer base, and provide quantifiable methods to measure your return on investment (ROI).

## **Mistake #2: Not Planning a Marketing Budget**

Most businesses without a marketing plan also lack a marketing budget. And companies without both have the highest rate of failure. After all, would you run your personal life without a budget? If you said yes, you may be one of the unfortunate souls overextended with credit or on the verge of bankruptcy. If you own a small business, this can be avoided by simply creating and living with a well-conceived marketing budget. From the very beginning, and while you are writing your Marketing Plan, it is important to focus on the financial costs of implementation. A general rule of thumb says that at least 10% of your revenue should be designated for your marketing efforts. That means dollars specifically pinpointed for Web site design and maintenance, logo design and brand development, marketing collateral, both print and electronic, and paying someone, if you don't have the time, skills, or desire to do so, to handle all of your Public Relations needs. But make sure when allocating money for marketing that you also have a means for tracking your ROI. If your ROI is low after several months of trying a particular strategy, go back to your marketing plan and look at trying something different. If your ROI is high, stay with what is working, but go back to your plan and budget and accelerate to the next phase.



## **Mistake #3: Not Targeting a Specific Target Audience**

How does the saying go? "You can't be everything to everyone?" When it comes to sales and marketing nothing could be truer. That's why identifying your target market is critical to your success. It is also critical to choosing the appropriate marketing techniques to reach potential customers. If you are selling a woman's product, be women-centric with your marketing, advertising, and PR campaigns. If you offer a service or product for small businesses, stick to small business publications and mailing lists. Targeting Fortune 500 companies is a waste of time and money. They already have established vendors in place. So, don't try to be everything to everyone.

## **Mistake #4: Not Developing a Clear and Consistent Marketing Message**

Messaging is the careful development of the precise and concise language that quickly conveys the key message(s) you want known about your product or organization. In today's competitive landscape if you can't convey these messages quickly and have them resonate, you'll lose your potential customer to someone else. Make sure your message and images recognize your product, so be consistent. The last thing you want is to confuse a potential customer by losing focus on what is really important.

## **Mistake #5: Believing Your Product or Service Will Sell Itself**

Many companies make the mistake of thinking that their product or service is so great and so different that they don't need to market it at all. This may make sense to you, but think of all the products and services you use today. Did any of them just find their way to your door simply because they were perfect for you? The reality is people need to be told why they should buy your product or service. They need to be convinced that they can't live without it. And once they have it, you need to provide them with customer service and personalized attention to ensure they will continue to use it. All of these things require marketing. If you have limited funds, start with business cards, a Web site, informational collateral (print or multimedia), an introduction/sales letter, and a customer service/thank you letter. Once things are moving along you can add direct mail postcards, electronic newsletters, video emails or product/service CD brochures to your marketing toolkit. No matter how great your product, don't forget you still need to market it to get it sold.



## **Mistake #6: Not Clearly Defining Your Product or Services' Benefits**

Today's highly competitive marketplace is constantly changing and often consumers are confused about the products and services they purchase. Educating your customer is critical. Defining your product or service benefits is imperative. If you can't put into writing what makes you different from the competition (i.e. local vs. out of state) or, what makes your product or service different from the competition (i.e. organic vs. processed) how can a potential customer make an informed decision to buy. By defining the unique selling proposition for your product/or service you will help your target audience differentiate you from the competition. Isn't that what you need to do to increase your sales?

## **Mistake #7: Underestimating the Value of Your Existing Customers**

Most businesses think that the way to increase sales is to focus primarily on new customer acquisition. Unfortunately, this often means poor customer service to existing customers who, if serviced well, could provide a strong revenue stream to keep your business healthy and strong. And sadly, the lack of good service and communication with an existing customer often means that customer will go elsewhere to find what they need or want. After all, who wants to be taken for granted? If you want to stay in business and grow, you must be sure to turn existing customers into lifetime customers. Call to say thank you. Check in to see if their needs are being met. You might feel like you're wasting your time, or being a pest, but ask any customer who stays loyal to a particular company and you'll always get the same answer: "Good customer service!, it's why I stay and when I don't have it, it's why I leave." Listen and learn!

## **Mistake #8: Thinking that Advertising is Marketing**

Often small businesses confuse advertising with marketing. Asked how they market their product or service they'll explain how they've spent lots of money on advertising but often the results have been poor. From experience, I can almost bet that these same people have also committed Mistake 1 & 2. Advertising is not marketing! It is a piece of marketing, but only a small piece, and with so many ways to get your product or service out in front of potential customers, advertising should only be considered if 1) You have plenty of disposable money to spend on big ads that can run at least five times to increase your odds of being seen. 2) You are pooling your money together with other companies with limited funds to provide a variety of services or products that work together or draw from the same customer base. This is called cooperative advertising and done well; it is the most effective way to get the biggest bang for your buck. Before you spend a dollar on advertising, spend the time needed on a marketing plan and a marketing budget. Both will provide the roadmap and tools for measurement to ensure that advertising is right for you.

## **Mistake #9: Ignoring the Benefits of Public Relations**

Myth, myth, myth!!! Public relations is the most inexpensive and effective way to get the word out to your target market that you have a product or service they need and want. Open any newspaper or magazine, listen to any TV or radio show and you'll find that without small business stories, the press would have a limited amount of content to cover. So how do you become newsworthy? Develop a good story about your business, yourself, your product or service, a customer or your community involvement, and send it out as a press release to the appropriate editors, writers, or newscasters. You might not get a hit every time, but the more press releases you send (once a month is a good start) the better chance you have for peaking interest and eventually a story will be written. You'll be amazed at how much recognition and business will result from getting your business and face in the press.



## **Mistake #10: Expecting Too Much, Too Soon**

Often, someone just starting a new business will get terribly disappointed because they developed a brochure, ran an ad, attended a networking event, or sent out postcards with little response. They get discouraged and lose sight that marketing is really about developing relationships and, like any new relationship; it takes time to build interest and trust. To turn a potential customer into a new customer, you must reach out to them with consistent marketing messages (at least six times...more if you're selling a high-ticket item) before they feel like they "know" and "trust" your company enough to take the risk of purchasing a product or service from you. Remember to stay the course, follow your marketing plan and talk to other businesses that have been down the same path you are on. You'll find there is no such thing as instant success. And if you are really unsure of what you are doing, find a business mentor or hire a marketing professional. You may find that by avoiding the ten biggest mistakes small businesses make, you are on your way to success!

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