



THE SUNDAY TIMES

B U S I N E S S E N T E R P R I S E S E R I E S

How to Market Your Business

A practical guide to
advertising, PR,
selling, and direct
and online marketing

6TH EDITION



Dave Patten

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**A practical guide to advertising,
PR, selling, and direct and
online marketing**

Dave Patten



London and Philadelphia

To Malcolm Allan of LS Angus Modelmakers, Glasgow, who gave me my first chance in marketing.

Publisher's note

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Preface

A while ago I saved a cabinet maker £10,000. His bank manager was eager to lend that sum to take a whole page advert in a Sunday supplement. Fortunately we met before the cheque was signed. The bank manager knew nothing about marketing: I did. And by the time you finish this book I hope you will as well.

This is the sixth edition, the first written way back in 1985. While the internet has arrived, blossomed and overturned some people's conceptions of marketing, the principles, to my mind, remain largely the same. While in some cases the web will greatly assist small firms to grow, develop and compete against the big players, it will become increasingly difficult for searchers to winkle out what they want. As ever, niche players will achieve greater success if they learn to isolate their target audience and sell the benefits of their product, not try to compete with the big boys on price.

While some basic theories of marketing are covered in the first chapter, this is not a book for the academic, or the quoted company. It is a *practical* book based on my thirty years of working both with small firms and on my own account. You will see how important it is to isolate the potential heavy users, think about segments of the global audience and preach the benefits of buying what you have to offer.

Don't worry if I talk about products as distinct from services: the terms are interchangeable. As the United Kingdom has neglected its manufacturers and we have changed to a service-based economy, it still seems a convenient shorthand to write about products. Suppliers have realised that how customers are treated is a vital concern, whatever they are buying. Firms that place customer service and innovation ahead of history and complacency will be those who succeed and survive. As troubleshooter Harvey-Jones once said, 'not to change is a sure sign of extinction'.

Marketing is all this ... and more



Differentiate: Just a tea stall, but even this can be made different.

Keep your message visible: Fridge magnet given away to customers and prospects. Simple, cheap, effective.



Keep it simple: You don't have to employ Saatchi and Saatchi to product impact.

Don't let image obscure information: Too much of marketing is all image, no information. This mailer says it all and includes samples.

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 the most successful of our first day

business card samples

What is marketing?

You never achieve success unless you like what you are doing.

Dale Carnegie

Many salespeople have crossed my door: the enlightened ones realise that selling and marketing are quite different skills. We certainly all need to know how to sell – whether it is ourselves at a job interview or more product to keep the bailiffs away. Most salesmen can succeed to a greater or lesser extent if the buyer can be found and met. The skilful part is knowing which buyer to pursue, how to identify, reach and influence the prospect in the most effective manner, and for the least outlay. And do it over and over again.

Marketing has been described as knowing where to go, while selling is the act of getting there. But the discipline of marketing has become much more complex. Marketing embraces market research, advertising, public relations, direct mail, exhibitions, design, export and the often overlooked need for customer care. As running a business becomes more demanding, most recognise that acquiring the skills of marketing is essential to profitable growth. Yes, the internet has had a massive effect on marketing, but with around 80,000 new websites being added *each day* it is becoming increasingly harder to get noticed by search engines. Don't pin your route to riches on generating massive turnover from a new website: it is simply another (useful) marketing tool. It will be more appropriate and productive for some than others.

Think of some of the recent successful businesses – Virgin, Apple, Dyson. They've all been marketing- and innovation-led. They have not relied on old methods, instead seeking new technology, new ways of doing things that put consumer needs at the forefront. They have *chased* markets rather than

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expected clients to come to them to buy what they already have. The accelerating pace of change has been frightening.

Marketing as a management skill has been adopted by such august bodies as the Patent Office, waste disposal teams, the Ordnance Survey and even our local schools and hospitals that have to compete with one another.

If you are looking for some snappy definitions of what is marketing, try:

- Marketing matches customers' needs with the strengths of the business.
- Good marketing places the customer at the centre of the business.
- Marketing is the link between customer and producer.

Of if you prefer the American version – sales with a college education.

Service or product?

A century ago Britain produced 90 per cent of the world's ships, and in them carried many of the manufactured goods that an expanding global market needed. At the close of the 20th century less than 20 per cent of the nation's GDP was in manufactured goods, the rest being made up of services – tourism, retailing, insurance, and that catch-all phrase 'financial services'. Only 1 in 20 of new businesses now manufactures anything. And 90 per cent of our export trade is carried out by just 40 companies, most of them in defence systems.

The process of marketing a product and a service is basically the same, but having sold both in a varied business career, I can tell you that services are much harder. A product can at least be seen, handled and judged on performance. Selling an intangible relies more on promise, faith and integrity. Many businesses – retailing, for example – are a combination of both. The traditional high-street greengrocer and butcher are in danger of extinction under pressure from the supermarkets unless they can find a way of satisfying customers. Thanks to the supermarkets, few towns now have butchers, greengrocers and bakers in their high streets. Those that do have learned to emphasise flavour, quality and service, perhaps combined with more product knowledge than the average supermarket shelf stacker. (When did you last ask a supermarket butcher how to cook a joint of beef?). Perhaps inevitably, what were once staple product suppliers have become niche sectors drawing custom from a more discerning and up-market clientele. Attention to top-class service may ensure that some small produce outlets survive the all-embracing greed of the supermarkets. In addition, the alert manufacturer has come to realise that, though he may have the



Figure 1.1 Marketing doesn't get any simpler than this. Fresh goods on display with direct interaction with the customer.

product that everyone needs, the service element – looking after the customer – is just as important.

So for the sake of simplicity I will talk about the product – and imply this covers services – except where a strong distinction needs to be made.

Who is the customer?

Central to marketing is identifying the customer. Without a flow of prospects who need your product you haven't got a business. Most of your waking hours should be spent in:

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- thinking of what your market segment needs;
- finding ways to reach that segment at an effective cost;
- dreaming up more products that your existing customers need;
- looking for fresh customers who will buy from your existing range;
- innovating new products to replace those that are beginning to falter.

As business becomes more competitive and many sectors contract to fewer major players, customers also demand and expect more for their money. Standards and expectations have risen all round. Thanks to television consumer programmes, travel abroad and – for those in employment – a higher standard of living, we have become a more sophisticated buying audience. Greater standardisation and brand power mean that the same product can be bought at many outlets. The problem for the small firm is how to capture and retain the customer, and here the service element must be paramount. If many firms sell the same product, the only way of differentiating your supply is by excellent customer service.

A recent survey found that the number of customer complaints to big organisations has risen, despite (or perhaps because of) the rise of call centres and ombudsmen. It is the image of faceless remoteness that many large firms portray that seems to antagonise so many of us. However, this is the small firm's opportunity.

It cannot be over-emphasised that the needs of the customer must become paramount in running your business. Word of mouth will always remain the best advertisement and unhappy customers soon tell their friends of bad experiences. Managing customers starts with managing and motivating your own staff, for unhappy and disillusioned staff will never create the right environment. Low staff morale inevitably means a high staff turnover and probably theft or fraud of one sort or another. Far cheaper in the long run is to treat your employees as human beings and individuals with worries and aspirations, rather than just another business cost to be hired, fired or manipulated.

A happy work environment will imbue your customers with goodwill and make dealing with you a memorable experience and one to be repeated. The customer pays your bills, staff, profit and future growth. Customers can be a nuisance sometimes, but without them you haven't got a business; being pleasant to people is better in the long run.

One of the reasons that the concept of marketing has got an indifferent image among small businesses is that many large firms have been wasteful in their advertising, injudicious in how they have run their PR campaigns, and failed in many cases to grasp the essentials of success in direct mail. More attention to identifying the prospect, closer targeting and not indulging in promotion

unless you can measure the response are all vital ingredients of small firms' growth.

With a forward order book your bank manager should be willing to provide the working capital to finance purchases, pay for stock, and cover the running costs in anticipation of sales. Running a business becomes much simpler when you have a foreseeable steady demand for your product.

Parting people from their money

There are many reasons why we buy a product or service, and it would be a mistake to believe that price is the sole consideration. There is little virtue (or future) in being the cheapest in town. The psychology of buying is fascinating. Maybe the list that follows may persuade you to think more about an appropriate marketing strategy than slashing prices:

- *Fulfil a need*: we all have to eat and wear clothes.
- *Fashion*: less important as we get older, vital to the smart set.
- *Image*: a GTI means more than a base model.
- *Salesmanship*: the wonders of double glazing.
- *Advertising*: the power of the media.
- *Peer pressure*: schoolchildren must have the 'right' trainers.
- *Impulse*: supermarket sweet displays by the checkout.
- *Price*: many buy the cheapest but it can be suicide for a small firm always to aim to be the cheapest in town. Fortunately, some buyers prefer to pay more: let's call it snobbery.
- *Location and convenience*: ease of parking, or nearness to a bus stop can be very helpful.
- *Value*: perceived to be the best value for money, not the same as being the cheapest.
- *Security*: parents buy mobile phones for their children for safety.
- *Fear*: what happens if you don't take out a fire policy?
- *Legislation*: the law may demand purchase – safety equipment for example.
- *Specification*: what does it do? Does it comply?
- *Quality and reliability*: cheap and inferior goods are poor value in the long run.
- *Brand image*: usually where a big firm will score over a small firm.
- *Guarantees and after-sales service*: vital for expensive and any new products.

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- *Gift*: the buyer is not always the user. Offering a wrapping service (as the French do so well) will attract custom.
- *Personal recommendation*: always the most powerful inducement, especially for services.

There are many more reasons and you should think hard about your clients and what they are looking for, and pitch the appeal accordingly. It is the emotional trigger that will unlock the best deals. The psychology of buying is complex, once you get away from the basic needs of hunger, shelter and that three-letter word. Human nature has probably stayed the same down the ages but life has become more complicated. The gap between rich and poor, those in receipt of a regular salary and those on means-tested benefits, has widened the gulf. It is a truism to say that children grow up earlier and demand a different lifestyle from their parents. At the same time, the average level of debt per household has put fresh pressure on the wage earners – and resort to the black economy to make ends meet.

Marketing must take account of these continual changes in society and the way we apportion our resources. Some point out that the only affluent section left of any size is the retired or those who have paid off their mortgage and got their kids off their hands (are they ever?). These are the folk who take several holidays a year, buy health care products, go to restaurants, leave the complications of the car and DIY to paid experts and generally seem to have a good time. Saga Holidays was one of the first to spot and specifically cater for this group.

But there are dangers in this. Dealing with the older age group requires delicate phraseology. Few regard themselves as old and it is easy to be patronising. ('I'm not really 80, just 18 with 62 years experience.')

Price is king?

When I meet a small firm for the first time my usual opening gambit is to ask, 'Why do your customers buy from you?' If the answer is 'price', meaning cheapness, then I usually fear for the widow and orphans. While many firms may think that their business is founded on a highly competitive pricing policy, in practice there are probably more significant reasons. Location, range of stock or product knowledge may be more important, allowing greater price flexibility. All too often I come across firms that have undersold their product, have worked extremely hard, and are still wondering why they never seem to make any money. There is no virtue in being a busy fool. One of the less welcome

aspects of the internet (from the supplier's point of view) is that it has become easier to compare prices. HMV sells records cheaper on its website than in its stores. There are even websites set up specifically to monitor certain goods and work out the cheapest brands. Basing your marketing strategy on selling cheap is not a good tactic for a small firm. More on pricing later in this chapter.

Features and benefits

It is important to recognise that we buy a product or service for what it will do for us. We look for the benefits. A feature is what the manufacturer has designed. You may say this is semantics but look at almost any computer magazine and for first-time buyers the jargon is often impenetrable. A large potential audience is cut off from buying a computer because the industry has swathed itself in computerspeak, instead of explaining in simple English what it will do for the user. The manufacturer has paid for the features – the customer pays for the benefits. Or to put it another way, the drill salesperson is not selling bits but more holes. Thomas Cook does not sell package holidays – it sells relaxation, dreams, romance. On a more mundane level the window cleaner's insurance policy is of no interest: we just want to know that if he or she falls through the conservatory someone else will pay up.

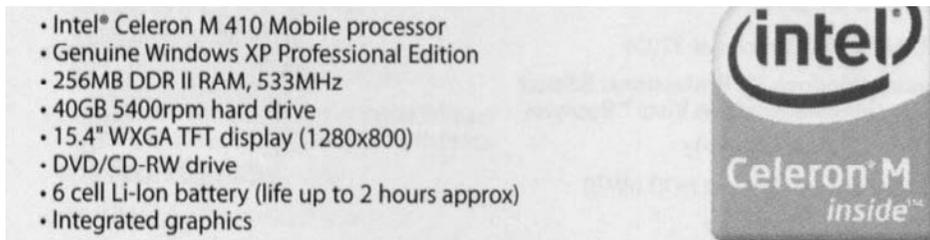


Figure 1.2 All features, what about some benefits?

The active marketer must never lose sight of the politician's old cliché, 'What's in it for me?'

When you can answer that question from the prospect, you have made a sale. Every time you compose a sales letter, write an ad, design a trade stand, you must get to the heart of the matter. Why should a client purchase your wares? What benefit will it bring him or her?

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All your marketing efforts should be viewed from the prospect's point of view, not your own. One businessman I know mailed out a few thousand letters and was disappointed that the response was so poor. By mistake one had been returned and the envelope sat on the desk looking at him. Although he knew what it was, he actually opened it and straight away realised why it was so awful. The tables had been turned.

Try to be objective: take a detached view. Research a little – ask someone who will give an honest answer, not a relative, employee or sycophant.

Isolate the segment

Marketing is all about segmentation – talking to a precise, identifiable section of the market. Segmentation can be by sex, age, income, occupation, interest, location, buyer, prospect, job title or whatever is germane to your product. It is a common mistake for small firms to think of supplying a mass market, of trying to compete with Marks & Spencer or Woolworths. You have to find a niche where the need can be directly exploited and developed and is not already covered by a mass manufacturer. You can never compete on price with the supermarkets or Far Eastern imports.

If you are in the construction industry and deal with, for example, architects but also surveyors, project managers, land agents and planners, you must appreciate that they all will expect to receive a slightly different treatment. Their jargon, professional interest and trade associations are different. They read different journals, attend separate conferences and exhibitions and have their pecking order within the building hierarchy.

Developing your segment will lead to finding out what else you can provide to satisfy that market. It may lead to more stock in depth or better training and knowledge for staff. Stretch the service beyond the popular times, be it tourism or late-evening opening, to capitalise on existing customer wants. Servicing the needs of the elderly or housebound means adjusting to the slower mentality of a previous age. Your values may not be theirs. The tone of your letters must not be patronising, and must show an understanding of their fears and needs. Top service is vital, with immediate response and integrity. You will get strong loyalty and recommendation to others. The older age group has also been found to make more complaints. As we get older, we get fussier – but learn to please this segment and you will enjoy loyalty for life.

I could not sell to teenagers. I may kid myself that I am still young at heart, but the culture is a mystery, so I would have to employ someone much younger and more in tune with the motivations of the age group.

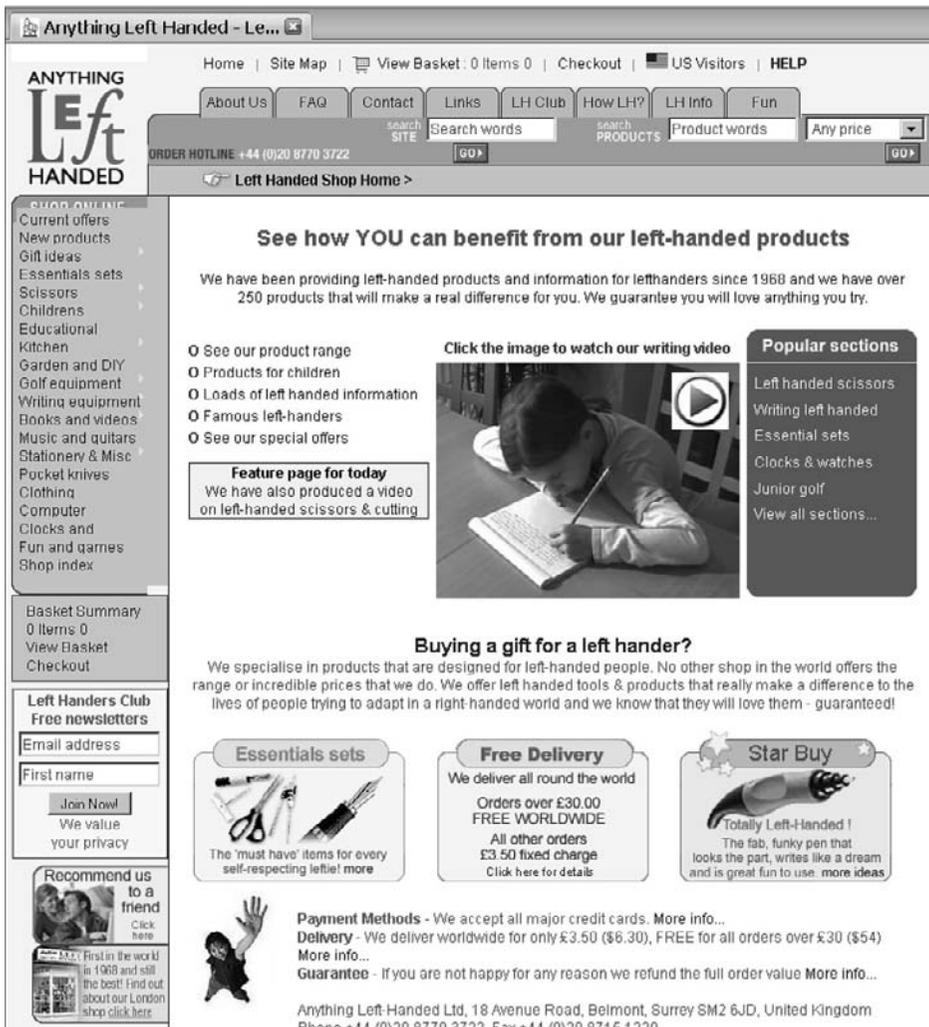


Figure 1.3 For 38 years *Anything Left-Handed* ran a shop in Soho. Rates and congestion charges forced them to switch to web-based only in 2006, but any lost sales have now been recovered. A good example of segmentation.

One example to ponder. The snack food market is huge, yet like most food products profit hinges on cost-effective distribution. It is very difficult for a small-volume producer to break in. I have worked with a healthy fruit flapjack manufacturer to develop a niche market for the product, where advertising and

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brand promotion had of necessity to be nil. We found that producing a larger size opened up a less price-sensitive segment for outdoor types to munch on the hoof – and became a gift product to take home to Mum. Point-of-sale material emphasised the benefits.

Heavy users

One hundred years ago an Italian economist Vilfredo Pareto found that 80 per cent of the land was owned by 20 per cent of the people (and incidentally that 80 per cent of his pea crop came from 20 per cent of his pods). Now called Pareto's principle, academics have applied the 80/20 rule to many aspects of business. Many firms will find that, over time, 80 per cent of sales derive from 20 per cent of their customer base. The relevance to you is the message that by concentrating on the *heavy users*, those key hot prospects, the timescale and wasted effort can be shortened.

Instead of trying to sell to everyone, concentrate your research and marketing spend on identifying a core of customers who may have a stronger need for your offering.

One glib example. The BBC entrepreneur series *The Apprentice* gave teams the task of selling a doggy product to three stores. Two were solus sites, one of which was Harrods, the third was a chain store with 140 outlets. As Alan Sugar explained, 'Harrods was put in as a blind'. One team was seduced by the glamour of Harrods when they should have concentrated on the one with most potential. In each case they only had to influence one buyer.

Identifying heavy users has a number of advantages:

- this segment may be all plumbers or all gardeners, making it easier to promote to (one magazine or one trade association may cover the bulk of members);
- word of mouth recommendation should be stronger, and that costs you nothing;
- heavy users may be advocates for your product: powerful pushers or believers of what you do;
- the marketing cost of gaining prospects will be less and simpler;
- by definition heavy users buy more, so delivery, paperwork and cash flow will be simplified;
- heavy users can be formed into clubs, or e-mailed or given favoured treatment to make them feel special.

These heavy users are your *key accounts*. They must be given top attention. But there's one danger. Do not allow one customer to generate more than 30 per cent of your turnover: it could prove fatal if they default or suddenly move their business elsewhere. Don't let the tail wag the dog.

Growth segments in the consumer market

Apart from Lottery winners, at the time of writing the significant growth area to devote most attention to seems to be the Woofties (Well-Off Over Fifties). This group consists of individuals who have probably paid off most if not all of their mortgages, are in a stable relationship, have seen their children settled, are sitting on massive equity, and possibly have taken early retirement. They are still fit, active and have money to spend and the time to indulge in their long-repressed wants. This is also the age when their parents die and leave large unencumbered properties to rent or sell off at values undreamt of when first bought.

The needs of this group include long-haul holidays to exotic destinations, good wines, healthy eating and fitness clubs, financial planning and investment, motoring, home improvements and home computers; price does not seem to be a consideration. In every case value and perceived benefits take precedence over price. The vagaries of interest-rate rises, commuter train fare increases and the price of butter are of little significance. This group is motivated by enjoyment, catching up on past dreams and spoiling the grandchildren. This group is mature enough to see through slick and pretentious advertising and is generally unmoved by fads or fashion and the brand image manipulation so important to the teenage and twenty-something market. Fashion and exoteric branding is of less importance.

The segment splits down further as we get older. Whichever government is in power it would seem increasingly unlikely that the old age pension will be anywhere near sufficient to meet people's needs. Those who have been fortunate enough to make private provision will have more disposable income, the rest – several millions – are likely to spend their declining years in poverty.

Statisticians tell us that one-third of the UK population is over 50 and this figure will rise to half in 30 years, so this enormous slice of the population needs close attention; make sure that you direct the right message to each segment.

Growth segments in the business market

With the disappearance of apprenticeships, at the time of writing workers in the skilled trades are able to charge a premium. Certainly in the south-east of England the construction industry is enjoying a boom period, from house extensions to the construction of the new Olympic stadium and the area's regeneration.

Anything electronic is in demand, but not repairs as most items are cheaper to replace. On the other hand, there must be thousands of crashed PCs unused because the owners are not IT-literate: all the folks I know with a working knowledge of getting them back to life are doing very nicely thank you at £40 an hour (I think I'll join them).

The supermarkets have not killed everything off in the food line. The quality niche artisan and organic or ethnic caterer or supplier can grow most satisfactorily in the right area. And some high-ticket foods can be ordered and supplied via the web: sausages and cheese come to mind. After decades of dreary food, some of the British public seem at last to be prepared to spend more on quality, flavour and service.

As I write, there seems no end to the boom in house prices – at least in the south-east of England. Service trades can feed off this frenzy by providing house extensions, landscape gardening, security lighting and statuary. If the money is flowing, chase the market.

Make your product different

As markets become more developed, you have to work harder to *differentiate* your product. There is little point in small firms on low promotional budgets making 'me-too' products and relying on a budget price to survive. They will invariably get squeezed out. You must constantly be striving to think up fresh ways of adding value, tuning the service, improving the range and getting closer to the customer's needs. One of the hardest tasks of marketing is to make sure that you are remembered. If your product is the same as everyone else's, only heavy promotion will draw punters to your door. Not a game for the faint-hearted.

Driving schools have been around since Henry Ford, so new starters are up against stiff competition. There are two neat solutions in my home town. One claims to cater for 'the young driver' and the other – yes, for 'the mature driver'. The logic is beautifully simple. Each end of the scale has different problems.

Youngsters learn quickly but cause most accidents and I would guess that most fees are paid by the parents, who would be attracted by a school that claims to give a solid, accident-free grounding to a driving career. Older people, perhaps wives learning to drive for the first time or those who have let their skills get rusty, will appreciate being taught by an older, more sympathetic teacher. The school cars emphasise the advantages.

The point is that *all* driving schools can and do teach all ages – but these two have set out to make their service that little bit different and have targeted a specific segment of the market. Price then becomes of less importance, because drivers are attracted for different reasons.

Every year *Yellow Pages* issues a list of ‘punnish’ names compiled by the Open University’s Dr Frank Monaghan. Here are his favourites:

Hairdressers:

- Jack the Snipper
- Fat Boy Trim
- Curl Up and Dye
- Hair Flick

Fish & chips:

- Battersea Cod’s Home
- Fish Called Rhondda (in S Wales)
- Rock & Sole Plaice
- Good Buy Mr Chips
- The Codfather

Gardening shops:

- Petal Pushers
- Mud, Sweat & Shears
- The Lawn Ranger

Food shops:

- The Getty Junction
- Korma Sutra

Plumbers:

- Bodgit & Scarper
- Suck Cess (drainage)



Figure 1.4 Be different.



Figure 1.5 Quite right.

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Apart from being amusing there is a serious point to his study (for full report go to www.yellgroup.com/english/media-pressreleases-2006-theupsanddownsofthe).

His research reveals that almost half of SMEs believe that the right business name is irrelevant as long as the service is good, yet 11 per cent of consumers said they would not use a company if they didn't like their name. 37 per cent of SMEs said they would rather have chosen something better, while 13 per cent have actually changed their name.

Avoid lone products

I can only recall one successful small firm that flourished on producing a single product. It discovered a gap in the market for fixing road signs on poles. By designing a one-man device, producing a unique machine to make it and at the same time deter competition, the firm now exploits worldwide markets and has made a considerable business. That is the exception.

For most businesses you need a range. The hard part of marketing is to identify profitable customers and avoid forever hunting for more. Once you have sold them something find another line that will fit alongside. Treasure their allegiance, turn that goodwill into profit.

Think of Black & Decker. The power drill is a wonderful tool, but is only the start of a complete home workshop. Franklin Mint adopt the same philosophy. It rarely tries to sell you one plate. It tries to tempt you with a series, and a free display stand for the first one. Magazine 'part works', manuals on car maintenance and DIY use the same strategy.

A mobile carpet cleaner should not be looking for just the lounge carpet but for car valeting, upholstery and commercial work as well. Travel agents now actively market skiing and spring holidays to capitalise on past customer satisfaction. Hire shops started life as predominantly trade outlets to builders but now encompass a wide range of more domestic plant.

Positioning

Some years ago my student son worked in a ready-made meals factory producing food for M&S, Sainsbury's and Tesco. Identical products were packed for each, but of course the packaging and price reflected the image and branding of the retailer. The food has been positioned to reflect their customer's expectations. M&S shoppers could save money by buying at Tesco, but they have been

conditioned to believe that they are buying a superior product. (Ah, the power of marketing when you get it right).

Still in the grocery field, the German chains of Lidl and Aldi have grown rapidly in the United Kingdom. Maybe because I make frequent trips to Germany I was one of the earliest patrons of Lidl, but many of our friends still shun them because they believe that Lidl's are down-market and that a lower price means poorer quality. But from Lidl's point of view they're not competing with the likes of Tesco. Their floor area and the range of goods that they carry is far smaller, staff costs are dramatically lower and I'll wager that return on investment is not bad at all.

Where a product or service is positioned governs all the messages that the supplier needs to achieve: price, value, image, performance. There is a dry-cleaning service in London's West End that fits out its delivery drivers in livery. Naturally, it is much more expensive than a corner shop. Customers *expect* to pay more and no doubt hope their neighbours will notice the regular van delivery.

Some premium lagers make the expensive price a virtue. They say nothing about the flavour, for goodness' sake. Lagers, and especially whiskies, are sold on image, reflected glory. Some shops in Bond Street don't display a price: if you need to ask you can't afford it. But positioning doesn't just relate to high-value items. Before the term 'fast food' was invented, there was a shop in Edinburgh called Gobble 'n' Go. Now, many educated people would regard that as horrendous, but I think it is rather clever. In one phrase it has summed up quite explicitly the nature of the food and service available. If it is right for that area and attracts custom, who are we to criticise?

Positioning governs the standard of service, quality of staff and expectations of customers. If you are a market trader, gift wrapping would be quite out of place. Move that business to the high street, and it may steal a march over the competition. Price is obviously a strong consideration. We have a view or opinion on the value of an article once we see the price. We form a judgement. As markets develop and more competition is attracted, where you position your business on that ladder of competing businesses governs everything that follows thereafter. Customer expectations reflect the price and position that you manage to achieve.

Positioning is most important when it comes to advertising in a developed market with many competing journals or papers. Think of the readership of the *Daily Telegraph* or the *Guardian*. Ignoring the jibe that the *Telegraph* is supposed to be read by those who think they still run the country (*The Times* is read by those who do, etc), both are quality broadsheets, but with quite distinct political slants, one right wing, the other read by teachers, social workers, media



Figure 1.6 Positioning: both are baked beans, but are deliberately pitched at opposite segments of the market. A multi-coloured label and the brand attracts the affluent or selective eater. The plain label will be bought by the student and others on a low income.

Assumptions – or prejudices – will be formed just by the outer appearance.

people. Advertisers need to take account of the spending power and moral stance of these readers. The local and regional press can rarely afford the luxury of anything other than an apolitical viewpoint.

Positioning is a vital ingredient of branding, with Virgin carrying it to extremes. Based entirely on the so far untainted image of Richard Branson, the prime mover, Virgin has spread from airlines and record shops to the complex world of financial services. More on branding on page 19.

Hunt for gaps

The footwear market is of course dominated by imports and the high-street shops, but one Somerset firm called Cosyfeet has become market leader in the niche sector of supplying to the elderly housebound. The proprietor saw that

these people could never get to a high-street shop, and also suffered from bunions and other ailments, with the result that they could never find shoes or slippers wide or deep enough to fit. Cosyfeet's business is done almost entirely by mail-order catalogue following enquiries generated by page advertising. Nursing homes and hospitals provide some trade and volume business, as the company's main problem is that names need to be constantly updated and new customers found to replace those who die.

The distribution chain

Unlike the service provider, the product manufacturer often has to go through various intermediaries to reach the eventual user. Wholesalers, distributors, maybe an agent and the retailer are in business just like you, and need paying for the service that they provide.

A wholesaler will invariably be a specialist supplier in a narrow field, probably regionally based. Take the hardware/housewares/DIY market. Twenty-five years ago every town had its corner hardware store selling screws, paint, brushes, curtain track and pots and pans. Today we all know what has happened. Out-of-town 'sheds' as the trade calls them – Focus, B&Q, Homebase – have decimated the small family business and everything is pre-packaged, with advice from assistants nominal. Convenience and accessibility have overridden everything. To the small manufacturer with a new product, the way into this market is fraught with peril. Most of these giants will not touch a lone product from a small firm. They want Dulux, Black & Decker, Crown, etc, to merchandise 50 feet of shelf space and not be bothered with opening a new account for a small line.

The small firm is left with the shrinking field of independents, served by specialist wholesalers, who will carry paints, timber, electricals or whatever, but who are probably already listing between 5 and 20,000 lines. Very difficult. The internet comes into its own for specialisms, as in this field availability not price should be the reason for purchase. It's a grand place to search for obscure lines, but websites still need to be promoted. The trick is to make it interesting and up to date so that buyers keep on coming back. More on this in Chapter 3.

This story can be repeated in many sectors – food especially, where the market is again dominated by a handful of giants. Swift distribution in the food industry is crucial to the success of the venture. Stricter hygiene regulations now mean carriage by temperature-controlled vehicles for many lines, but in rural areas, and those remote from major markets, these specialist carriers are scarce. Small drops are uneconomic.

In one way the food industry is fortunate: we all have to eat. But food is a mass market where, with a few luxury exceptions, volume is the only way to get the price to an acceptable level. Mass advertising, brand support, discounts and dealer incentives are all expected from today's grocer, making it difficult for small firms to supply anything other than a local market.

Take bottled water. Twenty years ago it would have been laughable to suggest that the British would copy the French habit of drinking water that we bought in a supermarket and lugged home, when it is there in the tap. Working in Somerset, as I do, there was hardly a week went by when a struggling farmer did not contact me, insisting that his water was purer than anyone else's. They all missed the point. It was the access to market and distribution channels that counted. Transporting bulky, low-value items is difficult to compete against. Give or take a bubble or two, all bottled British water is the same. When you are up against Schweppes with access to every store in the country, then you have your work cut out.

Margins and mark-ups

Everyone in the distribution chain takes a cut and, before getting excited about working from the price you see in the shops as a basis for setting *your* price, you must establish the margins that these maligned but essential people work to. You need to establish a *price structure*.

First, let's establish what these terms mean, for many simple costing errors have started from misinterpretation of these fundamentals. The *mark-up* is what your buyer adds on to sell on. The *margin* (or profit) is what the buyer enjoys. They are not the same thing at all. Take a rustic craft potter who produces a pot for £10 (including a miserable profit) that is sold on to a wholesaler. He may mark up (add on) $33\frac{1}{3}$ per cent to arrive at his selling price on £13.33. But his margin (profit) will be 25 per cent. The wholesaler may sell to a kitchen shop which could well add on 100 per cent, giving an eventual price of £31.32 – including VAT.

When doing your research and negotiating with buyers it is most important to discover whether the buyer is talking about margin, mark-up or discount. To help you remember use Table 1.1.

And don't forget that to find the VAT element of the selling price, you need to deduct 14.893 per cent, not 17.5 per cent (or, if you prefer, $\times 7$ then $\div 47$). If you run your business on an across-the-board gross margin, this *aide-mémoire* will be useful.

Table 1.1 The relationship between margin and mark-up

Margin <i>per cent</i>	Mark-up <i>per cent</i>
10.00	11.11
15.00	17.65
20.00	25.00
25.00	33.33
30.00	42.86
33.33	50.00
40.00	66.67
50.00	100.00

Some trades have their own jargon; for example, the food trade talks about POR – price off retail, rather than discounts or mark-ups. Every trade has its industry standard or accepted practice, but as a guide, fast-moving everyday consumables enjoy lower mark-ups than luxury or strongly seasonal items.

You will be fortunate to find any gift retailer that marks up less than 100 per cent, while the more exclusive gallery will be looking at much more than that. Location also plays a major part. Expensive boutiques will work on bigger mark-ups than department stores. At the other end of the scale, cigarettes are down to about 7 per cent – simply because it is a fast-moving, addictive product widely available.

Another example. The pet trade works on a 50 per cent mark-up over wholesale, while the wholesaler will add on between 25 and 30 per cent over the price at which he will buy from you.

Mail order operators are something else. Even though you may be selling direct to a home mail catalogue, the difference between your ex-works price and the catalogue is often a factor of four. Be warned.

Brand identity

Nestlé paid millions for Rowntree to get its hands on the brand names, Kit-Kat among others. Kit-Kat is one of the oldest UK chocolate biscuits and goes back to 1935. Cadbury's Dairy Milk was the first chocolate bar (1921). Not many small firms can go back that far, but it illustrates the point that a strong brand image is important to retain customers, develop the range of products and add value to the balance sheet.

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I am often disappointed how few small firms actually put their name on the product or on the side of the van. It is as simple as that. Branding includes names on shop overalls, sweaters at a show, stationery and graphics. It is your corporate image (more on that on page 114).

Start with a good name, memorable and preferably illustrative of what you do. My own trading style is Merry Marketing. It invariably brings a smile to whomever I am addressing and people remember it. As I try to run my business with a little quirk of humour it seems an apt title. If your father was called Smith, then try to tag on a descriptive phrase. (Yes, I have heard of WH Smith, but they've been around a few years.)

The image and identity of the product or service should be carried through the range of whatever you do. We are talking about the personality of what you do. If you are a happy, outgoing person, the image and service of your staff should be in the same vein.

Branding is very much tied to the position where you place your business. Upmarket goods will demand elaborate presentation and premises to match. Market traders pile it high, sell it cheap.

Everyone strives to be brand leader in their field. This is obviously difficult for small firms, but it may happen in a niche market. Brand leaders set the pace, not just with price but with innovation, product development, profits and calibre of staff. All the bright people want to work for them. Staff training and commitment, customer care policies, solid reputations and no-quibble guarantees are invariably the hallmarks of brand leaders.

Price levels are invariably set by the brand leader. Where they go, others follow.

Establishing a strong brand identity will take years, but you have to start somewhere. As your reputation becomes recognised you can add more products or services to capitalise on your good name. Some lines can be bought in and rebadged, bearing in mind that the new additions must equal or exceed the quality you already offer. Such brand extension, as the pundits call it, could damage the whole enterprise if there is a failure, and some would argue that, if overdone, it could weaken the brand impact and credibility. Virgin, Tesco and Marks & Spencer have gone into financial services: a far cry from what they were set up to do.

Pricing for profit

How do you set your price? Copy what Charlie does down the road minus 5 per cent, add X per cent on to your bought-in price or run a continuous sale?

While this is a book on marketing, not accounting, setting the correct price is one of the most vital aspects of staying in business. In my experience small firms tend to underprice rather than overcharge. New firms in particular both underestimate the costs of running a business and undervalue their own worth. Back to basics. Why do people buy from you? Do you provide a quality, knowledgeable service where they never have to return for more information or are you one of those who jump from one topic to another without ever mastering any? Do you always keep your promises and never let clients down?

Never forget the old saw ‘turnover is vanity, profit is sanity’. Avoid products that require huge volumes to generate a profit. A high turnover may look good on the profit and loss account, but your banker is more interested in the bottom line. Many firms in the 1980s found turnover shooting up but lost money on bad debts, high borrowing and expansion costs.

Golden rule: price what the market will bear. Easier said than achieved, but that should be your yardstick. The costs of production are almost irrelevant, it is what the customer is prepared to pay that is important. I can remember *Which?* doing a study on face cream, and the cost of ingredients of one of the elaborately packaged brand leaders (largely egg white) was pence. The price to the Christmas shopper was measured in pounds.

Genuinely new products in particular need careful calculation and market testing to arrive at the right price. As a generality, a new line with no comparison and many benefits should be launched dear and reduced as competition intrudes. It is easier to reduce a price – and be able to give a discount on quantity – than to put the price up.

Naturally, you must know what your product or service *costs* you to provide, but that need bear little relation to what you charge. You must have the figures to ensure you are at least ahead of break-even to be able to form a *pricing policy*, unless some lines are sold as a loss-leader (traditionally, sugar, milk and the white sliced loaf are loss-leaders in supermarkets).

Pricing policy

At various stages in the life of your business you will undoubtedly change your pricing policy – sometimes due to market opportunities, sometimes through the threat of competition. Let’s look at some:

1. *Your marketing objectives.* New products can be launched significantly below the competition to buy a large chunk of the market. It may be

important to ‘get the product out into the market’. Car makers usually do this as there is no better way of getting cars on the road. It has been rumoured that irresistible staff discounts are offered to achieve the same ends and push the car up the best-selling lists. Alternatively, it could be argued that a product with notable differences – an extra perceived benefit – deserves a higher price, regardless of the costs of production.

2. *The competition.* Though I hope through this book to show ways of differentiating your product or service from the herd, inevitably the consumer makes price comparisons, and certainly in the early stages of most small firms’ development you are bound by what the prevailing competitive price level is. ‘Unique’ is a word bandied about by some advertisers to no purpose. There are extremely few genuinely unique products around, and if you value your integrity – let alone the preservation of the English language – you will be sparing in the use of the term.

It is also important to define what the competition is. My local coach operator to London seems locked in a price war with National Express, but I would contend that his service is so superior that he is capturing people from the train, not the immediate rival, and the train fare is dearer by a factor of five.

3. *Chain of distribution.* Service providers who sell direct will have a different price structure from manufacturers who must go through intermediaries. Theoretically I could have published and distributed this book myself, but as there are over 3,000 booksellers in the United Kingdom, most of whom will never take more than a couple of any title at one time, the solution is painfully obvious. The method of selling is the main influence on your pricing strategy. Going direct by selling ‘off-the-page adverts’ (see Chapter 5) to avoid middlemen will incur heavy advertising costs.
4. *Location and overheads.* It is almost impossible now for an independently owned shop to exist in the high street due to the cost of rates and rent. All our main thoroughfares are full of building societies, travel agents, shoe and fashion shops. The grocers and ironmongers (does anyone under the age of 40 use that word?) have disappeared to out-of-town supermarkets and DIY superstores. The independent has to survive in secondary positions where the pedestrian traffic flow is a twentieth of that a few yards away. Those that have survived are being squeezed or have some unusual edge over neighbours.
5. *The volume of production and purchase cycle.* Tyre manufacturers caught a cold when radial tyres became common – they lasted longer. The increase in tyre-depth regulations has, however, helped to bring in

more frequent business. Swings and roundabouts. If your product is so well made that it never wears out, you will have to continually promote to find more customers. The conservatory supplier will need a high advertising budget – not many of us will buy twice. Dry-cleaners know that smart dressers come back time after time.

Two immediately seasonal activities spring to mind: November the fifth and Christmas. I know a firm that has built a very successful business importing and distributing Christmas tree lights, but they would rather like to find a summer activity. Fireworks are becoming less seasonal with stage-managed extravaganzas, so the focus is not so pronounced.

6. *Discount structure.* Money given away here is a straight deduction from the profit. Discounts are usually given for four reasons: to encourage a larger order, to secure prompt payment, to retain customer loyalty or attract new purchases.

When customers are scarce it is always tempting to lower your quantity steps and give everyone the bulk rate. Do this as a sales ploy if you must but make sure you really know the costs of distribution. Big firms are notorious for being slow payers, but still take the early settlement discount when finally paying the invoice. There is not a great deal you can do about this if you wish to continue to enjoy their custom, short of writing to point out the error of their ways. Some firms can build in an inflated figure to knock off as a discount to encourage cash flow.

7. *Differential pricing* is common among service trades to encourage usage at unpopular times or target different segments of the market. Hairdressers often have a cheaper prices for OAPs, as do B&Q on a mid-week day. Travel operators offer free or reduced prices for children. It is usual for coach operators to give the party leader a free seat if the numbers exceed 12.

Swimming pools and other leisure activities use differential pricing widely to attract ladies only, youngsters, learners and season-ticket holders.

Differential pricing is also practised among manufacturers to target trade and consumer products. The ingredients can often be identical, but the packaging, presentation and positioning allow widely different prices to be realised.

8. *Commission.* Those running a sales force will come up against the commission element endemic in most organisations.

The effect of high unemployment levels always seems to be to shift salary to commission-related pay, so we see double glazing, advertising

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and life assurance salespeople struggling to make ends meet. Overgenerous commission payments to salesmen in the 1980s have cost the life assurance industry millions in correcting the mis-selling of pension schemes. The same thing is happening today with banks charging for needless payment protection policies and electrical stores for repairs.

If commission needs to be paid to sellers you must make allowances in your price strategy.

9. *The product life cycle* affects every product and every business (see page 29). If it is a new product with little competition you can probably charge more. As sales grow and it is seen to be in demand, inevitably you will get pressure from similar products that will enter the market at a lower price. You either build in more benefits or reduce the price to match.
10. The law of diminishing returns says that ever-increasing turnover is unlikely to lead to a profit rise in tandem. The only exception I can recall at present is Microsoft, which is currently enjoying a one-third ratio of profit to turnover – the most profitable company in the United States. Anti-trust legislation seems the only method of stopping it.

For the rest of us, the continued drive for growth leads to increased problems – strains on liquidity, management time, premises, plant and people. It is a rare business that does not make mistakes when the pressure is on, reducing the profitability. Your pricing strategy should be continually tweaked to attain a level of maximum profitability – watching cash flow at all times. Many of the high-street chains have to make *daily* cash returns to head office. It is that important.

The special problems of marketing services

In the good old days before marketing became fashionable, there were products and services: you were a provider of either one or the other. It was somehow thought demeaning simply to provide a service rather than manufacture a product to sell. The Thatcherite years were the watershed for the UK economy.

It seems clear that the market sector will continue to generate more jobs than manufacturing, generally because you need less capital to set up. Premises and plant requirements are usually less, while many small manufacturing firms are subcontractors or component suppliers subject to demand often beyond their control.

Marketing for manufacturers is often through intermediaries – wholesalers, agents, retailers – with all the problems of slow payment, bad debts and tight margins. Products can be touched, dropped and tested against agreed standards.

Services are bought much more on personal recommendations, by repute. The image and standing of the premises, and the confidence and integrity of the seller, help to raise customer confidence. Service providers are more likely to deal with the end user, the buyer, the client. They are more often closer to the marketplace and better able to adjust prices, volumes and the sales message. It is this sharper focus that needs attention. When you are marketing intangibles – or as the Treasury says, ‘invisibles’ – it is a much more personal creation.

The people business

The service trade is a people business. Customers are very much the king and do expect to be treated as individuals, with all their quirks and foibles.

I’ve always admired those who have the gift of seeming to give you their entire attention as if nothing else mattered in the whole world. You are made to feel special.

Not only must you believe in what you are doing, but you must carry that conviction to all your staff. They are all ambassadors for your business. This means listening to them, not just telling them, asking what they think and making them feel involved in the venture. Your own motivation is different. You are the boss, perhaps with your name over the shop. If your colleagues are only working for the pay packet at the end of the week, it will be a fairly soulless existence.

Paying the proper wage and thanking them for their efforts is often overlooked. Try to avoid always telling them off: catch them doing something right – and tell them so. There is so much more to motivating people than wages.

Delegation is often difficult for small firm owners, but delegate or die. Proper training and occasional absences with deputies in charge help to build confidence. It’s so important, it’s worth a book on its own (Julian Richer has – see p 218).

The ideal is to grow your own managers from within so you have a recognised career structure and goals for the bright to aim for. Inevitably some fresh blood will be needed to bring an outside view, but don’t disappoint your own staff without good reason.

The image

Because services are intangible, close attention needs to be given to creating and maintaining a strong image of your operation. By image, I am including reputation and after-sales service, as well as the more obvious presentation of the business.

It is wearying to repeat the old adage that you never get a second chance to make a first impression, but it is true. Running a service business is like that. The total image of your activity could so easily be marred by slipshod appearances, casual staff or failing to keep a promise. This is all wrapped up in that much abused creation *PR*, which most of us would say is plain common sense. More of that later in Chapter 7.

If you invite patrons on to your premises much of the atmosphere will be engendered by the decor, furnishings, colour, lighting, and perhaps the Muzak – to say nothing of the air conditioning. My nearest record store always seems to be playing loud rock music, but there are shelves of classical titles. I don't visit there often. There is some evidence that the sense of sound is more emotive than the sense of sight.



Figure 1.7 Sign reflects the up-market image in Bath.

Pubs, hotels and hairdressers are very conscious of striking the right tone. Little things like price labels are important. The graphical image you present can range from the tasteful and discreet to greengrocer's Day-Glo. Even your carrier bag (Harrod's green and gold) not only has entered the classic folklore, but is, to slink into the jargon, a fashion statement about yourself. It is all reflected glory.

We are really talking about the total environment in which you operate. It is the personality you can create and manage that positions your business in the market and attracts, repels or selects the type of customer who is good for your business. You need more of them.



Figure 1.8 There's a great future in nostalgia.

The quality

Quality standards are *de rigueur* in many sectors now. Starting in the defence field with BS5750, quality standards now cover all manufacturing and most service fields under the cloak of BS9001. (See www.bsi-uk.com for chapter and

verse: BS: British Standard). Many big companies will not purchase from non-BSI-accredited firms.

To gain accreditation may involve overhauling your paper control and management systems over many months. Manuals and procedures have to be drawn up. In many respects Quality Assurance is sound common sense and good business practice, but paper trails can become irksome with files having to be retained for many years. Costs will be in excess of £1,500 plus annual audits.

But you don't need an outside firm to certify your quality standards: the necessity should be obvious. I once helped a small firm launch a range of biscuits. Part of the appeal was that they were hand-made but the weight varied from 200 gm to 125 gm, which would have been alright, except that the same price was charged for all.

The personal message

Service businesses are much more personal than product providers – or they should be. Success comes from the willingness and flexibility to meet or even anticipate customer needs on an individual face-to-face basis. Tailoring a service, be it a kitchen design, a holiday, fitness course or restaurant meal, will make the customer feel wanted and special.

It is the attention to detail that counts. The bow on the gift wrapping, the flowers on the back seat of a new car, sweeping up after a building job or just making the customer feel welcome.

I know one self-catering cottage owner who leaves milk in the fridge, local bread and farm eggs in the kitchen, and fresh flowers in the lounge. When you're talking of perhaps over £400 a week rental, the cost of these little extras is irrelevant, but it sets the tone for how you approach your customers. The most powerful advertising medium is recommendation – word of mouth – where a contented customer can be a strong advocate for your business. And all at no extra charge.

For those of you engaged in a service trade, a large part of your success will come down to *training*: motivated and knowledgeable staff who believe both in you and what they are doing can overcome all manner of difficulties. A long time ago a US industrial psychologist discovered that people's greatest motivator was not money but self-satisfaction in doing a job well – and being appreciated by their superiors. We all need a little love now and again.

Finally, it has to be said that the distinction between a service and product provider is often blurred. The better manufacturer realises that accentuating the service provided will win a better relationship. As many manufacturers have

found the last 10 years' trading exceedingly hard, the survivors have learnt to make their service more important and reduce dependence on price cutting. Small firms have had to learn that the only way to compete with bigger firms is by beating them on quality of service and individual attention.

The product life cycle

While I have tried to keep theory to a minimum, there is one immutable law of business that you should be aware of: the product life cycle. Every product – and business – has a birth, life and eventual death. A chart of its progress in terms of sales and profit is shown in Figure 1.9 and while the angle of slope will be different for each business, many will broadly follow that pattern. It is up to you to keep the downward slope gradual for as long as possible.

While the detail is largely the preserve of academics, the inevitable theory should always be borne in mind. Twenty years ago, who would have thought that the mighty IBM – many times larger than all the other computer manufacturers put together – would ever be threatened? But miniaturisation and complacency together shattered their market.

Prolonging the product's life means being alert to the competition, investing in new designs, and anticipating changes in legislation, fashion and consumer demand. It is the pace of change that can be frightening these days. As the world shrinks, it will only be the progressive business that survives.

Extending the product life cycle

It is debatable whether the first or the second in the market makes the most profit. Often the first signposts the way, allowing the second to learn from the other's mistakes. It is often expensive to be the trail-blazer. It all depends on how ready the consumer is to take up the offering.

Film cameras have almost been replaced by digital, but the product life was extended by Fuji inventing the use-once camera. A professional photographer friend of mine gave every guest a disposable camera at his wedding, and the results were amazing and enlightening: good thinking by Fuji.

Relaxing Sunday trading laws has exacerbated the decline of city centre trading and the traditional small shopkeeper. They have to decide whether to open even longer hours, become more specialised or find gaps in the market that the multinationals are ignoring.

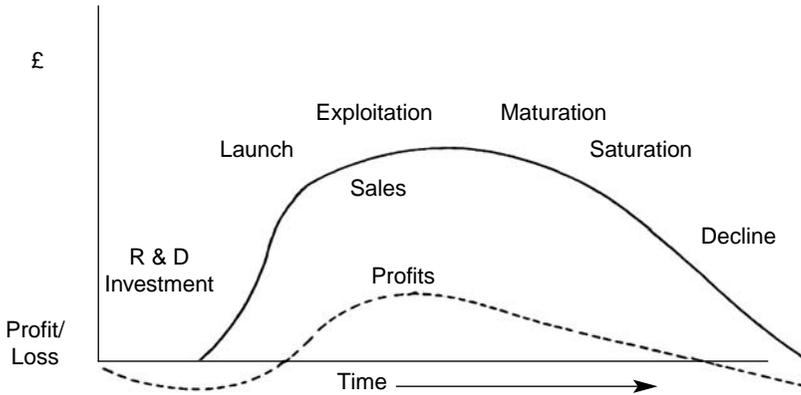


Figure 1.9 The product life cycle.

Innovation and product management

Businesses committed to innovation will survive, but it takes an agile mind and resources to keep ahead. Your range of products and services must continue to be seen to offer more benefits than your rivals'. Effective product management entails keeping a close eye on the profit contribution that each line makes. Don't be fooled by overall profitability. Examine each line sold and form a judgement. Long-range plans should always be updated to keep a strategic view on where the business is going. We live in a changing world. Attending your trade show, reading the magazines, and asking your customers should all be mandatory.

A service trade could emulate one florist I have helped. I suggested putting a reply-paid card in each arrangement that was posted. The recipient was only too pleased to respond, appreciating that the supplier had not drawn a line when the goods left the shop. Apart from checking on delivery times by the carrier, it reassured the customer that the florist cared about the service – and it also brought extra business.

The staff suggestion box may be a joke in some businesses, but it shouldn't be. Honda has an entire shadow factory set aside for staff to engineer new products that may have no connection with motors.

Asking staff for improvements or ideas should be part of the activities of every progressive firm. Involve everyone and carry them with you.

Product management may involve licensing in new technology or developing new products yourself. The tangled web of intellectual property is covered in Chapter 10.

The marketing mix

Every book on marketing somehow manages to bring in this, one of the earliest holy grails of marketing theory. Read it once – then get on with running your own business.

The concept of marketing can be broken down into four variables – the product, price, place and promotion (the four Ps). Getting the right balance (mix) of these will create the best appeal to the customer. It is ‘the means by which a firm defines and supports the competitive position it seeks to occupy in the target market’ (Philip Kotler, leading US marketer). Delving further we can list the four Ps as:

Product

- Technical specification
- Features
- Design
- Quality
- Packaging
- Guarantee
- After-sales service

Price

- Retail
- Trade
- Special offers
- Instalment terms

Place

- Channels of distribution
- Stockists
- Location

Promotion

- Advertising
- Sales promotion
- Selling
- Trade shows
- PR
- Internet

Price in these terms should not be taken too literally, as we should all realise that *value* is far more important. The way that this is presented to the consumer will largely determine the success of the enterprise. A price cut could well reduce sales for some quality goods, as we still often associate price with quality (what’s wrong with it?). In other words, the right goods in the wrong shops

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will sell less. The right goods at the wrong price, or poorly advertised, will also stick on the shelves.

Location

Businesses relying on the internet, or pure mail-order operators, do not have to worry about Conrad Hilton's diktat. Any business that has to attract passing trade (shops, hotels, craft businesses, garages) may sink or swim depending on their location and visibility. Picking the right spot is an art in itself. As I write the high streets in most towns are in flux, with the drift becoming a stampede to out-of-town centres. This leaves what may seem cheap opportunities in vacant lots. Some things you can alter, but where trends in public shopping behaviour are concerned, I fear the facts are against you. You need to evaluate:

1. Where are the main traffic flows, by foot or by car? What may be due for pedestrianisation? Where are the yellow lines, car parks?
2. What effect does the rush hour have?
3. Are the premises visible? What signs can you put up?



Figure 1.10 The location problem is solved here by this mobile fish and chip van that tours our neighbouring villages.

4. What is loading and delivery access like?
5. Where are the main draws – Tesco, Marks & Spencer, etc?
6. What developments are afoot? Visit the planning office, talk to neighbours.
7. What is the minimum lease you can sign?
8. What is the minimum capital you need to spend on smartening the property and fixtures and fittings as opposed to the stock that can be turned into cash?
9. What was the previous business, and what are your prospective neighbours engaged in?

Marketing plans

In thirty years of helping small firms I can recall only a handful who have ever produced a written, costed marketing plan. Bank managers usually require a business plan and cashflow forecast, but rarely see or understand the need for a marketing plan. Where are the sales supposed to come from to propel the business?

I am not suggesting thirty pages of wild hopes, but most small firms should welcome the discipline of a couple of pages setting out:

- what sales need to be achieved as a break-even;
- what main segments should be targeted;
- a short list of key accounts or potential heavy users;
- promotional methods: adverts, newsletters (including e-mail), shows, direct mail, sales force, etc;
- new products;
- dates and costings;
- review and monitoring.

Part of the preparation of your marketing plan is to carry out a SWOT analysis:

- Strengths:** what you are good at (production, marketing, finance, motivating people, etc).
- Weaknesses:** unashamedly list what you are not so good at, for which you may need to hire in the expertise.
- Opportunities:** the gaps in the marketplace, where competition is weak or fresh demand is appearing.
- Threats:** what the competition is up to.

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This is also known as a *marketing audit* and attempts to list all facets of the business in the same way that a financial audit looks after the monetary side of the business.

Marketing *objectives* are then tackled in terms of market segment, positioning of the products, expanding the customer base and market share. These must be specific, reasonably attainable and capable of being monitored.

The *strategy* needed to reach these objectives spells out pricing policy, channels of distribution, promotional methods, after-sales service, etc. Each market segment will need a different outline of strategy because each will respond to different stimuli and appeals. The marketing mix will have to be adjusted.

So your marketing plan will need to cover the following:

1. Market information: what the customer is looking for, existing suppliers, price and satisfaction levels, trends.
2. Segments: where are the gaps, where lies the profit, how big is the customer base?
3. SWOT analysis: how you can match the needs of the customer with the strengths of the business.
4. Main objectives: pinpoint targets to be achieved.
5. Strategy: plan how to reach those objectives.
6. Audit results to monitor progress. No plan is worth drawing up unless some means is set up to review progress and make changes where necessary.

The objectives

These should be readily measurable, specific and realistically attainable. You need to look at the short term (the next financial year) and the medium term. Some City institutions and applications for the few government grants ask for the next three years' projections – a somewhat unfathomable task. The objectives can be an increase in turnover, more sales per employee, increase in market share or, most importantly – an increase in profit. The hardest and first job is to prepare the sales forecast.

The sales forecast

Existing businesses have a distinct advantage. They have records on which to base their predictions, broken down into market segments, product classifications, geographical areas, distribution channels and other important strata. New

businesses are groping in the dark. However, for both parties there are similarities. Much the same influences on demand will be common to both and the same sources of information will need to be assessed.

The market

What segment of the market are you aiming for? Where are the gaps? Are they likely to grow or reduce? How can they be defined – age, sex, socio-economic, area, industrial or consumer?

The trends

What are the influences that could affect demand? What are the trends? Is there new technology in the pipeline, government legislation, taxation changes, fashion, seasonal influences, undue trade restrictions?

The competition

What is the competition doing? Are new competitors being attracted into your segment? Will you have to offer more discount, sales promotion, sales staff, etc, to maintain your market share?

Products

What changes are planned in the product range? Obsolescent products dropped or new ones introduced? Which make the most profit? Can existing lines be revamped or promoted with increased benefits or added value to appeal to a wider audience? Where are they on the product life cycle?

Strategy considerations

How fast do you want to grow? What other resources and constraints must be taken into account – finance, premises, staff, etc? While the experienced businessman may know his own capabilities very well, many circumstances outside his control or knowledge may render any serious attempt at forecasting unreliable. Changes in bank rate or taxation can throw investment decisions awry in whole industries.

It should be quite feasible to plan a short-term sales forecast within the existing productive and distributive capabilities of the company. Beyond that, many industries are subject to cycles of demand. The CBI regularly produces surveys of its members that predict future confidence in order books that have a strong bearing on all members of that sector. In the longer terms, forecasting is inevitably less accurate, with predictions on trends rather than real figures.

Compiling the sales forecast

There are two main areas to look at – desk research and field or commissioned research.

Desk research

1. Look at existing company records, planned production and strategy, available statistics, trade and technical publications and possible market surveys already done. Where to find these sources is set out more fully in the next chapter. Visiting reps are often a rich and reliable sources of marketing information.
2. Because of inflation it is often more realistic to compare your own year-end results on a unit basis rather than monetary values. The effects of price discounts and other manipulations will give a distorted picture.
3. For multi-product companies it may be simpler to remember the Pareto 80/20 rule: 80 per cent of your sales tend to come from 20 per cent of your stock. Concentrate on your best and most profitable lines.
4. The influence of the product life cycle is a dominant factor in all your forecasting. New products may require more promotion, have less acceptability, meet stiffer resistance than maturer lines. Profitability will certainly be different depending on where the product stands on the curve.

Time is the greatest enemy of more sophisticated analysis. Few small firms have the time available to devote to detailed examination of statistics or will have broken down their own records into the requisite number of headings. Ideally, these should be product lines (turnover and profit contribution), timescale (to pinpoint seasonal fluctuations), area (penetration by sales force or concentration of marketing effort) and distribution channels (wholesalers, retailers, agents or direct response).

What influence a good website will have on turnover is difficult to determine at this early stage of its development. Trade figures suggest that you may get

between a 5 per cent and a 20 per cent turnover from e-commerce, but every business is different and the shopping world is in some turmoil. Accurate figures are impossible to obtain.

Field research

Big companies spend large sums on continual marketing research into their customers' attitudes and on evaluating the competition. Occasionally a second-hand report is available at a reduced cost that is not too out of date and is relevant to smaller concerns. How to track down these studies is detailed in the next chapter.

In this area of sales forecasting you will want to ask samples of your target audience basic questions covering future order levels, timing, value and response to price incentives, fresh packaging or changing promotional methods. By getting closer to your market segment and by regular updating you should not be caught unawares by any changes in market conditions. It's also a good idea to keep up to date with the trade press and to visit exhibitions.

The strategy

This section of the marketing plan will be your working tool where you list the actions to be taken through the year with expenditure, and monitoring for results. You can list leaflets to be printed, shows to attend, adverts designed and placed – all the marketing expenditure that will be incurred.

What's my marketing going to cost?

To many businesses marketing is an immeasurable and elastic activity, impossible to cost or budget. What do you include under the heading? The Christmas goodwill calendar? The salesman's car? To some outside the business world, marketing is a confusing miasma of junk mail and PR sleaze – or as I was told recently, 'Marketing is a con.' Very uplifting for your ego. Most firms will only invest if they can quantify the rewards with a fair degree of accuracy and expectation. Buy a truck today and a look at *Glass's Guide* will give you a fair estimate of the trade-in value in three years' time. Place an ad in a new magazine, and no one can be sure what results will be achieved.

Marketing is not an exact science – part of its appeal and challenge – but some of the variables can be eliminated or at least reduced. It will be argued later that advertising should not be undertaken except where the response can be

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directly measured. Direct response marketing can and should be tested before launching any significant campaign.

So how much should you spend? Every business is different. The market trader will spend a minute amount, relying on position and repeat custom. The motor trader will have to promote his continuously changing stock to attract casual punters. I have yet to see a satisfactory formula for equating costs with returns, but for what it's worth, there are supposed to be about 15 different methods, the most popular of which are:

1. The same as last year.
2. Last year plus X per cent (and X can be anything).
3. A percentage of past sales, forecast sales, gross profits or unit costs.
4. The ratio to your share of the market (if you know it).
5. What the competition is thought to spend.
6. What you (or the bank manager) think you can afford.

Accepting that generalities will help few people, it may be some guide if I say that it would not be extraordinary for a new enterprise to devote 5 per cent of gross sales to marketing, settling back to half that when more established. Other influences to take into account are:

1. Well-developed, crowded markets need more promotion to accentuate what are often minute differences between brands.
2. Infrequent purchases (capital items) need regular promotion to remind prospects.
3. Marketing a general consumer product is invariably ruinously expensive to a small firm, unless you can ride on someone else's back.
4. Sales and cut-price offers need frequent promotion to alert prospects.
5. High-quality, purpose-made items sold in a small area rarely need high promotion. Personal recommendation fills the gap.
6. Specialist markets that can be readily identified should need less promotion. (This is the ideal slot for small firms.)
7. If the market is expanding with fresh competition you'll need to keep your name visible.
8. If your product lasts a long time you will have to keep hunting for new customers.

Just isolating advertising, the Advertising Association publishes a table that shows advertising spend as a percentage of turnover. Top of the list at 6 per cent

is medical and toiletries. Drink and tobacco spend 1.12 per cent, while industry spends 0.47 per cent.

The obvious moral from this is that different products are marketed in different ways. Industry relies much more on face-to-face selling and trade shows. Insurance has changed to more direct mail. Consumer products are heavily advertised on TV and in the glossy magazines.

Summary

- Aim to be a market rather than a production-led venture.
- Make your customers the centre of the business.
- Think about needs and benefits. Most purchases are made to satisfy a definite requirement. Try to understand the motivation of your prospect.
- Stress the value, rarely the price. Isolate the main reasons why people should buy from you. Answer the question ‘What’s in it for me?’
- Try to appeal to a distinct segment of the market – you can’t sell to everyone. Speak in the tone that strikes a chord with where you position your product.
- Look for the gaps and exploit them. Try to spot trends. Where is the competition falling down?
- How can you reach that segment most profitably? Establish the price structure for your sector – take account of any middlemen’s margins.
- Find the heavy users and establish the purchasing cycle. How often will people buy?
- Plan your objectives and work out your strategy.
- Aim to provide the best service and try always to keep your promises.
- Remember, the internet is just another marketing channel – it is not a cure for all the world’s problems.



Figure 1.11 This number plate was on a water treatment firm’s vehicle. Unfortunately the police stopped them one day as the letters are misaligned. It did however give me the chance to write a press story under the headline ‘PC49 stops H₂O)’.

Market research

We encourage customer complaints. Feedback is free market research.

Virgin Trains

Never take anything for granted – least of all the claims of advertising space salespeople. One of my clients was close to a county border and took ads in both the local papers for years – till I convinced the company to monitor where the enquiries came from. It found that one paper out-pulled the other by a ratio of seven to one. The company saved a lot of money by cancelling the less effective.

For another client, my company ran identical ads in two well-known farming magazines, alternating the copy dates. One has twice the circulation of the other, it out-pulled response by such significant margins that we cancelled the other ad as soon as we could.

One more example. Caravanners use a level to adjust the legs when on uneven ground. A new bubble device came on the market that looked smart but was too big and three times dearer than existing levels that are imported from China. A simple investigation at a specialist wholesaler might have saved a few thousand pounds.

Market research is simply a matter of finding out as much as you can before committing yourself to an irretrievable step. It is a process that should never stop, as you must never assume that the market is standing still. Customer preferences alter, new fashions appear and competitors lure away regular buyers.

Your research should set out to discover:

1. What does the customer need?
2. What is the target audience and how much can you find out about them?
3. What is the competition?



Figure 2.1 A novel approach to leaflet distribution, here in Berlin at the opening of a new station.

Figure 2.3 The first problem at busy outdoor shows is to get noticed: here's one solution.



Figure 2.2 Marketing gets everywhere, here in a gents' gym loo. (Plug for Lucozade)



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4. Are there any gaps in the market?
5. The acceptability of the product by test marketing.

Market research is a major area of expensive and exhaustive activity for big companies. Large departments are continually combing the world markets testing product awareness, customer reaction, advertising recall and buying preferences. Sophisticated statistical analysis predicts sales demands allowing for competitive interaction. Surveys are frequently commissioned by outside agencies with teams of roving interviewers posing carefully weighted questionnaires.

Even the simplest research study seems to cost well into four figures if performed by a specialist agency, and I will assume that the small firm reader is more interested in learning what can be achieved with limited resources.

Before you get despondent, I have a report in front of me that highlights major cock-ups from research agencies into coupon redemptions. Only 8 per cent of offers came within 10 per cent of expected levels gained from marketing forecasts. The worst was a financial services offer that estimated a 35 per cent take-up on a free weekend; the real demand came to 79 per cent, costing the promoter an extra £1.1 million.

Your research can really be divided into two: local and national. If you intend purely to service your neighbourhood, then it will not take long. More ambitious horizons will take more time.

Research into the existing market – products, customers and the competition – can be tackled by combing the web, visits to libraries, trade shows and studying the relevant specialist journals. Specialist directories are a good source of information, as many pages are not yet linked by Google *et al.*

Where the big firm scores is in its ability to commission what I tend to call *attitude* surveys – scientific predictions of future demand and trends based on qualitative sampling. The expertise required to draw up several questionnaires and evaluate the results is beyond the scope of the amateur. Actual test sampling of a limited production run is often the only way to carry out a trial, involving a higher proportionate risk to the small firm.

On the other hand, the small firm is invariably closer to its customers and market and better able to take advantage of shifts in consumer choice. Big firms tend to be far more hierarchical and bureaucratic when it comes to speed of decision taking.

Model Railway Club (MRC) 1910

- Keen House, 4 Calshot St, London, N1 9DA.
0171-837 2542 fax 0171-837 2542 (hq)
- Hon Sec: F H Smith
- ▲ Company Limited by Guarantee
- *G, Interest in the hobby of model railways
- Mtgs – Exhib – Lib – VE
- M 240 i, 70 org, UK / 10 i, 5 org, o/seas
- I Bulletin – 6, AR; both ftn only.

Model Yachting Association (MYA) 1911

- 11 College Lane, Hatfield, Herts, AL10 9PB.
01707 254791 (hsp)
- Sec to Council, Henry Forley
- ▲ Un-incorporated Society
- *G, *S, the promotion of the design, construction & racing of model yachts; to act as the model yacht racing authority for the UK
- M Mrgs – Comp – Sailing conditions, venues & dates for national & international competitions
- < Intl Yacht Racing U (model yacht racing divn); R Yachting Assn; Cent Coun of Physical Recreation (water recreation divn)
- M 44 i, 72 clubs, UK / 5 i, o/seas
- I Acquaint – 7; ftn only. Ybk – 1, ftn, donation nm.

Modern Churchpeople's Union (MCU) 1898

- St Martin's Vicarage, 25 Birch Grove, London, W3 9SP.
0181-992 2333 fax 0181-993 5812 (hsp)
- Hon Sec: Revd N Henderson
- ▲ Registered Charity
- *R; a Church of England society for the advancement of liberal Christian thought
- Conf – Mtgs
- M 1,200 i, UK / 400 i, o/seas
- I Modern believing – 4; £12 yr nm, \$4 each nm.

Modern Humanities Research Association (MHRA) 1918

- Birkbeck College, Malet St, London, WC1E 7HX.
0171-631 6103 fax 0171-383 3729 (hsb)
- Hon Sec: Prof D A Wells
- ▲ Registered Charity
- Br Washington, DC
- *L, *Q; advanced studies & research in modern and medieval languages & literature (incl English)
- Res – inf
- < Intl Fedn Modern Languages Literatures
- M i
- I Modern Language Review – 4; ftn. Bulletin – 1; ftn. Year's Work in Modern Language Studies – 1. Slavonic & East European Review – 4. Portuguese Studies – 1. Yearbook of English Studies – 1. Annual Bibliography of English Language & Literature – 1. MHRA Style Book. Dissertation series. Publications of the MHRA.

Modern Studies Association (MSA) 1972

- 71 Dalmahoy Drive, Dundee, DD2 3UU/
01382 814887 (v-chmn/editor)
- 14 Fontstane St, Monifieth, Dundee, DD5 4LE. (sec).
- Vice-Chmn: Gordon Black, Sec: Irene Morrison
- *E; *P; to promote & enhance teaching of modern studies
- Conf – Mtgs – Res – Comp
- M 468 i
- I Most (Jnl) – 1; ftn £5 nm. NL – 2; ftn only. MSA Ybk; ftn, £5 nm.

Monarchist League 1943

- BM Monarchist, London, WC1N 3XX
01892 835899 fax 01892 835899
e-mail nicklaw@cix.compulink.co.uk (mail/address)
- Sec-Gen: Donald Foreman
- ▲ Un-incorporated Society
- Br 12; Australia, USA
- *G; to promote, support & defend the monarchical system of government in the UK & abroad
- Gp Bulgaria; Romania; Portugal; Poland; Heraldry; Legitimism
- Mtgs – Inf – Lib – LG
- < cooperates with c 100 monarchist organisations worldwide
- M 750 i, UK / 4009 i, o/seas
- I Monarchy (NL) – 4; ftn only.
Note: The Constitutional Monarchy Association is part of the League.

Money Advice Association (MAA) 1984

- Gresham House (1st Floor), 24 Holborn Viaduct, London, EC1 A 2BN.
0171-236 3566 (hq)
- Administrator: Jane Guy
- ▲ Registered Charity
- *P; *W; for professionals giving advice on debt & bankruptcy management for individuals; to use members experience to comment on social policy as it affects people in debt
- Conf – Mtgs – ET – Stat – Inf – LG
- < National Debtline
- M 500 i, 60 f, 10 org
- I Quarterly Account – 4; ftn. NL. AR.

Monmouthshire Show Society Ltd 1790s

- Parclands House, Raglan, Monmouthshire, NP5 2BX.
01291 691160 fax 01291 691161 (hsb)
- Management Sec: Mrs K Spencer
- ▲ Registered Charity
- *F; agricultural show; welfare of animals
- Mtgs – Et – Exhib – Comp
- M 300 i

Montessori Society (AMI) (UK) AMI 1935

- 26 Lyndhurst Gardens, London, NW3 5NW. (hq)
Chmn: Mrs E A Hood, Sec: Miss N Berry
- ▲ Un-incorporated society
- *E; promotion of the philosophy of Dr Maria Montessori with regard to child development
- Gp Assn Montessori Directors & Directresses in the UK (AMDD UK)
- Conf – Mtgs – ET – Res – Exhib – SG – Inf
- < Assn Montessori Intle
- M 400 i
- I Montessori Review – 2; Communications 3-4; Montessori Directions – 2/3; all ftn only.

Monumental Brass Society 1887

- NR c/o Society of Antiquaries, Burlington House, Piccadilly, London, W1V 0HS. (mail address)
- Hon Sec: W Mendelsson
- Br 12; 2 in USA
- *L; study * preservation of monumental brasses, indents of lost brasses & incised slabs
- Conf – Mtg – Res – Stat – Inf – VE – Advice & assistance to Church authorities on care & repair of brasses
- M 600 i, 50 org
- I Portfolio – irreg; ftn only. Transactions – 1; ftn only. Bulletin – 3; ftn.

Moorland Association 1987

- 16 Castle Park, Lancaster, LA1 1YG.
01524 67171 (hsb)
- Sec: R M N Gillibrand
- ▲ Un-incorporated Society
- *K; to conserve heather moorland in England & Wales
- Conf – Mtgs – ET
- M 130 i, 10 f
- I NL – irreg; Ar; both ftn only.

Moorland Gamekeeper's Association

- NR Stable Edge, Newbiggin in Teesdale, Barnard Castle, Co Durham, DH12 0UG
- Sec: Lindsay Waddell
- *K; campaigning against illegal poisoning

Morris Federation (MF) 1975

- 36 Fosbury Rd, Bromley, Kent, BR1 4DQ.
0181-460 0623 (hsp)
- Hon Sec: Beth Neill
- ▲ Un-incorporated Society
- *D, *G; to encourage & maintain interest in Morris dancing
- Gp Notation; Archive; Publicity; Step-dance
- Conf – Mtgs – Res – Inf – PL – Public dance displays
- < Engl Folk Dance & Sons Soc
- M 301, 310 org. UK / 2 i, 3 org, o/seas
- I NL – 4; ftn only.

Figure 2.4 Specimen entries from Directory of British Associations (Courtesy: CBD Research Ltd).

Using the internet

In the forlorn hope that the following information may be of some relevance by the time you read it, let me list some websites worth tackling.

At the time of writing, Google has about 75 per cent of the market, and increasing, and while there are some search engines specialising in niche sectors I see no reason to dally with others at present. It is worth exploring all that Google does offer for their scope is immense. On their home page, click on 'more>>' if you are not aware already, and see what a wealth of free information is available. Google is particularly good at images, many copyright-free.

Serious researching requires some knowledge of how Google and other search engines (MSN, Yahoo, AOL, etc) work. Use Google Help, of course, and if you want to explore further buy *Google Hacks* (published by O'Reilly). Using the Firefox browser instead of Internet Explorer will speed up searching (download for free at www.mozilla.com/en-US/firefox/).

Start by remembering that the internet is not a library and Google is never up to date. Much of the information out there is plain wrong, mis-spelled (search engines do not spell-check) and many pages are ignored – graphics, movie clips and Flash animation for a start, plus many more obscure data formats.

In 2007 there were more than 4 billion pages indexed by Google, and it is expanding rapidly. While search engineers are ever evolving cleverer ways of retrieving information, it will be imperative to develop your searching skills to improve your chances of ever finding the information you seek. I suspect that 99 per cent of searchers simply tap in a couple of keywords and rarely look beyond the first 20 results: there are better ways.

As many of us will spend an unhealthy chunk of our lives delving into Google here are a few tips:

- The Google default is to search for all keywords, but with emphasis on the first one entered. Word order matters. If a common word is essential type '+' in front of it. If you want to specify either one add OR.

- To search for phrases put speech marks (“ ”) around the keywords;
- To produce results that exclude a word or phrase use the minus sign in front of it, eg to search for Chinese restaurants outside London you would type in: ‘Chinese restaurants’ -London. Don’t forget to leave a space in front of the minus;
- Getting more specific, you can search just for title pages (intitle:), URLs (inurl:) or, interestingly, date range. This is useful to pick up news on a specific date known to you, but there is a nerdish point to bear in mind. Google works on the Julian calendar, not the Gregorian we use now. This starts from January 1st 4713 BC (no, I don’t know either) and is measured in days... I don’t think we’ll go down that route. (But for the curious see: <http://aa.usno.navy.mil/data/docs/JulianDate.html>).

The book mentioned above has many more tips.

Don’t struggle to re-invent the wheel – start by clicking on RBA Information Services (www.rba.co.uk): an excellent site that combines links to a wealth of business resources with advice on searching for electronic information more efficiently.

Strathclyde University has compiled an invaluable starting point. Try www.lib.strath.ac.uk/subjects

Some other sources are as follows:

- *The Biz* is a well-planned business-to-business directory with many links to useful sites: www.thebiz.co.uk. It also has a well-written suite of guides and tutorials.
- Dun & Bradstreet lists 2 million UK companies, 19 million worldwide on www.dnb.co.uk.
- Companies House has its website at companieshouse.gov.uk. Search for current or dissolved names and proposed. A fee is payable.
- Trade directories can be searched at www.datagold.co.uk or www.taforum.org.
- If you’re keen on statistics you will want to click on ons.gov.uk, the Office for National Statistics website. And in the same vein, dealing with HM Government is helped by turning to www.statistics.gov.uk. The

Stationery Office site for publications is at www.hmso.gov.uk, which is quick to put Acts and Select Committee reports on view.

The reference library

While the internet is potentially a vast source of information, the much-ignored local reference library – if it's good – can still contribute a great deal. It depends on how much detail you are after. In my 25 years of researching for small firms I have found that I use a surprisingly small handful of reference works to start that then lead me on to more detailed areas. These favourite standbys are:

- *BRAD (British Rate & Data)*, which lists 14,000 UK papers and specialist magazines;
- *Current British Directories*, which lists some 4,000 trade directories;
- *Directory of British Associations*, useful for finding the trade association for a sector (these are the fount of all knowledge, though they will not have everyone as members);
- *Exhibition Bulletin*, the best source for finding what exhibitions and shows are coming up, sometimes a year in advance (see page 53).

Librarians the world over take a pride in sleuthing down bits of odd information. Enlist their help and you will save a lot of time. Make friends of the reference staff and they will be a godsend for years to come.

First, the library service is free, which should excite any small firm. Second, most assistants are only too pleased to get a genuine commercial enquiry as a break from kids and their school projects. They know the reference sources and will go to great lengths to hunt out the information.

Counties vary enormously in what they spend on the system. Away from the conurbations, in the shire counties, you may have to travel to the main county library to find the best selection.

Well, what's in the library? In the better ones a gold mine of information on companies, products and statistics produced by government and private sources. Just one day spent going through a dozen trade reference books will yield perhaps a score of names for you to pursue for catalogues and leaflets to *build up a picture* of your sector of business.

Most trade associations have not put their membership lists on the web, so there is no substitute for sitting down and poring over names to contact. The web is very good for finding individual companies and products quickly (try

www.scoot.co.uk first, then www.yell.co.uk), but if you want more detail, or to examine a whole sector, then the written page in front of you still scores.

Most of the broadsheet newspapers have excellent websites if you want to use them for a topic or cuttings search. Start with www.guardianunlimited.co.uk.

To a small firm, probably of least interest will be the government statistics and regional surveys that show long-term trends. They do need skilled interpretation.

Products and companies

Almost every trade association produces a *yearbook* listing members and their specialities. Trade and product names are often also listed. As some yearbooks consist only of paid entries they may not be as comprehensive as their title suggests. A reputable publisher will say in the foreword how the entries were compiled. To find what is available look at *Current British Directories*. This lists around 4,000 (www.cbdresearch.com).

The *Directory of British Associations* is another standard work in every reference library. You can track down thousands of trade and special-interest associations. The scope will surprise you. Details given include size and type of membership, secretary's name and whether a newsletter or other publication is available.

These directories and the *Aslib Directory of Information Sources*, which combines the merits of the two, but in a different format, should provide a good start to your needs. Aslib comes in two volumes listing 6,000 organisations that can make information available covering science, technology, commerce, social science, medicine and the humanities.

The *Yellow Pages* database (www.yell.com) is also a fast source for tracking down companies. The long established directory Kompass (online at www.kompass.co.uk) lists the bare bones of the larger companies, not firms. Significant details are available on subscription.

The *Retail Directory* (Hemming) is useful for attacking the consumer market as it lists buyers and the business of several thousand department and multiple stores.

UK Trade Names (www.tradenames.kompass.com/en) is helpful in tracking down a company from its product name: 60,000 names. Includes imported goods. If you are selling to local authorities you need the *Municipal Year Book*, which gives exhaustive coverage of every District and Chief Officer by name. Don't forget the public sector covers an enormous field – education, health, libraries, refuse collection, etc. It is a massively detailed book. It even tells you which authorities use bins and which sacks.

RIBA Directory of Practices covers selling to the architectural profession, and gives every practice and partner by name.

A good reference library should also stock a selection of the major trade magazines – those not normally on display in newsagents.

Although the internet will inevitably be your main research tool, many annuals will only have a bare listing so you will still have to visit your local reference library to see the detail.

Marketing information

Moving from products and companies, it is helpful to track down what is happening in your sector of activity. Much of what follows, I must admit, may be of limited interest while you are starting up, but should grow in importance as you expand. Some of the source books will be in the better libraries, while the more expensive volumes will have to be borrowed either from the specialist repositories mentioned or perhaps from your trade association. Don't forget that any book published should be available through the inter-library lending scheme. It may take a week or two and reference books will generally have to remain in the library. If in doubt ask the assistants.

Marketsearch was a useful annual directory of expensive market research reports, many thousands of them. Though this is no longer produced, the archive is still searchable at www.marketsearch-dir.com.

Mintel covers the consumer goods market each month with examinations of new product performance and expenditure. Contact Mintel Publications, 18–19 Long Acre, London WC1A 9HE; 020 7606 4533. Mintel reports are expensive, though occasionally you may come across one in the bigger libraries. (www.mintel.com)

Keynote Publications produces an in-depth analysis of over 200 UK industry sectors from pharmaceuticals to milk and dairy products. Reports follow a standard format, examining industry structure, consumers, industry supply, market size and trends, recent developments and future prospects. There are also 'Company Profiles' on the industry's main players, and a further sources section for taking research further. They're not terribly thick but could provide a good introduction. (www.keynote.co.uk)

The government publishes a wealth of statistics on what the country gets up to, ranging from coal and steel production to what the average family in the north-east spends on sliced bread. The Stationery Office *Guide to Official Statistics* is your starting point. (www.statistics.gov.uk)

Business Monitors are the main barometer of what is happening to the economy. There are three main series – production, service and distribution, and miscellaneous. The quarterly summary is the most useful. Major libraries will stock them. (www.businessmonitor.com)

Where to find specialist libraries

Apart from your main library there are 20 or so specialist business information libraries around the country. Any should be worth making a trip. In London the *Westminster Reference Library* (behind the National Gallery), the City Business Library in Basinghall Street and the *Holborn Reference Library* in Theobalds Road, WC1, are particularly good.

The *British Library, Science, Technology and Business* is in a class of its own. Go here for science and technology, designs, patents and trade marks. Something like 20 million patents are held here on file. Address: 94 Euston Road, St Pancras, London NW1 2DB (www.bl.uk). Or search online at <http://gb.espacenet.com>.

Trade associations, industry and the professions. Trade associations usually have very comprehensive libraries on their own subject. Non-members are rarely barred but a fee is sometimes charged. I have found that many queries are quite happily answered on the phone. The better Chambers of Commerce – London, Birmingham, Bristol, etc – also have extensive resources. Some of the smaller chambers are often useful if they have retained their traditional industries, eg Manchester for textiles. They seem to know every little railway-arch firm. A huge area is industrial and commercial libraries. Every big company has its own internal library and if you ask nicely I'd be surprised if you were refused a browse around.

Don't ignore the professions either. Some years ago I had to do some research on a historical model that appeared in the 1851 Great Exhibition. A trip to the Victoria and Albert Museum library and Institution of Mechanical Engineers' library was most rewarding.

The Chartered Institute of Marketing deserves a place here as the premier professional body for anyone with pretensions to marketing. A number of publications and seminars are available. If you're keen, join as a student member. As you'd expect, it is the repository for a wealth of marketing information. Address: Moor Hall, Cookham, Maidenhead, Berkshire SL6 9QH; 01628 427500.

50 How to market your business

Directory of Community Development Organisations in Scotland
 ■ Scottish Council for Voluntary Organisations
 0131-556 3882
 Hits 1984-
 Freq Irregular
 >> 3rd edition 1989
 Cost £4.00; £3.50 (to member)
 Size 84 pages
 Cont community development organisations; Independent information, advice & resource centres; Volunteer bureaux; Community business advisory agencies, each AZ (pa, t, contact, aims).
 Area UK – Scotland

Directory of Community Health Councils
 ■ Association of Community Health Councils
 0171-609 8405
 >> Jul 1991
 Cost £5.00
 Size 38 pages
 Cont Councils geog (pa, 1, secretary). Geog index: AZ index.
 Area UK

Directory of Community Interpreting Services & Resources in the Greater London Area
 ■ London Interpreting Project
 >> Dec 1989
 Cost £8.50
 Size 80 pages
 Cont Resources geog (pa, t, languages offered, availability, resources offered, description). Other translating & interpreting organisations (s.i.). AZ index of languages. Demographic listing of languages. Racial organisations (pa, t).
 Area UK – London

Directory of Community Organisations in Scotland
 ■ Scottish Council for Voluntary Organisations
 031-556 3882
 >> 4th edition 1992
 Cost £7.50; £6.00 to members
 Size 116 pages
 Area UK – Scotland

Directory of Companies
 see CRO Directory of Companies

Directory of Computer Conferencing for Libraries
 ■ Meckler Ltd
 Hist 1991-
 Freq Annual
 >> 2nd edition 1992
 Cot £37.50
 Size c 250 pages
 Area UK

Directory of Consultants and Researchers in Library & Information Science
 ■ British Library, R & D Department
 >> 1st edition 1987
 Cost £19.00
 Size 182 pages
 ISSN 0269-1809
 Cont Consultants AZ (company / organisation, pa, t, tx; yr began consultancy, business biographer / special expertise). Personal name index; corporate name index; subject index.
 Area UK
 Note Latest edition as at May 1992

Directory of Consulting Practices in Chemistry & Related Subjects
 ■ Royal Society of Chemistry
 071-437 8656
 >> 1991
 Cost £15.00
 Size c 165 pages
 Cont Independent consulting practices AZ (pa, t, fax, principals, fields of practice). Subject index.
 Area UK

Directory of Consumables Distributors in Western Europe
 ■ PAPIS Ltd
 >> Feb 1991
 Cost £300.00
 Cont All major distributors of printing consumables ie inks, plates, films & chemicals, AZ under countries AZ (pa, t, fax, tx, contact, turnover, n/employees, ownership & subsidiaries, tonnage of papers sold, product range, main mill & own brands stocked, geog coverage, sales offices & warehouses).
 Area W Europe – Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK

Directory of Consumer Health Information Services in the UK
 see CHICK Directory

Directory of Continence Aids
 ■ Association for Continence Advice
 071-266 3704
 >> 1991
 Cost £17.00
 Cont Mfrs & suppliers of continence aids ctd (pa, t).
 Area UK

Directory of Continuing Education for Nurses, Midwives and Health Visitors
 ■ Newport Publishing Co Ltd
 Hist 1989-
 Freq Annual
 >> 1990
 Cost £4.95
 Size 208 pages
 Cont Organisations which conduct post registration clinical courses, specialist courses, HE courses, teacher preparation courses, management courses, other courses ie open & distance learning, primary health carers etc, AZ (pa, t, contact, description); AZ index. Soc & Inst.
 Area UK

Directory of Contraceptives
 see Directory of Hormonal Contraceptives

Directory of Contactors
 see LET Directory of Contractors

Directory of Contractors and Public Works Annual
 see European Directory of Contractors

Directory of Convalescent Homes Serving Greater London
 see National Directory of Hospitals

Directory of Corporate Archives
 ■ Business Archives Council
 071-407 6110
 Hist 1985-
 >> 2nd edition 1987
 Cont Cos & organisations AZ (pa, t, contact, history, access to outsiders, description of organisation, search aids ie computer / manual, location of records, publications, other divisions with pa, l, etc).
 Area UK

Figure 2.5 An extract from *Current British Directories* (Courtesy: CBD Research Ltd).

Mono, Spot, Colour 85 lpi.
Deadlines Copy 2 days preceding publication date. **Cancel** 2 days preceding publication date

Business Britain

Est Jun 2001. **URL** www.businessbritain.co.uk
Publisher Business Britain, 100 Wellington Street, Leeds LS1 4LT Switchboard: Tel 0113 237 3997, Fax 0113 237 3998. **Ad Manager** Ben Dierbysshire. **Field Sales Manager** Steven Easter. **Ad Executives** Patrick Saunders, Simon Vickers. **Editor** Adam Turner. **Editor and Publication Director** Graham Plewes. **Editor-In-Chief** Stuart Booker. **Sub-Editors** Simon Rea, Jody Latham. **Features Editor** Joseph Guilfoyle. **Circulation Manager** Paul Spencer. **Marketing Manager** Ian Chambers.
Frequency Bi Monthly - 1st week of every other month.
Editorial Profile The Executive Guide to Business and Property
Publisher's Statement Received 1 Jul 2005. Uncertified circulation 52,300 (Subscribers)
Target Readership Executives, Directors and members of senior operational management within SMEs, owner-managed companies and multi-national organisations
Rates Received 30 Nov 2005. Effective 1 Jan 2005. Agencies 10%
Display Rates

Display Rates	Mono	Colour
Dps	-	£13,824
Page	£5,760	£6,912
Half	-	£3,456
Half dps	-	£6,912
Quarter	-	£1,728
Eighth	-	£864
Scc (24 per column centimetre)	£20	£24
Back page	-	£8,640

Classified Rates Mono scc £20, scc recruitment £24.
Ad Sizes Type area Trim size Bleed area
 Dps - 297 x 420 303 x 426
 Half dps - 148.5 x 420 150 x 426
 Page - 297 x 210 303 x 216
Format A4
Digital Quark Xpress, EPS supplied on CD, Zip disk. Print quality PDF is also preferable to film. **Print method** Web fed. **Screen Ruling** Colour: 100 lpi. ISDN: 02476 223501.
Deadlines Copy 12:00 pm 22nd of the month (or by end of business on nearest previous weekday). **Cancel** 6 weeks preceding publication date

Business 550

Est 2003. **Affiliations** ABC BBP **URL** www.business550.com
Publisher Business 550 Publishing Ltd Ltd, Adamsway, Mansfield, Nottinghamshire NG18 4EP Switchboard: Tel 01623 454545, Fax 01623 454560. Email sales@business550.com. **Sales Directors** Carl Yorke, Ian Dickinson. **Managing Director** Neil Stokoe. **Editor** Steve Wright. **Production Manager** Debi Austin. **Office Manager** Kate Geilthorpe. **Finance Director** John Oakton.
Circulation 1 Jul 2004-30 Jun 2005 ABC 25,116 (UK 25,116) Total Net Circulation for audit issue 25,170 (UK 25,170)
Frequency Monthly
Rates Received 20 Dec 2005. Effective 1 Jan 2005. Agencies 10%
Display Rates

Display Rates	Colour
Dps	£5,100
Page	£3,000
Half	£1,650
Quarter	£945
Inside front	£3,500
Inside back	£3,200
Outside back	£3,700

Extras Special positions 10% Bleed 10% Colour inside front 10%. Colour outside back 10%. **Rate Notes** Further rates available.
Deadlines Copy 18 days preceding publication date. **Cancel** 7 working days preceding bookings

Business Independent

The Journal for the Business Decision Maker
Est Apr 1997.
Publisher B2B Publishing, Suite 1, 2nd Floor, 26-32 Hill Street, Poole, Dorset BR2 0EY Switchboard: Tel 01202 666602. Email info@businessindependent.com.
Ad Manager Nigel Watson. **Ad Executive** Daniel Kelly. **Editor** John Thompson.
Production Manager Craig Chiswell.
Frequency Monthly - 25th of the month. **Price** Single copy £2.95. Per year £30.
Editorial Profile Business to business news, corporate company profiles, special features, regional economic development/inward investment reviews, business banking, business travel, training
Publisher's Statement Received 1 Jan 2004. Uncertified circulation 20,000
Target Readership Senior management and decision makers within the SME sector
Rates Received 22 Nov 2005. Effective 1 Jan 2005. Agencies 10%
Display Rates

Display Rates	Colour
Dps	£2,695
Page	£1,795
Half	£1,095
Quarter	£595

Inserts £195 per thousand. **Rate Notes** Sponsorship available.
Ad Sizes Type area Trim size Bleed area
 Dps 267 x 400 - 303 x 424
 Page 267 x 185 - 303 x 213
Other Ad Sizes Half horiz:131 x 185. Half vert:267 x 90. Quarter:131 x 90. Quarter horiz:63 x 185. Quarter vert:131 x 90. **Format** A4
Material DTP. **Digital** Accepted on: Diskette, ISDN. Files can also be emailed. **Print method** Sheet fed.
Deadlines Copy (upon request). **Cancel** (see terms and conditions)

elainevester@adm-group.co.uk. **Ad Manager** Tom Hunt. **Editor** James Laurence. **Production Manager** Julian Smout. **Publisher** Elaine Nester.
Frequency All months - 1st of the month. **Price** £48 For 2 years incl P & R. Single copy £48 For 2 years incl P & P. £3.60.
Editorial Profile Informative and entertaining. Business Solutions offers advice for companies wanting to turbo charge their performance. Big name interviews, case studies, accounting and legal tips, top 100 companies, finance, IT, Marketing, Law, HR, Sales, Fleet, Web
Publisher's Statement Received 15 Mar 2004. Uncertified circulation 10,000
Target Readership Company directors, CEOs, partners and senior managers across the central region. All businesses from £500k upwards
Rates Received 21 Dec 2005. Effective 1 Mar 2004. Agencies 10%
Display Rates

Display Rates	Colour
Dps	£2,700
Page	£1,470
Half	£930
Quarter	£600
Outside back	£1,950

Discounts 3 ins
 Series Discount 15%
Print method Litho.
Deadlines Copy 14 days preceding publication date. **Cancel** 28 days preceding publication date

Business Strategy Review

URL www.blackwellpublishing.com
Publisher Blackwell Publishing Ltd, 9600 Garsington Road, Oxford OX4 2DQ Switchboard: Tel 01865 791100, Fax 01865 791347. **Editor** Stuart Crainer. (Tel 020 7262 5050, Fax 020 7274 7875).
Frequency 4 issues per Year - Mar-Jun-Sep-Dec. **Price** Per year £166 Institutions Standard Print + Online.
Editorial Profile It analyses and interprets contemporary research on strategic management and the wider business environment, publishing articles which combine disciplines and cross cultural boundaries. Leading business thinkers debate cutting edge ideas
Circulation Uncertified
Target Readership Business studies academics, business consultants, senior managers
Rates Received 24 Aug 2005. Effective 1 Jan 2005. Agencies 10%
Display Rates

Display Rates	Mono
Page	£400
Half	£275

Discounts 4 ins
 Series Discount 10%
Digital Files should be supplied as composite PDF v1.3 Acrobat compatible. High resolution images must be embedded in the PDF. Bleed must extend a minimum of 3mm. All fonts must be embedded and should be subsetted below 100%: 300ppi (colour or greyscale).

Business Voice

Incorporating The CBI magazine
Est Nov 1999. **Affiliations** ABC PPA
Publisher Caspian Publishing Ltd, 198 Kings Road, London SW3 5XX Switchboard: Tel 020 7368 7100. **Ad Director** Lisa Gower. (Tel 020 7368 7119.)
Commercial Director Kate Czernove. (Tel 020 7368 7113.) **Editor** Eila Rana. (Tel 020 7592 7936.) **Editorial Director** Stuart Rock. (Tel 020 7368 7175.)
Editorial Assistant Melody Bartlett. **Production Manager** Karen Gardner. (Tel 020 7368 7167.) **Chief Executive** Mike Bokala. (Tel 020 7368 7203.)
Subscriptions Manager Sarah-Jane Tepper. (Tel 020 7368 7202.)
Head of Marketing Cassandra Donovan. (Tel 020 7368 7202.)
Frequency Combined Issues (Double issues - Dec/Jan & July/Aug). **Price** Single copy £3. Per year £30.
Editorial Profile For directors and senior managers of medium to large organizations covering high level issues of public policy, strategy and business and economic trends.
Circulation 1 Jul 2004-30 Jun 2005 ABC 25,808 (UK 25,733 Overseas & Eire 75) Total Net Circulation for audit issue 24,680 (UK 24,561 Overseas & Eire 119)

	Total	UK	Other
Single Copies Sold on Subs	82	80	2
At full published rates	71	69	-
At less than full rates but not < 50% full rates: 11	11	11	-
Society/Association/Organisations Circ	14,412	14,329	83
Non-optosomal Single Copies	14,412	14,329	83
Controlled Free Circ	7,950	7,950	-
Non-rqd by Name	7,950	7,950	-
Non-Controlled Free Circ	2,236	2,202	34
By name	2,236	2,202	34
Number of Issues Distributed during the Period	10	-	-

Cover Date on Audit Issue May 05, **Distribution Date** on Audit Issue 11 May 2005
Duplication (Percent) 1.0%
Terms of Control Corporate members of the Confederation of British Industry. Peers of the realm, MPs, MEPs, members of the Scottish Parliament and of the National Assembly of Wales. Managing Directors and Financial Directors of UK companies employing a minimum of 100 people.
Target Readership Chief executives, directors, financial directors, general managers of UK companies employing more than 100 people and all CBI member companies
Rates Received 30 Nov 2005. Effective 1 Jan 2005. Agencies 15%
Display Rates

Display Rates	5	10	
Dps mono	£6,000	£5,700	£5,400
Colour	£7,600	£7,200	£6,840
Page mono	£3,400	£3,200	£3,060
Colour	£4,200	£3,990	£3,780
Half mono	£1,500	£1,710	£1,620

Business

Figure 2.6 Part of that invaluable book BRAD, to show the amount of detail given (Courtesy: British Rate and Data).

Business Link is HM Government's attempt to provide a one-stop shop for small and medium enterprises, which should be able, theoretically, to provide marketing consultants on a part grant-aided basis depending on the feasibility of your project and whether their grant budget allows. Some have libraries and will undertake limited research. There are over a hundred Business Link offices around the country but as I write the service is under review (again). See www.businesslink.gov.uk.

If you can afford it you can commission a market research survey from a member of the *Market Research Society*, 15 Northburgh Street, London EC1V 0AH; 020 7490 4911. The Society will provide details of its member consultants' experience and turnover. (www.mrs.org.uk)

Finally, if you are in London take advantage of free workshops at the British Library on how to research the immense facilities there (including patents and copyright). For details see www.bl.uk/bipc/workshops.

The trade press

Britain is blessed with a wealth of trade and technical press to cater for every interest. Some 7,500 journals, papers and magazines are published every year on subjects from bee-keeping to boxing, craft teaching to catering. Many sectors have two levels of print – consumer and trade. The popular journals are aimed at the man on the Clapham omnibus and many are readily available at newsagents; alongside is the trade press aimed at the suppliers of those goods. For example, *Autocar* is written for the family driver, but if you're trying to attract the motor stockist for that petrol-saving gadget then you need *Motortrader*. The circulations of some specialist journals are quite modest, only a thousand or two, but they go to a select readership and that is what matters.

There are several directories on what is available. Undoubtedly the most comprehensive and accurate is *BRAD (British Rate and Data)*, the invaluable monthly guide to the media. This is the ad-person's bible as it lists the cost of advertising, circulation figure, and often a claimed readership profile. You will have to find a library that stocks it or make friends with an advertising agency, for it is expensive to purchase.

If you can't track down *BRAD* there are alternatives: a copy of *Willing's Press Guide* and the *Advertiser's Annual* will probably be in even quite small libraries. These give a bare title listing of journals, etc. *Benn's Media Directory* gives a little more detail.

On the internet look up www.mediauk.com, a very good site that lists all the papers with links to their own websites. With many you can also e-mail the paper from the site. Some of the broadsheets are now archiving their back issues, so use their search tools to good effect.

Your market research must include looking through the relevant trade magazines. I suggest you write to the advertising manager, who will probably send you the current issue and a rate card for advertising.

You should always take out a subscription for your trade journal. How else are you going to keep track of what's going on? It will tell you of future trade shows, seminars, legislation changes, firms going out of business, mergers and new products. Many trade papers that carry a lot of advertising are free circulation to those who meet their requirements, usually specifiers of what the company will buy.

Scan the ads and use the reader's reply service to write off for product literature. Add new firms and faces to mailing lists. If you have difficulty tracing a product, ring the editor. Editors invariably have been in the trade for years and know everybody.

Trade fairs and exhibitions

Many new products are first exposed at trade fairs. The manufacturers are test sampling the market to get reaction. There is a trade show for everything. Everyone knows of the massive Ideal Home and Motor Shows either in London or at the National Exhibition Centre (NEC) in Birmingham. These are consumer shows, ie open to the general public. There are over 3,000 speciality shows reserved for trade only, to which buyers are invited. They vary in size from major international fairs such as the Offshore Europe at Aberdeen, the oil capital of Europe, to small gift shows at hotels in Bournemouth.

You will find regional shows catering for a particular area, and mini Ideal Home shows that tour the provinces. Some sectors are well covered. For example, the gift field has over 20 trade fairs, from the major NEC show in February to the regional West Country one in Torquay in January. Engineers can go to Materials Handling Automation or Powder Technology, both deserving a show in its own right.

There are several sources of advance information available. The most comprehensive is *Exhibition Bulletin* published monthly. You can search for when exhibitions are on at www.expoabc.com or www.exhibitions.co.uk. Most shows are advised six months ahead. For agricultural shows and country fairs the best source is *Showman's Directory* by Lance Publications of Park House,

Park Road, Petersfield GU32 3DL, 01730 266624, www.showmans-directory.co.uk. Priced at £24.50, it runs to an impressive 400 pages. It also lists steam rallies, airshows, horse shows, etc.

Don't worry about getting *into* trade fairs. Many are free, or relatively inexpensive, and all they want to see is a business card. The more specialist shows are not crowded compared with rib-crushers like the Ideal Home, but the stands are manned by the people who matter – sales managers, managing directors and so on. Often they're glad of a chat. Shows are expensive to mount and are taken very seriously. Come away with lots of leaflets, prices and ideas.

Trademarks, patents and registered designs

If you come across a trademark and don't know the maker, look up the Patent Office Web site (www.ipo.gov.uk).

For a complete search you should use the Patent Office Search and Advisory Service at the main office: Cardiff Road, Newport, Gwent NP10 8QQ, 08459 500505; or one of the 14 Patent Information Network libraries around the country.

Many of the more recent patents are now held on a computer database. *The British Library* (see page 49) will help, as will specialist patent searching agencies listed in Chapter 10.

A *design* can also be registered to preserve its unique outward appearance. For more on patents, designs and inventions, see Chapter 10.

Assessing the competition

As a new starter you must assess what is already available. Rival store groups keep a regular check on what each is doing: they send a junior to list prices.

I'm afraid you have to be a little cunning, like the *Which?* inspector. Do it anonymously. If you're setting up as something simple like a window cleaner, ask the local lad to call or check out who your neighbour or relation uses. You will be in a good position to judge not only his efficiency, but his costs, politeness and whether he wipes his boots.

Let's look at joinery or building. Pick a typical job – porch or kitchen extension. Go through the local paper and *Yellow Pages* and ask your competitors to give an estimate.

UK Intellectual Property Office *...for creativity and innovation* Search Go

For Creativity and Innovation Skip Navigation

Home » Patents

Intellectual Property

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- Get IP protection
- Managing your IP
- Other people's IP
- IP abroad
- IP crime

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Reviewed 1 April 2007

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- » Costs and timeline
- » How to apply
- » After you apply

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- » Patent law and how we interpret it
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Other people's patents

- » Using and buying
- » Monitoring
- » Objecting

Forms and fees

- » PDF and Word versions

see also

- » [What's new in patents?](#)
- » [What is a patent?](#)
- » [Warning: unsolicited mail](#)

documents

[Current Patents & Designs Journal \(pdf 1.06Mb\)](#)

Figure 2.7 Unexpectedly humorous yet helpful government patent office website (www.ipo.gov.uk).

Your first impression will be how they answer the phone, a simple enough exercise but very revealing. I can almost guarantee that 5 out of 10 firms will never bother to quote, especially if they are small. It has to be said that many small firms will remain so because they are too apathetic and unprofessional. When you come across one that cares it's a revelation. Depending on who comes to quote, you will gain another impression. Do they really know what they're talking about? Are the right questions being asked? Are they trying to lead you to something they want to sell or what you want to buy? Time will pass and the

quotes will arrive. The manner of presentation, amount of detail, conditions of sale and acceptance, quite apart from the price, will affect the proposition.

At the end of the exercise you should be in a better position to know:

1. The eager competitors, anxious for work.
2. The professionals.
3. Their strengths and weaknesses.
4. Any gaps that you can exploit.
5. Costs.
6. Delivery dates and thus a fair idea of the state of their order book.
7. Methods of selling.
8. Quality of staff.
9. Credit terms offered or deposits requested.
10. Inducements to order (sales promotion techniques).
11. Guarantees.
12. Sales literature.
13. Promptness of follow-up.

If you don't follow the exercise through, you won't, of course, know how they actually perform – a vital part – but this you can find out by scouting out past customers.

Some will say, 'That's an underhand way of doing things.' You have the choice: to blunder on and commit funds, or learn about what you will inevitably come up against when you have started. Don't forget that the major car companies all buy the rival products and strip them down to learn of new techniques.

Published company accounts

Moving on to bigger fish, if you are aiming higher and for a more national and sophisticated market, you may like to study company accounts. Information on major (quoted) companies is easy to come by and prodigious. The smaller brethren are more difficult to find and analyse.

Companies House is where, by law, companies have to notify formation and directors' names, and file copies of their accounts. Unfortunately, many companies are dilatory in this respect and you may find the information sparse or out of date.

The easiest way to search is of course online at www.companieshouse.gov.uk. You can carry out a free check to discover the company by name or number. The latest company accounts can be downloaded for just £1.

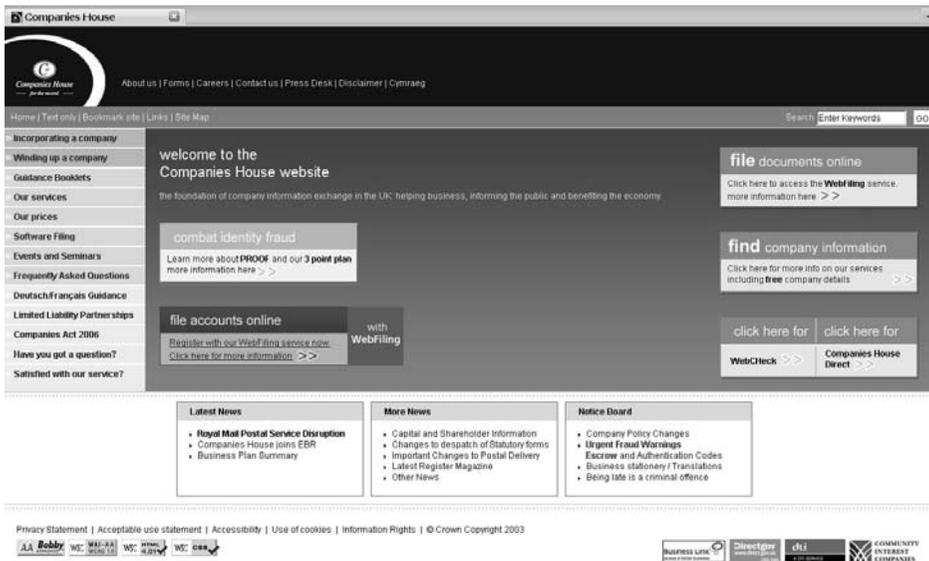


Figure 2.8 Companies House website.

Who Owns Whom will reveal the subsidiaries of major companies in all their varied disguises. A copy can probably be found in your local library.

If you want more depth you can ask a credit agency for a detailed report on quoted or unquoted companies. A financial profile and assessment of their credit risk will be given. Two firms offering the service are: Jordan & Sons Ltd, www.jordans.co.uk; Dun & Bradstreet, www.do-business.net.

County court judgements will be revealed and whether firms are slow payers.

Market research calls for a large dose of common sense. Many facts and statistics will be unobtainable, or can only be collated by much time and expense. All the research in the world is no substitute for action. There comes a time when you simply have to get stuck in and *do* something.

Testing the idea

New firms would be advised to do some test sampling of their new product or service before making large-scale commitments. For manufacturers, anything involving plastics could involve considerable expense in tooling, so market testing by means of mock-ups, visuals or models would be sensible. But you must be realistic. Having been involved with inventors for more years than I care to

remember, I have lost track of the times I have had to inject some realism into new offerings. Belief that you will succeed is one thing: blindness to obvious faults and over-estimating demand could be fatal. (More on new product development in Chapter 10).

A pre-production run, produced if necessary by hand, or a small batch run, can be shown to potential wholesalers, agents and consumers. Most box makers will produce a sample range on condition they receive a proper order in due course. Dummy boxes can be coloured up.

Surveys can be made, either by the time-honoured method of stopping people in the street or loaning for 'wear tests'. Be wary of small samples. Statistically, they are suspect. Try and get a genuine cross-section of your target audience or pick up every tenth person to work the law of averages. Questionnaires need to be carefully framed. Award points that can be taken off the forms and totalled.

- If your product is a knock-down kit, give it to the 'village idiot' and see how well he assembles it from your printed instructions. You're too close to the job to see the pitfalls.
- Post the item back to yourself and see what the carrier does to it.
- Try a variety of packaging.
- Try a number of product names and see which is the most acceptable.

Almost everything about the product can be tested before it is launched on the market. eBay is good for testing the market as the spec and offer can be varied immediately, once you have a loyal customer base. Response to different formulae can be measured swiftly. Items that change frequently can be listed on a website order form (eg organic food suppliers) and the likely take-up gauged at once.

The same applies to advertising. Try it in a small way first with one paper or journal before booking space in six and running a campaign. The major companies do it by ITV region – one step at a time. A big advantage of direct mail is the in-built ability to test different headlines, offers and names with a quick response before doing a major posting.

It is far cheaper to change a pilot production than a full warehouse.

Market research should be continuous. Never forget that customs and uses change, so keep in touch with your customer.

Spotting new markets

The internet has of course generated an explosion of new ventures and will change our shopping habits dramatically. Theoretically the world is your

market, provided the goods or expertise can be shipped economically. More serious marketeers believe that the internet works best when combined with others forms of promotion – you still have to promote the site, so it should not be used in isolation. More of this in the next chapter.

Part of the continuous research must be to look out for new markets as they appear. Don't rely on all your customers staying with you for ever.

It is generally recognised that we have increasingly become a divided society with the rich richer and a growing underclass: those with little or no pension provision. From a marketing, not social, point of view suppliers have to chase and adapt to meet different needs. In some parts of the country crime has rocketed, which is bad for the robbed, but does offer selling opportunities to the security industry, ranging from locks to rape alarms. Increasing worries about food purity and allergies have given a boost to small specialist food producers that runs from the growers to restaurants, while increasing disenchantment with conventional medicine has likewise been beneficial to alternative practitioners, herbalists, vitamin suppliers and therapists of every description.

Anything to do with computers has to be good news for small specialists. For every box that is sold mail-order or from the high street, there is a need for someone local with hands-on expertise who can sort out the real world. No business, school or government department can operate without ready access to skilled software maintenance. But the greatest long-term shift in consumer demand has to be the rapidly ageing population. Not all will have to survive on benefits and charity, and with several million retired Government employees enjoying index-linked pensions and longer life, the marketing opportunities are increasing. According to the Official Census there were 300 centenarians in 1951, 4,400 in 1991 and there will be around 30,000 in 2011. I'll save you a bit of cake.

The marketing message needs to be tailored more to the older age group's experience and expectations. Quality is important. Few seem to have succeeded as well as B&Q with its 'Over-60s' discount card to encourage midweek store traffic. They claim to have 1 million cardholders and to have increased sales to this target group by 80 per cent.

Direct marketing lends itself to close targeting of this group. Sales letters must not remind them of their age in a depressing way. Simple things like the size of typeface and ease of reading must be taken into account.

Moving up to the over-65s, some find that using credit cards over the telephone causes anxiety. They are also intolerant of waste and duplicate mailings. Saga was probably the first to pick up on this market by offering comfortable holidays. Its direct mailed magazine has a circulation of 500,000.

There are several distinct segments to this market, culminating in the house-

bound geriatric. As I have already said, I know one successful business whose average age of client must be over 70. It sells comfort footwear by post to those who cannot get to a shoe shop.



Figure 2.9 Targeting OAPs.

Market research checklist

While there are many hundreds of areas that could be investigated, the following list should alert you to the significant points.

Size of the market

1. What is the total market – industrial, consumer, home and overseas?
2. Is it growing or shrinking?

3. Are there any regional biases or preferences?
4. What are the seasonal influences?
5. Where are the big users?
6. Proportion met by imports?
7. Is it a well-developed, sophisticated market or are new competitive products entering?
8. Is it prone to fashions, short runs, cyclical changes?
9. Is new technology likely to alter the market?
10. What changes may affect demand?
 - a) Government legislation, taxation, trading standards, credit restrictions?
 - b) Obsolescence?
 - c) Innovation by competition?
 - d) Your firm's variation in policy?

The competition

1. Who are the main competitors and what share do they enjoy?
2. What is their product range and where lies their appeal?
3. What are their strengths and weaknesses?
4. Where do you have a competitive edge?
5. What are the trends?

Your own performance

1. How do you measure up in the market?
2. Where do you make most profit and where is the growth?
3. What extra lines or services are needed?
4. Are you positioning yourself correctly?
5. How do you promote yourself and compare with your competition?
6. What is the cost of marketing, broken down into product lines, channels of distribution, enquiry or order value, market segment, etc?
7. What changes have been made or are intended?

The product

1. Who uses the product?
2. Frequency of purchase?

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3. Who else could use the product?
4. Are there related lines or extra services that could be sold?
5. How can it be improved?
6. What do customers think of it?
7. Is it branded?
8. Is the price right?
9. Where does it lie on the product life cycle?
10. Are specials produced? Can it be personalized?
11. What are the returns?
12. What is the life?
13. What new products are envisaged and how will they tie in with existing lines?

The customer

1. What else can you sell them?
2. Where are the decision makers?
3. How can you reach them?
4. Is the buyer the user?
5. What is the customer profile?
6. What are their needs?

Nivea for Men

Effective 24 hour moisturisation . . .
Apply morning and evening . . .

Figure 2.10 Now that's what I call customer care.



The internet

Anything, anywhere, anytime. If ‘dotcom’ is not embedded in the marketing strategy then your company has not realized the world has changed.

Sun Microsystems

Yes, the internet has changed everything, but it has brought its own problems. Some would say that the web is still in the formative stage – we’re behind the United States in terms of universal acceptability. Sadly it has not yet removed the need for proven and traditional forms of marketing. Without wishing to appear a Luddite, it is important to understand that:

1. a website is not the answer to all our prayers and is no substitute for traditional forms of marketing;
2. with 80,000 new websites *a day* – remember we are talking about the world wide web – it is becoming increasingly difficult to get a good ranking on search engines, which is how more than 70 per cent of new visitors will try to find you. Anything beyond page two might as well not be there;
3. beyond the simplest of sites, it is almost a full-time job keeping the site up to date, interesting, neat and generating income with e-newsletters, offers etc;
4. while figures are hard to come by the generality seems to be that an efficient website may add between 5 and 10 per cent turnover if you’re lucky. Some specialist sites of course derive a much higher proportion of sales direct from the web, but they are in the minority;
5. unless you intend to be an entirely on-line operation like Amazon (and they only broke into profit in 2006), treat the web as another marketing medium to work alongside your leaflets, ads and PR.

Having pointed out some of the drawbacks, there are of course enormous potential advantages, particularly to small specialist and niche firms who no longer need expensive premises, export sales agents or people to man the phone 24 hours a day. ACNielsen estimates there are now 24.5 million home internet users in the United Kingdom, while in the world's top 10 industrialised countries (not including China or India) there are 328 million.

The runaway success of the web is of course eBay, with 250 million visitors a month. If the mighty Canon, to pick a name at random, can run an eBay shop to dispose of old stock and refurbished lines – on the same footing as the smallest lock-up garage – then the barriers really have come down. At the time of writing the Canon Outlet shop has shifted some 32,471 items, or to be more precise 32,471 customers have troubled to leave feedback, which is not the same thing at all. And with no middleman, at auction price and post paid by the buyer. Plus cash in advance: what an opportunity for us all.

But let's start at the beginning. Broadly speaking, the web is used for two reasons: free information (by far the most popular use), followed by purchasing. From the small firm's viewpoint it therefore makes sense to combine the two to ensure that web 'surfers' are attracted, retained and persuaded to buy. (A recent survey claimed that only 10 per cent of internet users had ever bought anything from the sites they visited.)

While much of the web is run on a not-for-profit basis, let's assume you want a return on all your time and input. Companies with busy websites have learnt to develop a strong brand image with a community feel: visitors feel at home and wanted. The site is constantly changed with up-to-date news, comment and offers.

In the same way that *Yellow Pages* is difficult to beat for double glazing and kitchen installers, the web also works best for niche suppliers. The web has been described as the biggest library in the world but without an index. Try tapping in say *builders Liverpool* and Google produces 378,000 listings; "Builders Liverpool" reduces it to 371, but few trawl beyond 20 or the second page. "Sash windows Liverpool", ie a specialism, now comes down to just four, a much more feasible proposition. See page 44 for hints on searching.

Objectives

One of the first things I do when clicking on a new site is to look for a date. All too many have been compiled in a rush of enthusiasm – 'we need a website' – which is then left to languish. More than with any other form of promotion, a customer is only a click away from a rival, and surveys have found that the aver-

age punter spends less than 15 seconds on a site. If you do decide to go online, then resources must be found to make your site interesting and up-to-date to keep people coming back. Busy and profitable websites are topical, lively, provide information and encourage interactivity. Unless you have the skills and time to devote to this medium then you are unlikely to succeed.

Websites for small firms can meet a number of objectives:

- provide information (technical support);
- sell produce (e-commerce);
- solicit new names (e-mail enquiry form);
- solve problems ('frequently asked questions' – FAQs);
- provide a forum for debate (user groups);
- encourage requests for catalogues and quotations;
- show what's in stock;
- reach new customers around the world and communicate better with a firm's existing customer base;
- send direct e-mail offers out to a mailing list (much cheaper than by post, and instant).

The costs of setting up a website

Not including your time, the costs of setting up a website break down into three categories:

- registering a domain name: about £25 a year, could be less;
- web-hosting by an ISP (Internet Service Provider): about £60 a year;
- design costs (anything from as little as £250 for a basic site to many thousands).

In the early days there were a few major ISPs (BT, Virgin, Demon), but now there are a host of less well known, but definitely more competent providers. At the time of writing I use www.zen.co.uk who are excellent.

Web-hosting is so cheap it would be foolish to save pennies, so be sure if you are looking at bargain basement ISPs to check that:

1. enough web-space is available;
2. POP3 email is provided (yes, the cheapest charge extra: 10 email addresses are normally included, more available);
3. email is scanned for viruses on their server;

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4. their help-desk phone is open at reasonable hours, and charged at reasonable rates (BT charge 50p a minute);
5. the control panel is easy and logical to understand;
6. basic visitor statistics are included (though web-counters are freely available elsewhere);
7. back-ups can be done to their server or your PC;
8. databases, scripts and other management tools are included.

Bigger companies will want to know about managed hosting on dedicated servers, offsite back up and 24 hour engineers to call on, but these people will not be reading this book.

Design costs will either involve employing a website designer, of which there are many, or making your own. Using a professional will cost from £250 for a basic site with half-a-dozen pages to many thousands of pounds for something eye-catching, complex and involving e-commerce.

Domain names

The screenshot shows the Nominet UK website. At the top, there is a navigation bar with links: Home, Registrants, Registrars, Governance, Policy, Disputes/Legal, News, About Us, Intelligence, Technology, Other Services, and Site Map + Accessibility. The main content area features the Nominet logo and a headline: "Nominet is the Internet registry for .uk domain names." Below this, there is a paragraph stating: "We manage over five million domain names, making us the world's fourth largest Internet registry. With 3,000 members, 115 staff and a turnover of £14m, we play a key role at the heart of UK e-commerce." Another paragraph follows: "In addition to maintaining the register of all .uk domain names we also offer a range of associated services, including renewing registrations every two years and administering transfers of domain names between parties." To the right of this text is a photograph of a woman wearing a headset. Below the main text are three boxes: "Quick Links" with a list of services (Online Services, Change Registrar, Transfer, Disputes/Legal, Customer Service, Contact Us, Members, Automaton, ENUM); "Registrars" with a question "Do you want a domain name or wish to make a change to a domain name?" and a "find out more" link; "Registrars" with a question "Do you register domain names for your customers?" and a "find out more" link; and "Governance" with a question "Are you a member of Nominet or would you like to become one?" and a "find out more" link. To the right of these boxes is a "Frequently Asked Questions" section with a list of 12 items. At the bottom right, there is a "Current News" section with a "WHOIS" search box and a list of news items with dates and times.

Figure 3.1 Nominet website.

What you trade as is important, both so that customers find you and so that you get listed prominently on search engine results. You must register your domain name (also known as a URL: uniform resource locator) – the site address that comes after ‘www’ – (‘lloydstsb’, for example).

Domain names in the UK are held with Nominet (www.nominet.org.uk) but registration is made via an agent. It is convenient to make this registration with your ISP (web host), who will hold the unique domain name on their server, but it can sometimes be cheaper to register through another registrar and ‘point’ the domain to the ISP. This registrar should remind you when the renewal fees are due, otherwise you may lose your domain, website and emails all at once. Fees range from free (if you lodge the domain with the ISP) to £25 a year, so we are not talking big money here.

The first task is to check that the name you want is available and some care needs to be taken. In my case I trade as Merry Marketing but that name is already taken by a T-shirt manufacturer in the Midlands. I could have probably picked merry-marketing, or even www.merrymarketing.com but that would have caused confusion, so my domain is www.marketing-taunton.co.uk. I chose it because search engines like descriptive URLs that tie in with keywords on the site.

Recent research has shown that since the internet started the belief that registering a ‘.com’ name would attract more visitors has been reversed – for UK visitors ‘.co.uk’ is now more effective.

Cybersquatting is another matter. Registering a domain name of (usually) a well-known trade mark or trading style not used by the owner, used to be a serious problem. The hope was that the real owner would pay considerable sums to obtain the domain name. This is now not so common as legal challenges can be made to the registrar on the grounds of bad faith. Some companies register all variants, .co.uk, .com, .org, etc, to avoid just this problem.

What your website should include

We have all given up on websites that confuse and irritate, either because we get lost, the page is slow to download or the design is more art than information. Several times I have landed on a site and stared and wondered ‘what do I do next?’

If you want to design your own site I would suggest you avoid Microsoft’s Frontpage and opt for Adobe Dreamweaver, the recognised industry leader. Dreamweaver has some excellent forums and lots of expert sites to learn from.

The screenshot shows the Glover Bros website with various annotations pointing to specific features:

- Trade only highlighted, but link for private customers:** Points to the 'TRADE ONLY' banner and a 'Private customers' link.
- Longevity stressed (founded 1899):** Points to the company name and founding year.
- Order line tel. no.:** Points to the phone number 01823 431910.
- Quick-links for most popular lines:** Points to the 'Quick Links' menu.
- Search facility (essential for 2000+ lines):** Points to the search bar.
- "We employ human beings, so please ring...":** Points to a banner with the text 'Glover Bros employ human beings...'
- Link to price list request:** Points to a 'Price list' link.
- Who we are, what we sell:** Points to the 'Home page' section.
- Big benefit:** Points to the 'All your bits & bobs are here' graphic.
- Detailed menu (shown on every page):** Points to the left-hand navigation menu.
- Webmaster contact email:** Points to the 'Contact webmaster' link.
- Special offer:** Points to the 'Special offers' section featuring a tacker.
- Site map:** Points to the 'See site map >' link.
- Link to actual item:** Points to the 'MORE' link under the tacker offer.
- Full address and opening hours:** Points to the contact information box at the bottom.
- Date last updated:** Points to the 'Updated March 31, 2007' text.
- More links:** Points to the footer navigation links.

Figure 3.2 Essential elements for a good website.

The design of your web page must take into account the needs of both the visitor and the search engine crawler, that looks at the hidden code that makes up the layout and content (more on this later).

The backgrounds of web designers in my view fall into three categories: software engineers (not so common), graphic designers and marketers. Be wary of graphic designers with little marketing experience, for we are looking here at *direct marketing*, a rather different skill.

Your site may generate profit if:

- There's an obvious benefit – what's here to catch the eye?
- The site is quick to download and looks easy to navigate.
- All the contact details of your business are readily visible, preferably on the home page.
- Clear product information is shown, and for large sites, a search facility is included
- Selling online is by secure server.
- Visitors are encouraged to register to receive updates by e-mail.
- The site is regularly updated.
- You can measure traffic, work out the conversion rate and have the time and commitment to constantly keep it up to date.

Help the search engine

A high page ranking is essential: everyone wants to appear on page 1 or 2 on Google (only a handful of searchers ever look beyond this), but there are problems. With about 4 billion websites – no one knows exactly how many – and 80,000 new ones appearing *each day*, the problem is immense. High page rankings are achieved by close collaboration between client and web designer.

First let's look at how search engines work. With the exception of The Open Directory Project, search engines use automated programs called 'spiders' (also known as 'robots' or 'crawlers') to whizz round the internet. When one happens across your website, it examines it and then follows the links to other pages it can reach within the site. The spider makes return visits, maybe every month to pick up any alterations. Everything it finds is indexed and eventually made public for searching. As if this wasn't clever enough, the really amazing stuff comes when the engine ranks the relevance of the pages in the index with the search word(s) or phrases that are tapped in.

Precisely how Google and others do this is more closely guarded than the alleged Coca-Cola recipe, but the algorithm (*n. A formula or clear set of steps for solving a particular problem*) depends on the location and frequency of your defined keywords, among many other things.

Now you have an inkling of how search engines work, I hope it will make more sense when you come to plan how your website is designed. ‘Search engine optimisation’ (SEO) keeps many clever people fully employed. For full chapter and verse look at www.searchenginewatch.com and www.clickz.com. If you like reading reader’s forums then try www.webmasterworld.com, but here are the main points:

1. Search engines love text-rich pages, the more the merrier. Every page should have at least 200 words. Spiders cannot search graphics or (most) flash and JavaScript. Frame-designed pages also pose difficulties (many early websites used frames).
2. Higher ranking will be achieved if the search *keywords* appear near the top of a page, maybe as the headline or in the first few paragraphs of body text. It’s assumed that any page relevant to the topic will start with those words right at the beginning.
3. It also helps if keywords are mentioned more frequently, without ‘spamming’. This is defined as continuous repetition or by putting text the same colour as the background (usually white) so though they’re invisible to us, the spider can pick them up.
4. Putting keywords in bold implies they are more important or relevant. Italics also achieves the same thing, though this is less easy to read on-screen.
5. Avoid flash and heavy graphics: Google can’t index jpegs or gifs.
6. Use main keywords in your title tag. Use H1 and H2 headline text. Use the same keywords as page names. The spider forms a view as to how relevant the search engine term is compared with the frequency and prominence of each page held in its index to achieve a good match.
7. Use plenty of links within the site and especially to the key pages.
8. Google ranks inbound links highly on the basis that if a site has lots of such links, then it must be an important site.
9. Don’t build a site that requires visitors to delve more than two levels to reach the page they want. Flat sites are best.
10. Ensure that all graphics have ALT (alternate text) tags. This is important so that visually impaired people can still use your site and search engines take ALT tags into account.

11. Hidden meta tags are not so important but it takes little time to complete at least that for the home page. Make sure the description is completed as this shows up in search results.
12. A good site map on the home page is believed to improve ranking (more links).
13. Keep updating. Some believe that Google downgrades static sites.
14. A relevant domain (keywords again) also helps.

Ad-words

To help draw attention to your site it may be prudent to try a modest investment in Google Ad-Words (<https://adwords.google.com>). Google explains in great detail how to set up your campaign, but inevitably it is not quite as straightforward as it appears. Like search engines, the choice of keywords or keyword phrases is vital. The essence of whether your ad appears high on the first page or not is a balance of the worth of your site, page ranking and the amount you bid for each word. Each week you can see in your report if any words are 'inactive' because you have been outbid by a competitor. Sometimes this can jump from an acceptable 15p for each click to a totally unrealistic £2.50 or more. Don't start a bidding war, you can only lose.

Key to attaining a higher page ranking is what Google call the 'Quality Score'. In their own words:

we evaluate the most relevant ads and keywords within AdWords. These factors include performance variables like keyword click-through rate (CTR), ad text relevance, overall historical keyword performance with Google and even the user experience on the landing page or site associated with an ad. We put all of these factors and more together to create a Quality Score; the measurement of an ad's quality in relation to each of your keywords.

Your keyword's Quality Score is not set in stone and can increase or decrease based on changes, good or bad, to the quality of your ad, keyword or landing page. This score can also change due to strong performance in AdWords; a high click-through rate, for example, can help to increase your overall Quality Score.

In other words, busy sites are more likely to stay high, while worse performing sites will sink lower, regardless of the content of the site.

Yahoo's version is called Search Marketing (but is still widely known as Overture and can be found at <http://searchmarketing.yahoo.com/srch/index.php>). This operates in much the same way but takes longer to set up (you need to email submissions), but they are currently offering a trial £50 credit to newcomers. Yahoo ads will also appear on Alta Vista and Orange.

Test the site

As with all new ventures, it is sensible to test the site before going live. Sites that crash are all too common and do nothing for client credibility. Sites crash because they can't cope with the load, but predicting the likely traffic is problematical. Business-to-business trading is easier, for you no doubt know where most trade is likely to come from. The type and size of order – low-value spare parts or just enquiries for capital items – will be easier to gauge.

Conversion sales from hit rates will be significantly less than 1 per cent. With so many unknown variables, save your big marketing promotion till you are entirely happy that your site can cope. Any bespoke software must be capable of quick expansion. Test that the ordering, stock control, distribution and response e-mail seamlessly integrate with little if any re-keying by a human required. That's when mistakes happen.

Help (and hook) the visitor

Once you've attracted visitors to your site, you don't want them to be put off by a boring appearance or poor functionality. 'Sticky' sites – ones that have interesting content and are easy to use – are the ones that will keep visitors coming back.

- Less is more. Avoid great slabs of text, they won't be read. People view the monitor screen for different reasons than they do books or magazines; if it were not so, the printed page would have died years ago. Leave plenty of white space around text and pictures. Use a white or pale background to aid legibility. Text should not fill more than twice the width of the screen: look at www.guardianunlimited.com as an example for the brilliant way they handle text and pictures.
- The home page is the first impression the visitor gets, so 'click here to enter' is best avoided. Design throughout should be simple and look easy and intuitive to navigate. Full contact details should be placed on the home page.
- Many sites I see do not make it obvious what you do next: add a 'go', or 'log-on' or 'submit'. A 'search the site' facility is also useful to track information as the site gets bigger.
- Avoid long questionnaires asking for masses of detail that will only irritate. You want only the basic contact information so you can e-mail later with special offers.

- In the early days, banner ads were all the rage but some now find them irritating. Unless you have a very big site, the response will be minute.
- Avoid large graphic files and animations that take ages to download: customers won't wait. A menu index on each page is helpful so that users can navigate through the site.
- Build in an interactive forum or notice board where visitors can comment on their problems and ask for advice. Letters pages in newspapers are often the most read part, so imitate the concept.
- Order and enquiry forms need as much thought as the rest of the site. A heading to the page saying 'We never release names to third parties' helps overcome resistance.
- Put an 'add me to your newsletter' box on the page to which you most want visitors to respond (ie if you're after trade rather than private customers, put it on the trade Web page). Use an opt-in e-mail request and use it frequently.
- Apart from examining what makes good sites, look at www.webpages.thatsuck.com for great examples of what DOESN'T work.
- Links are important both to and from your site. Look for compatible but non-competitive sites and e-mail with a request. Make it obvious that it is a link. Possible sites could be your local tourist board or council, trade association, buying group, club or special interest lobby.
- Like the rest of your printed material, the brand image must be carried through to your website. With ever vaster numbers of websites appearing, it is more important than ever to try to get yours to stand out.
- RSS feeds can be a useful addition to your own website as a way of rapidly and automatically disseminating information to your captive and attentive audience. In essence RSS is a news feed that alerts subscribers to when websites have added new content. The feeds themselves are simply web pages but programmed to be read by computers rather than people. Your subscribers need to download free software that checks the feeds and alerts you to any new articles. RSS will link to your mobile, PDA or any computer like Hotmail, Outlook Express, Thunderbird, etc.

Keeping customers coming back

Apart from offering value for money and providing good service, the key to luring customers back to your website is to ring the changes and keep it up to date. The web is very much like a newspaper, and nobody wants to read old news. The web was built on freebies and, perhaps understandably, many visitors

expect to see some free or at least bargain offers. Highlight these on the home page: 80 per cent of visitors never get beyond the home page.

Branding

With so much choice and confusion on the web, it has become apparent that visitors do tend to bookmark sites that they have found useful and easy to understand. Keep your website active and topical and you'll build considerable brand loyalty. Amazon.com is one of the world's best known and valuable brands but is still making modest profits. Successful online branding is much like offline branding: image and design must be consistent; speedy and friendly customer service is paramount; and no opportunity should be lost in spreading the brand name onto other sites by means of links and newsy items.

Monitoring visitors

Once your site starts attracting visitors it is helpful to know how they arrived at your site. If you use Google Ad-Words, then part of the package is a web analytics tool that does show in limited detail from where visitors arrive and whether they are new or returning.

Most ISPs provide a free visitor hit counter, but if you want to know which page, how long they stay, which search term they used, etc, then you need to install a more sophisticated tracking tool. A useful website that compares a number of free web trackers is at www.cryer.co.uk/resources/websitetracking.htm. Most, but not all, require a banner of some size to be displayed. To avoid that – and for very large visitor numbers – you will probably need to opt for a paid service.

Avoid on-view counters: 'you are the 21,342nd visitor since January'.

Newsgroups, blogs and mailing lists

If you ever find you have time to fill, dip a tentative toe in this water. There are thousands of newsgroups out there grouped according to community interest. Your ISP may provide some feeds or try the most well-known, Usenet (www.usenet.com). With 120,000 newsgroups and 2 million items posted every day, you can probably forget about running your business.

Theoretically you can find a group that shares some of your interests, into which you can splice your offering, and maybe generate extra links and custom. Google runs some as well. Moderation, or lack of it, is the problem as it can become a free-for-all (postings are all anonymous of course).

Blogs are expanding much faster than websites, with some claiming phenomenal readership and feeds. To set up your own go to www2.blogger.com (run by Google) and follow the simple instructions.

Mailing lists are more tricky. Yes you can buy millions, but with spam being a bigger threat to our sanity than global warming, I would urge you to compile your own. Gather names off your website and customer base, but make sure that customers can opt out – unsubscribe – easily. Use the e-mails gathered to send out soft-sell, informative, short monthly newsletters. The ISP I favour, Zen, has an excellent monthly e-newsletter with perhaps 20 genuine news items no longer than a short paragraph, each with links off each item direct to the full article. It's a good way of keeping up to date with the technology race.

There are bureaux who will handle your e-mailing for you so that each recipient gets a uniquely addressed letter. A bureaux will also handle 'unsubscribes' and failed deliveries.

But a warning. Section 22 of the 2003 Privacy and Electronic Communications Act makes 'the transmission of unsolicited communications by means of electronic mail to individual subscribers' illegal. The first court case in March 2007 awarded £750 against the sender for a single e-mail. Strangely firms do not count as individuals under the Act, so do not have the same recourse under the law.

Trading on-line: e-commerce

A recent survey claimed that 10 per cent of all UK retail sales – £30 billion – are now performed online. Almost everything for the consumer is now sold online, and as e-commerce has become both simpler, safer and more accepted, then taking payment online is obviously the route we will all go. To sell online you will need to operate through a secure server run by your ISP (SSL: look for the padlock sign on your bottom status bar). Few customers will part with their credit card details without it.

A painless popular way of learning some techniques is by selling popular items like second-hand books or CDs via eBay, so let's start with them. It would be pointless to repeat what is readily readable on the eBay site (start on <http://pages.ebay.co.uk/help/specialtiesites/stores-ov.html>), but here are a few compelling points for a small firm:

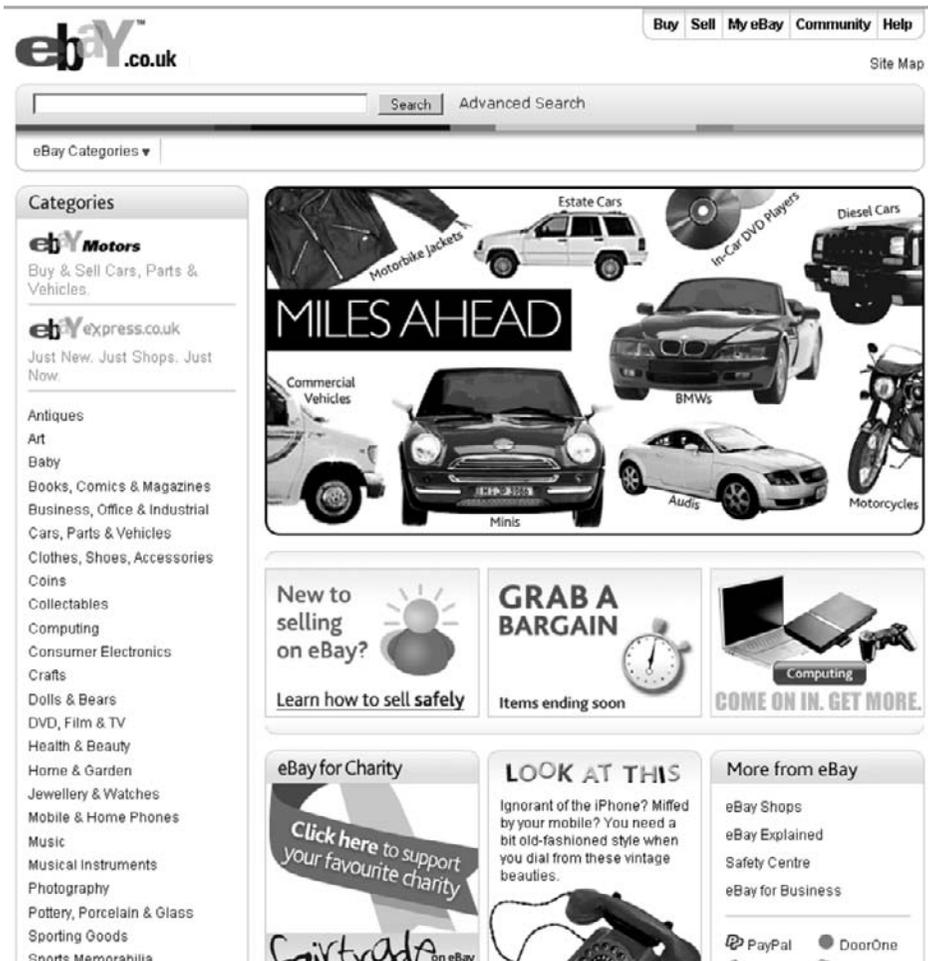


Figure 3.3 eBay: one of the best opportunities for SMEs to sell goods to the world.

- you will get a unique URL so you can build links and promote the same as your own website;
- list and customise the appearance;
- allow a search facility within just your shop;
- receive payment via PayPal before releasing the goods;
- run auction or ‘buy now’ prices.

Costs are on a sliding scale depending on the amount of money you make. It adds up to 10–30 per cent of gross sale. Bearing in mind you get payment in advance and reach millions of prospects with no extra advertising and marketing costs, the eBay offer is most attractive. The key of course to eBay's phenomenal success is the inherent goodwill generated by the feedback ratings. I have sold and bought a modest 40 items (with 100 per cent record of course) and will move heaven and earth to preserve that record. And prospects know that. We all feel we 'own' part of that community of like minded souls.

Setting up an e-commerce site

If you don't fancy giving 30 per cent to eBay, then the simplest route is probably via a host like Shopmaker (www.shopmaker.co.uk) that will cost just £30 a month. This package offers, amongst other things stock control, automatic shopper e-mail notifications, order tracking, multiple discount options, customisable page and layout options, stock control, post and packing calculations, special offer flagging and a switch to show trade prices when a trader is online.

You will of course lose the enormous marketing pull of being within the larger community, but one argument against that is that bidders find it all too easy to compare prices within a list of comparable lines.

Bear in mind that something like 80 per cent of prospects get to the shopping cart and then withdraw, probably because post and packing or some other disincentive is only visible at this late stage.

To help you plan your e-commerce site you need to consider the following:

1. What's your product range (current size, new lines)?
2. Do you need stock control?
3. Are there colour and size variations within each line?
4. Do you already have stock photos of all your products? If not, how are you going to obtain them?
5. Are all products accurately described (performance, size, weight)?
6. Are you geared up to handle packing and dispatch, not just internally but with competent carriers? Is every item accurately costed for postage?
7. Is your shopping cart integrated with your accounts package? Can you identify web sales from face-to-face sales?
8. What level of technical support is readily and economically available? What are the limitations of the package? Can it cope with expansion? What options can be added?

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E-commerce website designers are still not all that common or experienced. Check out their past clients. Get a launch timetable in writing and work closely with them. Provide unstinting support with text and product photos. Most e-commerce websites are complex and invariably take far longer to set up than first thought: allow for slippage.

If the costs and complexity of selling online dismay you, then as a halfway house you can still show prices and add an order form to be printed off and posted with payment. Not ideal but it may get your toe in the water.

Summary

- What do you want your website to achieve?
- Who is your target audience?
- Positioning: does the design reflect your image and brand?
- Is your domain name relevant?
- How do visitors find you? (Install tracking software.) How high do you appear on search engines?
- Is the buying process clear and unambiguous right through to the shopping cart?
- Is it easy to navigate and download quickly?
- Is there a reason for customers to return? New content, bags of free information, clear links to non-competing sources of information?
- Are visitors encouraged to leave details?
- Does the site have a community feel?
- If e-commerce, does your site appear honest, up-front and secure?

Further reading

Helpful monthly newsletter, from Zen web hosters: www.zen.co.uk/newsletter.

Search engine optimisation tips: <http://searchenginewatch.com>.

Online ad forums: http://emea.doubleclick.com/uk/resource_centre.

eBay Business Centre: <http://pages.ebay.co.uk/businesscentre/index.html>.

Internet Advertising Bureau: www.iabuk.net.

Advertising

Advertising which promises no benefit to the consumer does not sell, yet the majority of campaigns contain no promise whatever.

David Ogilvy

Probably the most contentious area of marketing is advertising. Everyone is an expert. We are all bombarded with ads on the television, on hoardings, papers, the radio and now on the internet. What few of us understand are nonsenses like double-page spreads to promote gas or electricity – or even BT's 'It's good to talk', when few of us have any option but to use the product. The wastage is enormous, but then in those situations it is not their personal money.

My role in this chapter is to focus your mind on the principles, explain why some ads work and others don't, and convince you that advertising should only be undertaken where the results can realistically be measured. Everything else is self-indulgent. I want you to be able to analyse ads better, break them down and avoid the all-too-common mistakes that are made every day.

Advertising is the link between the supplier and the consumer, communication and information, the medium and the message.

The need for some form of advertising must be obvious. Without it you must rely on word-of-mouth recommendation (not to be despised but slow nevertheless) or press editorial. The main force of your sales effort will probably be through advertising of one sort or another. It can be as simple as writing your name on a van, pushing a handbill through the door or buying space in the parish magazine.

Advertising *by itself* does not sell. It will not shift a bad product (more than once) or create new markets. It must be backed up by sales literature, order forms, a sales force, stocks, maybe distributors and a strategy.

Elephant Eats Tilley Hat 3 Times!

THIS IS A TRUE STORY. Michael Hackenburger, a zoo director in Ontario, used to train elephants. One of his 'students' developed the habit of reaching up, snatching off and eating Michael's beloved Tilley hat. Time would pass, and the Hat would too. Michael would retrieve it, wash it, and carry on...



most practical outdoor hat in the world: smart looking and comfortable, it has a lifetime



guarantee against wearing out. Developed from Alex Tilley's original design back in 1980, it protects against sun and rain, it floats, ties on, and won't shrink or mildew. 4 styles, 7 colours, and 14 sizes. Squashable and machine washable, and comes with a 4-page owner's manual.

THIS ALSO IS TRUE: The Tilley is acknowledged the best-made and

Call 0800 374353 for a brochure and details of stockists.

Tilley Endurables

6 Tresprison Court, Helston, Cornwall TR13 0QD
Tel: 01326 574402 Fax: 01326 564651
Email: info@tilley-uk.com • www.tilley.com

Figure 4.1 I love this ad: arresting headline, compelling and amusing storyline and with a guarantee.

Hard-to-Get Sizes BEDLINEN

2'6" 3ft 3'6" 4ft 4'6" 5ft 6ft 7ft

ANY SIZE CAN BE MADE

- Sheets
- Valances
- Quilts
- Pillows
- Duvet Covers



Special Sizes Catalogue
TEL: 01255 432518

 Keys Ltd, Dept SS750, Stephenson Rd,
Clacton-on-Sea, Essex CO15 4XA

Website: www.anysizebedlinen.co.uk

Figure 4.2 Simple but effective small ad. Explanatory headline, large telephone no. and website.



0115 877 66 96
www.shedexpress.co.uk

Figure 4.3 Shown here actual size, from a Sunday supplement. Rare example of an ad that needs no text (size doesn't permit).

O ARNOLD

T/as Spring Farm Partnership, Farmers & Contractors

Mowing, tedding, raking in, baling & wrapping (80x90)
Hay & straw baling and carting - midi (80x90) & Hesston
Complete service for foraging grass, whole crop and maize
using JD7500 forager fitted with yield monitoring equipment
Ploughing using 7 furrow in & out of furrow plough.

For hire: tractor & man, bale nippers, 6m H/Duty topper
3x Stewart 15T trailers for hire over harvest, air compressor
GPS field area mapping, corral and pan type cement mixer

Contact Oliver on 07768 766742 or 01603 866226
Spring Farm, Felthorpe, Norwich NR10 4DT

Figure 4.4 A common type of ad seen in the local and specialist trade press. But like papers, ads need headlines to attract attention.

Let's get some of the principles out of the way first. The skill of advertising lies in reducing the global population to your target audience and reaching as many of them as you can at an economic cost. First, you analyse the benefits or virtues of your product – isolate the features and translate those into customer benefits. Who has a need for your product? Discover who your potential customers are. Question all the time.

Finally, design the message and pick the medium to reach your target audience most cost-effectively.

Some figures

For the first time in 2007, UK online advertising spend (click-on banner ads and AdWords) surpassed national newspaper ads. Growth in one year was 41 per cent, and it is now about half the amount spent on TV ads (which actually dropped 4.7 per cent), at just over £2 billion. This compares with commercial radio (£582 million), outdoor-poster sites (£932.5 million) and in-business magazines (£1 billion). The United Kingdom's online advertising spend is double the global average of just under 6 per cent. Most popular fields are recruitment followed by finance and technology. Unsurprisingly Google is driving this increase by last year taking £870 million of our money, greater than either Channel Four, Sky or Five.

Think of a customer

The most important principle to grasp in advertising is placing the advertisement where most of your target audience is likely to see it. That sounds a woefully obvious statement, but I have lost track of the number of times that I have seen small firms forget that basic principle. Advertising is expensive and you cannot afford the luxury of the blanket coverage indulged in by cigarette or beer manufacturers. Every pound must earn its keep. Forget about large-circulation papers and concentrate on where the most people of your segment can be reached. The *Radio Times* has about 4 million readers, but if your product is of interest only to DIY homeowners you would be better off running an ad in *Practical Householder*. Its circulation is around 50,000 and possibly 30 per cent of them take the *Radio Times* as well. Target your ad to those publications that have most of your prospects as readers. There is too much wastage and the cost is prodigious. The simplest ad need be no more than pushing a handbill through the doors of houses with *dirty* windows. That simple exercise pinpoints those



Figure 4.5 While you can place ads anywhere, I have my doubts what image the NatWest is trying to portray here.

with a need and cuts out wastage on those who already clean their own windows. Advertising can be as simple as that.

Setting objectives

Never advertise without having an objective. You must have a goal. Effective advertising means always having a clear idea of what you are aiming to do. Advertising is used for a wide variety of reasons. Some are:

1. Opening launch.
2. Changing price structure.
3. Exhibition attendance.
4. Recruitment of staff.
5. Sales to clear stock.
6. Change of premises, enlarging facilities.
7. Charitable, linking your firm with a local good cause.
8. Direct response, to invite enquiries.

<i>Sizes</i>			
FULL PAGE		HALF PAGE (Vertical)	
Bleed: 291mm x 226mm		Bleed: available on request	
Trim: 285mm x 220mm		Trim: 285mm x 107mm	
Type: 265mm x 195mm		Type: 265mm x 95mm	
HALF PAGE (Horizontal)		QUARTER PAGE	
Bleed: available on request		Bleed: available on request	
Trim: 140mm x 220mm		Trim: available on request	
Type: 128mm x 195mm		Type: 128mm x 95mm	

<i>Schedule 2007</i>			
ISSUE	ISSUE NAME	COPY DEADLINE	ON SALE
80	March	16 February 2007	2 March 2007
81	April	9 March 2007	23 March 2007
82	Spring	30 March 2007	13 April 2007
83	May	20 April 2007	4 May 2007
84	June	11 May 2007	25 May 2007
85	Summer	1 June 2007	15 June 2007
86	July	22 June 2007	6 July 2007
87	August	13 July 2007	27 July 2007
88	City	3 August 2007	17 August 2007
89	September	24 August 2007	7 September 2007
90	October	14 September 2007	28 September 2007
91	Autumn	5 October 2007	19 October 2007
92	November	26 October 2007	9 November 2007
93	December	16 November 2007	30 November 2007
94	Christmas	7 December 2007	21 December 2007

<i>Advertising Rates</i>			
DOUBLE PAGE		HALF PAGE	
3 Series:	£1,320.00	3 Series:	£385.00
7 Series:	£1,210.00	7 Series:	£330.00
15 Series:	£1,089.00	15 Series:	£302.50
FULL PAGE		QUARTER PAGE	
3 Series:	£715.00	3 Series:	£225.50
7 Series:	£632.50	7 Series:	£192.50
15 Series:	£572.00	15 Series:	£159.50
SPECIAL NOTES			
Positional guarantee +15%. All cover sites +20%. All rates are subject to VAT. All rates are per issue.			
Credit terms 14 days. Cancellations are only accepted in writing (not email) two weeks before the copy deadline – for a full version of our terms and conditions of business, please ask.			

Figure 4.6 A typical rate card showing deadlines, sizes and rates. In this case from Bath Life.

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9. Trade ads to wholesalers.
10. Appealing for agents.
11. To iron out seasonal fluctuations in demand.
12. Reminder ads – repetitious, constantly there.
13. To announce record results or celebrate an anniversary.
14. To promote a website.

I have listed these to emphasise the many different roles that advertising can play. Don't advertise just because Charlie down the road does or when the local newspaper is doing a feature. There have to be some good solid reasons for investing in a promotional exercise.

Positioning

Your perceived position in the marketplace will determine where your message appears. This is a very important point to grasp. If you've an up-market product, then not only must you promote in the right glossy magazines but the style of typeface, layout and presentation must convey an air of grandeur and graciousness.



Figure 4.7 Positioning conveys the right tone of voice to your target audience and relates to them in language they understand. The handmade sign for eggs is entirely appropriate in a country lane, but would you trust your life with the joyflight?

Enjoy
the hidden benefits of
underfloor heating

Now you too can enjoy the optimum comfort of affordable, luxury underfloor heating. Invisible tubing filled with warm water ensures evenly distributed heat throughout. What's more, you can save approximately 20% on your existing fuel bills and maintenance is minimal. Our engineers will design and install the system, so what are you waiting for?

**Full Design Service
Concealed Heating
Tangible Benefits**

**The U.K.'s leading
underfloor heating
specialists!**

Thermo-Floor (G.B.) Ltd.

Uth
Floor Heating
SOLE AGENTS

Web: www.thermo-floor.co.uk
Email: sales@thermo-floor.co.uk

**STAND 367
H&R
WEMBLEY
SHOW**

**Underfloor Heating
made Simple**

- Economical and efficient
- Suitable for all heat sources and floor coverings
- Fast no-hassle installation using the latest multi-layer pipe
- Friendly technical help and full CAD design
- Nationwide coverage with FREE delivery

Continental

For a brochure, a quotation, or to discuss your project:
Call us today on 08456 023059 (local call)
email us at info@continental-uth.com or visit our website at www.continental-uth.com

FREEPHONE 0800 781 2058 or 01243 822058

Figure 4.8 Two ads for the same product, underfloor heating. One shows the installation, one shows it in action, the benefits. Which is more successful?

Newsagents' windows are fine for handymen and French lessons, but an ad selling your daughter's pony is probably better placed in *Horse and Hound* or some such specialised magazine. If you are targeting directors for a champagne day at the races, that deserves a personalised letter on quality paper with stamped return envelopes. Any ad you design must reflect the right tone to appeal to your target audience.

Charity adverts mustn't be too slick, otherwise people may think the money is going on Mayfair agencies rather than needy orphans. In fact, charity fund raising demands a very professional approach and is one of the more difficult tasks for an advertiser.

Where to advertise

At this stage it may be illuminating to think of all the places where you can pay to display your message:



Figure 4.9 Use a bus panel to promote motoring related products – in this case hands-free mobiles.

Newspapers, national and local

Magazines, general and specialist

TV

Exchange & Mart and other pure advertising magazines

Radio

Cinema

Directories and yearbooks

Yellow Pages (and *Talking Pages*)

House magazines (eg bank staff magazines)

Posters, hoardings, transport undertakings

Signs of every imaginable variety, from site building boards to your own van

Handbills, leaflets, brochures

Litter bins, parking meters, lollipop ladies

Painted buses

Balloons and streamers

Direct mail

Exhibitions

Sports team sponsorship

Packaging

Sales promotion

Point-of-sale material

Giveaways – calendars, wall charts, etc

Parish magazines, show programmes

Banner ads on websites
 Newsagents' windows
 And even in the lids of Chinese or Indian takeaways

The choice is vast. The problem is deciding how best to reach your prospect.

The criteria for selection in newsprint are frequency, size of circulation, coverage, readership profile and cost.

The printed word – newspapers and magazines – will probably take most of your budget. It is the accepted medium to reach the bulk of your audience as there are magazines to cater for every imaginable interest from the lowly but not to be despised parish magazine to the Sunday supplements. Your first decision is to decide what journal to go for.

Readership

Before making your decision you need to get a *media pack* from the advertising department of the magazines. This will try to impress you with readership, circulation and profiles of its readers. Local papers tend not to go into much detail. When comparing costs, beware of falling into the trap of confusing readership with circulation. The former is always claimed to be much greater, but impossible to verify. Professional magazines with small circulations tend to be retained as a point of reference for years afterwards and can still produce results. Only ABC-audited figures (see below) are reliable – treat the rest with some caution.

You must advertise where your buyers and consumers are likely to see the message. Market research should have told you where your likely prospects lie. Consulting the various publications mentioned in Chapter 2 will enable you to pinpoint which newspapers or journals to aim for. The media data form compiled by the publishers will give a *readership profile*. This is a breakdown of a publication's readers and subscribers by job title if it is a trade journal (managers, buyers, consultants, etc) and often by age, sex, interests and other relevant information.

Of major interest to consumer product advertisers is the socio-economic classification: AB – upper and middle classes, managerial, administrative and professional people; C1, C2 – lower middles, skilled working class; D – working class (semi- and unskilled manual workers); and the poor Es – those at the lowest level of subsistence. This seems to reflect class prejudices but it is important to understand the jargon and reasoning behind it. For example, *Good Housekeeping* claims to have more ABC1 readers than any other women's journal. 'Women's interest' magazines have topped the mass circulation league

table, after the TV listings magazines, but towards the end of 1997 for the first time a men's magazine, *Loaded*, raced up the charts. Says something about our society.

The forms are useful but should be treated with common sense and caution. The media reps are in the business of taking your money, after all.

The simplest way of discovering what industrial buyers read is to ring up a few and ask. *BRAD* (pages 51 and 52) will highlight the probables, but your real readership may well disclose that what they actually *read* is somewhat different. All the professional bodies produce journals for their own learned membership that go to all the right people. Unfortunately, some are written in a less than uplifting vein and you may learn that a more snappy, but less authoritative, paper is the one your prospects turn to. Some industries have a welter of competing papers, each claiming to offer the best penetration into your market, but the acid test is your *own* research.

Frequency

The copy date of some glossy monthlies is two months before publication. The Christmas editions of the more popular consumer titles are frequently booked up months before. This poses problems if you are waiting on a shipment or uncertain about a product change. Dailies or weeklies allow much prompter changes. The ultimate is probably radio, where messages can be slotted in on the same day. Yearbooks, diaries and *Yellow Pages* require long forward notice. Your website has an advantage here.

How many copies?

Having targeted your audience you will want to know the individual circulations of your advertising media. This is easy when you control the output (hand-bills, direct mail, brochures, etc).

ABC (Audit Bureau of Circulation)-certified journals are reliable for cost comparisons and the figures should be beyond reproach. Knowing the circulation does not mean, of course, that all the readers will see your ad, but it is a start. Smaller circulation or new publications will have 'Uncertified' beside their *BRAD* entry. Be wary of 'Publisher's statement: 50,000 print run ordered'.

The journal's advertising department will be able to tell you of many special features planned that may be appropriate. Some UK journals have a surprisingly high overseas circulation, particularly in the medical and scientific field.

Erosion – the numbers game

A popular area for small firms is the ‘Postal Bargains’ slot in many papers, but research on response is hard to come by. I have carried out my own research on the pulling power of this slot. A dozen advertisers were canvassed. I picked out what looked like newish small firms, asking for the response to their ads. Few claimed more than 30 replies. Though a paper’s circulation may exceed half a million, half of the readership may only buy it for the pictures, a quarter for the sport, some the crossword, and a surprisingly high number never buy by post on principle. The moral is clear: don’t be deceived by massive circulations. That’s erosion.

Coverage

There could be a lot of duplication when you use different advertising media. You want to establish how well you reach the audience – the penetration or coverage. A DIY product could be advertised in *Practical Householder*, mail-shot to power-drill owners, taken to a trade show to tempt stockists, pushed on TV or any combination of all those. The women’s magazine market is a lively and populous one. How many women buy two or more? Which magazine gives the best penetration for your age group? Is *TV Times* a better buy anyway?

The eternal problem with most advertising is measuring the effectiveness. National corporations can afford to have online ads, poster displays, bus panels and whole-page ads in the *Financial Times*, but even they have great difficulty in isolating which medium has pulled in the most response. By definition, small firms tend to be frugal with their advertising budgets, and should avoid any promotions where the results cannot be measured. Your advertising has to be more specific, measurable and *sell*.

Opportunities to see (OTS)

The popularity of breakfast TV (at least with the advertisers) is that they can get the message over before the shops open. Trade buyers are deluged with calendars, diaries, pen sets and message pads in the hope that they will remain in the office at the point of action when a buying decision is made. The more opportunities to see that are given, the greater chance that the company name or product will stick. This is why direct mail letters involve more pieces of literature. The theory (and practice) is that each piece of mailing is looked at before being discarded. It may only be a brief scan but it gives the seller another chance to hook a punter.

Bus advertising on the rear panels should be aimed at the motoring public, with ads for tyres and accessories being the most popular.

Which media to choose?

Many small firms are convinced that advertising is a waste of money. They have parted with a limited amount (but large to them), relying on an ill-considered design, with no objectives or strategy, that has produced no measurable results. Let me quote from John Caples in his *Tested Advertising Methods*:

I have seen one advertisement actually sell not twice as much, not three times as much, but 19½ times as much as another. Both advertisements occupied the same space. Both were run in the same publication. Both had photographic illustrations. Both had carefully written copy. The difference was that one used the right appeal and the other used the wrong appeal.

Advertising *does* work if you adopt some basic rules and simple techniques that can be easily grasped. I am not talking about designing your own TV campaign but just improving your own awareness either to advise an agency or generate your own ads to a reasonable standard.

The main *media* at your disposal are online, press and local radio, direct mail, door leaflets and the telephone. Mass media publications can deliver the largest audience at the cheapest cost per head – but many will be of no interest to you; you will also be competing with both editorial and other ads. This main use is in capturing large numbers of people from which your segment can be isolated. If you must go in a large circulation paper make sure there is an appropriate heading under which you can slot to isolate your prospects.

Develop a *direct response* strategy that can be more cost-effective. Tactics are discussed in the next chapter.

And the costs

The bible of the advertising industry, *BRAD*, lists all the basic rate-card costs, though you should be able to get at least 10 per cent off those, often far more if you leave it to the last minute. If you have a reasonable budget it often pays to establish a working relationship with a magazine whereby you always pick up the last quarter page, or whatever, when available. You can pick up some real bargains.

Ignoring page rates – £39,800 for a page in the *Daily Mail* for example – if we compare a half page for the following publications, taken at random, it will give you some idea:

Computer Shopper: £2,548 (circulation 83,390)

Birds: £1,500 (circulation 593,000)

Model Engineer: £235 (circulation 18,000)

Bath Life: £385 (circulation 11,000).

But this is only the start of the story.

Newspaper and magazine advertising

The two main types of printed ads are *classified* and *display*. Classifieds are usually grouped together under a variety of headings. They require typesetting only and can often be booked quite close to press date. If you run an unusual specialisation some trade papers may put in a fresh heading just for you. It helps to make your ad stand out: the publisher hopes it will attract more advertisers.

Display ads are *designed* and need artwork, headlines, text, etc. These will be dotted throughout the publication and generate most of the paper's income. When deciding which paper to go for, pick the one with more advertising; many journals are bought, and read, more for the ads than the editorials. This particularly applies if you have a small budget and can only run to classified. Papers that have a very small classified section should generally be avoided. The ultimate is, of course, *Exchange & Mart*. Remarkably good responses are pulled for quite expensive items. I've even known factories to be let from these pages.

Between the two are *semi-display* ads, which are used by some magazines. They tend to be small pictorial ads grouped near the classified section.

Trade setting

Pretty well every publication will lay out an ad for you from your rough. If you're desperate to meet a deadline, simple ads can be e-mailed or phoned through: there are no doubt some excellent in-house admen who will do a competent job. In my experience the local press are poor at designing ads, probably because they are deluged with handwritten copy at short notice. You will probably do better by following my simple advice that follows and getting the basic concept down yourself. Production costs can be charged as an extra but, in my experience, simple layouts are treated as part of the service. Colour is

always extra. But by and large, for imaginative designs you should go to an outside agency or freelance graphic designer.

Some advertising jargon

Buying space. Ads are measured either by fractions of a page – half page, quarter page – or by single column centimetres. Each publication will have its own layout and a number of column widths.

Space is sold by a standard centimetre depth. Be very careful you understand what you are ordering: a '10 × 2' is probably 10 column centimetres of depth by 2 columns wide. When buying 'half a page' make sure you are getting a horizontal half (landscape) when you want it, and not the vertical variety (portrait). Specify height by width in that order: remember the phrase 'hot water'.

Controlled circulation magazines are common in the technical field. They are issued free (the ads pay for them) but circulation should be restricted to those in certain specified positions of influence. There is usually an application form in the back of every copy.

Copy date is the vital date when the publisher must have files on his or her desk to be sent off for printing. It is *not* the date when a rough layout can be shoved in the post. You will miss that issue.

Cost per thousand (CPT). One of the holy grails of advertising, cost comparisons are made to reach a given 1,000 readers of each medium. As usual, statistics can mean anything and here the picture is clouded by the intrusion of quality. The cost of reaching 1,000 *Financial Times* readers is 134 times as high as for the *Sun* (the page rate is roughly the same). The argument is that your average *Financial Times* reader has more influence in specifying products and contacts than the *Sun* reader.

Never lose sight of your *target* reader: no good reaching a million readers if only 1 per cent is your *audience*.

Dpi (dots per inch). Prepare your ads as a jpg, occasionally EPS or pdf if requested, at 300 dpi. Jpgs are *closed files* so a printer cannot get into them. Pdfs are also closed, but most publishers have the software to manipulate them.

Editorial. The informative text written by the journalists that separates the adverts. Freesheets tend to have little editorial and have a shorter life than paid-for papers.

Facing matter is when an ad is placed opposite some editorial – as against being submerged in a page of other ads. The space commands a premium price.

The opposite is *run of paper* (ROP), where it will be placed anywhere at the discretion of the advertising manager.

Inserts can be very useful. Some magazines will accept your printed leaflet for loose insertion in every copy (or occasionally selected copies to a segment of the circulation in your target area). They'll want prior sight of it and often there is a waiting list. It's cheaper than advertising in the mag (you've paid for the production). If the magazine is in black and white only, this is a way of getting your colour leaflets left over from the trade fair out to the readers.

A *media schedule* (Table 4.1) is helpful to plan the preparation of your advertising material and get it off in time. It's really a glorified diary that's stuck on the wall, which tells you when your mags and ads are coming out, enabling a continuous programme to be maintained (if that's what you want).

Reader's enquiry service is widely used to generate enquiries. A pre-paid card is bound in, usually at the back of the mag, keyed in with numbered ads that can produce a prolific number of prospects. There can be a delay before they are sent on from the publisher.

Some *printing* terms are explained on pages 123–24.

Using an advertising agency

It stands to reason that those who are designing ads every day of the week should be able to come up with better ideas and layouts than raw small firms. Advertising can run away with your money, often to little effect. To understand the nature of the industry, thumb through *Advertiser's Annual* or *Campaign*, the trade gossip magazine. Accredited agencies earn commission on their 'billings', the space they buy, which varies depending on the medium used. It averages 10 to 15 per cent. Local papers pay less than nationals. The commission should part offset the cost of using an agency, but nevertheless, don't be upset at the costs of employing the professionals.

... and how to choose the right one

Steer away from the big boys. They'll have no interest in small budgets. Find a small partnership, perhaps freshly set up, that is as hungry as you are: not *too* new or you may know more than they do. Ask for samples of their past work. Look at their roughs and try to get them to explain *why* they chose that particular theme. You want to tap into their creative abilities. The advertising jargon

Table 4.1 Typical media schedule (here used for the agricultural sector)

<i>Title</i>	<i>Publisher</i>	<i>Contact</i>	<i>Copy deadline</i>	<i>Publication date</i>	<i>Size</i>	<i>Cost</i>	<i>Claimed circ</i>	<i>Booked to appear</i>	<i>Response!!!</i>
<i>Farmers Weekly</i>	Reeds	Editorial: Andy Collings, Andy Moore, fax 020 8652 4005 Tim Hackett (Display) 01203 696502 fax 696573	18 days before publication Alan Blagrove, 020 8652 4851 Reed Farmers Publishing Group, 6th Floor, Quadrant House, Sutton SM2 5AS	Fridays	Qtr page 132 x 96	£760 less 10% com. for 3 rate card £1,129 colour	89K ABC	See below 4 insertions	
<i>Dairy Farmer</i>	Miller Freeman	Selina (Classifieds) Editor: Rachel Potter, fax 01473 232822 Adverts: John Welford, tel/fax 01359 244659	Small ads: Tuesdays 4 pm 6 April 15 May 6 June 11 July	1st Tues: 2 May 6 June 1 July 1 Aug	qtr page 124 x 89	Small ad: £4.80 per line £799 for 3 less 10% com. (rate card £1,204) colour	27K ABC	2 months from May	
<i>Farm Contractor</i>	ACP Publishers Iron Down House Deddington, Banbury OX15 0PJ	Editor: Jane Tarte, fax 01869 338578 Malcolm Benjamin		1st week	qtr page		10K	4 months from March	
<i>Northern Farming</i>	Gazette House King Street, Thorne Doncaster DN8 5BA	Adv: Marion 01485 740700 fax 740776	24th monthly	1st week of each month	qtr page 125 x 93	£300 for 3 insertions colour		3 months from April	

Media schedules are essential to keep track of what ads are run and whether they are worth continuing with.

and printing terminology can be learnt, given time – it's creative talent that you need and should be willing to pay for.

A good agency will be able to advise you on:

1. An objective campaign balancing your various products and resources.
2. Market research: if not within their own partnership, where to find it.
3. Producing the material, booking the space in the most cost-effective manner and evaluating the results.

Some agencies will also do PR work and exhibitions here and abroad. An agency should know a string of reliable printers for brochures and your packaging needs, and also arrange professional photography.

Go to see three or four agencies. Take along your product, if you can, with samples of any literature or ads you may have run. Let them do most of the talking. Gauge from their questions how interested they are in you. You're looking for empathy and an understanding of your product and market. A technical product does really demand some knowledge of the habits of engineering specifiers. While it is asking a lot for ad-men to have a complete grasp of the technicalities of your product, there must be some meeting of minds.

Increasingly agencies are specialising. The glamour end has always been fast-moving consumer goods (FMCG), with industrial accounts looked down on. Be very wary of agencies that have not handled direct mail if that is your direction. That really is one field for the experts. Give them time to think and ask them to produce some *roughs* on ads they would run. Don't expect finished designs unless you're prepared to pay well for the service. At this stage you are simply looking at how well they have grasped your company and what ideas they can come up with. And then talk about budgets. In my experience very few small firms can afford to use agencies. For those with limited budgets it can still be useful to use them just to buy space. They can frequently get a better deal.

With the rapid growth in online advertising it may pay to go to one of the newer specialist online agencies. For advice on banner ads (online) see page 106.

Designing your own ads

Despite the obvious advantages in going to an agency, many of you will design your own copy, particularly when just starting in business. I can't turn you into an expert wordsmith in a few pages but the ground rules can be spelled out fairly succinctly. There are many ways of getting the message over and fortunately



Help save a life this Winter...

...with this FREE birdtable!

Winter can be cruel on small birds. But when you join the RSPB, we'll help by giving you this free wooden birdtable, so that your garden friends can survive these difficult months.

RSPB membership also gives you much more... like unlimited FREE entry to over 100 RSPB nature reserves... plus the award-winning quarterly magazine **BIRDS** - 96 pages of fascinating articles and stunning colour photography.

And by joining the RSPB you're helping wild birds to thrive, free in their natural environment. Just fill in and send this form today, to: RSPB, FREEPOST, Sandy, Beds SG19 2BR.

Join the RSPB today!

Yes - I want to join the RSPB

Please send me my FREE birdtable.

I enclose a cheque/PO (payable to RSPB) for:

£20 (A year's single membership)

£25 (A year's membership for two adults at one address)

Concessionary membership rates available upon request.

OR please deduct this sum from my Access/Visa card no:

Expiry date Cardholder's Signature

(Please attach address of cardholder if different from below)

Mr/Mrs/Miss/Ms

Address

Postcode

Joint Member's Surname: Mr/Mrs/Miss/Ms

Send to: The Royal Society for the Protection of Birds, FREEPOST, Sandy, Beds SG19 2BR.



Registered Charity No 247079

Figure 4.10 A nice emotive appeal, combined with an attractive free gift plus a large coupon made this one of the most successful ads the RSPB have ever run.

there is no one sure-fire route to success. It would be a dull world if there were.

Advertising is a transient medium; no one is paid to read adverts. They compete for your vision and comprehension along with all the other ephemera of the modern world. Good advertisements follow the formula AIDA – Attention, Interest, Desire and Action. The first requirement, therefore, is to attract *attention*. This can be done either with a headline, a picture, colour (spot or full), special position or novelty. Some researcher has worked out that Mr or Mrs Average ‘sees’ over 1,000 ads each week – online, newspaper, posters, TV,

etc. Your job when designing an ad is to get the reader to stop and digest what you have to say.

Research has shown that you get at most two seconds to catch the eye – and putting in a large illustration increases the chances. Making the picture take up half the space doubles the audience of ads with text alone. The brain remembers the visual image better. Words and pictures in combination can be powerful as long as the story merits it. All too often any old photo is dredged up to fill a space.

Interest. Unless the text appears of interest to the reader, then no matter how beautifully it is put together or how clever the pun, it will be passed over. Long text should be used with care, as again, modern research has shown that more text means fewer readers. The subject must be made to look attractive and compulsive reading. The best ads arouse an emotional reaction. You should strive to create *desire* in the reader. ‘Yes, that sounds good – I’d like one of those.’ It must relate to the reader’s circumstances. You must always talk about user benefits, not features. And they must be readily apparent.

The ad will have achieved very little if there is no encouragement for the reader to do anything about it. This is the hard part. You need *action*. Coupons inviting enquiries for brochures or money off the next order are well-trying formulae. At the least, clear instructions must be printed to direct the reader to more information. The old buzz words come in here – ‘Limited stocks, Sale, Limited edition to first 1,000 callers, Club members’ preference, Free trial, Money back guarantee’, etc. The best of all is ‘New’. Don’t fall into the trap of designing ads that are ‘all image and no information’.

Some common mistakes

The firms that claim advertising doesn’t pay probably make some of the following mistakes:

- They don’t think hard enough who their audience is and advertise in the wrong medium.
- They put their name first instead of a benefit as a headline.
- As David Ogilvy says in *Ogilvy on Advertising*: ‘Advertising which promises no benefit to the consumer does not sell, yet the majority of campaigns contain no promise whatever.’
- They make the advertisement hard to read.
- Misunderstanding of the need for an eye-catching headline.

- Not enough product information.
- There is no encouragement to do anything. So what?

Remember the basics

All marketing revolves around those eternal questions: Who, What, Why, Where and When?

Who is your target audience? What are they interested in and what are their needs? I've read a Fleet Street editor who kept a blow-up of a section of the Cup Final crowd on the wall. When a bright sub presented him with some high-falutin' copy, he would swing round to the wall: 'There's your audience – never forget it!'

What are the benefits? Don't try to trot out all 33 but cut them down to three at most and headline *your unique selling proposition* (USP). Why should they buy it? What is your offer? Use those buzz words. Alastair Crompton in his excellent book *The Craft of Copywriting* draws a distinction between two sorts of product. Some you can really say quite a lot about (DIY products or household gadgets and many technical products, for example), but what can you say that's new about everyday staple items?

If your product is in the same category I think you almost have to forget about looking for distinctive features and go for the razzmatazz. Dreary products can produce tired ads, so why not recognise it from the start? Nudes to sell oil filters is lazy: use a bit more imagination. Limited budgets compel you to make your advertising a little different, so stand out from the herd. As a small firm make your product different and your ads distinctive.

The central idea

The core of any ad must be the product or service itself. If you can, sit the product on your desk or get a photo and study it. List all the features. How it is made, the material, colour, function, weight and fitness for purpose. Look at taste, texture, packaging, expected life, durability, originality, replacement value and spare parts, not forgetting the price. If a service, list all the attributes that should appeal to a customer.

But don't worry about some award-winning pun. Most ads state a fairly basic truth and offer permutations on known and tried reasons for buying. Turn back to page 5 to remind yourself of some of the basic reasons why people buy. The most successful ads are those that can engender *emotion*.

Drayton Bird in *Commonsense Direct Marketing* quotes his own idea for an encyclopedia ad. He shows a child running up a path shouting, ‘Mummy, I’ve passed.’ What parent wouldn’t be touched by the *emotion* generated in that picture and caption?

How to start

You must research your market, customer and the competition quite thoroughly before you are ready to start designing your own ads. Cut your rivals’ ads out and analyse the individual appeals. Find out what your prospects read and get a feel for the tone of editorial and ads in what they read. You must strike the right position for your product. Working with a good graphics package, draw the right-size space to prescribe the boundaries you have to work in. Detailed research has shown that:

- Five times as many people read the headline as read the rest of the ad; 80 per cent of your money could be wasted.
- Ads with a headline that promises a benefit are read by four times as many people.
- The reader’s eye follows from illustration to headline to copy – so lay out your ad in that order.
- Photographs are more believable than drawings, and the bigger the illustration the more the ad is likely to be noticed.
- Ads with news are recalled by 20 per cent more people – so put that in your headline.
- Long headlines (more than 10 words) are read more than short headlines.
- Specifics are more memorable than generalities. (‘72 per cent of housewives preferred Stork to butter’ – rather than ‘More housewives prefer’, etc.)
- Putting in the price is more memorable.
- Long copy sells more – if it is interesting. If you have a story – why not tell it?
- Putting large chunks of text in CAPITALS and reversed type (white on black) is discouraging to read.
- Whole pages pull in not twice as much but only 70 per cent greater response, which is a comfort to smaller ads where the same principle holds good in proportion. Strangely, one-third page ads pull more than a half.
- Colour is more important than size.
- Only 5 per cent of the readership actually reads your ad.

Start with the headline

Headlines are the most arresting part of any paper. We all tend to scan the paper for a headline that is interesting, then read into the article for more facts. Surely you should adopt the same procedure for advertising. The headline must capture your specific audience, so build that interest into the words. ‘How to stop smoking’ or ‘How to cure baldness’ will immediately filter out all those people who don’t smoke or have a full head of hair and who are of no interest to you. You are like a butterfly hunter swooping to entrap a rare specimen in your net.

Interrogative or explanatory headlines are useful techniques to ensnare readers:

How to save on fuel bills

How to beat the bookies

How to keep warm in bed

Why is the Whitecliffs Hotel the most popular honeymoon stopover?

Where can you see the latest model?

Can you live on your pension?

What paint do professionals use?

Five reasons why Clegg’s Garage won a top award.

You must remember that ads are read for *information*, rarely to pass the time. Make them interesting, give information and *facts*. Avoid headlines that are too clever, obscure or capable of different interpretations. The best ads are not those that necessarily win awards for creative artistry but those that *sell*. This is after all the main, most would say the sole, function of advertising, certainly for small firms. The best headline offers a benefit to answer my perpetual question, ‘What’s in it for me?’

Don’t be misled by quirky headlines like ‘Heineken reaches parts that other beers cannot reach.’ That message has been repeated in thousands of TV commercials and posters over the years and bears no relation to the budgets or purpose of advertising as small firms understand it. Your ads have to state a simple benefit to an identifiable audience with a strong sales message. Headlines with a topical flavour (news) are read and recalled by a fifth of readers, so if you are announcing a new model, improved performance or can tie it in with a local event – spell it out.

If you put your headline in quotes ‘–’ more readers will notice it. The obvious way to capitalise on this gem of research is to use an endorsement. ‘90 per cent of dentists recommend Colgate.’

Make no mistake, the headline needs most attention as, without an arresting, relevant eye-grabber, you have wasted your money. If you are able to make a good offer (free trial, two for the price of one) put that in your headline.

Illustrations

Remember that most newspapers use indifferent quality paper, so expect that any photo will reproduce significantly worse. The better magazines use a good art paper that delivers excellent pictures. Choose pictures with care, allowing for reduction if you have limited space. Whatever you choose should increase the story interest of your ad and must work with the headline. A golden rule is to show the product in action, if that is appropriate.

‘Before’ and ‘after’ illustrations are often telling and this is a technique capable of many variations. Drawings are less believable than photos except when an engineering or complex part needs highlighting, when a good technical drawing comes into its own.

Captions are also widely read but don’t repeat what is obvious from the picture. If the picture needs a caption to explain what is in the ad, then you are using the wrong picture. Don’t neglect the picture agencies, which can supply photos (for a fee) much as libraries supply books. It may save time and be cheaper than employing a professional. Click on Google Images.

Text

If you adopt a telegraphic approach to all your writing you won’t stray into unintelligibility. Use short concise words rather than the journalese so beloved by politicians and trade union officials. Say what you mean in direct, simple language.

Remember that 1 million British citizens are illiterate and many of the rest receive their view of the world via the *Sun*.

Make every word mean something. Most of your first efforts are capable of being condensed, I am sure. Don’t forget you are paying for that space – wasted words cost money and squeeze out those that *do* count.

The offer

If you can make a good offer this should be your headline. Offers can be anything you like, such as ‘Two for the price of one’, ‘Free trial’, ‘Free credit’,

‘Install now, pay later’, ‘Beat the budget’, ‘Prize draw’ and so on. In inflationary times a powerful argument is ‘Buy now at the old price...’.

Remember the benefits

You and I buy things because of what they’ll do for *us*. With the sole exception of charity offerings, and in that I include Scout sales of work and PTA Christmas card drives, we part with money because we can see a use for the product. A particular shampoo is not bought because it contains malathion. That’s a feature. The benefit is that it kills nits! The benefits of a tungsten-tipped saw blade are that it lasts longer, saves downtime on changing over, and reduces sharpening costs.

It is very easy to fall into the trap of always talking about the features of your product and particularly of a service. It is of little interest that your service vans may all have mobile phones to save van mileage: the benefit to your customer is prompt round-the-clock attention.

By and large, your customers are not interested that you have ISO 9001 for your dry-cleaning business – just that you never lose clothes and give a quick turnaround.

Price can be a benefit. If you are selling a product that is going to save someone money, then multiply the savings up. Fifty pence a week is neither here nor there, but £26 over a full year is a headline! Few would go out and buy an encyclopedia on French cooking, but if it is sold every week as a partwork – ‘only’ £2 every Friday – you’ve captured an audience. Petrol-saving devices are pushed on the same lines. No one notices 5 per cent off a gallon of petrol, but projected over a year’s motoring of 12,000 miles, the savings (in theory) are memorable.

All your advertising should be looked at in terms of customer needs.

Some advertisement techniques

Copywriters use a variety of techniques to get the message over in an effective and memorable manner. A straight headline and text would be confused with the editorial, so papers now insert ‘Advertisement’ over layouts of this type. Convention has defeated imitation.

USP

First favourite among many advertisers is to find and isolate a *unique selling proposition*, ie a benefit that you alone possess. Enhance and create that so it

contains your main message and appeal. Many products are composed of a mix of different benefits, most of which are embodied in the competition. It could become tedious to analyse and compare them all, so why not concentrate on just one and highlight that? When I meet a firm for the first time I invariably ask, 'Why do people buy from you?' and not always do they know. It may be because of the range of products, the hours they keep, the in-depth knowledge they possess or a host of attributes. It's often a useful exercise to mount a simple market research exercise and ask customers. Once you know, you can major on that in your advertising. Most adverts are glanced at for about 1½ seconds, so there is little time to present a comprehensive argument.

Before and after

Illustrations that show improved performance before and after treatment can be persuasive. This technique can be used for double glazing, paint treatments, lawn fertilisers, hair shampoos, chair covers and many other face-lifts. It can be invaluable for services as distinct from products.

Sell the extreme

Often the best way of selling the benefits of a product is to show it in action. And don't stop at the natural use. Go to the extreme. A manufacturer selling outdoor tables to pubs could use a rugby team climbing all over them. The publican would hope that this would never occur, but it would ram home the point of strength. If your paint is weather-proof, illustrate it in severe situations. Dulux used it on a lighthouse. I can remember a new type of toughened glass coming out years ago. It was pictured supporting an elephant. No one would use it for that, but the absurd combination made the point very effectively. People will think 'If it's good enough for that, it must be OK for what I want.'

Endorsements

We can't all afford television personalities to push our turkey joints but there are homelier ways. Extracts from letters from satisfied customers, 'Mrs S of Worthing has told all her friends to rush out and buy Bloggit since this cured her aches', can work wonders. Endorsements are probably more easily used in direct mail because you have more room to quote long extracts. ('The original letters are on our files and open to inspection.') The National Lottery

promoters use endorsements widely. A picture of Mr Y from Burnley clutching his cheque for half a million and grinning from ear to ear tends to personalise the message: 'That could be me.' Technical products lend themselves to endorsements as well. 'As used by Rolls-Royce' or even by a defence contractor implies some standing and credence. Obviously, ask the firm's permission first.

The endorsement you use should be easily related to your customer profile. A professional person should be used for selling to technocrats, while housewives must be used for washing-up liquid. (Oh dear, how sexist.) The stereotype still rules the world of advertising.

Most firms will have a ready file of endorsements to hand, but if none is exactly suitable send out a questionnaire to customers inviting comments and you are certain to get something appropriate. Apart from its being quite unethical, you should never have to invent them.

Comparisons

The selection of products is all a matter of comparison. The consumer does it when deciding which product to buy. He looks at the features and benefits. However, until recently it was considered unethical to indulge in comparative advertising – 'knocking' copy. The motor trade seems to have adopted this method completely, with adverts continually running down the opposition. Manufacturers should surely be able to find enough reasons for buying on their own merits.

Comparison advertising can be successful and ethical if carefully handled. I wouldn't mention competitors by name, as the motor trade does, but by implication. A local double glazing firm competing with the nationals could stress that 'The money you pay goes into the goods, not to pay for TV advertising, commission salesmen or celebrities.'

Newsworthiness

Newsworthiness is difficult to achieve with long copy dates but the weekly or daily papers will allow your ads to have a topical flavour. You could hit the bull's-eye with this if you look ahead and plan. Changes in legislation, budget tax changes, royal events, are all fairly predictable. A carefully worded ad placed on the same day will attract attention. It all needs flair, imagination and sometimes a bit of luck.

Novelty

An ad can stand out by being out of context. Some unexpected feature pictured in the layout can highlight your message. We're not necessarily back with the nudes but anything you can legitimately pull into your advert that would not normally be expected to be there can be successful. It's our first rule of advertising – attraction. Smirnoff do it with skydivers, White Horse Whisky with white horses. You don't have to go to such extremes. A man knitting or even cooking is worth a second glance. Perfectly reasonable pursuits but not within the normally accepted way of portraying domestic chores.

People matter

Try to portray the product in action, in a real environment. Kitchen designers tend to show yards of gleaming cupboards and shelves and not a soul in sight. Put a bright young housewife preparing food in the picture and it comes to life. You lose a bit of the product but you gain in appeal.

People identify with the subject portrayed. Figures in ads tend to be younger, more handsome and virile than in real life. That's poetic licence. The women's equality organisations are always complaining that you never see a tired, harassed housewife with buttons missing selling products. The reason is that people believe scruffy people sell scruffy goods. Perhaps we see what we want to believe. It's all a fairytale world.

Your characters should be believable, with a touch of dressing up. The person using the product should be closely associated with your type of audience. If it's a DIY gadget, pick a man who looks like a time-served tradesman as the model. Capable, gnarled, expressive hands do a lot for a photograph.

If you're involved in handling food, make sure no hygiene regulations are being broken or that workers in a factory are not breaking Health and Safety rules.

Babies are a good attraction especially if you're selling to mothers. There can't be many household products for which you can't work in a good baby shot somewhere in the life of the campaign. Animals are worth the same treatment. How many products can you think of that have had a backcloth of rustic simplicity – a nice clean field of Jerseys or Friesians?

Humour

Anyone who has struggled this far with the narrative will realise I'm a firm convert to a touch of humour: perhaps not in ads for undertakers but that still

leaves plenty of scope. As not everyone laughs at the same things it does demand a light touch.

Cartoons

Picture stories can be very successful. I don't know whether that is a reflection on the low standard of education of the readership or whether cartoons stand out on a page of grey text. You don't have to go to the extent of commissioning a cartoonist. A cartoon character, ie one single figure or caricature, can act as the lead in introducing the text. That can become your logo, your instantly identifiable feature. Such logos tend to be animals of the lovable sort – bears, dogs and other household pets. Basset hounds have become indistinguishable from Hush Puppies shoes, so much so that one small boy, observing our two hounds, was heard to remark thoughtfully to his father, 'Do they really make shoes from their ears?'

Illustrators tend to be a freelance breed and most towns have one or more. Your better local printer should be able to suggest one or two. Naturally, there is a concentration around London, where most work is.

Banner ads (online)

While banner ads tend to be the preserve of large firms, it won't do any harm to outline a few major points:

- Ensure they are placed on appropriately positioned websites (positioning, remember?).
- While almost all banners are flashy, gaudy and in your face, that is a turn-off for many people: tone it down.
- Ring the changes and use click tracking software to analyse where leads come from.
- Don't be too subtle: encourage action by saying 'click here', with a precise benefit, letting the visitor know where it is going to lead.
- Don't deceive: visitors will not only be put off but you will have paid for them landing on your site.
- Keep the file size small (15 kb or so).

When David took on Goliath:



the little people cheered

National Ventilation



The Alternative Supplier for all your ventilation requirements

Figure 4.11 A trade flyer aimed at fan ventilation stockists. The industry is dominated by one major company – the reader will know exactly what the message is. It doesn't have to be spelt out.

Inserts can be most effective

As the ubiquitous *Innovations* catalogue has shown, an increasingly popular way of reaching your target audience is by means of a magazine insert. This is a separate card or brochure supplied by you to a carrier journal or customer mailing. Technically, an insert is a loose copy – an inset is one which is bound in. The *advantages* are obvious:

1. No envelope addressing or list compiling.
2. You have great freedom to design your promotional message.
3. A reply card can be easily incorporated.
4. It is generally the first thing people see when they open the magazine.
5. A decision must be made. Is it read or discarded? A high proportion are read, unlike ads buried on a back page that may never be seen.

As against the *drawbacks*, which are:

1. Only the first reader tends to see the insert. Inserts are rarely retained. Base your costings on circulation not readership.
2. You are sunk if the reader opens the magazine over the wastepaper basket.
3. The reply mechanism needs some thought. If you're printing on card make sure it is substantial enough to come back through the post. The business reply card must conform to post office preferred sizes. Perforating the card improves response. This is much more expensive than printing on paper, which requires a fold-up return and from which response is much poorer.

Compared with direct mail, inserts enjoy a much better response. The same rules for design still apply: use a good headline, eye-catching illustrations and colour.

The costs vary between magazines, of course, but tend to be based around the page-cost mark. There are, however, bargains to be had among the specialist journals of restricted circulation that often carry little or no advertising anyway. The return rate for these can be very high. For business-to-business promotions-designing, the insert as a fax-back form can generate more response. In my experience most businesses will now use the phone, fax or e-mail rather than use any reply-paid mechanism. It saves time.

You may have to book up some issues ahead. Periodicals have to ration the number of inserts they will take because of the postal steps. *British Rate and Data* (pages 51 and 52) will tell you which magazines take an insert.

Position

The page position of your ad is very important. The best and most expensive places are the covers. These are usually booked up for some time ahead and are probably beyond the reach of most small firms.

Local papers love to run features on everything from spring weddings to changing your car. The editorial matter is sometimes painfully thin. The sprat is to hook advertisers to buy space round the article. Be wary. It's your money they're after.

Recent research has shown that it matters little whether you pick a right- or left-hand magazine page, though there is a slight advantage in being nearer the front.

A good spot is next to the *reader's enquiry service* if the paper runs one. Cheapest position is 'run of paper' (ROP), which is anywhere the make-up person can fit it in.

BMW OWNERS	COMPREHENSIVE INSURANCE FROM £110
<p><i>Low Cost Insurance by Design</i> <i>Exclusive Scheme for BMWs</i> Tel: 0117 929 4971 NOW! <i>or Phone your Nearest Branch at the Local Rate on</i> 0345 123111</p>	
<p> Hill House Hammond Over 250 Branches Nationwide</p>	

Figure 4.12 Sunday paper ad. Simple but very effective, in that it segments a distinct part of the market and makes it feel wanted. Hill House tell me that this has been one of their most effective ads, better than full-colour splashes in more up-market papers.

Trade directories and yearbooks need careful thought. Many have modest circulations and few sales are made beyond reference libraries. You will have to do some research among your buyers to find what directories they regularly use – if at all. Some well-produced colour illustrated directories are undoubtedly worth advertising in, as long as there is an appropriate heading. The best place is the spine or the bookmark, but inevitably these are expensive and will be booked up.

Use white space

There is always the temptation to fill every bit of usable space on your dearly bought ad with persuasive text. The majority of newspapers and journals are printed in black on white paper and therefore carry advertising matter in the same restrictive medium.

By leaving a generous margin around the actual copy you can make *your* ad stand out: simple and very effective in a mass of otherwise anonymous grey text. Test it for yourself. Reach for your local paper and open it at the classified section or any other that carries a lot of advertising. When you open a paper you tend to do so at arm's length and scan before homing in on what looks like an interesting item. Those that are more likely to catch the eye, I would suggest, are the few that stand out clearly from their neighbours.

The concept has, of course, been carried through with whole-page ads and even posters. Large areas of blank or single-colour paper surrounding a short message act as a focus.

Coupons

There are two sorts of coupons beloved in ad-land – *money off* redemption (soap coupons) and *address* coupons. Soap coupons have become a term of derision, perhaps surprisingly, because they undoubtedly work in creating brand allegiance. No, they have little place for small firms. A better variation is to print a discount coupon in your ad to encourage prospects to attend your shop. It has two effects. First, it attracts people, but second, it acts as a test of your advertising. A direct measurement can be made if you place the ads (and key them, see page 140) in different media. Price-off coupons, to manipulate slack periods in restaurants, travel trades, dry cleaning, stately homes and garages, can be very effective. Address coupons, ie requests for literature or sales visits, undoubtedly increase response. We are now straying into *direct response advertising*, which deserves a chapter all of its own (see Chapter 5).

Freephone

Adding a freephone telephone number does increase response when you're competing against other advertisers who want you to pay for the call. In fact the whole tenor of encouraging response has shifted from reply-paid coupons to telephone sales. Many businesses that sell off the page or operate from catalogues run evening or night-time services either themselves or through one of

the burgeoning call-answering agencies. This is not a cheap service and at present few small firms are likely to take advantage of it. The monthly charge is probably going to be a minimum of £300, with an individual call charge of £1 or so extra.

There is growing customer resistance, at last, to the use of premium rate phone numbers – particularly for help-desks – so there are two alternatives. Many independent companies offer a routing service whereby you retain your existing BT phone number, but 0800 or 0808 (free calls to dialler), or 0845 (national low rate) are used in your promotion. To find them Google ‘0845’. The obvious advantage is to give you a competitive edge, particularly in a medium like the *Yellow Pages* where competitors are immediately adjacent.

In addition using a ‘marketing number’ has a number of advantages:

- callers pay the usual national low-rate fee;
- you pay around 1.5p a minute with no set-up costs nor monthly rental (providers vary);
- your existing BT number is retained;
- different 0845 numbers can be assigned to different ad campaigns, or in different magazines run concurrently, so you can measure the effectiveness of each ad (simply compare the phone numbers dialled each month);
- the number can be retained if you move: no reprinting stationery;
- having an 0845 number carries the implication that you are a national company;
- traders working from home can ‘hide’ behind an 0845 number.

If you see incoming phone calls as a revenue earner (which I don’t), then the same providers will give you a cut by using a premium rate line, but that’s another ball game. You could generate 1.5p a minute from 0870 up to £1 a minute from 0906 numbers. Just don’t expect me to call you.

You can also buy a ‘distinctive’ number, but most of the obvious ones have of course all been taken up.

What to say

Having covered some of the techniques, I must come back to the language you use. Advertising is salesmanship in print. The most successful adverts have been those in the language we speak and use every day. It’s the natural way. Just because you go into print doesn’t change the manner of presentation. You’re not a scriptwriter for the six o’clock news. Forget about that classical pun or double

entendre. You must think about the *product*, your *audience* and what the customer needs. Those are the three vital elements. Avoid words that have become distorted or played out through over-use: fantastic offer, unrepeatable bargain, exceptional opportunity, and unique. Would you use those words in speech? Try to find something *new* to say in your copy. Make it interesting and lead the reader on – inform. Nobody reads dull ads. Always be truthful and don't make claims you can't substantiate. Wild and extravagant claims will be seen to be just that. The promise must be believable.

Write in the present tense and assume the consumer already has the product. Not: 'This hedge trimmer will save you hours of arm-aching work.' Better is: 'This hedge trimmer saves you...'

Remember value

Don't talk in terms of price – talk about *value* and worth. The price of a pressure cooker may be £50 (or rather £49.95), but its value is a saving in time to the busy housewife, a reduction in fuel bills and a versatile extra pot for the imaginative chef. A visit to a health farm is the way of relaxation for stressed executives, to purify the bloodstream and recharge the batteries. Air conditioning in cars stops you getting hot and bothered before important meetings.

David St John Thomas (of David & Charles) tells of the care needed in designing a book. The pages must be carefully weighted to give the right feel, and to be seen to be worth the price asked. Books can be dramatically thick or thin depending on the paper and binding chosen yet still have the same content.

It is often in this critical area of how you present value that sales are made or lost.

Cooperative advertising

Newcomers to marketing quickly realise that more than half the cost of promotion often lies in the idea and origination. It is not much more expensive to order 5,000 leaflets than 1,000. How much better then to club together and form co-operative groups and attack the market under one heading or brand name. The motor trade have done this for years. When a new model is launched the manufacturer buys a large amount of space and gets the dealers to buy a portion of the ad for their own location. Collectively, perhaps 30 dealers in the franchise can make more impact than any one individually.

It works particularly well in the tourist trade. Farm holiday operators can form a group in a region and produce a joint leaflet, but only one reference point

is given for bookings. It is a simple matter for one person to allocate parties to separate farmhouses and it makes booking more attractive for the clients.

English vineyards have never had an easy time, contending with our climate, snobbery and increasing cheap imports. Those that have survived rely on a large element of retail – or farmgate sales. The best way is to join together in association, form wine trails and produce attractive leaflets aimed at the educated tourist.

There are lots of opportunities in cooperative advertising that have been barely touched. Garages that rent out part of their forecourt to allied activities like valeting, van hire, trailer manufacturer, etc, could combine to draw more prospects to their doors. Non-competing industrial products could be combined in mailings and part of the packaging sold to other producers to advertise their products. Cooperative mailings are a valuable, cost-effective way for small firms to reach identifiable markets.

The Internet is ideal for working cooperatively as you must continuously look for links to other sites. Depending on your activity you could link with your trade association, tourist board, local council or even village group.

The *Yellow Pages* problem

Despite the best efforts of Thomson, *Yellow Pages* must be the most commonly used advertising medium for any business. Almost every phone in the country must have a yellow book nearby. If you want a quick lesson in advertising technique pick up any edition and be amazed. If you happen to be engaged in double glazing, kitchen installation or motor insurance, how are you going to get your ad to stand out? For example, the Bristol edition has 15 pages of double glazing and 41 pages devoted to insurance. Many firms will tell you that *Yellow Pages* tends to attract a certain type of caller: those who want it as cheap as possible, and who are prepared to spend an hour on the phone – preferably using your 0800 number – to save a few bob. Well-established companies I know believe that worthwhile business is obtained by being more pro-active – targeting by their own sales force or by direct mail, rather than by hoping for casual contact.

I would entirely accept that *YP* is invaluable for the distress purchase and occasional capital items for which we have no regular supplier. Once you are competing with many other almost identical suppliers it becomes vital to make your ad stand out. You may need to stress your location and convenience (all things being equal consumers will pick the nearest), your USP, and avoid crowding too many messages into a tight space. Leave room for the ad to breathe in what is a crowded page.

Yell.com is probably more relevant today. Everyone who is in the BT phone book gets a free entry, but a link to your website – the vital part – has to be paid for. Prices are £360 for a year or £2 a day, switched live on or off.

Project a corporate image

You may be a brand-new small firm but you can still have a corporate image. This grand term describes the face you present to the world, usually in terms of printed material – posters, letterheads, sales tickets, brochures, signs and a website – all of which conform to a master plan. There is a single style of lettering and logos and use of colours. Some extend the term to describe the company philosophy – the *corporate identity* – which covers staff selection, training and attitudes. Clean overalls, perhaps with the firm's name on the pocket, are effective if they are regularly laundered.



Figure 4.13 Corporate image clothing from Fitness First gyms.

Most firms grow haphazardly. The first item of print is often a business card, sometimes produced in a rush, perhaps by a friend. Little thought is given to style. Letterheads and invoices follow, perhaps from another printer, which will produce its own version, and so it goes on.

How much more professional if it were all planned from the start. Strangely enough, it hardly costs any more, but your image is greatly enhanced. There is a feeling of hanging together, belonging in one family. People recognise your literature without actually reading it. Try it yourself. We all recognise the Ford or Boots sign long before we can actually read the word, the shape and outline are so familiar.

Presentation is very important. For mail order, where the customers never see the proprietor, the sales letter, design and weight of paper are vital. It always depresses me to see good products undersold. For small runs – 5,000 or so – the cost differential between a good paper and a poor one is slight but the advantages enormous.

It hardly needs stressing that your website should look as professional as your budget allows. With most business transacted at a distance, it is important to add an address and telephone number (not a box number) to improve credibility.

And see page 19 for the importance of brand identity.

What's in a name?

Corporate image starts with the *trading name*. Many proprietors simply trade under their own name. Fine. If you are well known locally, why throw away that advantage? Otherwise try to convey in the title what you are doing. Somerset Wholesale is not very illuminating but Somerset Electrics is better. 'Crafts' is becoming a bit of an overworked word. If you are only dealing in your own locality, build a local feature into your title.

A memorable title without being too obscure is worth aiming for.

Business cards

Be imaginative. Portray your product, maybe even your face. Use the reverse for a map, print portrait rather than landscape and use a nice heavy card, not less than 270 gsm.

Colours

Colour is important. Browns, greens and yellow generally denote rural simplicity not to say folksiness. The deep purples, reds and black imply wealth and opulence. If you are an exporter, check that the theme colour you are using means the same thing abroad. White in Japan means death. Packages for display in supermarkets should be compatible with the lighting.

Don't hide your light

Few firms have no form of transport but there are a lot of anonymous grey vans running about: trade vehicles with all that lovely bare space demand imaginative signwriting. People pay good money to have their name on a bus. The arrival of large-format inkjet printers now means that superb full-colour graphics can be produced on vinyl to cover everything from vans to curtain-sided artics. Colour fastness should be better than five years.

Once you've paid for the display – keep it clean.

A painter and decorator asked me to help, once. I asked about his board and he ruefully produced a filthy battered object with one side hanging off. Not the best advertisement for his trade.

Put your visitors at their ease. Display some product samples or pictures of completed work in the reception so they can learn about you. If you don't manage to sell them anything first time at least they'll go away with a pleasant image of harmony, competence and professionalism. Rent a water cooler or coffee machine for the foyer.

Keep the outside of the building swept and free from rubbish. Tidy the front office and don't let mechanics sit on the front office chairs in their greasy overalls. That visitor may 'only' be a rep – but he'll carry away an image of the firm that could make or mar your business. He could even be that buyer you've been trying to hook.

Premises signs – what you're allowed to do

Signs outside the premises are also important for your image but are often neglected. It is important that your premises are clearly signed. The planning authorities control what you are allowed to display through the Advertisement Regulations (part of the Town and Country Planning Acts). Some signs are deemed exempt from control. These are:

1. An advertisement sign on your own premises giving the name and description of what you do. To avoid putting in an application, the highest



Figure 4.14 Striking sign for bathroom suppliers.



Figure 4.15 Eye catching sign for a fish restaurant (Zermatt).



Figure 4.16 Neat.



Figure 4.17 Too subtle for me.

part of the sign must be below the first floor window sill. In certain Areas of Special Control – conservation areas, for example – the area of the sign must not exceed 10 per cent of the wall surface up to 12 feet above the ground.

2. You are allowed two signs if there are two frontages to your premises.
3. Do not use letters or figures more than 0.75 m high (or 0.3 m in an Area of Special Control).
4. A single flagpole (why not?).

Any illumination of a sign requires permission.

Highway signs are something else. Tourist enterprises in particular rely on clear advance warning and directional signs to pull in passing trade. There is invariably conflict between the highways department (at County Hall), the owner of the business, local planning officers and the inevitable do-gooders in the village. Apart from certain permitted signs for stately homes, youth hostels, licensed caravan sites and the like, all other directional signs need planning permission. Practice seems to vary between counties, and even districts, on how blind an eye they turn to rogue signs. You stand more chance of success if you produce a well-designed sign, not too flamboyant or large, placed in a friendly farmer's field rather than on the highway itself. Never tack it to a telegraph pole or highway signpost. Signs on the highway, as distinct from the other side of a hedge or ditch, are controlled by the highways department, which tends to take a much stricter view than the local planning authorities.

Your county tourist officer may have worked out an official policy on paying for authorised signs. In consultation with the highway men (I don't mean it like that) they may allow you to pay for a proper brown and white sign. You have to convince them that there is a reasonable throughput of visitors and that people would have difficulty finding you otherwise. As ever, road safety is paramount.

Read the free booklet 'Outdoor Advertisements & Signs' provided by your planning office. This is also downloadable from www.communities.gov.uk.

Buying print

Your corporate image depends largely on the quality of your printed matter. Printers are a fortunate breed. Every business needs them. If it's only a humble business card and a letterhead then a printer has a job. Unfortunately, a mystique has grown up around printing, which the industry has no interest in dispelling. Despite the arrival of the web, the printed word is likely to remain the main

method of communication for sales and marketing techniques for some time to come.

Printers come in all shapes and sizes. Top of the list are the book printers who can turn a roll of paper into a paperback on one machine. At the other end of the scale are backroom part-timers turning out the parish magazine or raffle tickets. It is important to understand that 'horses for courses' was rarely more true than for print.

The jobbing printer

Always ask to see samples of a printer's work. You will only get a feel of his technical ability, flair and level in the market by studying completed jobs. You may not be aware yourself what good print looks like or how a simple leaflet can be turned into an attractive, arresting piece of propaganda.

Unfortunately, many small jobbing printers have been crushed to boredom by years of churning out jumble-sale leaflets and school programmes. They've forgotten how to dress up a mundane product with a bit of sharp artwork. Everything has the same ruled border. And don't talk about colours other than black! Perhaps it is unfair to blame printers too much. The margins are very slim at that end of the game and the client is usually only interested in one thing – the cost.

The key to good print

If you don't know what good printing is, go and see some *graphic designers*, the freelance variety.

They have to live by their skills and most are way ahead of any back-street printer. The cost of printing lies largely in the origination – the artwork, design and film preparation. Graphic designers now have their beloved Apple Macs, where everything is done on screen and can be transferred without a trace of Cow Gum or getting near a scalpel. The actual machine time is of less importance unless you are into long runs. Once you have the artwork this forms the basis for all your printing. The letterheading design can be carried through to your business card, invoices, compliment slips, delivery notes, packaging, etc. You may get years of use out of some original designs. It is sensible to leave the designer to choose his or her own printer and oversee the job – but don't abdicate the responsibility of proofreading.

Discuss the purpose

Printers will usually tailor the job to your price providing a sensible job can be done. Let your printer know your budget. He will ask the purpose of the job: no point in running expensive handbills if they are to be given away at a children's funfair.

Paper sizes will be discussed, and weight and surface. There is little saving now between mono and colour – always opt for colour.

You could well use several printers for different items. The printing industry is in a transitional phase at present with advances in digital printing set to take over from offset litho. There are now many dot.com print-buying sites where you can do simple things like design your own business card and get it next day, or even complete brochures. Most printers now never see artwork; it is all done on screen and disk.

Digital printing, which has done away with the costs of film and plate-making, now allow shorter runs than litho, so a trial leaflet or poster can be produced in single figures. The break-even between digitally printing and litho is between 1 and 2000 A4 sheets, but no doubt this will change.

Don't be mean with printing costs. Most of this book is geared to harbouring your money but I don't believe that skimping pounds on print is ever worthwhile. It shows. This is not to say that every job needs the full-colour treatment – far from it. Try to use the most appropriate image. Full-colour brochures will be expected for an upmarket kitchen designer, but a handbill giving notice of an opening sale can be treated more economically. Think hard about the number of leaflets that you will need. The first 1,000 will be the most expensive because they must bear all the costs of artwork, colour separation, plate-making, etc. The 'run on' will be considerably cheaper, perhaps two-thirds of the first cost. There is no point in running back to the printer each time you want a further batch. You will be paying for setting-up time, cleaning down the machine, folding and guillotining on each occasion. Work out a sensible requirement for at least the next two years.

Proofreading

Half the mistakes occur with poorly prepared copy. The temptation is to get it away to the printer and feel it is 'under way'. You will only be compounding your errors if you do that. Always give *hard* copy to your printer. Keep corrections to the absolute minimum.

Corrections before platemaking are usually simple. Never *proofread* on the printer's premises unless it is a very simple job. Take the proof home to a quiet

room. Check and recheck. There is nothing worse than having a misspelling staring at you after the job has run. Double-check phone numbers. And don't just check from your typing – check with your source. You may have transposed a number. The printer should provide a slip to say that you have proofread so there can be no dispute later.

Desktop publishing

The great revolution in printing has been the swift arrival and cost-effective solutions of DTP. A quite modest PC can use advanced software that a few years ago would have been the preserve of major print houses. Everyone can now – theoretically – design and print their own brochures and in colour. You have to recognise that having the facility to do your own printing has not brought with it the in-built design and creative ability to match the output of a professional graphic designer. I am going to rebut the many DTP advertisers' claims that gaining cheap access to thousands of clip-art symbols and £50 scanners has enabled any small business to produce its own professional print. Invariably, all too many of the results are disappointing. If it takes three years' college training to turn out an inexperienced graphic designer, then how can a busy small business owner hope to compete? Digital cameras are also being marketed into this sector with ever decreasing costs but somewhat extravagant claims.



Figure 4.18 Explicit printing matter (Colour Xpress).

Compact cameras even with 6 megapixels have of necessity small lenses and suffer from spherical aberration (vertical lines will curve at the edge) – amongst other defects. The only solution is a proper sized SLR lens mounted on a Nikon or EOS. And of course the most important point is the skill of the person behind the lens.

For more advice on photography see pages 125–26.

Some printing terms

While accepting that a little knowledge can be a dangerous thing, the following common terms may help you to communicate better with your printer.

Artwork. Almost extinct, but the general term for the output of a studio – graphics, illustrations, etc. *Camera-ready artwork* means everything laid out and pasted up ready for the camera. Invariably now it is all on disk.

Bleed. Not a nursing term but an extension of the print area to the edge of the page, in fact beyond, as the excess will be trimmed off: hence ‘bleed off’. Usually used with a solid colour or photo.

Colour separation. Photographic copying through colour filters to provide (usually) four negatives from which colour blocks or plates will be made. The quality of colour work depends largely on the skill with which the separations are matched and balanced. Digital printing – ctp or computer to plate – is quickly making this intermediate process redundant among the more innovative printers.

Copy. Textual matter provided for typesetting; the ‘body’.

Digital printing. Similar to your laser printer in operation, ie print is generated straight from file with no film or plate-making. Not cost-effective for runs over 2,000 (at present).

Four-page cover. A baffling term – refers to the cover of a brochure which wraps around front and back. It comprises four pages referred to as cover 1 (the front), cover 2 (inside front cover), cover 3 (inside back cover), and cover 4 (outside back cover).

Half-tones. Black-and-white illustrations that have been photographed through a screen, and a block or plate made. The size of the screen will determine the quality of the finished article, depending on the paper used.

Justified type. Type that is spaced to leave straight edges on both margins. Formerly used for all printed matter, but it is now quite common to see much of today’s material (except books) unjustified on the right, ie ranged left.

Occasionally the left-hand margin only will be left unjustified – called ‘justified right’ or ‘ranged right’: regarded as ‘arty’.

Landscape. Illustration in which the width exceeds the height; ‘portrait’ is the opposite.

Lower case. Small letters, not CAPITALS (or caps), which are called upper case.

Offset litho. Still the most widely used method of printing among small printers.

A thin metal (or occasionally paper) plate is photochemically prepared and lays (offsets) ink onto a rubber roller, which then transfers it to the paper. Once the plate is made there can be no alterations to it, so corrections must be made early on if great expense is not to be incurred.

Page. In printers’ terms one surface of a sheet, thus one sheet of paper equals two pages. Be careful when numbering. Technically, every page will be counted even if not printed, so the front cover of a paper-covered brochure will be page 1 and the first right-hand interior page will be number 3. Bad numbering causes mistakes!

Perfect binding. The final process after printing that glues the pages into the cover. Often carried out by specialist trade finishers.

Plate. Thin aluminium or polyester-coated sheet that carries the image used in litho printing.

Print size. The measure of type size. 72 points make 1 inch, so 6 point type is $\frac{1}{12}$ inch high. Different measures may be used overseas.

Proof. The first sheet of the finished set job, to be read through for mistakes.

Ream. 500 sheets.

Reverse type. Type that is reversed out, ie, white lettering on a black background. Harder to read, especially in small letters. Regrettably seen in ‘arty’ magazines and on the internet.

Saddle stitched. The common form of stapling a leaflet on the centre fold, unlike stab-stitch where pages are stapled near the left-hand edge.

Screen. A glass screen inserted between the process camera and the photo to produce the negative for plate or block making. This breaks up the picture into dots or lines. The higher the screen number the finer the screen.

Serif type is the typeface you are reading now, as distinct from a sans-serif face like Arial. Use a sans-serif face for website body copy but a serif face, of which there are thousands, for your printed matter. Some art directors believe that a sans-serif type is modern and cool. I disagree, though I do use it for captions.

For printed matter here are some good, proven legible serif fonts: Garamond, Plantin Light, Baskerville, Cheltenham, Joanna. (Please never Times Roman.)

And respectable sans serif: Abadi, Helvetica, Gill Sans. (Reserve Arial, or Verdana, for websites.)

Photography

Closely allied to printing is photography. At the time of writing, the price of digital cameras is dropping rapidly. The cheap ones are fine for record shots and home snaps. In a marketing context, where the printer cannot improve, only reduce, the quality of a photograph, the finished printed brochure is largely dependent on the original.

You will need photographs of your product for your leaflets and when you come to exploit the media, but photography is a specialist field and not for the indifferent amateur.

While digital has many advantages, it does have drawbacks, notably in the range, or latitude, that the camera can cope with. Treat it as a slide film and prepare to have difficulty when capturing deep shadows and light highlights within the same shot. The quality of the lens is as important as the number of pixels the sensor has, and top-of-the-range lenses do not come cheap. For large exhibition prints I prefer to use a high-grain Fuji film, and get the printer to drum scan off it.

The printer will want to see files of 300 dpi, and don't forget to convert to CMYK (not RGB) and use the unsharp mask in Photoshop or whatever program you are using.

Outside shots can be taken by most practised amateurs. The normal rules of photography need to be followed. Get close in, avoid fussy backgrounds, show some human interest, beware reflections and shadows. Most important are prints of good contrast (muddy prints don't reproduce) and needle sharpness.

Above all, make photos interesting and tell a story. I can recall a major company sending in a photo of its latest export order. It showed a pile of crates on the dockside. Goodness knows what was inside.

Interiors are much more tricky. Lighting needs to be professionally managed. Some objects such as jewellery, glassware and architectural models are extremely difficult to bring to life. Anything involving machine processes requires a lot of experience to make interesting.

Photographers tend to work alone. Go for a commercial or industrial specialist rather than the hometown weddings photographer. As usual, ask to see samples of his or her work. Try to retain the files, otherwise you'll have to go



Figure 4.19 This photo to launch a new business called Five Farmers Countryside Management was used time and time again.

back continually for reprints. If you are really impoverished, go along to the local amateur photographic club. There are bound to be some keen lads and lasses looking for some revenue to offset an expensive hobby. But, as in life, you get what you pay for.

Finally, if you are in the field of producing one-offs, be it furniture or specialist joinery, pictures or pots, build up a portfolio of record shots that you can show future customers. It will be invaluable as the years go by.

Product liability

The advertiser must always be aware of the implications of product liability. It has not reached the litigious levels of the United States, but cannot be ignored. I must also draw your attention to the stringent hygiene regulations that now encompass all food manufacture, preparation and handling. The defence of due diligence will only hold water if thorough examination and identification of all

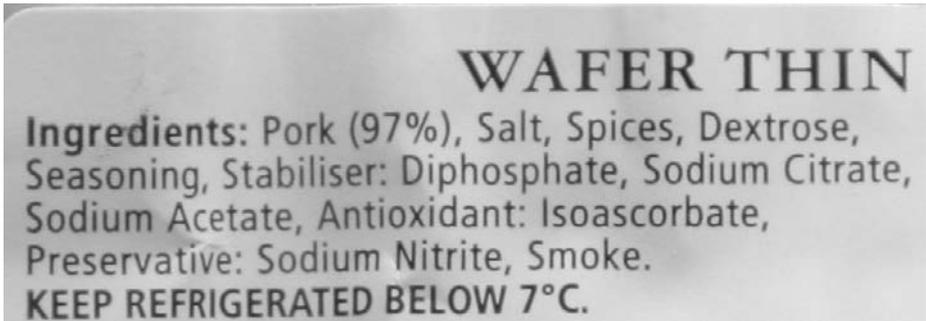


Figure 4.20 Ingredients label for ham: ‘smoke’ is listed. Well you can’t be too careful.

the hazard points have taken place. Trading Standards and Environmental Health Officers are there to help and advise in a free consultative capacity. Importers will be sued for defects – they cannot disclaim liability simply because they had not been involved in the manufacture.

The main points are:

- Don’t make claims like ‘So simple a child could understand’. You are laying yourself wide open to rebuttal.
- Instructions should be crystal clear both on the packet and on the article if possible.
- Textiles must carry fibre content, labelling and washing instructions.
- Because the Acts cover the European Union, if you are exporting to another EU country you must double-check translations. It is now possible, for example, for a Frenchman to sue you as manufacturer in a French court for goods exported to France that have a product defect.
- The CE mark must be shown, certifying compliance with European Standards.

Aside from advertising, it is worth mentioning that you must keep records for 10 years and be ready to institute a product recall operation if necessary. On the plus side, insurance companies are as yet taking a fairly relaxed attitude and many conventional policies already cover product liability. The premiums seem modest – unless you want to export to the United States.

Packaging and point of sale

For the small firm packaging can be an expensive nightmare. Despite the best efforts of environmentalists, packaging is still a vital part of getting stockists to list your product and attract the consumer. It must be attractive, informative, protective, functional, convenient and help sell the goods. Labelling is getting ever more complicated in terms of type size, ingredients, care instructions, CE marks, bar codes, nutritional information and place of origin. And don't forget the influence of colour under different display lighting, and connotations in different countries if you are exporting.

You may need two sorts of packaging: a tough outer to protect in transit, and that which is seen on the shelf. Packaging suppliers, like printers, specialise in different types. For small runs you will probably have to use a wholesaler, but for specially designed and printed boxes go direct. Like printing, the unit cost will only come down if you order long runs. For example, full-colour labels of a reasonable size will cost about a penny, but only if you order 100,000. Before embarking on any packaging it is best to see your stockist and ask what they are looking for. Look at how the competition is displaying its wares. For example, some products are designed for specific racks, and if yours does not fit, it won't reach the shelves. Box makers tend to stick to either corrugated or solid board;



Figure 4.21 Strong impact packaging from Iceland.

some do complex colour printing, others stick to basics. There are now few willing to produce short, hand-made runs.

Part of the cost is making the cutter, so for simple boxes a good tip is to ask the box maker what standard runs he is doing and ask that the machine be left running for another five minutes for your order.

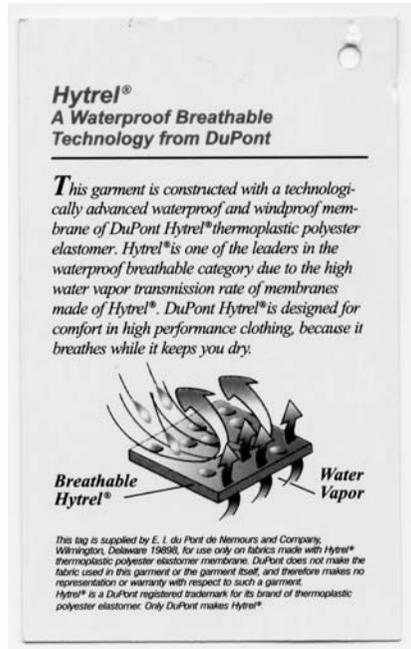


Figure 4.22 Explanatory tie-tag for breathable fabric.

There is a good theory that delicate goods – jam in jars, for example – should be just shrink-wrapped on a tray base, so that the many handlers can see that CARE: GLASS! means what it says. Transit packs need ‘This way up’ and any other instructions – no hooks, or do not stack more than three high. Most goods are now shrink-wrapped and palletised for ease of handling.

Care leaflets

If instructions for assembly are involved, get the ‘village idiot’ to check one through without reference to you. It is often quite surprising how the simplest

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instruction is overlooked – because you know what is coming next. Where possible, screen print instructions on the product as well as a separate leaflet. Pictograms are also helpful.

Trading standards officers can advise (free) on what legislation demands of leaflet information, though interpretation seems to differ between authorities.

Point of sale

POS display material is provided by the manufacturer to the stockist to highlight the goods at the critical moment of decision: the point of sale. A trip round any grocer's stockroom will highlight that there is more waste here than in almost any other sphere of marketing activity. You will see leaflet dispensers, posters, racks, price lists, coasters, showcards, catalogues – down to Open/Closed door signs. Some POS material will be very helpful and appreciated, but please talk to your stockist before rushing into print. The POS Centre at Unit 3, Omni Business Park, Stadium Way, Harlow CM19 5FT (01279 207211) stocks a wide range. *Shop Equipment News* (publishers EMAP) is a good place to look for additional suppliers.

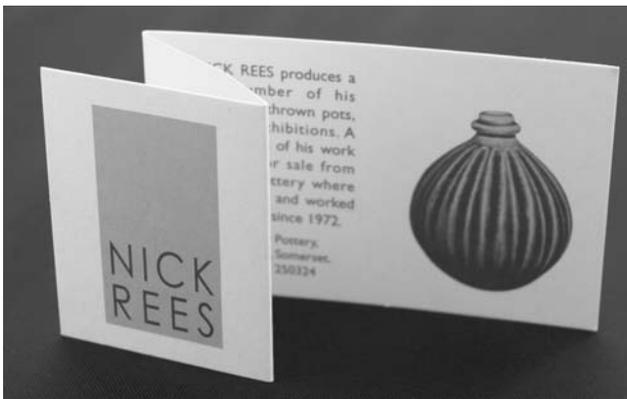


Figure 4.23 Potter's POS tag.

Franchising

Franchising is a term with many meanings, but in this context is a method of expanding a business using other people's energy and capital. J Lyons' Wimpy Bars was the first British company to exploit the concept, but there have been

many other high-street names following in their wake. Companies such as Dyno-Rod, Body Shop, Prontaprint and most of the fast-food chains are all franchise operations. Most of them are service orientated and anything near the high street demands a lot of capital.

The banks like them because, unless you are one of the first franchisees (the person who takes the franchise), there should be a proven track record. Failures should be fewer. The British Franchise Association (Thames View, Newtown Road, Henley-on-Thames, Oxfordshire RG9 1HG; 01491 578050, www.thebfa.org) is the regulating body, though its authority is periodically challenged. Not everyone belongs. Potential entrants should go in with both eyes open as there are still franchise adverts that make it seem all very simple. Ask to see audited accounts and lists of existing franchise holders. Go and interview some of them.

Franchisors should likewise not see franchising as a quick route to expanding a business idea. It needs patient and skilled management to iron out all the bugs before attracting innocents to part with their money. You should run several pilot operations for at least a year to prove the concept. A thorough operations manual and audited accounts will be needed. It helps to get the franchise department of your bank involved so that it can endorse the operation.

All too many franchises are close copies of existing operations. A few years ago print shops followed by fast food outlets were all the rage. Too many similar schemes can make a nonsense of profit projections. Most important, of course, is the marketing support and training provided from the centre. Many franchisees have not been in business before, let alone have a nose for marketing.

There are several magazines devoted to franchising (but they never seem to print bad news) and two trade shows. Research first.

Further sources

Incentive Today, 2–6 Fulham Broadway, London W6 1AA; 020 7610 3001. (www.incentivetoday.com)

Packaging Today, Angel Business Communications, Kingsland House, 361 City Road, London EC1V 1PQ; 020 7417 7400. (www.packagingtoday.com)

Franchise Magazine (consumer publication) Franchise House, 56 Surrey Street, Norwich NR1 3FD; 01603 620301. (www.thefranchisemagazine.net)

Franchise exhibitions are organised by the Venture Marketing Group, Carlton Plaza, 111 Upper Richmond Road, London SW15 2TJ; 020 8394 5100. (www.franinfo.co.uk)

All the major banks have franchise departments.

The British Promotional Association: www.bpma.co.uk (to find those elusive and imaginative gifts).

The Institute of Sales Promotion: www.isp.org.uk (for industry views on this sector).

Summary

- Who and where is your target audience?
- How can you reach them, what do they read?
- What segment of the market are you talking to?
- What do they need?
- What are the benefits?
- Position the product in the right market slot.
- Research the competition, customers and rival ads.
- As a small firm, make your products different and your ads distinctive.
- Remember AIDA (Attention, Interest, Desire, Action; see page 96).
- Put your promise in the headline. Ads that promise no benefit don't sell.
- Write factually, honestly and simply, using short words rather than long. Give plenty of product information.
- Avoid too many capitals, reversed type and cluttered layout; make your ad easy to read.
- Use specifics rather than generalities.
- Test, test, test but don't change more than one thing at a time. Once you've settled on a formula leave it alone till response falls. Repetition is reputation.
- Don't make your ads all image and no information.



Figure 4.24 It may be an old ad but the benefits were then well understood.

Direct response marketing

Quality is remembered long after the price is forgotten.

Gucci family motto

For years many small firms have had to deal through intermediaries – wholesalers, agents and now supermarkets – to reach their eventual buyers and users. Direct mail, selling off the page and now the internet has enabled businesses to reach out direct, and in theory cut out the middleman's profit.

The main object for most of us running a business is to make increased profits with less hassle. As communications have become more sophisticated and generally lower in price, the route for many small firms has been to develop closer relationships with their end customer. This has come to be known as *direct response marketing* where you make the offer direct, rather than through intermediaries.

It therefore covers the exacting and exciting areas of direct mail, selling off the page, mail order, telesales and party plan among others. It is not only of interest to manufacturers, as much of the huge growth in direct mail over the last 10 years has been in the previously staid areas of insurance, financial planning, holidays and health care. The service sector is fully aware of the benefits of developing a personal approach.

Two major areas of consumer spending – the grocery and DIY/hardware/houseware trades – have become alarmingly contracted to multiple chains: groceries in the hands of Sainsbury's, Tesco, Morrisons, etc and DIY in the hands of B&Q, Homebase, etc. Both these consumer-led sectors are now effectively closed to the small firm. In addition, the food wholesale chain is dominated by giants like Booker, which makes it difficult to accommodate smaller operations.



Figure 5.1 Here's a strong inducement to open the mailing.

These developments since the 1980s have forced those who wish to survive to look at fresh ways of marketing their wares. In the case of specialist foods, for example, Farmaround has set up a boxed delivery service to take organic vegetables direct from the farmer to the customer, bypassing the multiples. The customer gets a fresher, better product and the grower gets not just a more realistic price, but the satisfaction of seeing his or her produce appreciated.

For the manufacturer, Britain is a well-developed country with road and rail networks to reach most parts (unless you live in the Western Isles). Traditional methods are to move goods from the manufacturer to a wholesaler who sells on to a retail stockist. But there is a conflict here built into the system. The wholesalers may carry thousands of lines and can rarely do justice to all. Naturally, they will tend to stock brand leaders and those that give most profit. Retailers do not want to be caught out with out-of-date or unfashionable stock so tend to under, rather than over, order. Both tend to be unadventurous and stick to what they know. Unfortunately, manufacturers usually require long lead times to place raw materials, design and produce, and cannot deliver at the turn of the tap. The small firm caught in this dilemma is rarely able to influence stock levels by offering sufficiently juicy discounts or long payment terms.

Conventional distribution works well with an established, calculated market where demand is evenly spread. It tends to break down to the detriment of the small firm where product costs are high (nobody wants to buy them in) and the demand is scattered or highly seasonal or fluctuating.

Direct response and conventional marketing are not mutually exclusive as one frequently can help propel the other. A mail-out to retailers can encourage more orders through the wholesale chain – *pull through*. A telephone sales campaign to selected department store buyers can achieve the same thing.

This chapter will look at the varieties of direct marketing that can be profitably executed by small firms:

- Mail order.
- Direct mail.
- Telephone sales.
- Door to door.
- Party plan.

For the small firm direct marketing has obvious advantages: flexible hours can be worked; part-time staff can be brought in for rush jobs; cash flow can be improved and, potentially, sales can be made more immediately profitable. Direct mail and mail order do not need lavish premises in the high street. Sometimes it is a positive advantage not to be there. More people, I suspect, will happily send for Fair Isle jumpers to the remoteness of Scotland than to an address in Slough (sorry Slough).

The biggest advantage of promotion by direct mail over other methods is surely the ability to *test*. So much of advertising is hard to quantify that this feature should come as a godsend to small firms. Any aspect of the mailing can be changed (offer, brochure, sales letter) and the response directly measured. Not only can the effect of changes be accurately recorded but the result is quickly known. There are no long waits for agents or distributors to react.

Don't neglect your old customers

The most profitable way of expanding sales is by selling more products to your existing customers, not by continually hunting for fresh clients. We are all creatures of habit. Provided we've had good service we tend to go back to the same supplier. All the volume motor manufacturers, for example, like to cover the range, from cheap small car to luxury saloon, in the hope that the purchase of one model will lead to another.

It takes money to keep hunting for more names to influence through promotion and advertising. How much simpler to mail out fresh opportunities to contented known customers who may come back and buy more of the same or some of a similar product.

The openings are there but how many take them? Think of all those firms sending out monthly invoices and never using the same stamp to push more products. All it takes is a handbill and an order form. I have a monthly account with an oil company and its statement arrives every six months. I happen to know that it also owns a hardware store, garage and gift shop, but the company is very shy about letting me know what bargains are on offer.

There are a number of areas where businesses could exploit their existing direct links and make more money:

1. Technical reps doing service or repair work. Are they trained to sell? Frequently they are in the best position of all to generate further business. I am often amazed to see businesses firmly divided between sales and service staff. Is there not common ground here?
2. Always looking for add-on products to sell. The electric drill ushered in a range of labour-saving devices from sanders to polishers, lathes and circular saws: it's the attachments that make the money. Make the first purchase – the drill – and you will be hooked on all the accessories till you have a complete home workshop. Try to get people to buy a set. Franklin Mint does this with china plates, spoons and thimbles. Collectables.
3. Anything related to return coupons or guarantee cards gives a ready-made bank of names. Mail out something that will harmonise with the original product.
4. Any business that regularly mails out statements or newsletters. If you are really stumped for offers sell the facility to others.

Where the profit lies

The only reason for adopting a direct approach is to make more profit. The response to direct mail is often quoted as between 1 and 2 per cent, although even my puny efforts have helped to generate 17 per cent to DIY outlets. A return of ½ per cent can be perfectly profitable if the unit cost is highly priced. The response rates are therefore basic to the whole operation. One of the major attractions of direct mail is that your costs are easily calculated. You can get quotes from printers, designers, list owners and packers. Postage costs are known. The only variable is the response rate: but you can test a representative sample and predict the eventual profitability. Everything can be varied and tested: your offer, the goods, the audience and the price. You are in control, dealing direct with your prospect.

A comparison can be made with selling through distributors with their margins and promoting direct. Whichever method is adopted, and it may well be a part combination of both, aim for a long-term strategy. No one expects you to make a profit from your first mailing as you are initially looking for customers you can sell something else to. Your first response costs will be high as you are looking for customers with the right needs. Successive mailings that have been honed to converts will be considerably more responsive. This is where the profit lies.

Off-the-page advertising

The mail order industry is dominated by the catalogue companies, GUS, Freemans, Littlewoods, etc. Around 90 per cent of the market is cornered by these lavish producers of home catalogues and something over 80 per cent of the sales are on credit.

As the cost of colour printing has reduced and computerisation has made life simpler, the mail order catalogue market has become much more specialised. I have before me catalogues covering kites, cooking accessories, quality paper, educational software and shoes. There are now many opportunities to exploit specialist areas and develop profitable businesses. If every customer's order is broken down into a multitude of data – age, sex, size, colour, fashion, use, etc – you can buy in or make an item that you can mail out specifically to that niche of the market. Wastage is cut to a minimum and you develop a very close and profitable relationship.

Let's look at where many small firms start off – selling 'off the page' from small space ads placed in special interest magazines or the more general *Exchange & Mart*. The national newspapers have their own truncated version in their 'Postal Bargains' slot. They all present the chance to reach millions of readers at a moderate cost. But whether they pull or not is up to you. To summarise the drawbacks first:

1. Black-and-white newsprint gives limited scope for creative ability.
2. The space allowed in many of the slots is not sufficient for products that require a lengthy explanation.
3. Space is often booked well in advance, particularly near Christmas.
4. Quite rightly, you have to abide by the codes of practice that cover mail order advertising, but practices seem to differ between papers.

The Safe Home Ordering Protection Scheme

All adverts that ask for *money in advance of the goods*, with the exception of classified ads, must conform to the Safe Home Ordering Protection Scheme. It is there to protect the customers' money in the event of the advertiser's failure. The details to be submitted are:

1. Latest accounts.
2. Bank reference.
3. Stock levels – to convince them you will not forward sell.
4. Advertising agents.
5. Details of the advert and product.

It should take no longer than a month to gain clearance. You will then have to pay a fee to the common fund based on the advertising costs.

Full details of the scheme are available at www.shops-uk.org.uk.

How to increase your sales from small ads

Small ads are a popular medium for new small firms, but so many expect too much from a modest expenditure. A national paper will charge around £100 for a space not much bigger than a large postage stamp. Strangely enough I haven't yet found a paper that has researched the response to its own columns. My own small sample suggests that you can expect at best 30 enquiries for each insertion, and this is from a Sunday paper with a circulation of over 1 million copies. It is therefore vital that your sales forecast is realistic. As you are required to deliver the goods within 28 days of receiving the order it is obviously important that supplies are to hand. Some golden rules for successful small ads are:

1. Don't cram too much into your copy. Go for one *headline* that proclaims your main selling benefit.
2. Use a good illustration. Because of the cramped space in this instance a line drawing is probably better than a photo.
3. Give clear *instructions* on how to order – include a web address and/or phone number.
4. Always give a cast-iron *guarantee* – 'Money back if not delighted.'
5. Timing is very important. Most small ad sales are impulse purchases, so take account of seasonal influences, weather, holidays, etc.
6. Always state the *price* and keep postage as a separate item.

7. Quote the *delivery time*.
8. *Avoid box numbers* – response is poor.
9. Key your ads so you know where the response is coming from.
10. *Avoid fragile items* and ones that require elaborate packing.
11. Make a good *offer* – ‘Buy one, get one free (BOGOF).’
12. Sell one of a series. *Avoid isolated products* that do not lead to further desirable items.
13. Refund the cost of a *catalogue* by knocking it off the price of the first order.
14. Don’t be too ambitious in going for high-priced items. Keep your promotion in the lower range. Once you’ve got your prospects hooked tempt them with your de luxe items.
15. Advertise in papers and magazines that carry a lot of small ads with, of course, similar products to your own. Don’t be a trailblazer.
16. Allow for the use of *plastic money* – MasterCard, VISA, etc; 60 per cent of the eligible UK population now hold a credit card.
17. Handle all *returns and complaints* promptly. Dissatisfied customers can quickly get you into bad odour with the journals, apart from being bad business ethically and commercially.
18. If space permits, always use a *coupon*.

You’ll get your fair share of loonies – ‘Mickey Mouse’, ‘Madonna’ – of course. The harder ones to spot are educated children filling in for things they *would* like.

When you’ve been at this lark for some time you will develop a nose for the spurious enquirer. The postcode will be wrong or the franking on the envelope does not marry up with the reader’s address. Keeps you on your toes.

Monitor for results

Log all your returned and keyed coupons plus all your telephone enquiries in a *sales enquiry book* or on computer. Columns should be ruled for every method of promotion you undertake so that a check can be kept on advertising expenditure. Make sure you include ‘personal recommendations’.

You can check response in a number of ways:

1. You ask. On the phone after taking details say, ‘Oh, by the way, how did you come to hear of us?’ Most people are only too pleased to let you know.

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2. Keying in all your ads (see below).
3. Printing a line of boxes on your order form, one for each medium.

It will be very helpful if you would please indicate where you saw the advertisement:

- Exchange & Mart*
- Radio Times*
- Practical Householder*
- The Observer*
- I am an existing customer*

Watch the conversion rate. One ad may pull a lot of enquiries but few orders. Prune accordingly.

There is always the problem of ‘Do I ask them to write for a brochure or do I ask for cash with order?’ The decision will depend on the nature of the goods, their price and the space you have booked. Many people are reluctant to send cash to new, unknown firms.

Only small ads are exempt from the Safe Home Ordering Protection Scheme. Display ads that ask for money direct with the order are subject to contributions to the fund. All but cheap, simple items will have to be fully described by means of an illustrated brochure. Colour can then add impact.

Learn where your response comes from

Before you start you rarely know the perfect place to advertise. All successful mail order operators *key* their ads. Place a code in your coupon or ad and monitor the replies. The address can be slightly varied, even misspelt to indicate the source, as long as the post office can deliver. People tend to copy exactly what is printed. For example, if your address is 14 Castleton Street, use Castletown instead. Invent a mythical person to which the reply should be addressed: Miss North for *Guardian* readers or Miss Moon for readers of the *Sun*. Use different e-mail addresses or 0845 numbers. The clumsy way of doing it is to use ‘Dept ST1’ for *Sunday Times* or ‘RT’ for *Radio Times*, etc.

Once you can afford a large ad include space for a reply coupon. Research has shown that it undoubtedly increases response by at least 20 per cent, and the larger the coupon (within reason) the better the response. Many people just cannot write with small letters and I despair sometimes at the tiny space some

advertisers allow for a lot of information. Use a coupon to invite prospects to send for your leaflet (with no obligation); that gives you more chances to spell out the appeal and benefits. If you make the coupon attractive there is more chance of it being filled in, then and there. It saves hunting for paper and envelopes and encourages action (back to AIDA – see page 196). The position of the coupon is important. Print it in the ‘gutter’ or fold and it is more difficult to cut out. Ask for it on a bottom corner. Make sure that your address is printed on the coupon *and* the ad, as once it has been cut out there is no record for the buyer.

At the time of writing, Google Maps has not yet launched their coupons scheme in the UK, although it has been running in the United States since 2006. Visitors clicking on a business are directed to a ‘money-off’ page from which a coupon can be printed off. A nice marriage of on-line and off-line promotion. Run in partnership with Valpak – a big player in coupon redemption.

Test your packaging

Packaging can be an expensive item in mail order. Ask your packaging wholesaler to call and try out various materials, posting them back to yourself. Experiment with corrugated, tri-wall, bubble pack, polystyrene, polyurethane foam and all the other materials now available. For small packs and fairly low volumes you may find a trip to your local box maker fruitful. You can probably pick up ‘offcuts’ and make up wraparounds yourself. You can waste a lot of time on inefficient packing, so gear up properly for it. Set aside a separate packing area with plenty of clear flat space. Suspend your rolls of paper and card in position over the bench and use dispensers for parcel tape and string. It’s still hard to beat rolled newspaper to fill up corners in packs. See also page 127.

Dream up an enticement

Mail order definitely works better if you put in a good offer. In the adman’s phrase, always work for ‘perceived value’. Your offers can come in many forms:

- ‘Buy the set and get a free travelling case.’
- ‘Buy two sheets and we will include a pillowcase – free.’
- ‘Bring your film to us and get your next one free.’

The attraction for the supplier is to encourage loyalty, a higher value per sale, probably no extra packaging and paperwork, and continuity.

The real secret

Don't expect to make money from your first promotion. The hard part is landing your first fish, finding customers from all those prospects. Once you have isolated what may well be under 1 per cent of the readership go on and sell them something else. Your conversion rate to this second mailing has to be significantly higher. If it isn't then you haven't chosen your sequence of products carefully enough.

Aim at least to break even on the first sale: profits will follow on.

How to choose the right product

The national mail order catalogue companies can sell virtually anything, from coats to cookers. Without having the name, credit terms or advertising muscle, small firms are necessarily restricted. The most successful items for those with limited resources tend to have the following attributes:

1. *Uniqueness* or at least rarity; an item that is not generally available in the high street. This attribute could be either because it is a minority interest (cigarette cards) and sold only through a few specialist shops, or it is custom made to order. Its scarcity makes it desirable.
2. The price asked could be more attractive than the high street offering. Usually it is not a wise move to rely on low margins to shift mail order items.
3. Easily packaged and transportable.
4. Does not need to be *demonstrated*.
5. The attraction can be described within the limitations of a small space ad.
6. Fulfils a genuine consumer *need*. There is a ready-made market for the product. The reader should be saying 'Yes, I could do with one of those.'
7. It is a *proven* product. You won't be troubled with unreliability and consequent returns, replacements and refunds.
8. A large demand (if you're lucky) can be met quickly. Fashionable and trendy items seem particularly vulnerable on this score. Computer games software, kids' toys and whatever pop group is flavour of the moment can generate huge unforeseen demands, to the discomfiture of the supplier.

Beware of components that have to be imported. When does the next boat load get in? Some are also subject to import restrictions.

The acid test

Garnering requests for leaflets is one thing, converting them to orders is more difficult. Many small firms find it relatively easy to get a respectable response but fail to secure profitable orders – closing the sale. It is the *conversion* rate that is vital. Perhaps your leaflet is not attractive enough, the order form is confusing or inhibiting, or the product offer does not live up to your original claims.

Whatever you feel may be the reason, you *must* find out. Ring a selective sample and politely ask when you can expect an order. The replies should put you on the right track.

Alternatively, your original ad may be too imprecise and appeal to too wide an audience. By drawing the appeal to a more select segment perhaps you can cut out some wastage. Charging for the catalogue, to be refunded on first order, often does the trick.

Why direct mail can be so cost-effective

It might be thought that with such high penetration of the internet, direct mail has had its day, but far from it. The average UK household receives significantly less mail than in the United States and web usage is higher there than here. Most progressive firms have realised that a web presence and direct mail complement each other. New offers can be highlighted in a mail message with encouragement to order on-line. They are mutually supportive. Home shopping catalogues are still big business, with customers still preferring to handle and browse the printed page. (For more on this area see www.catalog-biz.com.)

Yes, I am talking about junk mail, yet handled sensibly and with some imagination it can be the most cost-effective tool with which to expand your business. So why has it got such a bad name, where does it go wrong? Maybe because it is:

1. Impersonal.
 2. Puerile.
 3. Wrong subject matter.
 4. Of no benefit.
-
1. The essence of direct mail is that one person – the seller – is making a *personal* approach to one identified recipient. Anything that dilutes that mystique lessens the impact. So letters addressed to ‘Dear Sir/Madam’

or even ‘The Occupier’ get scant attention. Even letters addressed to ‘Mr Stationery Buyer’ or ‘The Managing Director’, though they may have identified the position, are one step down from a unique individual.

Time and money spent on identifying that named individual with his or her job title are never wasted. A list of 500 named individuals, personally addressed and individually signed, is better than a 5,000-name bought-in list of job titles. Quality not quantity.

2. Most sales letters I get treat me like a moron. ‘Your numbers have already passed the first stage and you could win a new yacht.’
3. Invite me to sales seminars at exotic London hotels at only £350 a day.
4. Offer me a free pen rather than say why I should tie up £100 a month for the next 20 years.

Direct mail’s major and unique advantage is the ability to pinpoint your prospect exactly. It’s the rifle rather than the shotgun approach. If you can draw up a list of all the people who might be users of your product and send them a *letter* explaining what it is, you have eliminated much of the waste of space advertising.

However, life or selling is not that simple. I once asked an architect friend to save all his post that fell into the direct mail category over a three-week period. (I presume that architects and doctors probably get as much as anybody.) It came to about 10 pounds in weight (it is only a small practice). Around 70 per cent was of no relevance at all as it was directed at surveyors, structural engineers and other professions. The senders had not even tried to understand what architects were responsible for. There were several instances of duplication and, in one case, triplication of the same promotional material.

Success springs from your list

The first rule of marketing is to identify the target audience. Spend as much time on compiling your *list* of prospects as thinking about what you want to say to them. It is *that* important because the right message to the wrong people is money wasted. That list, once you have struck the right profile, is your most valuable commodity.

Lists are by definition collections of names, of real *people*, with a common interest, be they stamp collectors, vintage car enthusiasts, chemists or timber importers. If you always think of them as people and not just addresses all your promotions will be human.

Direct mail is a huge and expanding industry in its own right and there is a very good chance that someone already holds the list that you want. But there are pitfalls in using existing lists. We live in a fluid world. The national average for moving house is once every eight years, with regional variations. Putting it another way, a list of householders will be 12 per cent *inaccurate* in a year's time. The commercial world is not much better: hundreds of businesses a month close their doors – either through liquidation, merger or because their owners have had enough.

You can build your list from a variety of sources:

1. From your own internal records.
2. Compiled from publicly available lists in yearbooks, directories, *Yellow Pages*, etc.
3. Bought-in lists from databases or list brokers. These are specialist agencies which deal solely in tracking down and renting or selling mailing lists.

The most productive list will be your *own*. You are sending out a proposition to customers who already know you and have dealt with your staff and products before. Concentrate on these first. Work through your sales ledger, exhibition visitors' book, reps' leads, enquiries to ads, guarantee cards – any source that will yield names and contacts of relevance. Never throw away a name.

If your own list is not big enough or you want to expand, there are several directions to pursue. Look in the *Directory of British Associations* and *Current British Directories* (see Chapter 2) for leads. Some association secretaries will rent out their list of members or you can, somewhat laboriously, copy out the list you want from a library copy. Most of the lists will probably already be held on a computer file somewhere. Your list broker will find out the details.

The magazines *Direct Response* and *Direct Marketing Guide* (both published by Haymarket) will give further clues. The *Yellow Pages* databank for the country is available for trades and industry in 2,700 categories. You need not order names for the whole country but can split down precisely to post code districts. (www.yelldirect.com)

Many journals will rent out their circulation listings. This is usually a reliable source as readers tend to keep the publisher advised of changes of address.

Compiled lists can cover literally everything. You can even rent a list of wealthy people. Consumer and industrial lists are built up from a variety of sources. A consumers' list could be nothing more refined than the electoral roll split up into districts. Some are often replies to adverts – enquirers rather than purchasers – though you can get access to these as well.

Another way of acquiring names is to exchange an agreed number of yours with a similar product held by another.

The Data Protection Act covers what the Information Commissioner's Office (www.ico.gov.uk) quaintly calls 'marketing by post.' This includes telesales, (Telephone Preference Service), Fax Preference Service, and e-mails whereby you must 'give them the opportunity to opt out of receiving further marketing messages each time.'

As a holder of mailing lists (a data controller) you must register with the Information Commissioner via their website: failure to do so is a criminal offence. The annual fee is £35 at present.

What to ask before ordering a list

1. Is it available for rent or to buy? *Yellow Pages* will rent you a list for one time only, not *sell* it, ie not for continual reuse. However, a reordering for up to six postings can be done at 50 per cent of the cost. There is now an increasing trend for more lists to be sold outright rather than rented – probably due to policing problems. Many list brokers will sell you lists. It is usually the original list holder – and the most up to date or in demand – that still rents. Control over rental lists is exercised by *seeding* with hidden names who will pass on sales literature.
2. *Costs*. The market seems stable at about £90 per 1,000 names to buy – but watch for the add-ons. There is often a minimum charge of £300, and extra costs for having it on disc – probably £40 – telephone numbers, delivery (£30 from one firm I would love to name). Make sure you are aware of all the extras. Delivery times are often poor. Allow two to three weeks. It is normally extra for named individuals rather than job titles. Exceptionally, you will be asked to pay much more. One NHS-based list holder wants over £300 per 1,000 – but claims every name is authenticated regularly, and the potential sales value of selling capital equipment into NHS Trusts is large. Needless to say, haggle.
3. For what purpose was the list compiled? It will be helpful to find out the source of names, when they were last mailed and how up to date the information is. For example, a list of rose growers could be taken from the circulation list of a gardening magazine, the enquiry list to a rose advert or postal buyers from a specialist nursery. Are they lists of enquirers – box tickers – or actual purchasers?
4. You want to be reasonably happy that 'gone-aways' have been removed. One major problem is that the Post Office will not guarantee to return

gone-aways if posted second class. If any user mails first class the subsequent returns could dramatically clean the list.

You can try printing the return address on the envelope but this can deter people from opening it: 'It's only a circular.' Check what the terms of any refund are. Some will refund only for more than 8 per cent returns – a pretty expensive exercise.

Duplications are sometimes rife. Apart from the waste of money many people are so irritated to receive several requests from the same source that they won't buy even if they like the offer.

Make sure that the broker has cleaned the list against the MPS (Mailing Preference Service), PAF (Postcode Address File), de-duplications, gone-aways and deceaseds (though you will never achieve 100 per cent). As it is the responsibility of the supplier under the Data Protection Act, you should gain better service from using a Direct Marketing Association registered practitioner.

5. What size *sample* can you test? There's no point in sending out thousands of your expensive mailings to a bought-in list till you know that the profile is *your* target. Test response by sampling a smaller number first. List holders will stipulate differing lower limits: under 1,000 names is statistically unreliable. Many would go for 5,000 if you are aiming for say 50,000 and above. As the national response is between 1 and 2 per cent you have little to judge on if few reply: you could easily jump to the wrong conclusions when you come to roll out the remainder. Some companies try and set a foolishly high minimum sample, but always haggle. You don't need to mail 7,000 to find whether it is going to work or not.
6. Try to find the *price bracket* that previous prospects were mailed. Response will have differed if it was a £10 or a £100 offer.
7. Is the list by firm, job title, or named individuals? Response is always better if the mailing is to a specific person, though you do want the job title as well.
8. Standard issue is sticky labels; better is availability on disk.
9. Some lists are not available to competitors. Find out the restrictions before you get too excited.
10. The world can be divided into those who buy by mail order and those who don't. You will get a better response from a list of actual *buyers* than coupon redeemers or competition entrants. It's a case of finding the most potentially responsive audience and, by extension, lists that are mailed frequently generate more response than those that are left to slumber.

11. Finally, you will want to know how long it will take to get your list after ordering so you can prepare your brochures and sales letters in readiness.

Regrettably the growth in the direct mail industry has spawned some dubious list brokers who see this as the latest way to make a quick buck. As in so much of life make your own enquiries and form a common-sense judgement of the firm you are dealing with.

Lifestyle lists

Industrial databases are readily available with many accurate sources. Quite simply, the numbers are much smaller – but companies don't move around as much as individuals. The consumer market is more problematical. The dream of every direct marketer engaged in consumer goods and services is the ability to target thousands of prospects in their homes. The combination of masses of data held on all of us and sophisticated computerisation has theoretically brought this to pass; this has come to be known as a lifestyle database. First attempts were made in identifying areas of the country by using the argument that householders in a street in Surbiton would have the same disposable income as one in say Harrogate or Pembury. Overlay that with the electoral roll and you have 20 million households to play with.

Going beyond that we have a different approach by a company like Experian Ltd (www.experian.co.uk), which has built up millions of names by extracting data from either guarantee cards returned when we purchase goods or filling in consumer questionnaires. It claims many millions of names and the ability to pinpoint, for example, 547,000 golfers, 101,000 motorcyclists or 507,000 home computer owners. Overlay that with an income bracket and/or number of children and you should have a closely defined target list. All with names and addresses.

You can also give Experian a selection of your own customer profile and it will marry up to thousands of its own to produce at one swoop whole libraries of new prospects.

This all sounds very wonderful. My own admittedly limited experience has been disappointing. I suspect that these firms have generated millions of box tickers, rather than potential purchasers. The difficulty is that there are so many variables – including your own offer and timing – that it is hard to evaluate scientifically. There were also a higher proportion of Post Office returns than I would have liked.

What do you send?

You should send a prospect at *least* four items:

1. Your sales letter.
2. An illustrated brochure or specification sheet (may be fax-back if to business).
3. Order form.
4. Return envelope; reply paid if you are mailing the home.

Depending on your product and purse this list can grow to include a sample, catalogue, testimonials, competition or giveaway. If you have a fertile mind direct mail is where you come into your own.

I have come across plenty of firms which go to some trouble to design a nice brochure and believe all they need do is to mail it out, the 'If they want to buy they'll contact me' approach. It doesn't work like that. People need persuading and to get results you have to make it convenient for them to order.

The most important of the four essential items is your *letter*. It is perhaps no more than convention that we communicate by writing a letter, but if it works, why pioneer? Each part of your mailing package requires careful thought and planning as every piece can contribute to the response. But in turn it can also provide traps for the unwary.

Presentation

It is essential that your readers form a good impression of you. Photocopied letters are therefore not acceptable.

Poorly printed letterheadings, indifferent paper and bad spelling are really unforgivable: most important is to spell the prospect's name, firm and address correctly. We all get a little irritated when we receive letters incorrectly addressed: it's that old word 'courtesy'. Forget that you may be sending out 5,000 letters. A mailing house will laser print and match in the letter and envelope. The more personal your communication looks, the more chance you have that it will be acted upon.

I have heard of one very successful firm that actually hand writes all its direct mail envelopes – all 20,000 of them. It has had complimentary letters back: 'How nice to get a personal letter.' But that is for the consumer market.

Avoid brown manilla envelopes, at least for the outer pack. They look cheap and nasty. Self-seal envelopes, although dearer, save time if you are sticking by

hand. Window envelopes save typing the address out twice. The envelope can be a creative weapon as well. It should look exciting and inviting. Some part of the offer – a teaser – can be printed on the outside and you may find it worthwhile experimenting with different colours. With all direct mail promotions I try to put myself in the recipient's position, with perhaps a host of other mailings to be opened. You have to make yours stand out and receive that extra bit of busy people's time and attention.

How to write effective sales letters

The major drawback to using direct mail is that many others use it too. It has lost its novelty. Although it is true to say that most mail is opened (over 95 per cent, research suggests), you have only a few seconds to make an impact. That is the decision time. It is that *first glance* which will determine whether the reader is hooked enough to carry on and absorb your proposition or it finds the wastepaper basket.

Your headline or opening sentence must spell out a major benefit and answer the reader's question, '*What's in it for me?*' This really is the key to successful direct mail and is why the national average for response remains obstinately at 2 per cent.

Make sure the user benefits are spelt out early in the letter.

Think out the objective

You must be clear in your mind what you are trying to do. Are you trying to get direct orders or simply elicit enquiries for personal visits? Are you announcing the opening of a new shop, inviting competition entries or magazine subscriptions? The style of your letter must reflect the task in hand. Don't ask too much of one letter: you may need to do it in two parts.

Long letter or short?

Two factors determine this question: your audience and the product. On the assumption that few businessmen have time to read a two-page letter it seems folly to deter them with 1,000 words of type. It is far better to use the letter as a prelude to a personal visit or to back up an illustrated brochure or sample. Let pictures tell the story.

Mailings to the household tend to be longer as your audience has more time to digest your pearls of wisdom. Never write more than you need to, however. Padding is a turn-off and people will read only as long as their interest is held.

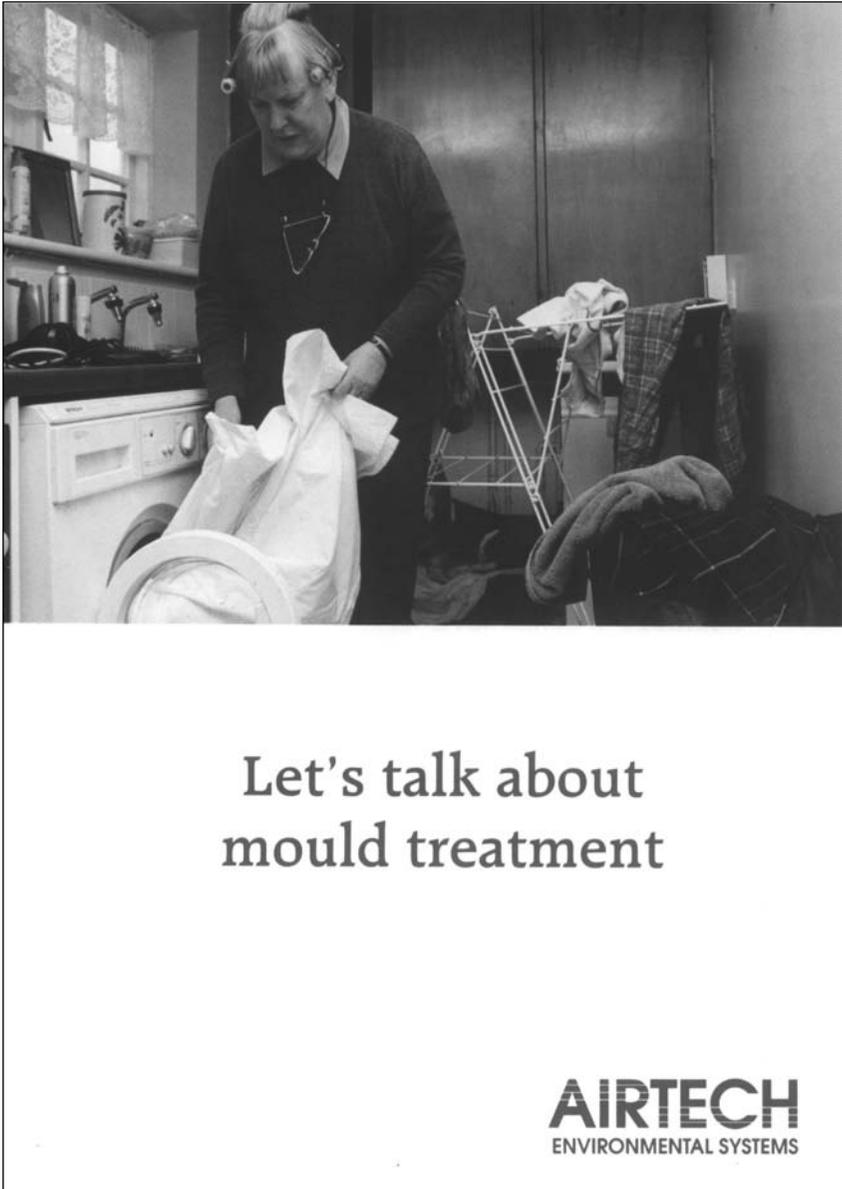


Figure 5.2 Cover of a mailing leaflet aimed at local authorities with condensation mould problems. Most firms in this field just show pictures of mould. This is a different approach that would at least attract the reader to open up the leaflet.

What do you say?

Think of your audience and write as if you were speaking face to face. This must be the essence of all good communication. Leave your high-blown phrases and contrived jargon behind and use simple, direct English. The letter must flow and lead the reader along. The techniques to use are not particularly subtle or devious. Avoid long sentences and keep to one theme per paragraph. To keep the reader hooked, carry on one idea to the next paragraph by using open-ended questions or statements, for example ‘Why do you think Rolls-Royce used Connolly leather?’ and then answer it in the next sentence.

Be *factual*. Opinions are always suspect. State what the product will do in terms of performance and translate this into user benefits. Always write looking through the user’s eyes, as though he or she already has possession. If you stick to the facts you must carry conviction, which is the most important quality that can shine through.

As with all advertising, the misuse of overworked words like ‘unique’, ‘fabulous’ and ‘extraordinary’ will produce the opposite reaction in the reader’s mind. Legitimate buzzwords like ‘new’, ‘free trial’, ‘money back’ should certainly be employed in their proper context.

Always be *sincere*. I have never believed that the American style of salesmanship – ‘Have a nice day’ – can cross the Atlantic, with all its overblown bonhomie.

We all believe the BBC news because of the simple, direct way of broadcasting. There is no arm waving or histrionics. Contrast that with some of the tabloids’ methods of presentation.

Give a reason to act

Having aroused interest and desire you must then give a *reason* for action. The hardest thing to achieve is an immediate response. Unless it is done *then* it won’t be done at all. The most telling way to open your letter is to make the reason for your offer: ‘limited stocks’, ‘pre-budget’, ‘end of range’, etc. Remind the readers again at the close and give them a strong reason for making contact.

Don’t forget the PS

I don’t pretend to understand why, but everyone reads the PS. Maybe because it stands alone. Surely no one really believes that you rushed back to the printer and asked him to squeeze in an extra vital point before he went to tea? No, but the PS can work for you as well as the opening benefit.

Drayton Bird in his excellent book *Commonsense Direct Marketing* quotes a

lovely example of the value of the PS. On his first mailshot to Bullworker prospects he received a 10 per cent response. An American, Bernie Silver, showed him how to pull more: *'How many units have you got in the warehouse?'* *'About 300'* was Bird's estimate. *'Great. Write a PS and tell them that's all you've got, so they should reply now.'* He did and the response doubled.

What else can you send?

The more pieces of literature you can send the more chances you will have to make a sale. But watch the postal steps. Most people will pick each piece up and scan it, no matter how briefly, which gives a further 'opportunity to see'.

Unless you are launching a brand-new product you should be able to include some testimonials from satisfied customers. Reprint their actual letters exactly as received – spelling and all. It carries more conviction. (You must get their permission first, of course.) An endorsement from someone else means much more than if *you* are saying it.

Direct mail lends itself to imaginative treatment. An American fire insurance firm mails letters looking as though they've been scorched.

A stain-proof contract carpet has been sold to architects by sending a 4-inch square sample with a sachet of tomato sauce. They are invited to spread it (spatula provided) on the carpet and then wash it off under a tap.

Two-part mailings can be done in the same way. I'm hoping a local sedimentation expert I know will be mailing consulting engineers with a small plastic bag of sea sand, asking them to identify it. The second posting will bring the answer and offer his services for pollution and scour prediction.

One of the more imaginative uses of direct mail has gone down in history as the Ida Clackett letter. The letter was written in a childish hand and said:

Dear Mr Manager,

I am writing to you because I'm your cleaner. I was in your office and saw a lot of papers on your desk and they meant nothing to me but when I was in the pub last night a man said to me I'll give you £500 to borrow your keys and go in. I don't want to do that, I don't think that's right but five hundred pounds is a lot of money.

(Signed) *Ida Clackett*

A few days later a rep called from Ofrex, a shredding machine company.

You can use direct mail to send out keys, only one of which will open a safe on your premises at an open day, or start a new car, etc.

There are those ads that work...

your Baby's shoe silver or copper plated

Baby shoe, Ballet shoe, Wax items
Horseshoes, Dog collars, etc

Each Baby Shoe
Copper plated **£45.00**
Silver plated **£60.00**
inc p&p

Send payment with shoe
Allow 28 days approx.
for delivery

Tel/Fax: (01822) 810718
www.silvershoe.co.uk
Cheques payable to:

Silvershoe
Dept 4
Old School House
Hillbridge, Peter Tavy
Tavistock,
Devon PL19 9NB



Figure 5.3 (left) Nothing missing here.

Accidents happen- but ServiceMaster can Help

Call ServiceMaster for a beautifully fresh and deep down clean for your carpets, curtains and upholstery.

ServiceMASTER Clean

Freephone 0800 731 1714
www.servicemaster.co.uk



Figure 5.4 (top right) Use kids and animals and you can't go far wrong, while Figure 5.5 (right) has a nice bold headline. I like Figure 5.6 (bottom right) for its punnish message and Figure 5.7 below uses the tried and tested 'before and after' technique.

STOP SNORING TONIGHT!

Designed to hold the lower jaw gently forward so opening the airway, the SnorBan mouthpiece lets you breathe without snoring. The snoring stops.

**FIGHTS DAYTIME FATIGUE
INCREASES OXYGEN INTAKE
EASY TO WEAR & FIT
30 DAY REFUND IF NOT SATISFIED**

£45.00 inc P&P

To order visit www.snorban.co.uk or 01243 572993



Shape up without surgery

From fat to flat

Before After

- Targets fat burn from the stomach.
- Inch loss with every session.
- Winner of a six pack in Six Weeks (Mens Health above).
- Championed by celebrities worldwide including Robbie Williams (autobiography FEEL).
- Used by men and women.
- Session price £85

VACUNAUT - The worlds premier active therapy to achieve fat loss from your stomach and waist in minimum time.

Email: sales@hypoxitraining.com
Tel: 00 44 (0) 870 414 6969

HYPOXI
www.vacunaut.co.uk



Get hot & sweaty with your Valentine this weekend!

FitnessFirst



... and some that fall short

instinct
TECHNOLOGY

INTERREG IIA

NORTH WEST INSTITUTE
OF FURTHER AND HIGHER EDUCATION
www.nwi.ac.uk

Project part financed by the European Union

Have you ever seriously considered computer gaming technologies as an industry? You may be interested to learn that the UK games software market grew to around £1.5 billion in 2005 and has a forecast growth of 38% by 2010. Also, at the October 2006 BAFTA awards it was pointed out that in the UK computer games generated an export value of £488 million in 2003 compared with £256 million from the much higher profile UK film sector.

Until recently there have been very few specialist computer games development courses on offer at any of the universities, Further Education colleges or Institutes of Technology in the UK or Ireland, resulting in a skills shortage within this industry. This shortage is now being addressed by more than 50 educational establishments who now offer courses catering to the gaming industries needs.

In the border region of the North West of Ireland a unique partnership between the North West Institute of Further and Higher Education (NWIFHE - Northern Ireland) and Instinct Technology (Republic of Ireland) was established with the assistance of the European Interreg IIA programme. Instinct Technology is a world-leading technology development company. The company's main area of interest is the video game development market, for which it has created 'Instinct Studio' - a suite of software tools designed to allow game creators to produce state-of-the-art interactive products.

NWIFHE was the first educational establishment in Ireland to create a higher level computer games course; the course co-ordinator, Mr Robbie Hegarty, worked closely with Instinct Studio to create a unique approach to teaching the skills required by graduates in this area. This opportunity - made possible by intervention from the Interreg IIA programme - has allowed Instinct Technology to showcase their unique toolset said Michaela Gibbons from Instinct Technology.

"The students get a real buzz knowing that they are using a piece of software created by a company with the likes of the computer processor manufacturer - AMD - and computer game physics company - Havoc - as clients," said Robbie.

For information regarding the software or the computer games course please use the contact details below:
Contact Details : michaela@instinct-tech.com; robbie.hegarty@nwi.ac.uk

Figure 5.8 (left) Oh dear: no headline, reversed type, lots of confusing messages.

Figure 5.9 (below) This ad using a paint can mystifies me. A full-page colour ad for an estate agents that has no contact details, no benefits... nothing at all.

Crisp Cowley

COLOUR

FOR BEST RESULTS:
Apply to properties in Bath
and the surrounding area

Commercial | Residential | Sales | Lettings

Figure 5.10 (right) The ad, shown here at actual size, is illegible.

Surroundings
Furniture & Interiors

The shop includes solid Oak, Cherry and Pine Furniture, as well as a selection of contemporary carpets, lighting and interior accessories.

Figure 5.11 (below) A common error: placing the firm's name on top rather than a headline.

STANLEY PRODUCTIONS
www.stanleysonline.com sales@stanleyproductions.co.uk

- Convert all your home videos to DVD including old Super 8, 16mm or 35mm, even add music and photos
- Convert vinyl or cassette to CD, MP3 or other audio files for computer or web use
- All types of media available including Audio, Video, CD & DVD
- Full filming, video editing and DVD Authoring services
- High speed duplication services
- CD & DVD design and print services
- USA/ European video conversions

BUY ONLINE AND CHECK OUR LATEST DEALS

Other techniques

1. Provide emphasis by printing in two or three colours and underlining to bring out the main points.
2. Start saying 'I', move to 'we', finish with 'you'. Build a partnership. Change from the general to the particular.
3. Handwritten marginal notes, used sparingly, bring personalisation a bit closer. By handwritten I mean you should add a few words on to the original before printing.
4. Never put 'Dear Sir/Madam' or 'The Occupier'. Avoid the salutation altogether by starting off 'Good Morning'.
5. If you are writing to a female audience try a tinted paper. Pink is supposed to be most effective. Or scented.
6. I don't believe it is so important to reply-pay the envelope if you are mailing business users. All mail will tend to go through the franking machine anyway, but if you are only mailing small firms then many will not have the luxury of such a machine and will be counting the cost and convenience.
7. The return envelope can be cheap manilla. There is no point in wasting money on incoming mail.
8. The outer envelope can work as well, arousing curiosity without divulging the contents. If you include a free gift or sample, say so on the outside. In effect it should be saying 'Open me'.
9. Make it easy for prospects to respond by enclosing a pre-printed reply card with all the alternatives listed:

Please send further details

Please make an appointment

I would be interested in months' time

Please send items on trial

Name Address.....

Phone

10. Use a separate order form. It should be just as nicely designed as the sales letter – after all, it is asking for a commitment from the prospects. Leave them in no doubt what to do, and when to use BLOCK CAPITALS. Design the form with plenty of space so that it gives you

minimum trouble in taking off quantities and checking. Print your address on this as well as on the sales letter. The order form should be coded so that you know from which mailing it was generated. There is sometimes a considerable time lag between mailing and response.

If you are selling a relatively limited range of lines you should print them all, including price, to encourage the prospect to order more. All he or she has to do is run down the order form and decide how many to order. An order form can be attractive as well. All too often this is left to last and given little forethought, but a moment's deliberation should remind you that this is the most important part of the psychological process. Your graphic designer can make this as inviting as the leaflet. Buying should be a pleasure and you can try to contrive a relaxed atmosphere.

Restate the terms of your offer and spell out what commitments you are asking the prospect for. Enclosing a second order form can also increase response. It can be passed to another colleague or member of the family or retained for future use.

The order form is a good place to ask 'Who else might be interested in this offer?' Recommendations to friends enjoy a much higher response than your original mailings (see page 160). A mail-back order or enquiry form also makes life easier. Print the e-mail address large as an inducement to adopt this procedure.

11. Always keep a record of what you have sent. How can you learn and improve if you don't record your mailings? When it comes to testing different ideas you will have lost the comparison.
12. Tie up with the main credit card companies. Offering credit increases results.

Testing, testing

The great advantage of direct response advertising over other forms of promotion is the ability to measure results quickly and directly. Change your offer and, provided your mailing isn't too small, you would expect the response to vary – all things being equal. You can test more than the offer.

1. Change the layout, headline, picture, position – anything of importance – to see whether you can pull in more punters, but only change one thing at a time, otherwise you won't know which one was the attraction.

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2. Split your mailings in half and vary the theme to see which is the more attractive. Repeat with a large mailing. If you're aiming for a very big posting it is safer to do a test sample again.

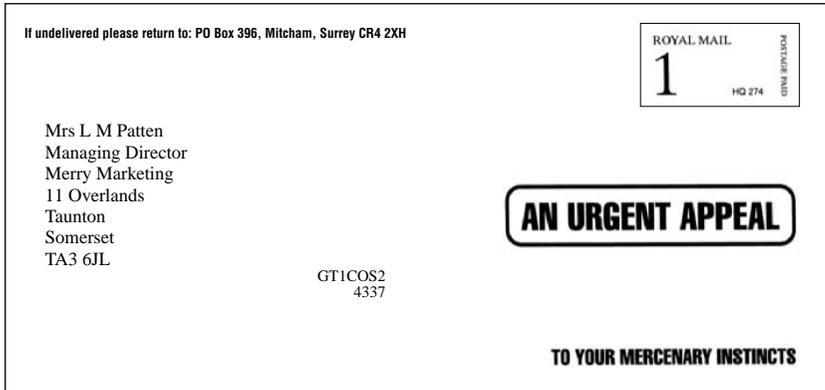


Figure 5.12 We get junk mail by the sackful. This is a delightfully honest way of getting you to open the letter, which was for grouptrade.com – an office supplies website.

When you are working on very low response rates a few either way can upset a large number of percentage points.

Test sampling with industrial users has to be more sophisticated to produce reliable results, as one user or specifier could be responsible for bulk purchases, whereas there are more private consumers but each buys less. All I suggest to a new small firm is to beware of jumping to hopeful conclusions on one small mailing. If in doubt test again. There is plenty of skilled advice within the industry to advise you on predictions and probabilities.

Why you should test

Much of advertising is hard to quantify. Exhibitions can be very expensive and often it is impossible to say what business has resulted directly from them. Display ads, unless you put in a coupon, will not let you know what has been achieved. The same goes for all the rest – posters, programmes, giveaways, diaries and the like. Direct response advertising allows you to form a judgement on the expenditure.



Figure 5.13 List cleaner. Front and reverse of Orange mailer that asks whether you want further mailings.

Testing, with its quick response, allows scope for adjustment to give you better value for money. Testing can prove your ideas. The most skilled agency in the country does not *know* what the public will buy until the offer is made. You are committed by then.

Test against a bought-in list

When you are in the mood for expansion and thinking of renting a new list of prospects, test a sample against the same number of your own. Your own list should give a better response for the reasons already indicated, but it will be a

good yardstick for comparison. Make sure that the identical offer is made to both listings and at the same time, of course.

How to test small ads

If the readership profile for two magazines is thought to be identical you can run two ads on the same day. Make an adjustment for circulation. There must be several fields of interest that are in direct competition, such as the present welter of computer, hi-fi and motoring magazines that are aimed at the same market segment. Probably the more trustworthy way is to alternate your ad in successive issues.

Instead of one big ad, try two smaller ones in the same issue. Putting a different 0845 phone number can also be revealing.

The great fascination about all advertising is that there is never one answer. We all think we know what makes a good ad, but the only measure of acceptability is whether it *sells*. And the only way to find out is to *test*.

The response you can expect

I've talked glibly through this chapter about the magic national average of a 2 per cent enquiry rate as if that were immutable. Every promotion is different. Even a ½ per cent actual order rate could be quite acceptable.

Promoters are naturally very reluctant to disclose what response they get to mailings but there have been many that have achieved higher than 15 per cent. The best I ever heard of was from a Post Office official who claimed to have helped mail to America, using First Day Covers and achieving a 50 per cent response.

You have to cover your costs and meet your objectives. The main point to bear in mind is that the results of your first mailing to a strange list will probably be marginal. Your second effort to the converts should be very much better. If it isn't, there is something very wrong.

Member get a member

MGM campaigns can be very fruitful. We all recognise that the best advertising is by personal recommendation and it's the same with direct response. It sometimes helps to offer a premium to the introducing friend when the new member places the first order. Your order forms should have a space for 'further addresses'. When sending on these requests always do a fresh personal letter:

if you've derived enquiries from that source. Divide your total expenditure by the number of replies to arrive at a unit figure.

The *reply* cost is the total amount spent to satisfy enquirers: more leaflets, stationery and postage.

The *order* cost is the grand total divided by the number of actual orders received. You are then in a position to work out your break-even position for each article. A critical figure is always your *conversion ratio*. Are you getting a lot of casual enquiries that fail to materialise into orders? Should you make the ad more explicit to deter these time wasters or make the reply mechanism harder by cutting out freepost? Or is there something wrong with your sales literature or follow-up procedure? Telephone research will probably reveal the answer in short order.

These are some of the direct costs involved. It is to be hoped that you will not be launching an unproven product. The upset could be *returns*.

Doing the sums

Because direct mail is susceptible to scientific analysis, let's now look at the mathematics. Take an example of selling a set of Victorian railway photographs to enthusiasts. There are many clubs and magazines, so lists should be easy to come by. The costs of producing leaflets, letters and the list rental may be £400 per thousand (including postage). Break-even is therefore £400 divided by the response rate to arrive at the cost per order, compared with the profit per order. To improve profitability you must either improve response rates or reduce the cost of the package. Assuming a 2 per cent response, the order cost is £20 per order. What you cannot ignore is the better response rate you should get from mailing those 20 converts per thousand. You should better 10 per cent, another two sales per thousand. If the pictures show a profit of £30, differing response rates alter the picture as shown in Table 5.1.

Table 5.1 Profit/loss of direct mailing

Response rate	1%	2%	3%	4%	5%
Orders per 1000	10	20	30	40	50
Cost per order	£40	£20	£13.33	£10	£8
Profit (loss) per order	(£10)	£10	£16.66	£20	£22

This makes no allowance for breakages or returns, some of which you may be able to use again. This simplified exercise, assuming a single mailing for one product, highlights the necessity of picking only profitable lines for direct response. As a general rule you should work on at least a 3:1 ratio. One-third the cost of product, one-third promotion and one-third profit. Anything less and you will be struggling. Many of the household names in direct selling that you see in the Sunday supplements rely on 5:1, as you will find out if you try to sell anything to them.

Growth areas

Industrial, or business to business, selling has greatly increased the use and sophistication of direct mail. Few small firms can afford the costs of employing a full-time salesperson (£40,000 and upwards a year including all the costs), so 'cold' calling is out. An increasing number of large businesses have also slimmed down their sales forces, relying on direct mail and technical journal coupon replies to solicit enquiries. Work it out for yourself. Few salespeople can make more than six worthwhile calls in a day, which works out at nearly £30 a call. As the generally accepted success rate is that one in seven calls produces an order, you can see that a well-planned mailshot must be more cost-effective.

Another growth area is in selling financial services and other intangibles. Since the privatisation of many key companies, lists of shareholders have opened up huge markets to reams of promoters for everything from home banking to penny share offers and insurance plans. You don't have to send brochures any more. The cost of software duplication onto a CD ROM or disk has plummeted and they are ideal for complex messages. Monotype, the font seller, for example, puts its catalogue of 4,000 fonts onto a CD ROM and in return for a payment will release the unlocking code over the phone. The advantages are obvious. The equivalent of whole catalogues can be sent out at greatly reduced postage costs and movement, colour and sound enhance the message. They are certainly a more flexible sales medium, with consumer magazines leading the way. The cost of duping PC disks is so little that trials can be cheaply undertaken.

Catalogue design

Despite the Internet, catalogue selling by direct mail is still a growth medium and you no longer have to have the resources of a Freeman's to grasp the potential.

But design sells, and it is important to get the basics right. Try to work through the following well-proven steps:

1. Work out a timed schedule to allow for product photography, proofreading, price checking, print run and delivery, and build in slippage.
2. The overall design must reflect the audience's taste (positioning).
3. Format and size: A5 seems to be popular for consumer, A4 for trade mailings. If going for unusual sizes check with your printer first – and the postal steps and envelope sizes.
4. A strong front cover, representative of the range, is crucial. It must say 'open me'.
5. Visually it must look attractive, but be easy to read. Avoid too arty a look or too many typefaces. Four-colour is essential.
6. Think benefits and headlines for each product. Keep it simple.
7. Put a best-selling line at the top right corner of the page – the eye looks there first.
8. Include an easy-to-use order form. Allow enough room for those with poor handwriting.
9. Go for the biggest run you can afford: most of the cost of producing a catalogue lies in origination. The unit cost for printing say 20,000 catalogues will be around 12 times the cost of 240,000 (inverse proportion).

Catalogue design is a complex and difficult job. Once you have got beyond a few pages I would suggest you approach a specialist in this field. Try catalog-biz.com for ideas.

Door to door

An alternative to selling off the page and direct mail is unaddressed door-to-door distribution.

There are several ways of arranging this. The Royal Mail itself can distribute your message along with the morning post. This is the most expensive yet reliable way (£35.00 a thousand). In some areas you will have to wait till 'free days' come up and there is little freedom of choice. It is of most benefit in rural

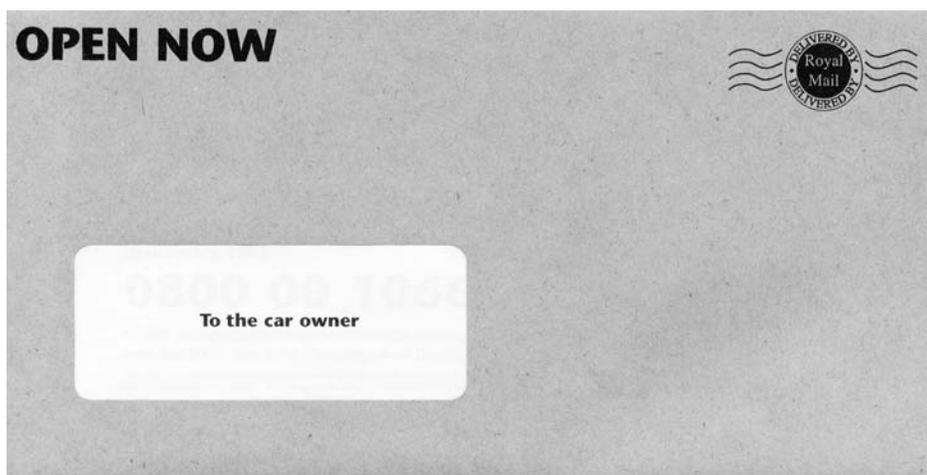


Figure 5.15 A door-drop mailer that's unlikely to be opened.

areas, where the time between houses is greatest. There is a minimum charge of £500 and delivery is made on postcode areas. The Royal Mail will send you details of the number of delivery points within each postcode area for you to make your choice. The average is around 2,500 for each code area. No deliveries are accepted in December for obvious reasons. I would agree with the Royal Mail's claims that your message stands more chance of getting opened and read if it comes with the post rather than cheaper alternative methods. See www.royalmail.com.

To find a distributor go to the Direct Marketing Association site (www.d2d.dma.org.uk). You will see there a list of 25 member suppliers together with various DMA research papers and a useful Royal Mail pdf guide on how to improve response. Costs will be around £20 per thousand for shared delivery, more if *solus*. Expect your piece to be inserted in the local freesheet, which may not be delivered to more remote areas.

If you have big ideas beyond your known locality various direct marketing agencies will match known householder profiles (PC-based ACORN for example) across the country that could generate hundreds of thousands of potential target drops but not necessarily replies.

There are also a number of national and often regional distribution organisation subsidiaries of newspaper groups. Your local newsagent (or I have heard of the milkman doing deliveries) may include a handbill in every *Daily Mirror* or *Times* according to your audience. Lastly, the local Cub pack is always looking for ways of fund raising.

While you do have the advantage of being able to pick your precise area, traditionally the response is very low – less than 0.1 per cent – and much worse than for direct mail. This is because most door-to-door advertisers seem to expect the vast majority of their handbills to be junked, with little thought that this can still be a cost-effective and profitable venture. Few of the leaflets I see use the back. Door to door can be almost as selective as direct mail in that you can choose the area of the town you want to attract and even individual houses, depending on their apparent lifestyles. A direct mail operation could cost you £400 a thousand names delivered, a door-to-door delivery just £60. Door to door is also a tried and proven method of sampling, traditionally for toiletries. I've not come across a small firm using this method, but for small areas there's no reason why it shouldn't be used.

Form a club

Direct response marketing is all about developing a warm relationship with your customers, and one of the most cost-effective ways of doing this is to form a club.

The club has many applications.

1. Garages can offer 10 per cent off future services or accessories on all cars sold over a certain price. It keeps the customers coming back and gives the sales department further opportunities to retain their custom.
2. Tour operators can give priority booking to members who have had holidays with them before: a valued offer with areas much in demand, eg *gîtes* in France.
3. Advance notice or special days on sale.
4. Book clubs enjoy reductions on publishers' prices provided they buy so many books a year.
5. Hold regular get-togethers and social events, invite expert speakers or organise trips related to your club's interest.
6. Produce a regular newsletter and invite contributions from the members. Highlight any new products or services that you are bringing in, making an introductory offer to members.
7. Once the membership has built up you should be able to negotiate bulk buys for commodities, discounts for patronising certain establishments and other goodies like insurance and finance, depending on what your members' interests are.

8. Run an advice service.
9. If you really want to push the boat out you can go in for club ties, T-shirts, badges and car stickers.

Party plan

This is the home sales method pioneered by Tupperware and Avon and now used by countless others. It has great appeal to small firms because you can reach the public quickly and the profit margins should be good. It is particularly suitable for items in the craft field that need to be seen and handled. I think party plan has had its day, though there may be odd areas where it still survives, selling exotic (erotic?) lingerie, Christmas gifts, jewellery, etc. For new firms I suggest that they encourage existing agencies to tack a product on to the end of an evening rather than start from cold.

Party plan organisers tend to be self-employed and arrange their own parties. They make their commission on the difference between the price at which they purchase the goods and the price at which they sell them.

The Post Office

This chapter would not be complete without a word about your friendly post office. Direct response marketing couldn't exist without it.

Go along and see your local postal services representative (the address is in the phone book under Post Office). Reduced rates for bulk postings can be obtained by prior postcode sorting but they tend to apply to relatively high volumes. The parcel service has lost ground to the many guaranteed next-day delivery carriers.

On a more mundane level, if you take more than 120 letters all the same size and weight along to your Crown PO or sorting office it will run them through its franking machine. Sort them the right way round and in bundles of 50.

Track and Trace is useful to help you locate slow, or missing parcels. Enter your reference number online to find out the status of your package.

Useful addresses

Direct Marketing Association, 70 Margaret Street, London W1W 8SS; 020 7291 3300.

Direct Response Magazine, Haymarket Publications Limited, 174 Hammer-smith Road, London W6 7JP; 020 8267 5000.

Catalogue & e-business, 115 High Street, Ilfracombe EX34 9EZ, or www.catalog-biz.com. Excellent monthly magazine for those producing mail order catalogues.

Telephone marketing

Telephone sales techniques are covered in Chapter 7 on selling (pages 214–17), as it follows logically from my discussion on face-to-face selling. It is, of course, a powerful direct response method of marketing in that you are making your offer direct to the prospect.

Research is often best done on the phone. A large number of people can be contacted and direct answers quickly obtained. A good telephone manner can wrinkle out an amazing amount of detail but you must practise and be prepared. Start by pinning up a poster above your phone that reads:

Check that brain
is in gear
before engaging
mouth.

Network marketing

Otherwise known as multi-level marketing – but in my book still a version of the outlawed pyramid selling. Readers may write in droves and say that millions have been and are likely to be made by this American method of selling/distributing, but I still don't like it.

A few months ago I was invited to a 'business presentation' by an old acquaintance. Smelling a rat but willing to try anything once I attended the local hotel, and many smart business types were there. Within five minutes I knew I'd been conned. In two hours of hard chat, not a single product was shown nor any open questions invited. It was all about 'lifestyle' and 'aspiration' and 'freedom'.

If you could have got in first then maybe you would have made money – but sorry, it's not for me.

Summary

- Do your sums and see if direct response is likely to be more profitable than going through distributors.
- Where is the market, how can you reach it?
- What your objectives? To get more appointments for face-to-face selling, to reach fresh markets, to research for market gaps or to complement your marketing efforts in other areas?
- Identify your market segment and customer needs.
- How can you make an irresistible offer?
- What customer names do you have already?
- Create the message.
- Do a pilot run and evaluate.
- How can you improve the response?
- Test variables.
- What else can you sell them and who else needs the product?
- Record all promotions with the response. Analyse and learn.
- Put the website address on all your literature.



Figure 5.16 A teeth-whitening ad – that doesn't show any teeth (maybe that's the idea?).

Public relations

If I was down to my last dollar, I'd spend it on public relations.

Bill Gates (who else?)

Once upon a time PR was a gentle profession, tailor-made for Old Etonians, Debs' Delights and ex-Gentlemen of the Press. Then along came pressure groups, lobbyists, quangos, MPs who could be diverted and Big Business. That is a pity, because at its simplest public relations can be a useful and entirely ethical activity for the small businessman. Much of it is plain common sense, some can be learnt, occasionally you may need to pay a professional to achieve the results.

To the purist PR is 'a conscious planned campaign of informed communications to induce a favourable climate of opinion'. By itself it is not a selling medium but can prepare the way for an advertising campaign. PR and advertising often work side by side. It should project your corporate image. In my experience it is the area that receives least attention from small firms, yet a little thought can achieve lasting effects.

While PR can cover everything from customer relations to image, most people think of PR simply as publicity. Here's a lovely example. In the spring of 2007 Kentucky Fried Chicken threatened to stop a remote pub in Derbyshire called Tan Hill Inn from using the phrase 'Family Feast' which they claimed was trade-marked. Ms Daly the landlady featured in the media of 27 countries. The resulting furore generated 27,000 hits on the good pub's website, twice as many as the mighty KFC's. For free.

PR objectives

All your PR activity should have a planned objective. Think of the people whom you wish to influence: they are your target audience in the same way that advertising defines your market. If your market is defence equipment there is little point in cultivating the local free-sheet. The public you are seeking to influence could be the local council, factory neighbours, buyers and consumers, your



Figure 6.1 The model is on the right (Jane Austen House in Bath).

banker and your employees. The information you put out should be strictly factual and not an attempt to gloss over some shortcoming in your service. Too often ‘a spokesman said’ is the ill-considered front for some disaster.

PR should be planned on a long-term basis: it is not something that can be generated overnight. Sometimes it involves showing social responsibility – providing heaters for flood victims or waste drawing paper for the local kindergarten. The costs involved need not be large, it is the thought that counts.

PR for the local community can take the form of modest sponsorship for the school lollipop ladies, old folks’ outings, ‘keep our village tidy’ bins, loan of the firm’s pick-up truck for the cricket team roller and all sorts of other innocent causes. The small business columns of your local papers are always ready to print good news that shows your efforts in a favourable light. Amid so much gloom a cheerful item should find ready acceptance.

Understanding the media industry

To get maximum impact from your PR activities it is important to know how the media go about their job. It is a sophisticated and highly fragmented industry with considerable expertise at your disposal if you know how to tap into it.

You should first understand that, with the exception of the national press, the local media (press, radio and television) have very small news-gathering staff. They rely on being fed stories from the community.

As more local newspapers have been bought up by national or regional groups, the time and know-how of beat reporters has dropped considerably. As staff numbers have shrunk, the opportunity to place your press story has fortuitously increased. Circulation numbers have by and large held up, so there has never been a better or easier time to get your name in the (local) papers.

All operate broadly in the same way, ie they all have reporters, sub-editors, a news desk and an editor who decides the overall balance. Where they differ is how they like the news presented and in the matter of deadlines. Unless you have a major story it is rarely worth sending to the national papers, or mass circulation magazines. They all get hundreds, yes hundreds, of releases every week – most from big corporations, regular and heavy advertisers, branded goods and the shoals of lobby groups all pushing their favourites. Far better to spend your time and money on news outlets nearer home and with highly specialised journals catering for your interest. You must also distinguish between news and features. The mass circulation magazines (mainly monthly women’s and home interests with circulations often over 250,000) write in-house or commission their own feature articles from freelancers. Each

magazine will tend to have a stable of freelancers who feed them topics on their speciality – food, holidays, health, finance, etc. It may help to scour through the top magazines and build up your own list of writers who are worth cultivating. They will probably be in a better position to get your angle into print as they have better connections. The smaller circulation trade and technical press – which are normally not seen on the news-stands – are generally much easier to approach. The editors are not surrounded by protective PAs and you can invariably speak directly to them. Most have been in the trade much of their lives and are keen to keep up to date. You will stand more chance of getting features in these magazines than in the more competitive monthlies.

The centre of any paper is the news desk. The editor lays down the house style and the journalists write in that vein. Short punchy sentences with no long words will tend to be used in the popular tabloids. More in-depth detail and analysis are the prerogative of the heavies.

The sub-editors are the linchpins. They cut the stories and rewrite them (if they have the time) to fit the space available. That is where the pressure is. You may come across researchers (particularly for TV) who work some way ahead of the programme, digging out background material. The lowest are the cub reporters who get lumbered with attending the local council meetings, quarter sessions and MPs' fête openings. Every paper has its 'stringers'. These are freelance journalists who feed several papers, and possibly a national, with their own local news.

Guides to the media include *Pims Media Directory* and *The Guardian Media Guide*; they give subject categories across the country. The national press can be split between the tabloid rubbish end, where pictures are more important than words, and the quality broadsheets. Increasingly I have found that it is the total trivia that makes the nationals, while hard news stands more chance of getting printed in your local or regional press.

The local press is the most important

Everyone reads the local press because, unless we're hermits, we like to know what's going on in the area. Where's that bypass going and did Councillor Harris really pass building tenders to his brother-in-law? Apart from the gossip news, the pull of local papers lies in their advertising. The classified small ads are a mine of information to bargain hunters. In many areas the local press can be split between paid-for papers and the free-sheets. While originally the free-sheets were set up to rival their more legitimate brothers, as time has gone by most of them have been bought up and absorbed by the paid-fors and are simply

advertising pages cloaked by a thin veneer of news. I have always believed – having seen no hard research – that the reaction and response to free-sheets is much poorer simply because they are seen as throwaways. Advertising rates are cheaper in a free-sheet – sometimes included ‘free’ by those publishers who produce both the paid-for and the free-sheet; so perhaps they agree with me.

Newspaper proprietors are in business just like you and are out to make a profit by increasing sales. They will not achieve this if the stories are stale, inept or inaccurate.

What they’re looking for

What makes news? Topicality, originality, personality and sometimes humour. You must find a *topical* peg to hang the story on. It’s not news that your business is making, say, coffins, but it will be if it’s your tenth anniversary or you have just taken on your fiftieth employee, or sold your thousandth coffin or had an order from Russia. There’s a story everywhere if you look with a journalist’s eye. The School of Journalism will train you to believe that there are just five topics of news: royalty, babies, animals, crime and, yes, sex. So when I wrote a serious release for one of my commercial willow clients and, as the last line, mentioned they’d made a dog basket for the Queen, the story made most of the nationals; Radio 4 generated a live broadcast for *Radio Montreal* – in French. Crazy, and dispiriting for those of us trying to write hard news.

I once put out a story that a local cabinet-maker had made magicians’ tricks as a sideline for years. That by itself was not news. The impact was that his main customer was giving a show at the local theatre. The regional TV station wanted to lock him up in one of his own trunks. The story got him half a page plus picture and many nice direct quotes. All for free.

The only space where you can get away with a less noteworthy story is the local features page. Many papers have a women’s page, craft or business section where an in-depth story can be laid out, but these opportunities are rare.

The press release: telling the media

It is perhaps not generally realised how much of a paper’s output comes in unsolicited. Many reports are straight reprints of stories that are fed in. These come in the form of press releases sent in by individuals, associations and firms. Because the press work to deadlines, your news stands more chance of getting printed if you observe some basic ground rules.

1. Date the item and use a headline to identify it. Don't worry over much about a witty gem of a headline. Invariably the sub-editors will write their own even if yours is brilliant.
2. Most stories can be told in three paragraphs. The meat should come in the first line. If space is short then the sub's blue pencil will delete from the bottom. Even if the bulk of the story is cut, at least the main facts will get printed. The first paragraph must say 'Who, what, why, when and where' and succeeding paras can expand and colour the detail.

The papers are always looking for fillers – short items that can be dropped in at the end of a column. A brief story has a very good chance of getting published as it stands, if it is simply written in plain English. However, if the story warrants it, write at greater length but avoid padding.

3. Your story should contain at least one direct quotation or comment. Not from that dreary spokesperson but a named individual of some standing or relevance.
4. Keep it simple and write for the readership. Reserve technical jargon for the technical press who will understand, indeed require, the detail. In the popular press an announcement that an improved car jack has been produced can simply state that it will aid the elderly. Motoring magazines will want to know whether it is hydraulic, pneumatic, what psi it will work to, if it's of chromed steel or a painted pressing.
5. Abbreviations are the bane of life today. Some, but only a few, are well enough known not to need spelling out but most will. NATO or EU are all right but NUT (National Union of Teachers) or MAA (Motor Agents' Association) should have the full spelling. Every industry has its jargon and you should remember that *what is familiar to you may be incomprehensible to your readers*. You need only spell it out the first time – successive mentions can be abbreviations.
6. The local press can be distressingly parochial. The classic story of 'local man lost at sea' instead of 'Titanic sinks' has its parallels today. They are more likely to print a story if you can tie in to a local dignitary or personality. My local paper is obsessed with everything that the mayor does. If you can rope him in somehow you're almost guaranteed coverage.
7. An *embargo* is a request to the press not to publish before a stated date. You can put an embargo on your release to prevent prior announcement of your earth-shattering speech, but at the same time alert the press to be ready for it. In practice it can be abused for trivial reasons. There is no point embargoing a church fête opening, but there could be some point at a new product launch. With differing copy deadlines it is sometimes

helpful to issue a release to a variety of media, safe in the knowledge that most will play the game. It is helpful to them if they are given advance notice of a major announcement or personality appearance. At the top of your release it should therefore say either 'Release immediate' or 'Embargoed till 12.00 July 31st'. Use the device sparingly.

8. Finish with a 'Note to Editors' where you can write a couple of sentences outlining what your company does, any noteworthy fetures, awards received etc.
9. All the media work to strict *deadlines*. Be aware that if you ask television crews to appear in the middle of the afternoon you will be very unlikely to make the six o'clock news or magazine programmes. Many locals sold on a Friday are printed on a Tuesday or Wednesday morning. A release that fails to make it by then will probably be spiked. The national dailies, of course, have more flexibility and often have several editions. At the other end of the scale many colour supplements and monthly journals have a cut-off date at least six weeks in advance. If you're planning a Christmas story think ahead.

That covers the basics, now let's look at what and how to write.

What makes a good press release?

You must steer away from *selling* your firm and product, and write *news*. Anything else is advertising and will be discarded. You're not writing an advert, you're telling a story to interest the readers. A simple attractive statement of facts is all that is needed. Cut out the waffle and come to the point in the first sentence. Nobody's going to wade through six paragraphs to find out who did what and when. Editors are busy people – they just won't bother.

The first sentence is the most vital part. You should ask yourself 'Will it make the reader want to read on?' Avoid detail and sidetracks. The paragraphs should have bite and flow. Keep the sentences reasonably short. State the main point of the story early on and isolate the news. For example: *not* 'Delegates from 20 countries watched as the Lord Mayor opened the first International Congress of Snuff Taking at the Wigmore Hall', *say* 'The First International Congress of Snuff Taking was opened today by the...'.

Quotations from your speaker should never open the story. The readers' impression of the *value* of the remark entirely depends on the standing of the personality. You must know *who* is speaking before any weight is put on the reported remarks.

‘“England will never win the world cup”, says the current England manager’ is far more newsworthy than if it were said by the manager of another country’s team, or the chairman of Torquay United, or the landlord of your local pub. It all depends who says it.

Put the speaker’s name first. There is another rule to remember: statements of *opinion* should be printed in quotes “ ” or ‘ ’, statements of fact should be left alone.

Watch the tenses when changing a statement into reported speech. Avoid starting the story with a present participle or ‘As’, eg saying, telling, announcing, etc. It’s a poor way to begin. ‘Announcing the start of the Round Robin Wheelbarrow Race, the Sports Minister foretold a big demand for cornplasters.’

Finally, try to keep lengthy titles, official bodies and complicated names out of the introduction. Write with a light touch and save the essential details (if any) until further on in the piece. Don’t discourage your readers too soon.

Good pictures are always welcome

Every picture is worth half a page of text if it’s a good bright subject. News photos are definitely best left to the professionals. Editors are always on the look-out for good examples. And make sure they are sharp: output at 300 dpi.

If the story is strong enough the paper will send its own photographer. Don’t forget to ask for copies – always useful.

Once in a lifetime you’ll come across a scoop picture. Always keep a camera in the car.

Occasionally a *press pack* is called for. This is not just the release but supporting literature on the firm, background notes on the directors, product leaflets and photographs. Wrap it up in a nice folder. There are several specialist binder firms which can do a very professional-looking job on very short runs using hot-melt glue or slide binders. Save the treatment for the big occasion. Press packs can tend to be pretentious.

You will get better results by following up afterwards with a quick phone call. It is distressing to discover how few get past the first sifting.

Keeping up the momentum

Once you start getting results you’ll want to keep it going. Try to find a story regularly for the local or trade press and get to know the key journalists and editors. Perhaps there is a news agency in your town that sends stories off to the media. It can be very helpful as it earns its money by the number of lines that get

Press release example.

This was sent as a Word doc with photos attached. Recipients were the agricultural press.

Press release: ClampFilm	●	Head it up Press release
9 April 2007	●	Date it
ClampFilm – the new “vacuum” seal for silages	●	Give descriptive headline
First trials in the UK for a new clamp film have shown that top and shoulder waste on ensiled feeds can be reduced to virtually zero. Introduced by Somerset-based Kelvin Cave Ltd, the unique toughened stretchy 40-micron clear plastic is laid on top of the feed after compacting and before the conventional black plastic is put in place and weighted in the usual manner.	●	First sentence highlights the “new” element
Kelvin Cave Ltd are the distributors for this film that has been made on the continent and been tested with 650 beef and dairy cattle at Stockland Lovell, near Bridgwater. Farm Manager, Andrew Guilding, says that he has always tried to reduce silage waste. “Using the right preservative has always paid off, but, as we all tend to squeeze more into a clamp than we should, rolling adequately is not always possible, sometimes resulting in shoulder and top waste. I understand the logic of using this plastic and the result speaks for itself – quite amazing.	●	Relevant quotation lightens the text
“I had doubts about putting this thin sheet on the clamp because we all know what fun it is sheeting down on a windy day, but as soon as the Clampfilm was rolled out it seemed to stretch and be sucked into the clamp right away. What also surprised us was how tough it was to walk on. The cost works out at about 10p per square metre, so covering this 1200 tonne clamp costs less than £60, a very worthwhile investment.”	●	Details on costs
Kelvin says he is delighted with the result, “I first saw the film used on the continent last year, where it is widely used, and I thought this low cost product would be ideal for UK farmers. On its own the traditional black plastic is too heavy and oxygen-permeable to achieve a perfect seal. Every farmer knows that the secret to making consistently good silage is to exclude as much air as you can from the clamp. An anaerobic fermentation is essential for making good silages; it is this fermentation process that uses up the oxygen in the clamp sucking the ClampFilm into the surface of the silage, in other words vacuum-packing the feed.”	●	More quotes
ClampFilm will be stocked in roll widths of 7, 12, 16m x 50m long. For further information contact Kelvin Cave Ltd at Roe Deer Farm, Drayton, Langport. Tel: 01458 252281; website: www.kelvincave.com	●	Contact details of client
ENDS, 380 words	●	ENDS and word count
Attached pics of clamp at Stockland Lovell, Bridgwater	●	Photos
More details from Dave Patten, Merry Marketing 01823 490782 or from Kelvin Cave.	●	Contact details writer

Figure 6.2 What makes a good press release (in this case to the farming press).

PR with a soft touch



Figure 6.3 A sign that should be seen more often.



Figure 6.4 (above) How to handle price tickets (Habitat).



Figure 6.5 (left) A memorable delivery van.



Figures 6.6 and 6.7 First impressions matter. Here are two treatments of a fascia. The one above (Figure 6.6) I find too clever, while Figure 6.7 shown below – for a wedding gift shop – raises a smile.



published or seconds used on the air. If the agency does its job properly it will be on intimate terms with all the right people. There's no charge to you.

Always be frank and helpful and *available*. If a journalist rings you and you're at a meeting, make sure you always ring back. This applies even more so in adverse times. Don't pump papers with material in good times and expect them to print it if, when a bad story breaks, you pass a 'No comment'. The local press in particular will rarely wish to knock a local firm. They know that jobs and prestige are at stake. They are very much part of the community themselves.

Most important: always be truthful. Half-truths will always be found out.

One company near me invariably gets a piece in the paper every week. It can be something as riveting as one of their drivers being awarded a 10 years' accident-free certificate or a gold watch presentation. It's rarely of desperate news value – the company happens to have an active press officer.

You've got to *study* your media and learn what style of items get printed. If your paper habitually prints trivia make the most of it.

The trade press

Research has shown that 40 per cent of buying decisions made in large firms are based on information gathered from the trade and technical press. It is therefore very important that you regularly send press releases to your relevant journal. Details of how to find them are given on pages 52–53.

For these journals you can spell out the technical performance in the expectation that the readership will not only understand but wish to know more, particularly if it's a new product.

But still don't fall into the trap of writing a 'puff' for the product: the *advertising* manager will be more interested in grabbing your money. You can spell out the specification without saying that it's the best since Edison. It is a difficult art to write a story about your product that is newsworthy yet does not read like an advertisement. The tone must be more flat and subtle.

Personnel changes, shop openings, mergers, trade shows, unusual jobs either by design or speed all warrant an airing in your trade journal. Study what gets published. Your stories all help to build up an image, inspire credibility and improve awareness. You will then find it's easier getting in to see the buyers.

TV and radio

With the growth of local radio and TV it is not hard to get on air. You make the approach in the usual way – by press release – but the response tends to be

different. Don't expect a great deal of positive feedback, as you will get more from the written word. TV and radio are more ephemeral media and few viewers and listeners sit there with pen and paper poised to note down interesting items. TV is always more interested in visual stories, so life and action and human interest are more likely to grab their attention.

Both TV and radio tend to react quickly but with lead times. I have been rung up at 9.00 am and expected either to be willing to be recorded immediately 'down the line' or to walk into a studio. TV will rarely record after about 2.00 pm as an item won't make the evening bulletins.

While your release may be taken at face value, occasionally you may be approached first to comment on some issue.

Some simple rules:

1. Never agree to be recorded straight away. Ask what the 'angle' is – what is the purpose, what's behind the questioning, who else is being asked to comment?
2. Prepare three points that you need to get over and write them down.
3. If you have the choice, go for a live rather than recorded interview; that way you retain some initiative. I can recall the representative of one of my firms being interviewed on a live TV programme and I told him to take some leaflets along. He waved them around and they could do nothing about it. The response afterwards was marvellous.
4. For TV take some visual aids – some of your product if possible.
5. Look at the interviewer, not the cameras, and avoid loud checks and striped shirts. Dress soberly and don't drink beforehand.
6. Don't slouch, lean forward slightly. Avoid mannerisms, keep control of your hands.
7. Smile, relax, look human. No matter what you say, people won't remember. All they will recall is whether you were a 'nice guy'.
8. For tricky questions, turn it back with a question of your own. 'What you really mean is why...' Don't let the interviewer put words in your mouth: stop at once and correct.
9. Radio demands a light, varied voice. Don't sink into a monotone.

Other PR techniques

There are many subtle ways of engendering a nice warm glow about your company, and not all of them are expensive (such as that shown in Figure 6.8 overleaf). Another, and a delightful, example comes from Hinton Poultry at

Norton St Philip, near Bath, a factory with social awareness. The factory has been successful and grown rather large for the village. A few years ago it sent a letter to all the local children (it is shown in Figure 6.12 on page 186).

The result was overwhelming. Probably every child in the village (125 of them) chose a tree, but grandparents also wanted their grandchildren, living out of the village, included as well. The annual party with an entertainer, tea and presents must be the highlight of the year. The goodwill now generated must make it all very worthwhile.

You have received a floral gift from Sandy James Flowers at the Flower Shed in Taunton.

We would appreciate your assistance in ascertaining the condition at the time of arrival. This will enable us to monitor the quality and service to our customers. Please tick appropriate box and add any further comments you think will be helpful.

<i>FRESH</i>	<i>DRIED</i>
<input type="checkbox"/> <i>Fresh & not damaged</i>	<input type="checkbox"/> <i>Flowers were not damaged</i>
<input type="checkbox"/> <i>Slightly damaged</i>	<input type="checkbox"/> <i>Some crumbling</i>
<input type="checkbox"/> <i>Dying or dead</i>	<input type="checkbox"/> <i>Crushed and broken</i>
<input type="checkbox"/> <i>Pleased to receive flowers this way</i>	<input type="checkbox"/> <i>You were pleased with the product</i>
<input type="checkbox"/> <i>Not particularly impressed</i>	<input type="checkbox"/> <i>You were not pleased</i>
<input type="checkbox"/> <i>Presentation was good</i>	Name of sender:
<input type="checkbox"/> <i>Presentation was not good</i>	
Comments:	
.....	

Figure 6.8 Postal florist. This card is sent with every postal delivery – and has not only brought a warm response from the recipients, but has increased business by recommendations.

The motor trade has become adept at trying little stratagems to win appreciation. One I like is to leave a tissue in the car after a service with the printed legend, ‘The steering wheel and controls have been cleaned by our mechanic but this tissue is for your added convenience.’

Still with the motor trade, I know another garage which always leaves a bouquet of flowers, attractively presented, on the rear seat of each new car sold, addressed to the female customer (or spouse of a male customer). The garage has a regular contract with the local florist which keeps the price down. Believe me, the new owner values that personal touch out of all proportion to the cost.



Figure 6.9 Twice a year Business Hotline Publications send an ‘adjust your clocks’ card. Gentle drip, drip reminder of their existence.

The garage also sends a birthday card on the anniversary of the purchase assuring the customer of its continued interest. Figures show that people tend to change their car when the bank loan is nearing completion. A timely reminder at this stage can be very cost-effective, but send it three months before the loan runs out – people do plan ahead.

I’ve heard of a restaurant that asks when any children present have their birthdays. A note is made of their address and a card is sent on the due date. The restaurateur encloses a voucher for their meal. Naturally their parents have to come too...

On a humbler note, our local butcher keeps a box of sweets under the counter to be given out to toddlers. Of course, the kids always want to drag their parents into that shop.

Charity work

Every business seems to get tapped into supporting the local cause. More often, causes in the plural. It’s a fact of life and unavoidable if you set up in a small community. Try to be fair to everybody and let it be known that the same, prob-

ably small, amount goes to them all. It can very easily get out of hand. Look on it as your PR contribution. A little can go a long way. Why not present a trophy to the local Guides' sports? If you are a builder, giving away demolition materials to the Scout hall can do your image a power of good, or lending your portable heaters to old people in a power cut. My Post Office supplies a Christmas tree and lights in the village square – simple but effective.

Open days

Open days are a good PR exercise for your customers, prospects, local dignitaries, suppliers, neighbours and the media, not forgetting the wives and husbands of staff. Choose something interesting to show and talk about. Provide a light buffet and some liquid refreshment. Keep someone working the machines to bring a bit of life to the place. The motor trade do this rather well when a new model is launched. Get the local beauty queen or sports star to grace the occasion. It need not cost a great deal at all but the benefits could be many.

If you supply the trade and the public, don't mix both at your open day. Traders expect more respect, time and courtesy to be devoted to them.



Figure 6.10 Launch of new business invitation.

Sponsorship

The *Guinness Book of Records*, Michelin Guides and the FA Barclays Premiership are all sponsored events right in the mainstream of PR in that they generate goodwill in a pleasing, innocuous way and keep the sponsor's name in front of the public. Small firms can cover a little bit of the same route in their locality by more modest means. Every village has its cricket or football team and no one would turn down sponsorship of the match ball in return for a little publicity. There are always apprentices grateful for help with tools. A bursary for which deserving causes were invited to apply annually would receive mileage in the local press.

There are lots of permutations on this theme. School prizes for accomplishment presented by the local store or a photographic competition on an industrial theme will reflect goodwill.



Figure 6.11 You can sponsor a charity run, a football team – why not a roundabout? (It's called civic duty).

Become an authority

Never turn down a speaking engagement. There are masses of clubs and societies always on the lookout for a guest speaker, from Rotary Clubs to the WI, wine circles to bird-watchers. It's all good PR. You never know who might be in the audience and what it may lead to. Take along some slides and samples and tell them all about your speciality. Don't forget to leave a few discreet leaflets

Dear Children,

Would you like to own a tree? Hinton Poultry would like to give a tree to each of the children in Norton St Philip. Lots of trees will be planted between Churchmead and the chicken factory. They will be quite small when they are planted, and you will be able to watch your tree grow, as you grow yourself. I expect you all know Dr Peter Thompson of Oldfield Nurseries. He is going to plant all the trees and he will plant your name on the sort of tree you choose. The trees will be quite delicate for a few years and Dr Thompson will look after your tree for you.

Factories are dangerous places and we do not want any of our children to get hurt, so I thought the best thing to do would be to have a special day each year for all the children to look at their trees.

May 2nd is a school holiday and a factory holiday, so on that day I shall arrange a picnic for you all and you will be able to see your tree. May is blossom time, so the little trees should be very beautiful. We shall have a special day every spring when you can look at your tree.

When you have decided which kind of tree you would like to have, please fill in the form. You can take this into the Norton St Philip Post Office. Mr Peter Walker will pass it on to me.

I shall write to you again soon to tell you all about the picnic.

I am really looking forward to seeing which kind of tree you choose. Please let me know soon.

With love from

Yvonne Boore

Figure 6.12 A delightful example of how to engender a warm glow about your company for very little.

behind. These sorts of things can never be anything other than sowing the seed but can be rewarding.

On the same lines, if you really are an expert submit learned articles to the appropriate magazine. The simple byline mentioning which company you are from will bring forth some business. One thing will lead to another – very good for service trades and professionals.

When you are one (or one hundred)

When you have survived your first year in business hold a birthday party! Have a cake, ask along anyone who has helped you in any way – suppliers, builders, the landlord, clients, etc, not forgetting the bank manager. And the media: it could make a lovely story. I did the same thing with a shoe cooperative and for an expenditure of under £100 coverage was obtained on three TV channels and in half a dozen newspapers (see Figure 6.14).

Run a newsletter

A subtle way to increase product awareness is by producing your own newsletter. Subtle? If you simply fill it full of praises for the product it will never be read. The newsletter approach can be successfully used where:

1. You have a wide and increasing range of products.
2. Your product has many applications.
3. You have a wide range of clients in many different activities who have but a spasmodic use for your expertise.

I believe it is particularly suitable for a *service* trade. You can preach by illustration and example what others are doing and how they are benefiting from your particular skills.

It helps if you have a known client or prospect list that you can mail on a regular basis. The advantage that a newsletter offers over advertising is that there is more room at an economic cost to display and expand your message. Good photographs can be used with a technical explanation of why you were able to help. Above all it should be interesting and newsworthy. Put in a few jokes or cartoons borrowed from trade magazines. Most journals will gladly give permission for short extracts to be reprinted if due acknowledgement is made.

Let me relate my own experience. I used to be involved with the marketing of

industrial and architectural models. Our clients ranged from consulting engineers, architects, oil companies, and advertising and PR consultants to exhibition promoters both here and abroad. To reach them all by advertising would have meant taking space in a dozen journals at inordinate cost. Even the most productive client rarely ordered more than one model a year. By adopting the newsletter method, 400 specifiers were gently reminded of our talents every quarter. The latest model was shown with the name of the client and an explanation of the project was given. Very soft sell. There were usually about 10 good enquiries as a result. Total cost? About £100.



Figure 6.13 Yes, an old-fashioned printed newsletter sent to trade upholsterers to alert them to new lines: but it works.

You could do the same with, say, stone restoration. Various examples of churches before and after would soon get the message across. Or outside catering – different grand houses with marquees on the croquet lawn. Or interior decorating. The list is endless.

While every guide to websites says produce an e-newsletter, I still think there is a place for a printed, posted version. It is all too easy to delete an email that arrives in your in-box, and of all the ones I receive there is only one that I read religiously. I produce a newsletter for one of my clients who is engaged in a field where – yes, even today – IT usage is not high. I am told it is well received and undoubtedly helps sales by alerting customers to new product lines. The

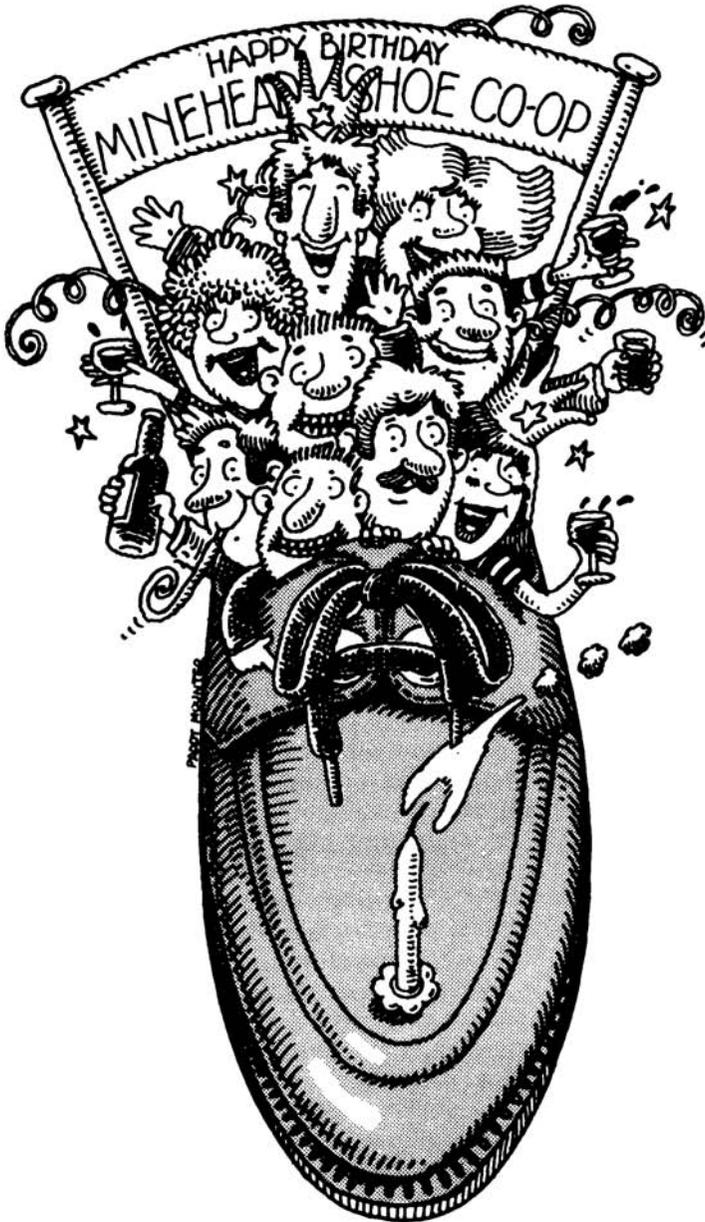


Figure 6.14 Minehead Shoe Cooperative birthday celebration invitation.

secret of all successful newsletters, on- and off-line, is to write in short factual paragraphs.

Summary

- A planned PR campaign can be productive and influential, but don't look for an overnight success.
- Think who are the people, your 'public', you are trying to reach.
- Don't neglect internal PR – your own staff who need motivating and involving.
- Publicity. Develop a nose for a good news story. Don't neglect what may seem trivial as outside readers may find it fascinating.
- Study your customers' papers and technical journals, if appropriate. Learn what goes in and copy the format for detail, gossip, technical level. Write for the readership.
- Follow the basic ground rules for setting out a press release and try to send a good photo where possible.
- Never turn down the chance to appear on TV or local radio, but always prepare well beforehand – and you may be asked back again.
- Explore other cheap and effective PR techniques if appropriate for your trade.
- Run a suggestions box – internally and externally: encourage feedback, not forgetting your website.

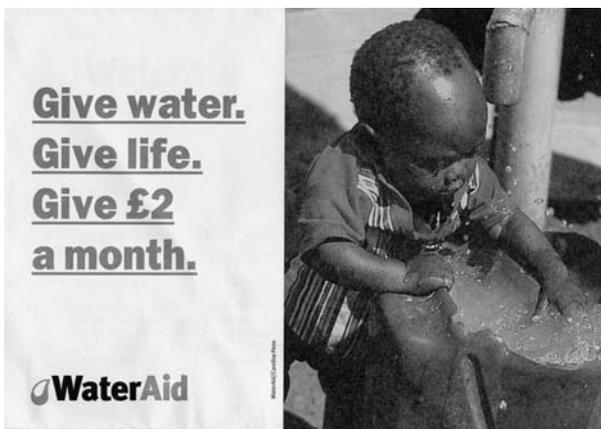


Figure 6.15 What better PR than to save a life?

Selling and sales promotion

There are some people who couldn't sell a box of matches to someone who wants to start a fire.

Sir Alan Sugar

My holiday this year was to Morocco. Exploring a souk in Marrakech, I unguardedly examined a rack of silk scarves. 'Which colour do you prefer?' 'Well I'm not really ...' 'Try this blue one. Let me wrap it round like Lawrence, like so. Give me your camera: I will photograph you. Now what is your name?' 'Eh, David Patten.' 'No it is Mustafa.' That's salesmanship.

In revising this 6th edition and browsing the web, I came across a site that had better remain anonymous. It claims that selling is now not performed by salespeople but by 'strategic support managers'. Well maybe, but I'm going to stick to old-fashioned terms and methods.

The most hated and feared aspect of marketing among small firm owners must be selling. The fear of rejection, the prejudice of buyers and the low esteem in which salespersons in general are held defeat many small businessmen before they start. Many of the techniques can be learnt, and once you realise that salesmen can be made as well as born then some of the terrors may decline.

So who'd be a salesperson? There are two firms near me that carry the following forbidding notices in their reception:

We shoot every third
SALESMAN and the second
has just left

Representatives calling
without an appointment
will be invoiced at the rate of
£15 an hour

Research will pinpoint the gaps and throw up what customer needs are, but those needs have to be met by a trained, motivated and persistent salesperson.

Selling is hard, but the skills and techniques can be learnt and reasonable proficiency obtained. You will get rejection – perhaps many times – but if you have belief in your product and *yourself* you can succeed. Many people will try a product once, but the art of selling is to generate repeat business. Both parties must be satisfied; customers who have found a reliable source of what they need will come back again. Life becomes much simpler when you don't have continually to trawl for fresh faces. Running a small business is no picnic but selling is one skill where you really should get to know the basics.

You *can* appoint agents, but you still have to be able to pick the right ones and give them backup in the field from time to time. There could also be important trade shows and major distributors you would wish to deal with personally. A working knowledge of selling techniques is vital to survival. You cannot abdicate all responsibility – not if you want to grow. In many respects you have to *sell* yourself to prospective lenders, your banker or investors.

Rejection is probably not rejection of *you*, but the timing, or presentation. Learn, ask and listen. And adapt and persevere. You will improve and realise that the same questions from buyers will tend to recur, giving you the opportunity to try a different approach and be ready for the obvious.

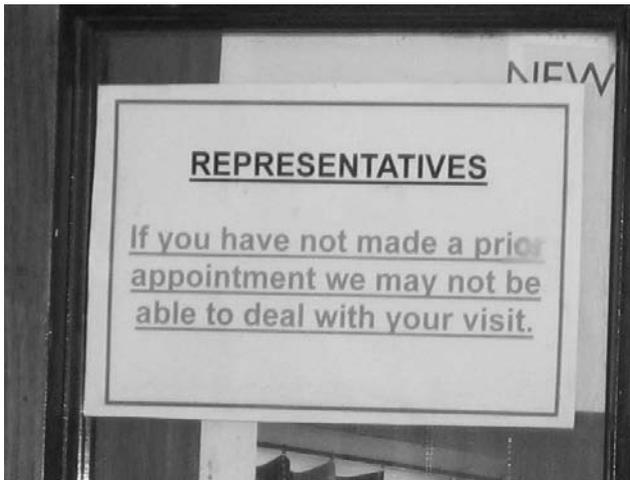


Figure 7.1 Polite sign for reps.

People who buy people

The first rule of selling is to sell yourself. If you don't like meeting people and learning what makes them tick, you'll never enjoy or be any good at selling.

A knowledge of psychology helps. People are different, everyone is different. The same person is different at nine o'clock and at lunch; over a drink, cold sober or talking about work or his hobby; on a Monday morning after a weekend with in-laws or on Friday thinking about that business trip to the Caribbean.

This is the fascination of selling. People buy people first. The product comes later. Watch real professional salespeople at work. All the time they are looking and listening. Looking for reactions, the eyebrows, the shrug, inflections in the voice. Looking for an opening, a buying signal, a chance to sign up an order.



Figure 7.2 Yes, an unusual sign. On the side of a garage, however.

Try to *be yourself* – don't adopt a stance or affect to be more knowledgeable or polished than you are. Selling is a conversation but one where you are controlling the direction. Take care over your appearance – no one takes to a scruff – but a pinstripe talking to farmers would be out of place. Wear clothes you feel comfortable and happy in yet which carry an air of confidence. Suit your clothes and tactics to the situation. Bank managers are fond of relating stories of farmers dressed in suits, obviously ill at ease, who have come to raise some money.

Honesty is the only policy. If you don't know the answer, say so and make sure you come back promptly with the information.

You are allowed just two lies: 'It's my fault' and 'You're right'.

Setting objectives

Many salespeople drift round firms like milkmen. They call on the same people week in, week out. 'Nice day', 'How's trade?' or more daringly 'Same as last time?'. They are order takers. They make no attempt to develop their business or show an interest in their clients. The only people they listen to are themselves. They are defeated before they start. The buyers are the enemy. Secretaries are fair game, and a warm office is definitely to be preferred to knocking on strange new doors.

But you can afford none of this. Every hour away from base must be used efficiently. The object of selling is to get orders. Each face-to-face call must have that end in view. Perhaps not on the first visit, but each call should end with a new bit of information of use along the road. Good accounts need working on. Remember, there is always a competitor in there already, possibly cheaper, invariably satisfactory, but above all – known.

If you do walk out with a large order first time there is probably something wrong. The suppliers may have stopped credit or your prospect may know of a price rise on its way.

The reason for setting objectives is twofold. It gives you something to aim at and plan for as well as a fall-back position. Don't set too high an objective or you will easily get discouraged. If you aim to sell 500 items, can they take half at once with the balance over three months? Work out a trial offer: sale or return, perhaps, or a promise to tender next time. Even as low an objective as more contacts within the organisation can be worthwhile, keep your spirits up and make yourself feel you have achieved something. You have to find ways of keeping *your* motivation going.

Know your product

As proprietor you should be fully versed in all your products; their performance, quality, reliability, cost, delivery, after-sales service, etc. It is no good setting out your stall without all these facts at your fingertips. Is your sales literature correct with the up-to-date prices? If you are going to demonstrate the product, does the sample work?

Don't forget to check an old customer's account before pumping more into that firm. Has the last order been delivered without any hiccups? You don't want egg on your face.

Planning saves time

You need to plan several areas. Your prospects (and customers), your geographical area and, of course, what you're going to sell. Paramount is how to make the best use of your time. The small firm owner's hardest decision I have found is to accept that so many days a month *must* be allocated to selling. It is a hard discipline for many that time away from the business will not be wasteful but is essential for expanding the customer base and keeping in touch with the outside world. It is all too easy to remain locked in the day-to-day crisis firefighting of running your business.

Market research will have told you where the prospects lie, and advertisements and coupon replies or mailshots set out the pattern of calls to be made. As invariably your time is the most precious commodity, try to train someone else to arrange appointments by phone. (For more on telesales techniques, see pages 214–17.) Get a map and divide up the territory. It may help to run a circle around your base representing one hour's driving time, then further circles beyond that. Try to avoid dashing about haphazardly as time between prospects is dead time. In a city use public transport, if it is physically possible. Use route planning software like Travelmanager that can work out the most efficient route between up to 25 calls based on postcodes.

If often pays to ask the buyer when is the best time to call. You may be surprised at the odd hours that people would welcome a sales presentation. Although as a general rule the safest time for a first call is after 9.30 am, to allow post and messages to be dealt with, an increasing number of businesses are starting before 8 am or run into the evening. Selling is highly competitive and picking a time when your more lazy rivals are not astir could well pay dividends. Victor Kiam, in his book *Going For It!*, relates that calling on Saturdays

or working through lunch has paid dividends for him. There are no queues of reps at those times and the buyer often welcomes a more relaxed discussion. Different trades require a different approach in your timing. Publicans, doctors, vets and head teachers have a 'best' time to call.

Don't always call in the same town on the same day of the week. That way you may catch that buyer who is always out. It is strange also how different places look on other days of the week.

If you can afford to go out every day, then work on a rotating pattern. This will shift the week on. Friday afternoons are generally a poor time to call. Leave them for your record-keeping and paperwork.

It is best to allocate a set time each week or month when you will go out selling. This will vary if you are a brand-new business or well established. But the time never to neglect calling is when you are busy. Your spate of business may not last and trying to establish fresh customers when you are in a slump is too late. The time to establish contacts is at the crest, not the trough.

Get organised

There are many software packages to record all your sales contacts, known grandly as Customer Relationship Management (CRM). The market leader is probably ACT! by Sage. Such a tool will enable you to record and plan all your sales prospects, log appointments, set targets and schedule your day or week. Records can be kept of every contact or visit. Follow-ups should not be missed and letters and quotes can be filed efficiently.

One of the secrets of selling must be to take a genuine interest in the growth and success of your customers. *Their* success, not yours. Remember, the customer comes first. Between calls keep your name subtly in front of your client by clipping and sending odd paragraphs of trade news or gossip that he or she may not have seen. You don't need to write a letter – just staple it to your compliments slip with a note 'may be of interest to you'. It all helps to build a warm relationship. There are more ways of getting business than writing an order form.

How to get past the personal assistant

Cold calling (ie without an appointment) is rarely rewarding. Buyers are busy people who generally abhor door knockers. You won't always be able to make

appointments and, indeed, some firms are relatively easy to get into without that magic phone call, but your time is valuable and your car costs a lot to run.

The more people you can see in a day, the more chance you have of making a sale, so make an appointment where you can. Ask for the buyer and make sure you record the name. If you are stuck for the name it sometimes helps to make one up. Say: 'Mr Johnston the buyer, please' to which the receptionist may reply, 'Don't you mean Mr Whiteside?' or whatever. In some firms the buyer's personal assistant guards the boss like the Crown Jewels.

Offer *alternatives*, and always be positive and self-assured. 'Good morning. My name is John Richards from XYZ Company. I am in your town next Wednesday and Thursday morning. Which day is more convenient for me to see him? I have a proposition I would like to put to him which will take no more than 15 minutes.'

Try not to get involved in long discussions with personal assistants. Good ones are trained to wrinkle out time-wasters, and you are not selling to the PA but the boss. As with all selling, be persistent, courteous yet firm. Don't forget the PA could well control that vital appointments diary, so you mustn't get on the wrong side of him or her. Sending a letter in advance, spelling out the major benefit, is often a good door opener that reduces delay from the PA. 'He will have received my letter' seems to stop procrastination and implies an established relationship.

Make sure that you are seeing the *right* person. Many large firms split buying functions right down. Finally, when you do get an appointment make sure you understand where the prospect is situated.

If you are fobbed off, be persistent yet firm, and always be polite. A firm may genuinely have completed its buying for the season, or only work on annual contracts. Never put the phone down without having learnt something of value, some extra fact that you can come back on. You must leave yourself with a lead-in for the next time. Also, record the conversation in your files.

The presentation

At last you've arrived for your appointment in good time. In your case you will have a notebook and pen (that works), brochures, your diary, colour photos of your product range or past successes that aren't in your leaflet, samples if size permits, maybe a Powerpoint or video presentation, and your order book (why not?).

When you are shown in, introduce yourself, shake hands – and *smile!* The smile is the ice-breaker, it shows you are human, just like the buyer. A smile

means warmth and understanding. It relaxes tension and removes the worry lines round your mouth. A smile is also the shortest distance between two people.

Breaking the ice

First impressions are most important. Psychological research has shown that we are conditioned and judge people in the very first moments of meeting

‘Body language’ or ‘non-verbal communication’ has also been studied. Apart from the words you use, the manner in which you respond and behave is often just as telling. Eye contact is very important. Avoiding looking at the speaker is regarded as shifty, while an alert interest encourages a warm response. An open approach conveys integrity and sincerity. Nervous movements of the fingers, hands and legs, combined with shifting about, fail to give an air of confidence.

The rules of the game allow you first bite to get your presentation under way. Keep pleasantries to a minimum. Don’t throw that advantage away by rambling on about the weather or admiring the buyer’s rubber plant.

If the buyer is not familiar with your company, a thumbnail sketch of the setup, personnel and specialities is in order. Starting on a subject you are totally familiar with helps to break your nervousness and encourage a natural flow of words.

Your whole manner should be positive, enthusiastic without being overbearing, sensitive to responses from your audience and on a stance of equality. An attitude of craven humility or the reverse can be equally disastrous. It will be difficult at first to sound natural but strive to conduct your sales pitch as a normal conversation, for this is, after all, what salesmanship is all about. Ask questions – *open* questions. By that I mean questions that can’t be answered simply by a ‘Yes’ or ‘No’. For instance, ‘Shall I send you some?’ can only provoke either yes or no and if it’s no then you’ve rather run out of steam.

Probing questions like ‘How many do you use in the course of each week?’ or ‘What do you look for when you buy this product?’ will involve the other person, who has to think and give intelligent replies. You are showing an interest in his or her business, problems and needs.

By shifting the emphasis you should develop the sales patter into a discussion, not about you but about the buyer’s world and how your product can help *make more money for his or her company*. Questions should be aimed at discovering whether and in what quantities the firm uses products similar to yours. The old standbys of what, where, how and when should be used. Show enthusiasm.

What the buyer worries about

Look at it from the *buyer's* point of view. Someone doing the job properly must always be on the lookout for products that will do the job more efficiently, at better cost and from a reliable supplier. They must meet the company's quality standards and be available at the right time and in the correct quantities.

Once the buyer has found a supplier that meets perhaps very exacting requirements, it is human nature to stick with that supplier rather than be chopping and changing about. Unless you can offer some very cogent reasons why the company should change, then the status quo will prevail.

What we loosely term 'the buyer' may well not be the person of influence. Some department stores now have 'controllers' above buyers, who determine initial strategy and look for new products. They decide what is sometimes called the 'range plan' that sets the trend for their image and merchandise. Once this has been settled the more mundane decisions of quantity and delivery are handled by our friends the buyers. Every company is different, with increasingly more sophistication entering the world of the professional purchasing manager.

The more complex and expensive your product, the more likely it will be that several people, and layers of management, will want to have a say. A new computer system may involve a whole host of departments with differing needs and specifications. Such a contract may take years to negotiate and design. You must try to understand how the buying process works for each target company and perhaps the strong internal politics and pressures on the decision-making process. Your initial approach could well be fairly low down the ladder – perhaps a shopfloor supervisor who actually has to use your kit – but you must attempt to influence the key person. The user and buyer must be separated and distinguished. Each has different motives. The user, who may not be paying for it, probably wants the best, the most expensive. The buyer, who may be on a profit scheme (or it may be his or her own company), will look harder at cost benefits.

To turn to simpler examples, children are usually the focus of TV ads near Christmas, to the dismay of their parents. Not terribly subtle blackmail. The appeal is directed to users, not buyers.

Recent research has disclosed that even purchases for the home and car are influenced by your children – and holiday venues even more so. Advertisers should bear in mind that, for example, the *Sun* is read by 26 per cent of boys under the age of 16 (I wonder why) but only 4 per cent read the *Telegraph*. It won't be long before direct mail hits those in this age group, and because they don't get many letters at present, the attention span is likely to be high. At the

same time they are perceived to be perceptive and cynical about marketing. The good salesperson takes this kind of thing into account.

Learn to listen

When you're talking you're not listening, when you're not listening you're not learning. A good salesperson is a good listener, not necessarily just a good talker as popular assumption has it. How many hear without listening? You listen to promote dialogue, for *buying indicators* and points you can pick up for leads and decisions.

Many salespeople have their set patten which defies interruption. They have to go through the routine, trotting out all the selling points regardless of the buyer's reaction. This is particularly apparent from call centres, here or abroad, where it is soon painfully obvious that the caller is reading from a script and any deviation can throw them entirely. Don't fall into that trap.

Difficult buyers

Old hands at buying can sometimes floor you by repeatedly asking questions. Turn it back and answer a question with a question.

Buyer: Why should I give up my existing supplier I've known for years?

You: When did you last get another quote?

or

Don't you think some competition is good for everyone?

One of the hardest buyers to sell to must be the silent or 'grunt' type. Your spiel produces no interest. The only way to draw out such a person is to keep asking short open-ended questions. If you have a product that can be demonstrated, then encourage discussion by involving the prospect.

Buying indicators

All through your presentation you should be looking for buying indicators. If not green lights, then there are amber lights saying: 'Right, I'm interested, sell me some.' *Talk too much* and the buyer may change his or her mind or think of a good reason not to buy.

Examples of buying indicators are:

- ‘What are your deliveries like?’
- ‘Do you do them in red?’
- ‘We’ve tried similar products in the past.’
- ‘Do you do trial offers?’
- ‘What’s the minimum quantity?’
- ‘How much does it cost?’

The new salesperson will not recognise these as intimations to buy but treat them as a series of questions and simply make the appropriate reply. He or she should be reaching for the order book.

Concessions

Never make a concession without asking for something in return.

- ‘If I discount by 5 per cent will you order 1,000 instead of 900?’
- ‘If I... will you...?’

Handling objections

Objections to buying are your *opportunity*. Quite simply they are reasons that you can fasten on to and turn to your advantage. Let’s look at some common objections and ways of getting round them.

Buyer: It’s too dear.

You: Are you sure you’re comparing like with like? The benefits I mentioned will give longer service and save you money in the long term.

If price is the cause of objections, then switch from price to value. Rolls-Royces would never sell on price alone. They are bought because 50 per cent of all cars ever built (since 1904) are still running, everything works superbly, they have 30 coats of paint, are hand trimmed and sail through the traffic because of their status.

If you are selling volume items it sometimes helps to quote unit costs or break the cost down to so much a week.

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Buyer: You can't meet my delivery times.

You: How critical are those delivery dates? Can we part deliver and produce the rest at weekly intervals?

or

If we could meet your delivery dates how many would you like?

or

Let me ring the works and talk that over with my colleague and see what we can do.

Buyer: You're a small firm and we only deal with established contractors.

You: Everyone has to start from somewhere. Being small means that we can adapt more quickly to pressures and switch over to rush orders. You can pick up the phone and speak to me, the boss, with no difficulty. Our overheads are lower than large suppliers and the benefits are passed to you.

Ring the changes and find out if the objection is genuine or if you are simply being fobbed off. Buyers often raise objections on price because they are undecided. It is the easy way out. Move on to delivery or aftersales and other benefits and find out if cost is a genuine reason. If it still is, then you'll have to bring in other arguments and probe deeper.

Never *argue* over objections. Reason and put your point of view but don't lose control of the discussion. And never enter into a slanging match.

Always be on your guard not to disclose confidential information and never use derogatory tones about others. The buyer may well think, 'If he says that about them, what will he say about my firm?'

It's also easy to be unwittingly pumped about the buyer's competitors. Use discretion. The odd name dropped with care can sometimes help with clinching an order. Farmers in particular tend to imitate their more go-ahead neighbours and want to know what is happening on the other side of the hedge.

A final important reason why you get objections is that the buyer often has to convince superiors and perhaps a committee that his or her decision was the right one. The buyer is using you as a devil's advocate. The buyer's own integrity and judgement are at stake and he or she must be assured that all the possible objections are covered. It would amuse you to see the reversal of roles later on when the buyer argues the points to colleagues.

Second sourcing

Unless you have a genuinely unique product, the main objection presented to you will be an existing supplier firmly entrenched. Every firm has suppliers that

you cannot budge, and for a new small business to oust existing loyalties, great patience and persistence are required. Several key points can be raised with the buyer:

1. How long would it take you to replace your major supplier if they had a fire, strike or merger? What would be the effect on your business?
2. Wouldn't it keep your other supplier on their toes if they knew there was someone else knocking on the door? Competition is a marvellous shatterer of complacency. It's an insurance policy.
3. What were the reasons for placing the business with them in the first place? Isn't the position similar now?
4. When did you last compare prices?
5. When did they last let you down on delivery or quality? (Every firm does at some time.)
6. Put 'suppose' questions. 'Suppose you landed that big contract, could they meet all your demands?' 'Suppose the pound drops again, do they have enough stocks to fulfil the quantity?'
7. Large companies often have several suppliers for identical components.

Closing the sale

Closing the sale simply means getting an *order* – the whole point of this exercise.

All through your presentation you should be alert to those buying indicators and looking for a quick close. You don't have to go through all the merits of your wonderful product if you're getting good signals. Close the sale there and then.

The techniques of asking for an order are many. Some salespeople claim to know and use over 100. I'll not pretend that you need to be fully conversant with all of these, but being prepared may open your eyes to what can be achieved. Having more than two means you do not continually have to steer the discussion around to your pet phrases.

Two vital points must be grasped.

1. A closing question is any question that you ask, the answer to which confirms that the buyer wishes to buy.
2. Whenever you ask a closing question – *shut up!*

If you keep quiet then only one of two things can happen: either the customer goes along with you and you have an order, or a reason is given that you can discuss.

I list below a mere 15 closes, but the keen student could (should) go to www.changingminds.org, which lists 49.

The direct approach

Why not ask for an order? That is what you're there for, after all. They can either say 'yes' or 'no' and if it is 'no', then you have an objection you can get to work on.

An objection *can* be a buying signal. Some buyers are indecisive and want to be helped in making the decision. There might be a doubt on some detail that needs clearing up.

The order form close

This is the most well used of all. Get an order pad out on your knee and during your discussion ask the customer questions completing the answers on your form.

'What is the delivery address? Where should the invoices be sent?'

Unless you are stopped, they've bought, haven't they? The *assumption* is made that they are going to buy but you never actually ask the question.

Alternative choice close

There was a hamburger bar that wanted to increase sales of eggs. As customers walked in, they were asked, 'One egg or two?' Few stopped to consider whether they wanted an egg at all. Your closing questions give the *choice* of buying this colour or that, with wheels or not. The choice is not between whether you want any or not, but assumes that you are certainly going to have *some*, the only decision is what variety.

'When do you want delivery, before Christmas or after?'

Alternative choice questions are invariably prefaced with 'Which do you prefer?' or related to those old friends when, what, where and how. The questions must always be assumptive.

Sharp angle close

The best salesman I know claims he first learnt this technique as a lad watching the Birmingham costermongers. He relates the story of a woman asking, 'Are those oranges sweet?' To which came the irrefutable reply, 'Would you like some if they were?'

Save this technique for when you are asked:

'Can it do this?'

'Will it run uphill?'

'Will it stay clean?'

Reply (sharp angle back) by saying, 'Do you want it if it does?', instead of tamely saying, 'Yes, it does'.

When you've agreed that the customer wants it if it does, then you've made your sale.

Secondary question close

The secondary question close goes like this: 'As I see it, the only decision you have to make today is whether you have the order this week or next. By the way, do you want to use your pen or mine?'

There is an alternative choice here, but the trick is splitting the decisions into major and minor. It is a distraction. When the prospect has made the minor decision, he has made the major as well.

Question closing

Question closing is a simple technique that is often missed. If you are asked, 'Can I get the delivery in seven days?', don't say, 'Yes' but close the sale by asking, 'Do you want delivery in seven days' time?' When the customer has said 'Yes' he's bought, hasn't he?

Call back close

We've all heard the line: 'I'll think it over. Call me next week.' It's a polite way of saying 'No!'

When you do call back, *never* start by saying, 'Well, did you think it over?' because the likely response will be, 'Yes I did; no thanks'. Instead, try: 'I am

sorry but the last time I called I forgot to tell you...’ It doesn’t matter what it is. Continue by saying, ‘Let’s run over what we agreed last time,’ and go through the whole presentation as before, the only difference being that you will now say, ‘As you remember’, ‘You will recall’, ‘We said that’ and then go into the normal closing techniques. *Never* ask whether the buyer has thought it over.

Objection close

If you come across a client who continually raises objections which you then defeat, ask: ‘Tell me, is this the one final objection?’ If it is, then you have made a sale.

Summary question close

To be used on the prospect who waffles and won’t come to a decision. You allow the subject to use ‘no’ when they really mean ‘yes’. An example:

Just to clear my thoughts, what is it that you’re undecided on? Is it our delivery date?

If the prospect says, ‘No’, it means the delivery date is acceptable and that is not a valid objection. So continue with all your selling points one at a time.

‘Is it this?’ ‘Is it that?’

Every time you get a ‘No’, you have got a ‘Yes’. If you get ‘No’ to all of your ‘Is its?’, you have made a sale! If the prospect says, ‘Yes’, you have pinned him or her down to a definite objection that you can go to work on.

Endorsement close

Bring in a *true* story of someone who has used your product and benefited from its use. The knack is tying it in with someone the buyer can relate to. Alternatively, tell a tale of someone who *didn’t* use you and suffered as a result. This close is widely used in the insurance field.

The fear close

The fear close should be used with discretion. The object is to plant a seed of doubt or fear in the prospect’s mind: a fear that if he or she doesn’t order today

then the chance will not recur. If the prospect says he or she will order 'next time', then you have to say you will not be able to offer the same advantageous terms. That statement must be transparently accurate.

Examples

'Sign now and you'll get £100 off.' Much used by double glazing salesmen.

All the more suspect when used by itinerant tarmac gangs: 'We've just finished resurfacing the road round the corner and we've got a few barrows left. Not worth taking back. Shall we do your drive now, missus?'

The referral close

If you've failed to get an order, ask the buyer if he or she can recommend anyone else who may be worth tackling. Psychologically most people will want to be seen to be somewhat helpful, so you should get some referrals. Thank the buyer and say, 'Thanks for these but why not buy some yourself?' It has been known for a change of heart then to magically take place.

The phone close

If the prospect is arguing over detail, phone the works and pretend to discuss with your sales director or production supervisor. 'Yes, you can have that if you give me the order now.'

Agreement close

Work through your sales points with the client getting a 'yes' to each benefit, writing them down so that the client can see. Then gently lead on to delivery date or quantity, whichever seems most relevant. Without the client quite realising it, an order has been subtly introduced.

The briefcase close

Very unsporting, but I have heard of two closes that would fit under this label. The unscrupulous can buy briefcases with a hidden tape recorder that is set off by adjusting the handle. If a salesperson calls on you, makes his or her sales pitch and then leaves the room, you might feel inclined to discuss the

proposition. The salesperson then reappears and takes the case to the car to get some papers. Lo and behold he or she returns with much more confidence and meets your wishes.

Number two is even worse. Many contracts are placed by tender to be met by a certain date. You phone the buyer on the day and say you are dreadfully sorry but you will be late. You prepare three tenders at different prices and turn up late asking the buyer, 'By the way, what was the lowest tender?' In a surprising number of cases you are told, whereupon you rummage in your case and produce an even lower tender. These sort of practices get selling a bad name.

Other products and other customers

Before you leave ask two questions:

'What other products are you interested in?'

'Do you know of other prospects that I could see?'

If you don't ask, you may not be aware that their buying patterns have changed or new processes have been installed. *They* may not be aware that you have other lines. But don't carry this to excess – leave something for your next visit.

Other prospects could be buyers at head office or another division that uses the same products. There's nothing like a referral from one buyer to get you into the magic sales office. Don't forget your stock in trade is *names*. If you're dealing with a big customer, don't forget the commitment that some expect. As one buyer said, 'We want a real commitment from you, not just a contribution. I had bacon and eggs for my breakfast this morning. The chicken made a contribution, but the pig made a commitment.'

And finally, if you're running a café, ask 'Do you want the second one now?' 'Second one?' 'Well, they're so good you'll certainly come back for more.'

The dangers of sale or return

SOR is a common practice among craft shops, independent garden centres and galleries, largely, I suspect, because most are under-capitalised and do not know their market. For the new producer the offer is tempting. Everyone wants their goods on display in the high street, so why worry? You haven't made a *sale* until the money comes in. The goods could very well be damaged or soiled and

unsaleable if they come back to you. What check have you whether the goods have been sold anyway?

The whole area is ripe for disputes, although it does have a genuine place for the experimental piece or single expensive sculpture or picture. It is entirely legitimate that the gallery owner should hang and display works of art on an SOR basis if they have a limited but defined appeal.

SOR goods must be the subject of a written agreement. You will need to cover:

1. Insurance – at whose risk are the goods on display?
2. Commission – at what rate?
3. Terms of payment.
4. Packaging and carriage – who pays for the return?
5. An agreement that the goods remain your property until paid for.

The art of demonstrating

Demonstrating a product requires its own technique. Practise first how and what points you are going to highlight. Check out all the components before you set up, each and every time. It is not sufficient to put it away and take it out next month without a dry run.

If it is an audio-visual (AV) presentation, run through the files or video and check everything works. Take a spare bulb.

The art of demonstration should involve the following features:

1. While you are actually showing the product – keep quiet. The client can't listen to you and look at the features.
2. *Respect the product*; don't dump it on the table. Even if it's only a cheap item, bring it out of a decent box, remove the tissue and give it a polish. Handle with care and reverence – all part of the image.
3. *Involve the customer* and let him or her handle the goods. But if there is anything approaching a knack to any operation, keep the customer away. Encourage questions. Try to leave the goods for the client to play with, if that is appropriate, on a trial basis. It gives you another selling opportunity when you call back.
4. Working demonstrations for plant and equipment can go down very well. Farmers love to try out a bit of new apparatus on their land. Get a group together with a supplier or your big local contractor and you've got the

right atmosphere to generate some business. Don't forget a reasonable amount of food and drink.

Quotations, invoices and terms of trading

Gentlemen's agreements should have no place in your sales pitch. Although the law says that a contract can be made verbally, with or without a shake of the hand, if things go wrong it is awfully difficult to prove what was agreed. Some golden rules:

1. Never accept an order without confirmation in writing. A simple e-mail or fax confirmation is often sufficient.
2. Never order materials before you get a written acceptance.
3. Don't accept an order over the phone without a written order.
4. Don't vary the order or accept additions without the same procedure. Each variation is a fresh order.

An *estimate* is a well-reasoned guess at what the job is likely to cost. You are allowed to alter the final figure.

A *quotation*, on the other hand, is a firm figure at which you undertake to complete the work. If that figure is accepted, you have made a contract. If you break that contract either by poor performance or non-delivery you could be sued.

Always put a *time limit* on your quote for acceptance: 'This figure holds good for 30 days,' or whatever. In days of high inflation it is folly to give either long fixed-price contracts or undated quotations. Some sectors use a known-cost-of-materials index – architects and builders, for example.

Make sure you get a signed *acceptance* in an approved form. The simplest method is to get back a signed copy of the quote or equip yourself with a duplicate book from any stationers.

References should be taken for new customers before committing yourself to large or special orders. Any professional trickster always keeps a couple of tame referees available, so it helps to *ring* rather than write. Speak to the other firm's credit controller – you should be able to pick out the dubious characters. Credit agencies (page 57) and your own bank can also help with inside research. Ask your bank manager to explain the nuances of the reply as there are sometimes coded warning signals to the initiated. If you are uncertain, send a *pro forma* invoice that must be paid before any goods are delivered.

Always be suspicious of large orders dangled before you for no sound reason.

A *specification* should be given saying what you are supplying. You may need to supply drawings, dimensions, samples, and detail any special finish. Reference should be made to a British Standard colour chart and the relevant BS or Ministry of Defence standards if appropriate.

Your *invoice* must be addressed correctly as this is what passes title in the goods.

For small firms make sure you distinguish between sole proprietorships and those with limited status, as invoicing in the wrong name could make later legal actions difficult. For large firms always quote their order number and any other detail required. Mark it for the attention of their authorising person. Include your VAT number. Don't give them any excuse to delay payment.

Terms of trading should be stated on the invoice. When is payment required? In 30 days? On delivery? And do you mean 30 days after delivery or after the date of the invoice? 'Monthly' could mean either the end of the month after the month of delivery or a month after delivery. Complicated, isn't it?

When you date the invoice is important. Many large firms regard the last day of the month as sacrosanct. If you deliver on the last day of the month and invoice religiously on the first you'll lose 30 days in your cash flow. Most firms like to pay at the end of the month after the month of delivery.

Many companies now close off the books on the 25th of each month or thereabouts. Miss that cut-off point and you'll have to wait a further month to get into the system. If you are dependent on several large firms, find out how their systems work. Fit your invoicing and deliveries to *their* scheduling – not yours. In the interests of cost cutting, many firms are no longer sending out *statements*. If you are following the trend make sure that your invoice is clearly stamped, 'Please pay on invoice – no statement will be sent.' Use BACS to further reduce paperwork.

Delivery and advice notes should state after what period damage claims can no longer be entertained.

Deposits should always be taken with orders for specials or one-offs from unknown customers. The amount should preferably cover the cost of materials. If they object to paying a deposit in advance, open a trust account in the name of your solicitor to act as stakeholder.

Conditions of sale are the small print on the back of your order form. They should cover damage claims, dispute and arbitration procedures, suppliers' liability and payment terms, among others. One point to watch: by accepting an order you are bound by *the customer's* conditions of sale *unless* you point out the contrary. It is then up to the customer to accept your amended conditions or

refuse the contract. It would be surprising if you managed to get a large firm to amend its conditions of sale unless it were for very minor reasons. If you are in the contracting industry you will be aware of the Palaeolithic contracts used there that in effect say, 'You'll be paid when I get paid.'

Many attempts to get statutory *overdue interest* on unpaid bills and quicker payment from large firms have failed dismally. You can write a clause into your conditions surcharging interest but whether you will ever get it is dubious. As an inducement to prompt payment some firms offer *discounts* of 2½ or even 7 per cent for settlement in seven days. The problem comes when large customers deduct the early discount and still pay in three months.

Satisfaction notes signed on completion of an order do not hold the force of law. The customer can still claim against you afterwards under the Sale of Goods Act 1979 for fitness of purpose. The mere signing of a note does not relieve liability.

Retention of title clauses mean that in the event of *insolvency* of a debtor company, your goods can be identified, and if payment has not been made, you, as the seller, can uplift the goods, provided that they have not been built or absorbed into other articles. You must have included an appropriate clause in your conditions of sale. Your claim will have preference over that of other creditors. In essence, the wording should run, 'Title to the goods does not pass until payment has been made.'

Using agents

Wholesalers/distributors purchase the goods and sell on. In return they expect a minimum of 30 per cent mark-up. To reduce the distribution cost an agent can be used.

- Agents usually work for a direct commission on volume only.
- Commission varies but is rarely less than 7½ per cent, and 15 per cent is not unknown.
- The goods are sold to the agent but invoiced direct to the stockist.
- The agent may not see the goods at all, apart from sales samples, as they are delivered direct to the buyer.

Few small firms can afford their own sales force and perhaps fewer still enjoy selling as a pastime. But someone has to do it. It is supposed to cost over £40,000 a year to keep a good salesperson on the road, including car and

general travelling expenses. Inevitably there is a running-in period where the investment is awaiting some return. And you run the risk of picking the wrong person.

The logical sales route is via agents. A good agent will have *contacts* in your field, buyers personally known to him or her, with perhaps many years of detailed product knowledge. The important thing to remember all the time is that, like you, the agent is in business on his or her *own account* and stands or falls by his or her own efforts. If the agent doesn't sell, he or she won't earn.

Agents are paid purely on commission. You, as principal, pay out directly on results. It is obviously in both your interests to develop a close working relationship and it is not a situation where you can shovel all the responsibility for sales on to someone else and forget about it. That will quickly lead to disillusionment. You will join the throng of firms who say, 'Agents don't work.'

How to find an agent

You can advertise in your specialist trade press or the *Daily Telegraph* (widely used for this purpose), or place a notice on your show stand. There are also agents' associations, but the only reliable method I have ever found is by approaching outlets where you wish to sell. They know the honest, competent and regular agents who call on them. Draw up a short-list and invite them to apply.

The success rate for matching good agents with small firms is not high. I have to confess that few succeed. Too many agents have hung on to a few lucrative long-lasting accounts and see no reason to extend themselves for a new struggling firm with an untried product. It is a very real problem to find professional representation in the field. Your product has to be first class, growth prospects exciting, with plenty of promotional material and back-up support.

Most agents work on their own, though partnerships of several individuals and even limited companies are not unknown. You should find out:

1. What other agencies he or she already has. They mustn't compete with yours, but should be complementary.
2. What is the agent's knowledge of the trade, geographical area covered.
3. What are the agent's contacts.
4. What is the agent's proven selling record.
5. Does the agent appear honest, reliable and a fit person to represent your business.

6. You will need to draw up an agreement to cover the main points, including commission rates, when payable, retention of 'house' accounts, training and support given, and periods of notice required to terminate.

Telephone sales

I've left the hardest to last. Next to face-to-face selling, using the telephone is the second most effective method of persuasion. Many more calls can be made as there is no lost travelling time, and cars and hotels are more expensive than a warm phone. It is also usually easier to reach the decision maker – if you put telephone selling in *skilled hands* (or should it be mouths?). A mailshot on average may reach perhaps half its audience, but few are read beyond the first line. With upwards of 20 million phones in the country (to say nothing of abroad) the audience is readily identified and approachable, unless you live in parts of London where the ex-directory rate is running at 40 per cent. But there are drawbacks. Five per cent of London businesses are ex-directory presumably because they want to remain online only. Bizarre.

Planning a telesales campaign

Names and research have to be gathered in the same way as for any other selling exercise. It helps to include a space for the phone number on your coupon replies and ads so that this goes into your system along with the address. Armed with lists you must then rehearse what you are going to say. Using the phone is a definite skill. Unlike face-to-face selling, you have *only* your voice to persuade. No reaction from the buyer in terms of expression, no demonstrations, no colourful leaflets – and no written order form to close the deal.

Setting objectives

The telephone can be used to:

1. Research the market, in all its implications.
2. Gather names for a mailshot.
3. Make appointments for interested parties.
4. Follow up on a previous marketing exercise, eg mailshot.
5. Secure sales.

6. Keep the customer happy. Follow up on after-sales service.
7. Service existing clients, avoiding expensive salespeople's visits.

Obviously, many items are too complex or need the personal touch to secure actual orders, so reasonably attainable objectives need to be set out. In most cases weeding out hopefuls to make best use of personal face-to-face selling can be done over the phone.

Training in this field is more important than ever. There are many courses available. Like others, you may well find that your female staff are more adept at telesales than the men. You must rehearse and record for self-improvement. Don't forget that for all telephone calls – incoming and outgoing – the person handling the phone is your company. A sloppy or indifferent manner will do you no good.

Voice techniques

Given that you can't see the other person, you can quickly form an impression of their personality: whether they are excitable, young or old, think before they speak, are bored or tired or just 'nice'.

As with all selling you sell yourself first. Your enthusiasm will be projected over the phone just as clearly as if you were sitting in the same room. The listener will form a mental image of you from your speed of delivery, mumbling or clear diction, forcefulness or tardiness.

Clear diction, meaning and sincerity are therefore vital points to practise. *Smile* on the phone. Have you ever heard a voice that isn't smiling? It's surly, discouraged and defeated. Why should you *buy* a voice like that?

Preparation

You will be working from a prepared list of prospects with the usual background details. Some practitioners go so far as to suggest a written script. That I find a bit extreme, but use one if it helps. At the least you want a short list of the main selling benefits.

Getting past the switchboard

In a depressing number of companies the switchboard operators are trained to fight off salespeople like the plague, so avoid referring to selling or any other close relation like market research or surveys.

Describe the nature of your call: 'I'd like to discuss a new technique in adhesives', or 'I'm sure he'll be interested in profiting from a new discovery.'

There is no point in launching into a sales pitch with anyone other than the decision taker.

When you speak to the buyer

Good telephone selling revolves around bringing out an interest in the prospect's company.

'I notice that you won a nice order from Kuwait the other day.'

'I see that you are exhibiting at the next trade fair.'

'Your trading results had a good press on Sunday.'

Open out the client to get him or her talking and look for opportunities to inject some sales points. Use the regular techniques – what, when, where, how and who? *Why* tends to lead to rather abrupt remarks and may seem to be too probing. Telephone selling must always be the model of courtesy. No hard sell here.

Radio actors should make good telephone salesmen. They know how to sound interesting and convincing, when to pause and vary the pitch of the voice.

Other uses of the phone

Don't neglect *incoming* calls as a sales opportunity. They may be ringing up for lengths of timber. Ask about stains, fixing and cutters and the like. The idea may not have occurred to them. They may not even *know* that you stock such lines.

Take a hard look at your sales route. Could not those *regular* customers be just as easily serviced by phone? It could be easier for them and certainly cheaper for you. It would leave you more time to call on fresh prospects. Train other staff to handle all telephone sales. Pick a person with a bright cheery personality and more business may be developed than by yourself, the boss.

The most profitable way of expanding your sales is by selling more goods to your *existing* customers. That should be writ large in every sales office. You should be thinking all the time, 'What else can I sell them?' We are all creatures of habit and tend to go back to the same shop or supplier. If you keep up a smart service and look after people, it is far less time-consuming to sell to existing

customers than chasing round looking for new faces. And the easiest way to do this is by phone.

... and abuses

1. Keeping the customer waiting without explanation while the extension or buyer is tracked down. If there is likely to be a delay, promise to ring back – and make sure you do.
2. How often do you ring a firm to hear, ‘Abrgwtyrulifod Company’? The person is so used to answering the phone that the firm’s name becomes incomprehensible.
3. A common fault in engineering firms is to locate the phone in the noisiest part of the works. At least that’s how it seems. It’s sometimes more interesting to listen to the conversation and hubbub in the background than the caller.
4. Good bosses tell someone when and for how long they will be out.
5. Try to avoid putting the phone down before the customer does. It’s a subtle point but hearing the ‘click’ is somehow impolite and disconcerting. It sounds as though you are glad to be rid of him or her.
6. Anyone who answers the phone should have a basic grounding in what the firm does. Whoever answers the phone *is* the firm to the caller and an indifferent voice is no help or image builder.
7. Identify the caller before quoting a price. He or she could be a large trade customer who deserves the best price.
8. Chain a pad and pencil to the phone. How amateurish to be asked to ‘Hold on a tick while I find a pen.’
9. Computer call-answering machines that leave enquirers hanging on for minutes do you no favours. For some sectors – the elderly – there is no substitute for the human voice, and you will lose business if you rely on an answering service. There are bureaux that will handle after-hours calls but the fee could be around £3 each, making low-cost items prohibitive – but useful for doctors and emergency building services.

If you have an answerphone you will know that many people (especially the older generation) refuse to leave a message. All you hear on playback is the click. Try *opening* your recorded message with a quip. Instead of, ‘This is the Mayfair Widget Company on 234 67845’, try ‘Yes, I hate these things too’, or ‘I quite agree. These machines are dreadful.’ It does work by breaking the ice with a human touch.

Customer care

Having made the sale, it should be obvious that looking after customers will not only ensure that they come back for more, but that there is a fair chance that they will tell their friends. It's called building a reputation. One of the acknowledged gurus in this field is Julian Richer who by the grand age of 35, had built up his chain of retail hi-fi shops, Richer Sounds, to be the busiest in the world. As he says in *The Richer Way*: 'You can play around with prices to push sales and turnover up. You can mess around with margins and hammer costs to make profits look good. But these are short term-tricks. Unless the customer is happy, the business will not last.'

Keeping the customer happy means, firstly, motivating all your staff so that they totally accept that the customer must be at the heart of the business, and, secondly, treating all your staff as important and valuable. Decent pay and conditions are one way; listening and acting on suggestions are almost as important. The objective is to raise morale. Sales targets need to be set to be within reach of all, yet recognising that even warehouse packers need acknowledgement and thanks. Recognition by the management should be mandatory. Your policy should be to catch them doing something *right*, not telling them off in times of failure.

Customer care in a selling situation means courteous, prompt attention without fawning or pressure. Make the premises warm, inviting and tuned to your audience. Encourage browsing and don't hassle people. Listen to the customer, don't switch sell and be honest at all times. If you don't know the answer, don't bullshit, but make sure you do find the right answer. Under promise, over deliver. If a repair, for example, is likely to take 10 days, caution 14 and the customer will be delighted when it arrives sooner. Acknowledge people queuing, be attentive and don't let them wander off.

No-quibble guarantees – like Marks & Spencer's – should be your avowed policy. The damage resulting from prevarication or nit-picking is never worth the hassle. At periodic intervals it can be helpful to ask customers what they think of the service and of any ways it can be improved. And probably most important of all, make your shop fun and pleasant to work in for staff and customers alike. Install a drink machine, offer mince pies at Christmas, hot cross buns at Easter, loan brollies in the rain. Be different...

Sales promotion

Sales promotion (SP) was a little-known science to the general public till the Hoover marketing people thought they would do their bit for the flagging airline

industry. It would have been better if they had gone into aircraft in the first place. Well, it only cost the company £47 million to redeem the prizes. And they did sell a lot of Hoovers.

SP techniques are a way of bringing forward sales, encouraging brand loyalty or manipulating the price levels to distort the sales graph. SP is invariably used in the fast-moving consumer goods (fmcg) sector, where differences between brands are slight and the market is well developed, if not overcrowded. Sales promotion is now a huge industry with some claiming that the spend is twice that of advertising. Unfortunately, there is little place here for the small firms, so I shall not spend much time on the subject.

Price manipulation

1. Discounts can be used to even out off-season or quiet times in the trade, be it a hairdresser, theatre or caravan site. Dance halls, or should I say 'Nite Spots', often offer free entrance to girls before 9.00 pm to correct an imbalance of the sexes.
2. Seasonal businesses need to iron out cash-flow problems where they can by offering easy credit for early delivery. These invoices can then often be placed with a factor.
3. Sales, if not overdone, can be used to clear stock before the next season's delivery arrives.
4. Firms that deal in a multitude of small lines can use a sale to reduce the chore of stocktaking.
5. For similar reasons a dead stock figure would look better on the balance sheet if turned into cash.
6. New lines are sometimes launched at an unrealistic price to get plenty out on to the market.
7. For the same reason spoiling tactics can be used to defeat a competitor's launch of a rival product.
8. Stockists left with last year's model need to clear the showrooms to make way for the new one.

There is a danger that too frequent sales will devalue the image of the business so that no one buys at all when there isn't a sale on. A bargain sale may also simply bring forward purchases, leaving a drop in subsequent turnover till consumer stocks need replenishing.



Figure 7.3 The rushed sign is appropriate to the compelling urgency.

Loyalty schemes

Like much of marketing in this area, SP techniques come and go in cycles. A few years ago, money-off coupons were all the rage till many supermarkets decided that the hassle of matching the coupon with the product wasn't worth it. They gave money off at the checkout regardless – which wasn't what the manufacturer intended.

So the great cry at present is dreaming up schemes to retain customer loyalty. The usual way is by giving stamps based on the value of purchase to be redeemed against cash. Now didn't the Co-op do that 50 years ago? The

runaway success in this field has of course been *Air Miles*, which combines the glamour and excitement of foreign places with building up expectations. Smart cards are used by supermarkets that record all your purchases; they can then mail you with appropriate special offers. By analysing your purchases (Lieb-fraumilch or Bollinger) they can also form a pretty good idea of your disposable income, leading down all sorts of avenues. Maybe one day the capture cost will become more relevant for small firms. From a supplier's point of view the information they can provide is mouth-watering. A complete profile of the customer combined with tracking high-value activity opens up numerous doors. Until the cost of these smart cards diminishes, small firms can stay with more tried and tested coupons to encourage showroom traffic and measure advertising effectiveness. More boring, but within your means.



Figure 7.4 Pub sign to encourage the bargain hunter.

Competitions

Always popular as a crowd stopper at exhibitions, and with the National Lottery now a fact of life, the passion for a chance seems undiminished. Competitions must involve using some skill and judgement, otherwise you will come up against the Lotteries and Amusements Act, whose rules are strictly enforced. (Don't defeat everybody though by leaving the ball still in frame as one 'Spot the Ball' promoter did. I regret to say that it was in Ireland: some entries still got it wrong.) The motor trade is fond of competitions to draw old customers back into the showroom to test-drive the latest model.

Anyone in doubt should contact the Institute of Sales Promotion for a copy of its code of sales promotion practice. Visit its website at www.isp.org.uk.



Figure 7.5 A shelf-seller for grocers.

Promotional gifts

This is a vast field and includes everything from personalised pens, scrap-pads and calendars to T-shirts, watches and mousemats. That is the cheap end of the



Figure 7.6 The promotional merchandise market is immense: from Beijing Olympic caps like these to pens, diaries, mugs, vouchers and many, many more.

market. Moving up the scale some offer champagne balloon trips, boxes at Ascot and trips to Nassau. The reason for all this largesse is either to reward loyal staff or, more likely, to influence good customers, buyers and prospects in the nicest possible way. The promotional gift industry, for that is now what it is, supports several magazines and several trade shows.

It is an ideal market for small firms to supply, as the big customers are looking for quality, individuality, imagination and fresh ideas. Many services are featured – travel, leisure and entertainment (corporate hospitality is the grand word) – while manufactured items must usually be capable of bearing the giver's name. Personalisation. No point in giving something if the recipient

forgets who gave it away. To source this sector, try the British Promotional Merchandise Association. (www.bpma.co.uk)

Finally, here is an old sales joke that is worth a wider audience. Grocer Goldberg was showing his new junior round the stock room.

‘My, what a lot of cheese you must sell!’

‘Not me,’ said Goldberg, ‘but you should meet the man who sells *me* cheese!’

Summary

- Recognise that selling is a vital skill to survival. If you really can’t do it, employ someone who can.
- Study the psychology of why people buy.
- Set reasonable selling objectives.
- Plan your campaign. Decide on 10 key accounts that you would really like to do business with.
- Organise a system that is simple, informative and one that you will use.
- Practise your presentation, check any audio-visual aids and make sure that any demonstration of your product will be foolproof.
- Aim to be a good listener. Nod, respond and maintain eye contact. Look for buying signals.
- Be prepared to close at any time.
- Rehearse likely objections and learn to turn them to your advantage.
- Don’t forget to ask who else in the company could be interested, and look for other lines to sell. Never underestimate the potential purchasing power of your prospect.
- Widen the use of the telephone both to make better use of your own time and to involve your own team.
- If you can use agents, take great care in selection, training and motivation. Hang onto the good ones. They are a rare breed.
- Make sure your paperwork is as professional as your selling effort. Always follow up quotes promptly and diary forward to review.
- Establish an efficient complaints procedure: a satisfied customer could be one for life.

Exhibitions and shows

We are not here to sell a parcel of boilers and vats, but the potentiality of growing rich, beyond the dreams of avarice.

Samuel Johnson at the sale of Henry Thrale's brewery, 1781

Buyers learn of new products in three equal ways: from representatives, advertising and attending exhibitions.

Trade exhibitions and local shows are an important part of many small firms' marketing efforts. At one leap you can be in a major selling arena alongside giants of your industry. The visitors may have set out to meet their customers, but it is your job to make the best of that opportunity to lure them onto your stand as well. The exhibition calendar splits into a number of different sectors. There are the well-known public (consumer) shows such as *Ideal Home*, *The Motor Show*, *Boat Show*, etc, that can run for weeks. But by far the biggest number of exhibitions is in the trade show sector where the public is generally not admitted, but where serious selling is done within that trade sector. So for the motor trade there are such shows as *Commercial Vehicles and Automtove Trade*, *Vehicle Dynamics and Automotive Electronics*, and *International Commercial Vehicle Bodywork Show*. Lastly there are the local agricultural, balloon festival, steam rally and craft shows held in every county, where the biggest (*The Royal* at Stoneleigh) attracts some 300,000 people. Before booking space, there are a number of questions to be answered.

1. What is the audience? Trade only, consumer, general or specialist?
2. Venue. Can you visit beforehand?
3. What is provided by the organiser.



Figure 8.1 This mobile caravan stand is quick to open up and is seen at ten agricultural shows a year. A good investment.

4. Cost, length of show.
5. Why are you going to exhibit?

If you do your homework properly a high proportion of the right audience will have been selected for you. Choose the wrong show and you may waste a few thousand pounds (if you exhibit at the National Exhibition Centre or other major venue) as well as all your time.

It should be obvious that the main reason to exhibit is to meet a large number of buyers under one roof within the space of a few days. The average salesperson will be lucky to see more than six prospects a day. An exhibitor can manage a couple of hundred in the usual four- or five-day show.

You should appreciate that the psychology has subtly shifted. From being the wooer calling at *the purchaser's* door, and wheedling past the protective personal assistant, you are setting out your stall to lure the punter onto your stand. But make no mistake: taking a stand at a show is a significant and expensive step that needs considerable planning to make the most of the opportunity.

How to choose the right show

There are around 3,000 trade fairs held each year in the United Kingdom alone ranging from motor cars to fur and feather. They are listed in *Exhibition Bulletin* (see page 53) or on www.exhibitions.co.uk. With so many to choose from, care must be taken to pick the right one. Fair promoters are keen to push the merits of their own efforts and are fond of launching new concepts to fill alleged gaps in the market. In general, stick to tried and proven shows. Ask for last year's catalogue and if possible visit the actual show before becoming a paying exhibitor. You can quickly form an idea of the merits of the show by picking out the brand leaders in your trade. Show organisers may also send you a list of exhibitors who have actually booked space in advance. The better shows will provide a visitor breakdown of the previous year's attendance – how many plant managers or specifiers, etc. The figures should be audited.

General shows have vague titles – Spring Fair – while the more specialised shows will only attract visitors of that interest.

The more popular shows will be booked up perhaps six months ahead, and often with preference on position given to previous exhibitors. Some literally have a waiting list from one year to the next.

Objectives

I frequently ask why small firms go to shows and depressingly often I get two answers: 'To show the flag' and 'Because I always do'.

Shows are very expensive. Any reasonably major show will cost upwards of £2,000 for the bare minimum of space and a shell stand (see Figure 8.2 on page 229). On top of that will go travel and hotel bills (which can be ruinous in London or near the Birmingham NEC).

So your marketing objectives need to be clearly thought through. These could be:

1. To sell more product.
2. To launch a new line.
3. To find distributors or outlets in a new territory. (Many northern firms put this as number one when exhibiting in London.)
4. To find overseas agents. Major shows attract many overseas buyers and if you find someone you can work with it avoids the expense of going abroad yourself.

5. To attack a new market.
6. To reposition your company in the market.
7. To give support to field agents.
8. To get quick feedback on a projected new range. You can see a lot of prospects in a short time.
9. To re-establish links with clients whom you perhaps do not see often. This can be overdone but is nevertheless a quite valid way of cementing relationships. Shows are good gathering places.
10. And last but not least, pure PR to strengthen the company's position in the marketplace. This should be used as an internal PR exercise as well. Take shopfloor workers and loyal overworked secretaries along to meet some real clients and let them see the competition.

Cost

Remember that whether 20 or 200 square metres are rented, the fair organiser can only provide the same audience. You won't get any more people through the turnstile by having an enormous stand.

Space rental is just that: whatever is placed on that space is at additional cost. A *shell stand* provided by the organiser is usually three plain white walls, a fascia board with your name, common lighting, and sometimes floor covering and a front desk. Extras you *may* need are power points (sometimes amazingly expensive), spotlights, chairs (you will want to rest occasionally), a coat rack, a reception desk, leaflet and display racks, a better floor covering, a muslin ceiling to hide all the cables and beams, and a waste-paper basket. You may well want to improve the lighting by having extra spots and to bring colour to the walls by using drapes, tiles or display stands.

Your stand design may be governed by restrictions on height and often weight. Unusual exhibits must be cleared with the organiser first. They are all careful about flame retardant materials. Heavy or bulky exhibits must be moved in early during the setting-up phase.

Although the show organisers often specify approved stand contractors, this *doesn't* preclude bringing in your own designs. Prior submission is usually required. Everything to do with exhibitions tends to be expensive. If you happen to be a joiner or in display, or have other practical skills, build your own stand fittings. Design them so you can use them again – and again. But, and it's a big one, if you are at a major exhibition venue, be wary of doing any part of the erection on site. Entire shows have been stopped by exhibitors hammering in a

nail or even changing a bulb, when such work was the prerogative of one or more unions. This is usually spelt out in the exhibition contract. Tempers tend to be frayed before a show and getting hold of the organiser's tradespeople to fit your stand together is a very frustrating business. I haven't yet been to a show where someone isn't still painting the walls on the first open day.

A final thought on cost: use carpet tiles and lay them back in the office ready again for next year.

Stand design

This is the most obvious area where the first-time exhibitor stands out like a sore thumb from more seasoned professionals. You have three choices:

- Go to a professional exhibition designer, who will doubtless produce an excellent design – if you can afford it.
- Take the organiser's standard shell scheme (Figure 8.2). This is the preferred route, allowing you to be there with the minimum of fuss.
- Make your own additions to that or simply rent space and put your own stand on it.

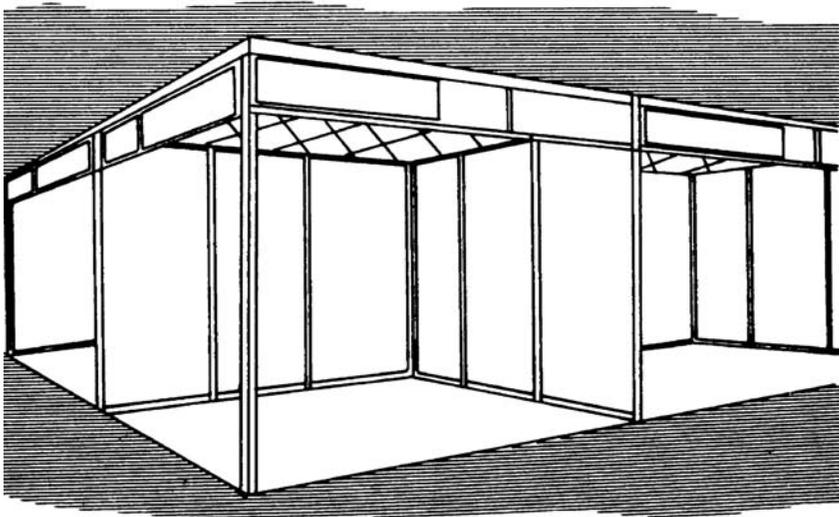


Figure 8.2 Exhibition shell stand.

Looking at the last option, you must study the exhibitor's regulations very closely; rarely will any deviations be permitted. Ideally you should attend the show, as a visitor, the year before taking a stand, to get the feel of what succeeds and where the aisles and traffic flow go.

If that is impossible, visiting any show at the same *venue* can also be revealing. Because of service points and the sheer construction of the hall (pillars and exits, etc), each show will tend to follow the same layout regardless of whether it is the Motor Show or Show for Menswear. You will get an idea of dead corners and balcony appeal.

There are 10 main objectives to bear in mind.

1. You must get people to *stop* in front of the stand (what goes on here?).
2. You are in an advertising environment and must *sell a benefit*.
3. There must be no psychological barrier to getting on your stand.
4. Leave enough room for *people* on the stand. Frequently overlooked.
5. Design a cubbyhole for your hats and coats, rubbish and spare literature – and probably the obligatory fire extinguisher.
6. How can you show your product to best effect?
7. Display literature on your product.
8. Have attractive and effective lighting.
9. Contrive some movement or interest on the stand.
10. Can you use part or all of the stand later?

The stand design will depend first of all on what position you have been able to secure. All the best spots will usually have been taken by the regular (and larger) exhibitors and you may have to make do with an inferior slot. By researching the venue you may decide that the cost is unlikely to offer sufficient returns in view of the poor location. Ideally, choose a position where visitors are approaching you face on so that the full benefit of your magic design can be obtained. Corner sites also offer two frontages. Draw the layout of the stand and make card cut-outs to show the position of the front desk, literature stands, product displays, etc. Better than that is a 3D model, if you're up to it. Make a cardboard man of the right scale and move him around. Then tape up the dimensioned stand and build a full-size mock-up.

Many exhibitors seem to think it is sufficient just to be there. It is most important to grasp that you still have to get visitors to stop and come onto the stand for a *selling situation* to arise. What is known as the 'hover point' is about three feet in front of your stand. You can watch people look at a stand, puzzle through their mind (anything of interest here?) and come to an instant decision to move on or be attracted. It is rather like direct mail, which I talked

about in Chapter 5. You have about two seconds at most to influence the right decision.

There are a number of ways you can do this.

1. There must be an immediate, loudly proclaimed benefit. It is not sufficient, for example, just to stick up your name and product as so many exhibitors do. There could well be a hundred other exhibitors all competing in roughly the same field. Write a compelling headline in text large enough to be visible from the 'hover point'.
2. Get some movement onto your stand, as there is little worse than a static display. If your product can be demonstrated – a craft worker actually producing – this is always a good pull. However, don't expect this craft worker to sell as well. An audio-visual display can be effective. Beware of a loud continuous commentary that may drive you to distraction by the end of the first day. A turntable can be a simple method of imparting some life, available in size from a simple jeweller's stand to one big enough for a car. A water fountain can be a good draw, perhaps with table tennis balls bouncing in it. Try to involve all the senses. In a slightly different vein, the Jorvik Viking museum at York uses not only lights and sounds but the *smell* of an open cesspit!
3. Run a competition or draw. Few can resist giving up their business card to take part in winning one of your treasured products or bottles of bubbly. Also good for services. One recent show I attended invited visitors to have a free pull at a fruit machine conveniently placed at the front of their stand. Who could resist?
4. Don't neglect other stand exhibitors, who could well be important clients. I designed the 'caption competition' illustrated in Figure 8.3 that was dropped on every stand as well as given to visitors (see page 232). It served to highlight the main selling point of my client, and the same theme was used before and after the show in trade magazines.
5. Novelty knows no bounds in exhibitions. American shows I have attended have included a stand-up comedian giving half-hour performances and instant photos of visitors embracing pretty girls. A recent building exhibition made the national papers when one firm displayed girls taking showers on its stand.

Avoid having to *step* onto your stand. Ideally your carpet should merge into that of the aisle so there is no psychological barrier to moving into a different environment. There is a change between the neutral territory of the aisle and the more pressurising atmosphere of a stand.

Caption competition



Middleton's engineers reach parts others can only dream about

Think of a better caption and win a bottle of 10 year old vintage Somerset Cider Brandy.

My caption is: _____

From: _____

Tel number _____

MIDDLETON ENGINEERING Ltd
Meare · Glastonbury · BA6 9SU
Tel 01458 860264 · fax 01458 860311
website · www.middletonengineering.co.uk

Figure 8.3 This caption competition was run as an advert before an NEC show to draw visitors; it was also run at the show and delivered to stands. The result was pushed out as a press release after – a lot of publicity for little expense.

Lighting should illuminate your product and text panels, not your staff. Create pools of interest. It is common practice, because it is convenient, to fix spotlights on the back of the fascia. This means that you will be looking *into* the light for the week. Tiring and unflattering. Fix the lights to point at the walls where your text and products are likely to be. You must also be careful not to create reflections that could make your display illegible. Inevitably a small stand will mean that you have to put your graphic displays on the walls. Make sure that the most important parts of your message are at eye level, with the headlines – the eye-catching messages – above head level in large type. Don't forget to visualise the stand with a crowd who may obscure parts of your display.

If space permits, design a quiet area to the rear where serious discussion can take place. This can also be used for moderate staff relaxation and making a cup of tea. (No alcohol.)

Literature

This is always a tricky subject for firms with limited budgets. Depending on the show, it sometimes pays to have two levels of brochure: one cheap for casual enquirers, and the other full colour, multi-paged for serious prospects. There is nothing more depressing than seeing your expensive brochures blowing round the carpark at the end of the day. Some shows are a magnet for schoolchildren who collect freebies or who are doing a project. Nothing wrong with that, but they are hardly serious specifiers who warrant your best leaflets.

Numbers are often a problem and it may help to work on no more than 5 per cent of the expected gate. But it all depends on what sort of show and what your objectives are. Don't arrange your leaflets in too geometrical a display as visitors will be reluctant to disarrange it by taking one.

Product display

The exhibits you show, with rare exceptions, must be spot on. No prototypes or sticky tape or scratches must mar your professional presentation. Ensure they match your literature. There is nothing more calculated to deter a buyer than to say 'Of course, this is only the prototype. The final item will be much better.' I would accept prototypes if they were from an R & D consultancy – that is the nature of their business. Another exception? Ex-rally cars at motor shows, with the obligatory gash down the roof and mud over the doors.

Don't put your most interesting exhibit at the back of the stand. Place it where people can see it from the gangway. If you are using moving items make



Figure 8.4 Yes, well spotted. coffins, willow – a very green product in 2007 – for those feeling a little pasty. But what a show stopper...



Figure 8.5 and Figure 8.6 Watch your spelling: these firms slipped up. Mind you, Volkswagen (or rather Volkswagen) did the same thing a few Motor Shows ago, so they're in good company.





Figure 8.7 Maybe a little over the top? But it certainly pulls in the punters.

sure they don't trap visitors or get dislodged. Tie down small and valuable items or put them in a locked display case. Arrange your display so that a glance will disclose a missing item. Leave free passage for visitors – around 60 per cent of the stand.

Signs and labels must *always* be properly printed. Handwritten or even typed product labels look awful. Cut-out display letters can be bought in a variety of styles and materials from mirror glass to polystyrene. Paint the polystyrene in your house colour.

Pre-show publicity

It is important to make the most of your presence by alerting prospects and old clients that you will be there. Most shows are large and busy, and the better buyers draw up a list of people they must see before they go. Telling them you will be there makes your chances better.

The most underused resource of most exhibition organisers is their publicity department. It is there as a *free* service to exhibitors and to promote the exhibition. The best way for organisers to promote exhibitions is to feed the trade and

consumer press with a regular flow of interesting stories of firms that will be exhibiting. But if exhibitors don't supply them with enough live stories, inevitably the organisers will tend to go to the regular old firms that they know.

Apart from putting out press releases, the organisers will be producing the show catalogue, and sometimes for the larger shows a newspaper that is given away each day. Most small firms just don't bother to make the most of these opportunities.

The better shows provide stickers with your stand number that can be affixed to every letter you send out as a reminder. Extra invitations are also often given for you to post to your own prospects.

Staff training and selling

Exhibitions are serious and expensive operations that demand pre-planning from everyone involved to have maximum effect. Planning and training falls into two phases – before and during the show. It helps if there is a common dress code for all the staff. A smart blazer for the men and a suit for the women can be most effective. Small firms will say 'I can't afford all that!' I would say think ahead and tell your staff that a show is coming up in six months. It could be agreed that a common colour is worn so that next time someone buys a skirt or shirt it matches. Also make sure that whatever colour is chosen it doesn't clash with the stand. Lapel badges must be worn to identify staff.

New exhibitors frequently fail to understand how exhausting exhibitions can be. You need to plan to take enough staff – even roping in spouses and friends if you don't have enough on the payroll. Staff need to get away and relax away from the stand, so work out a rota. Two hours on duty is usually the maximum for efficiency. When they are not on duty, make sure you know roughly where they've gone and when they are due back. Use part of this period to evaluate the competition and seek new ideas.

While most of the visitors who come through the door should vaguely be within your sector of activity, you will still have to weed out specific prospects from the leaflet gatherers, the time-wasters and the *spies*. You rarely have the luxury of long discussions at trade shows, so you must establish a standard routine to:

- Identify the visitor, by name, company and position.
- Establish his or her interest.
- Ask open-ended questions to explore the visitor's depth of intentions.

- If necessary, pass on to a colleague who can handle the enquiry more suitably.
- Record full details in your visitor's book, supplying literature if required.
- Mark for any action required later.

Showing the welcome mat

Manning a stand is like being at the zoo – only this time you are the animals. You're there to be peered at, poked and to provide the entertainment. You must never look bored, tired or drunk but always welcoming without being effusive, knowledgeable and a good advertisement for your firm. Most organisers frown on your giving out leaflets or 'accosting' people in the aisle. You have to be more subtle than that, using the techniques outlined earlier, allied to good stand design.

Even the way you stand can affect potential visitors. Some seem to adopt a threatening, arms-folded stance, daring you to come onto the stand. Others block the entrance. A common mistake is for staff to huddle in a group at the back as though at a private party. No one wants to break in.

When prospects do venture on, give them time to settle and get their bearings, unless directly approached. Don't pounce or hover at their shoulder: it makes for an unsettling atmosphere. Never say 'Can I help you?' There is an even chance that the answer will be 'No', so where do you go from there? It is more fruitful to start a discussion with:

- 'What interests you in this range?'
- 'Have you used our product before?'
- 'Let me show you how this works.'
- 'The main benefit of this is...'
- 'This has just been launched at the show...'

Identify prospects and if they have a casual or nil interest, get rid of them as politely as possible. If the conversation looks like getting long-winded, you'll have to invent an acceptable excuse – appointment, phone call to make, etc. Most serious enquirers will want either a quotation or a follow-up visit later. Record visits with action required in a proper visitors' book or on printed sheets, but ensure that this is kept under control, preferably under a desk. Loss of this could negate a week's work.

If you take a *new* product to the show, make sure a large sticker says so. That's the most important word in the exhibitor's dictionary. As the show progresses, put some 'sold' stickers on your exhibits. It impresses the visitors and depresses the opposition.

Sales literature

Never give out sales literature wholesale without an exchange of address. Never display it at the edge of the stand where it can be purloined with no commitment. My favourite method of distributing high-quality literature is to keep a laptop on the stand, type address labels and post them first class to visitors' offices. Explain that you don't want to burden the client at the show, but it will arrive on his or her desk next morning. It looks professional, avoids waste and gets to the recipient.

Stay smart

After the first enthusiasm wears off, many stands get that lived-in look. Make sure that yours is kept neat and tidy, no drink visible, no dirty glasses or display racks left empty. Keep the spirits of your staff high by varying the routine and sending them off on spec 'spying' trips around the show. It never ceases to amaze me what useful information is offered free to innocent questions.

It shouldn't need saying but I've seen it happen too often – *never* leave the stand unattended. There's usually a lot of tempting merchandise around and exhibitions are not noted for their honesty, sad to say. The danger time is when the show closes. All hell breaks loose with everyone desperate to get out. Trucks and lifting gear struggle to get in. Many busy men with overalls wander round with obvious intent. You're too busy dismantling your own stand to wonder who those efficient folk are next door. I have heard of whole stands disappearing into the wrong lorry.

After the show

Follow up all enquiries promptly – most don't. Book appointments and get those orders. Hold a post-mortem with other staff and learn.

Don't forget to tell the press what a wonderful show you've had, to keep the name in view. Hold onto the show catalogue, which will be useful for contacts and a mailing list afterwards.

It is unfair to judge results on the attendance at one year's show. You will undoubtedly learn and adapt from your first effort. Major visiting buyers also are a little wary of brand-new names but will renew acquaintance in succeeding years. If you have met potential agents at the show, don't sign them up then and there, but take time to investigate their background.

Summary

- Find an exhibition for your speciality and research whether it represents effective use of your time and money.
- Ideally attend the show first as an observant visitor, or failing that go to the hall and get an idea of the layout.
- Decide on your objectives.
- Do a budget, and add 10 per cent for contingencies.
- Book the stand and local accommodation if necessary.
- Design a stand from mock-ups.
- How are you going to get visitors to stop?
- Get some life and excitement into the stand.
- Organise your literature.
- Make use of the organiser's publicity machine, early and often.
- Train all your staff.
- Allow ample time to set up.
- Get a good night's sleep beforehand – leave the junketing (if any) to the end.
- During the show keep the stand pristine and keep the staff alert by sending them off at regular intervals to explore, spy and learn.
- Record all your visitors.
- Keep a tight eye on security, especially at break down.
- Follow up all enquiries promptly and hold a post-mortem.

Sources

Exhibition Bulletin (www.expoabc.com)

The Showman's Directory (www.showmans-directory.co.uk)

Starting in exports

The customer is always right.

Gordon Selfridge

Now that the entire world and his dog has a website, export enquiries – if not orders – could arrive from anywhere. Many of us buy and sell via eBay, so in a modest way even scribblers can become exporters. As China replaces every UK manufacturer, the call for exporting services, skills and technology that some of us possess may be the only way that UK Ltd balances the books.

Despite all the exhortations of HM Government, 90 per cent of our export trade is still carried out by under 50 companies. The arrival of the EU has made some tasks simpler, but exporting is still a formidable task for many small firms. The reasons are not hard to find. Distance from overseas markets and customs, new packaging, labelling, safety and electrical standards, freight and customs requirements, to say nothing of currency and language confusion. Fortunately, English is the international language of commerce, so that problem has lessened, though it is often polite to reply in customers' native tongue (by e-mail or letter). The fax and e-mail have greatly simplified communications, and as the world shrinks, you can find native speakers close by to translate the more obscure languages.

Air freight costs have come down, allowing much quicker delivery and sophistication of handling, and if you are fortunate to live near a conurbation there is probably an active Chamber of Trade with helpful members to give practical advice. Exporting is very much a practical skill that can best be learnt from other practitioners – not, I regret to say, from the official or semi-official bodies, the Department for Business, Enterprise and Regulatory Reform (BERR) or banks.

Some firms start exporting in one of two ways, either by deliberate policy, or often, in my experience, as the result of an unsolicited request from abroad. If it is the latter you need to quickly establish:

1. The status of the enquirer, unless that is obvious. Your bank can carry out a status check using its overseas agents for a modest fee. It is better to find out whether an enquirer is a time-waster early, before spending time on frequent quotes and correspondence.
2. How the enquirer intends to pay.
3. Delivery dates and any special requirements.
4. Costs of shipping the goods. (You should contact a freight forwarder to establish these.) An ex-works price is not a lot of use to a client in New York.

If you intend to embark on exporting as a means of expanding the business, then there are some steps you can take without going through *le Chunnel*. Around 20 per cent of UK trade is concluded through buying houses or agents based in this country. Delivery is made to a nominated shipper and payment made in sterling. Most of these buying houses are of long standing.

But why export anyway? There is no intrinsic merit in exporting – often quite the reverse. It is important to develop a strong home base first, then move on to what can be gained abroad. Do not regard export as a means of disposing of your domestic surplus. There must be solid objectives in taking that route, which could be one of the following:

1. To spread the risk of tying yourself to one domestic market. A recession here is not necessarily mirrored abroad.
2. More profit in selling abroad. Not so long ago we were equals in Europe in terms of living standards. Today, in a frighteningly short space of time, the United Kingdom is becoming the poor man of Europe. Some luxury goods may command a wider market in the European Union.
3. Our professional services – design, consultancy, engineering, financial, computer software, etc – are in great demand throughout the world. The developing nations, both oil-rich and impoverished, can make very good use of experts willing to travel.
4. Growth. As world standards rise, the possible markets for your goods expand at an accelerating rate.
5. To improve the product. Many products, once exposed to the harsher conditions overseas, take on innovations that result in a better article.

Staying in the United Kingdom

When I wrote the first edition of this book back in 1985, I advised spending much time in libraries combing directories and visiting export agents in London. Well, the standard reference sources have gone the way of all flesh, and I hardly need to tell you what has happened to our manufacturing trade. On the other hand, most information you will need is only a click away and the fortunate rise of services has created opportunities unheard of then. All we need to do is speak Chinese. With lax copyright (or any) laws in China, it would be a brave or foolish firm who exported goods in the hope of getting a second shipment.

Leaving that aside, embryonic exporters should explore the following:

- the government website at www.uktradeinvest.gov.uk, wherein you will find links to tender opportunities, trade advice, research information and grant-aided trade missions;
- there is no substitute for face-to-face discussions so it would be sensible to take advantage of practical advice from your nearest big Chamber of Commerce (London, Birmingham, Bristol or Glasgow, for example), which has experienced export advisers;
- see an International Trade Adviser (enter your postcode on website above) and see if you are eligible for grant aid (see below);
- a good web resource can be found at www.excite.co.uk/directory/Business/International_Business_and_Trade/Import_and_Export/Directories. This lists some 74 directories covering everything from 100,000 PC dealers in Hong Kong to Lithuanian merchants.

Once you have garnered some information and have settled on specific areas worth more investment, it may be fruitful to embark on one of the following (and not least of the advantages is learning from others, as you will be rubbing shoulders with some old hands):

1. *Scatter missions*, which are organised subsidised trips of groups of business people to specific countries. Brief the consulate abroad on your interests and it will try to line up appointments and a suggested itinerary for you. The groups are usually members of a Chamber of Commerce or trade association. They can be a very useful way of learning from other, perhaps more experienced, members of the business community.
2. *The Tradeshow Access Programme*, which mounts a British presence at over 530 shows overseas. It usually rents a large block space and parti-

tions it out to UK exhibitors. There is great advantage in a small firm being part of a large national stand. Buyers come to visit the well-known large firms and must pass their smaller brethren. There is usually a common colour scheme and layout which pulls it all together. There is a subsidy on stand space, transport of exhibits and travel, depending on the venue. Much of the hassle is removed by being part of a well-organised operation of this sort. Little things like a common pool for publicity and advertising can help a lot in getting over the message. Demand is keen for the major shows and early booking is essential. Grant aid of up to £1,800 each for three shows may be possible.

3. You will be put in touch with organisations which will attempt to investigate the particular sector for your product using the local knowledge of the commercial consuls in the countries concerned. A report can be given on the competition, price, pattern of demand and methods of selling. The section also suggests local agents who may be worth approaching to represent you. Full status reports can be obtained. Unfortunately, it is not a cheap exercise and costs several hundred pounds.
4. Probably of most use is the scheme whereby *International Trade Advisers* – business people with practical experience of exporting – are attached to the larger Chambers of Commerce or Business Link to help on a personal basis.

Other sources of information

You should join your nearest large *Chamber of Commerce*. Most towns have chambers of trade but they tend to be composed of retailers and have no expertise in exporting. The biggest are those of London and Birmingham but all the conurbations have chambers to help you. The more efficient will be able to offer regular sponsored group selling, or fact-finding, trips abroad, documentation advice, carnets, certificates of origin and all the new impedimenta to smooth your sales efforts. The more progressive hold regular meetings to enable firms to discuss common problems.

Export clubs are another informal way of meeting fellow marketing people and learning about the pitfalls of selling abroad. They tend to be *ad hoc* groups of small business people perhaps sponsored by local councils and trade associations.

There are a variety of overseas Chambers of Commerce, embassy libraries (the US embassy in Grosvenor Square in particular) and joint trade bodies to foster links with overseas countries. Not all are too keen to help with exports as

many are more geared to selling *you* something, but the sources of information are invariably there in great detail.

All the major banks offer free literature and guidance. You will inevitably be using them a great deal for arranging payment, perhaps for obtaining status reports via their agents abroad, exchange control and currency. The smaller branches will probably not have many dealings with export documentation and it may pay you to move your account if much export is contemplated.

Exporting can sweeten the bank's relationship with you as priority has always been given to lending to those so engaged.

Overseas Trade is a monthly magazine produced by the BERR that keeps you up to date on tariff changes and opportunities. There are quarterly trade fair supplements.

Freight forwarders

Another source of guidance is the freight forwarder – one of those people who will ship your valued goods all over the world to the port of destination. The paperwork involved in export probably causes more headaches to small firms than anything else. Every country seems to require different forms and there are changes every week. Unless you are engaged in a very stable part of the world and regularly ship items of the same character, I would urge you to pass all the paperwork over to a friendly freight forwarder. Certainly, you will be charged for the privilege, and small consignments may bear an uneconomic charge, but they are dealing with it every day. In general, don't look to your bank or the BERR for matters of detail such as commercial invoices or certificates of origin. I have found a good freight forwarder far more practical and knowledgeable.

Where to export

You will probably find it simpler to export to English-speaking countries first – the old Commonwealth and United States, depending on the worth of the dollar. Many retain our customs and style of life. Financial links are still strong, with many British banks having subsidiaries and agents in those countries.

The greatly enlarged European Union takes 60 per cent of Britain's trade, and when (or if) the euro arrives, trade will increase. Travel costs in money and time are less and their standards of living are equal to (or ahead of) ours. There are few restrictions on trade and no customs barriers, in theory! Small firms seem to

do well in Holland and Germany, with France traditionally a difficult market to break into. It is, of course, a highly developed, sophisticated and competitive market where quality, premium products will always sell if correctly presented. Japan takes much perseverance and you should be wary of quick results. You should approach *JETRO*, the Japanese former export, now import, agency for help. (www.jetro.go.jp)

Third World and Eastern European countries pose special problems. Payment is rarely simple and finding the right channel of distribution difficult. You are probably better dealing with a government or United Nations agency already working in the field for help with specification requirements and methods of payment.

Commitment

It is a sad fact that in most countries now Britain's share of the market is decreasing. Former strongholds of British produce have been overtaken by the Japanese, Germans or French. They seem to have put more effort into tackling the market. Close study of each individual market has been undertaken, modifications made to take account of the local conditions, languages learnt and perhaps most important, hard investment made with distributors in other countries. It is this constant back-up to the selling operation that has paid dividends. Japanese businessmen travel abroad 20 times more often than ours. Unless you take a long-term view, are prepared to make frequent trips to see what is happening on the ground and support the local man with promotion and exhibitions, direct exporting is not for you. Getting established abroad is a long, costly exercise and requires a great commitment to see it through.

Getting paid

One of the main attractions of dealing with export houses or buying agents in this country is the certainty of getting paid reasonably promptly and in sterling. Extended credit is not usually a sales requirement. Once you start dealing direct you come up against two problems: how to ensure getting paid and avoiding exchange risks.

A surprising amount of trade is carried on open account, ie invoices are raised, the goods delivered and payment made by bank transfer. A large element of trust has built up. There is really no difference here between home and export business. Most of the EU deals in this way and will expect you to do the same.

Outside Europe you will probably have to draw up Bills of Exchange and get involved with Letters of Credit, which the overseas branch of your bank should be able to help with. Overseas factoring can be useful – where you discount the invoice with a factoring company and get paid in sterling. The largest company in this field is Lloyds TSB Commercial Finance (formerly International Factors) at www.bcf.co.uk.

Some export terminology

The most casual reader will soon come up against some jargon of the export trade. A few major terms are:

Bill of lading. The document given to you by the shipping line as a receipt and title (ownership) for the goods carried. A valuable document that tends to have several copies, some of which are sent to the importer and paying bank as evidence of compliance with your terms of trading.

Certificate of origin means what it says – an authenticated statement by the exporter backed by a Chamber of Commerce, and sometimes by an embassy, to state where the goods emanate.

Commercial invoices are more detailed than domestic invoices. They usually contain a full description of the goods, packing marks, weights, insurance, and transport routes. Every country seems to require different methods of spelling out the same thing – some require consular and Chamber of Commerce authentication, some want declarations if not the whole invoice in their own language. Commercial invoices are also of major interest to the Customs in both countries as a means of checking exports, imports and any duties to be levied.

FOB (free on board) is the usual method of quoting export prices. Added to your price will be the cost of transport to the specified port, dock charges, etc, up to placing on board ship (or aircraft). As the cost depends on which exit port is used, it is best to add the name of the port as well – FOB Harwich, for example.

CIF (cost, insurance, freight) takes it one stage further. Added to the FOB price is the actual shipping charge to a named port and the cost of insurance on board.

SITPRO (Simplification of International Trade Procedures) is an attempt to reduce the complexities of export documentation. The basis of it is a master document from which, by using a copier and different overlays, the various other documents can be run off, avoiding constant retyping. Many freight forwarders and large companies are now using this scheme.

Spot and forward rates of exchange. Spot rates are currency deals struck at once, while forward rates are those at which a bargain may be struck at some time in the future. You can protect the amount of currency you are going to receive by contracting to sell at the time that your deal is made.

There are also various PC software packages that remove a lot of the tedium.

Reference sources

Croner's Reference Book for Exporters (Croner Publications Ltd, Croner House, 145 London Road, Kingston upon Thames; 020 8547 3333) is one in a large series of loose-leaf, handy reference books on specialist subjects – loose-leaf because you get a regular update as part of your annual subscription in downloadable format.

New products: innovation, patents, licensing and design

For God's sake Clive, I don't care if they have rubber bands in as long as they work.

Alan Sugar to Clive Sinclair on attempting to understand the intricacies of Sinclair's latest gadget

Watchers of the BBC's *Dragon's Den* will know that there seems to be no shortage of hopeful inventors eager to burn their savings, but a depressing few who have grasped the fundamentals. This brief chapter is intended to save some of my readers from disaster. When I see a new inventor I always ask them 'what money can you afford to spend without distress, before giving up?'

Inventors are always enthusiasts – fine, someone has to be the 'product champion' – but when enthusiasm becomes obsession, blind to the faults, then it can damage your wealth and sanity. I urge them to set a figure to get it out of their system, prove as far as reasonably possible whether it works or doesn't, then move on with no regrets to a more fertile field.

Innovative or die. It doesn't matter whether you supplied milk to Tesco or jewellery to Ratners, you must never assume that customers will always be there. To be semantic, *innovation* is usually regarded as a change, a novel approach rather than pure invention, a somewhat rarer occurrence that creates a truly new product. In other words, many can be innovative, without necessarily being inventive. I've met quite a few hopeful inventors, both individuals and established businesses, but extremely few have ever made any money out of their ideas. As this area is even more full of sharks than many others – and dispassionate advice elusive – I will spend a little time on the subject.

So what's the big idea?

Try to forget about the wonders of your brainwave and look at the market first. Is there a need for the product? Who needs it? Is it simpler or more complicated than the item it may replace? What is the size of the market – general or exclusive? Is the market likely to grow or reduce? What is the competition? Why hasn't anyone thought of it before? Well over 90 per cent of ideas have been invented before. Sad but true. Patents may have been taken out, they may have expired or lapsed. The product may have reached the market and failed.

Many engineers and other perfectionists have spent small fortunes on perfecting the product before looking at the market. They have been so caught up in the excitement and their own convictions that they have not accepted that just because they liked it, not everyone else would buy one. Much money and anguish could have been saved if they had reversed the timetable. So re-read Chapter 2, do your basic research and satisfy yourself as objectively as you can that there is indeed a need for your product, and that there is a way of making money out of it.

Be realistic

Unless you are already in business in that line of country, my advice is invariably to try to sell (license) the idea on to someone who may already have the engineering capability to turn it into a productive object and who has access to markets. The difficulty is that selling just an idea is rarely fruitful. In this complicated world most ideas have been thought of before, so any potential investor or developer would need proof that it works. Prototypes and preferably production models need to be developed, which can consume a great deal of money. On the assumption that you hope to get a return from your invention, your bargaining position is strengthened the further along the road you go. Paper ideas are cheap working prototypes, market analysis and even orders are worth considerably more.

Keep it confidential

Approaches to outside parties immediately throw up the problem of confidentiality. You don't want them to run off with your idea, but some will not be able to help unless they know what you are talking about. If you reveal the secret –

or publish it – before lodging a patent application, without a confidentiality agreement, you run the risk of the patent being challenged. It will then be in the public domain, as the lawyers say. A simple specimen agreement is shown in Figure 10.1. However, I must warn you that actions for breach of confidence are both rare and extremely difficult to prove.

Approaches to companies to take up your invention may also be met with a refusal to sign any confidentiality agreement. They could argue that they are working on a similar project, and would not want to reveal that fact or risk any confidentiality infringement at a later date. They would normally suggest that you lodge a patent before disclosing your invention.

Intellectual property

This is the fancy name given to patents, copyright, design right, trade and service marks, know-how agreements – anything in a legally enforceable form that protects innovations. For up-to-date information on fees, searching and general queries refer to the excellent website of the UK Intellectual Property Office, at www.ipo.gov.uk.

There are two schools of thought about patents. The first (I have to say generally promoted by patent agents) is that you should patent first to protect your idea, then rush around developing the product. Once you have lodged the first application with the Patent Office (now free), which will give you a priority date, not a patent, you have just a year to decide what to do. At the end of that time you pay a fee (£200) and request preliminary search and examination. The claims are made at this stage. About 18 months after the priority date it is made public. A year is rarely long enough, and the only way to prolong it is by allowing the first application to lapse and lodging a fresh application. But this must involve a significant fresh development over what you lodged before – otherwise you could carry on for ever. Unless the object is simple and you are happy that:

- (a) you have ironed out all the problems;
- (b) a licensee is lined up to take it on;

my choice would be to wait as long as you can, then lodge the application.

There are other ways whereby you can protect your idea to a limited extent. *Copyright* will automatically offer some protection to drawings or photographs and is well recognised among impoverished authors and painters. It will also cover intentions at the drawing stage if you can prove that you thought of the

Confidential Disclosure Agreement			
THIS AGREEMENT is made the		day of	
between			
of			
(hereinafter called the 'Supplier') of the one part and of			
(hereinafter called the 'Receiver') of the other part.			
WHEREAS			
The Receiver is interested in the following project			
and the Supplier is the owner of the said project and has in his possession confidential information (Information) which the Receiver is interested to receive in confidence for the sole purpose of assessing the commercial practicability (viability) of the said Project ('Objective').			
NOW IT IS HEREBY AGREED:			
1. The Receiver undertakes to keep any and all information supplied by the Supplier strictly confidential and not to disclose it to any person, firm or individual without the express written consent of the Supplier. Such information may be technical, commercial, market or otherwise (and is detailed in the annexe hereto).			
2. The Receiver shall not use information supplied by the Supplier for any purpose other than the aforementioned Objective.			
3. The Receiver shall restrict all such information to those responsible employees whose knowledge of the same is necessary for the aforementioned Objective. In addition, the Receiver undertakes that employees, advisers and consultants to whom such information is disclosed are bound by the same commitment of confidentiality.			
4. In the event that no business arrangements resulting in an Agreement in regard to the Project matures within a period of _____ months the Receiver undertakes to return to the Supplier immediately all such information and any copies thereof and to provide the Supplier forthwith with a full report and his reasons, and the supporting evidence, for such conclusion of decision.			
5. The undertakings required in accordance with Clauses 1, 2, and 3 and 4 of this Agreement shall not apply to information which:			
(a) Can be shown to have been in the possession of the Receiver prior to disclosure.			
(b) Is in the public domain at the time of such disclosure or subsequently enters the public domain other than through any default of the Receiver.			
(c) Subsequently becomes available to the Receiver from any legitimate source without obligation of confidentiality or non-use.			
6. The termination of this Agreement for any reason shall not affect the obligations of confidentiality and non-use contained herein.			
7. This agreement is subject to the Laws of England.			
Signed for and on behalf of (Supplier)		Signed for and on behalf of (Receiver)	
Director	Date	Director	Date

Figure 10.1 Sample confidential disclosure agreement form.

idea first. You will need to provide authentication. The simplest way is either to post a drawing back to yourself using the post office receipt (leave the envelope unopened) or get a solicitor to sign and date the drawings as having seen them. All you have done is claim originality in the drawings – and of course the process is free. Copyright lasts till 50 years after your death. Use the © sign on printed matter as notice to others.

To protect the outward appearance, but not mechanical ingenuity – for that you need a patent – you can take out a *Registered Design* with the Designs Registry (part of the Patent Office). If accepted this will give you the right to prevent copying, ie take legal action, not a monopoly right for up to 25 years. Fees of £60 are payable on application and every five years. Designs must be ‘new (ie, not identical to existing designs) and have individual character.’ Design registration is an asset and can be sold.

Design right is similar to copyright in that there is no register to search and it is automatically created. On all your drawings and communications it helps to put ‘Design Right’ and the date. Go through the same procedure as copyright to establish a priority date. Protection theoretically lasts for 15 years.

None of these are as strong protection as a patent, which the state guarantees, subject to your purse being deep enough to fight any infringers. While there are many people who claim to have filed their own patents, the only test is when it comes to court. For serious projects, in my view, you must use the services of a patent agent, which will probably cost about £2,000 for a UK patent. There is no such thing as a world patent, but a number of countries have formed cooperation treaties that make filing a little simpler. A European Patent Convention application, for example, will cost over £5,000, so there is little point in proceeding without serious investors. Patents last for 20 years provided the annually increasing fees are paid.

Licensing

The only sensible route for the vast majority of small firms is to interest a bigger player. The costs of infringement actions can then be passed on, though insurance can be obtained to cover the risk. Use the standard reference books mentioned in Chapter 2 to identify players, advertise in trade journals or use technology exchanges (databases) that are around. The *Licensing Executives Society* is the little-known association of those with particular expertise in negotiating these contracts and with patent knowledge. Many tend to specialise in specific areas – electronics, pharmaceuticals, etc – and have worldwide contacts. Visit its website at www.bi.les-europe.org.

If you make the approach yourself, it often proves to be better to target No 2 in the sector rather than the market leader. The runners-up tend to be the hungry ones: No 1 often is imbued with the 'Not Invented Here' psychology that still permeates much of British industry.

What are the rewards?

The rewards are far less than you might think. Royalty rates paid are rarely more than 5 per cent of sales, often much less. Remember that unless you are a fully fledged R & D company the licensee still has an enormous amount of work to do – not least market the thing. Invention is often the easy part. You have the theoretical choice of outright sale, part-sale to cover expenses and periodic royalties as they proceed, or probably just royalties some time in the future. Always go for as much money upfront as you can secure.

Other help

Despite the often repeated cry that Britain is a nation of inventors, HM Government has diminished its help almost to vanishing point – unless you can make a bigger bang. The BERR trumpets its *SMART* schemes that offer £45,000 and above to help develop high-tech products, but you have to match their input. These schemes are run on the basis of a competition, which is a silly way to encourage a vital resource. The Design Centre has closed, BP and other players have stopped funding and almost all we have left is BBC's *Dragon's Den*!

A strong warning. Be very wary of the number of invention brokerage agencies (some American) that offer vast riches, but have no knowledge of new product development. They will swiftly remove £2,000 or more from your wallet and replace it with copies of *Yellow Pages* for you to follow up.

Try your local Business Link, which should be in a better position to advise. The long-established *Institute of Patentees and Inventors* has regular meetings, publishes a magazine and will be able to offer some advice. The membership fee is modest. See their website at www.invent.org.uk.

The Patent Office (address on page 54) will send a good pack of leaflets, but it cannot advise on the suitability or merit of your proposed patent in the marketplace.

Reference sources

By some distance the most readable and useful booklet in this field for the lone inventor or small firm is *A Better Mousetrap* (third edition) by Peter Bissell and Graham Barker. Only 36 pages long and now, alas, out of print, a copy may be tracked down at Business Link.

Trevor Baylis, the clockwork radio inventor, runs a good website at www.trevor-baylisbrands.com/tbb/home

The Business Link website (www.businesslink.gov.uk) has a good section. From the home page use the search box 'Find support for inventors'.

Launchpad is a free noticeboard for new business ideas (less than three months old) hosted by *The Daily Telegraph*. Go to www.telegraph.co.uk/money/.

A moral tale

If you've managed to get this far and are a little bewildered and disheartened that innovation is not for you, then let me tell you the tale of Pip Hills and the Scotch whisky industry.

One of the bigger grumbles among marketing folk is that 'The accountant's in charge, now.' Well, one Edinburgh accountant, Mr Pip Hills, thought he saw an opening for premier single malts. Yes, a marketing opening. Twenty years ago he approached the major distillers and proposed they bottle single barrel malts and sell them at a premium price to connoisseurs. And what were the replies from these expensively trained marketing experts from the cream of Scottish industry? 'Can't be done. No market. It would have been done before if there were.' Universal derision.

So Pip Hills formed the Scotch Malt Whisky Society and bought selected aged casks and promoted worldwide. Today the Society has 20,000 members and is highly respected, especially in Japan. Some bottles sell for over £100 each. And what has been the reaction of the traditional Scotch whisky distillers? Need you ask?

If an accountant with vision can do it, so can we all.

And finally – my 12 golden rules

1. Identify your market segment.
2. Where are the gaps?
3. Where is there growth and profit?
4. Look for needs and translate the benefits.
5. Always answer the question: what's in it for me?
6. How can you differentiate your product or service?
7. What else can you sell them and who else needs your product?
8. Look after the customer.
9. Be professional at all times.
10. Plan your objectives.
11. Think!
12. And make your business fun – life is not a rehearsal.

And a request. Marketing has been my passion, and living, for the past 30-odd years. But no-one knows it all. I would be delighted to hear of any *practical* tips and solutions for future editions of this book.

You can contact me via my website at
www.marketing-taunton.co.uk

Dave Patten,
Merry Marketing,
North Curry,
Taunton.
TA3 6JL

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