

10 Critical Components of Successful Marketing Programs

By Karen J. Marchetti

How can you get the most from every marketing dollar? How do you know if your marketing is successful? Do you wonder what's missing from your marketing programs?

The most successful marketing programs include these 10 critical elements:

1. **Build, Maintain, and Use a True Marketing Database.**

The smartest thing you can do is send *relevant* communications to customers and prospects. To make communications relevant, compile information about your customers and prospects, all in a marketing database (information like products purchased or inquired about, for example). Use your marketing database to drive your communications. *Rather than the same communication to everyone, communications should be customized by customer or prospect.* That allows you to send information on only the most appropriate products or services to each individual. Result? Better return on marketing expenses, better readership of each communication, stronger customer loyalty, and better prospect conversion.

2. **Communicate With Customers Regularly**

Too many companies virtually ignore customers (and allow them to be stolen by a competitor). You should be *communicating with your customers on a regular basis*. Communications could include: new product or service enhancements; information on add-on products or services (based on their past purchases); thank you notes for the customer's business; reminders of service available after the sale, and summaries of the benefits of the product or service purchased. Many customers have no idea of all the products you offer, or all the benefits of the products they've already purchased. Communications can also be used to encourage customers to refer others to your company.

For example, Canon sends an email newsletter to its printer customers. The newsletter includes links to free software you can download to further enhance your printer's capabilities.

3. **Track the Results of Marketing Efforts**

You should know how many new customers – and how much in dollar sales -- were brought in by a particular marketing effort. *Use measures like cost per sale or cost per new customer* to evaluate the cost-effectiveness of each media vehicle and each promotional campaign. This will help you to spend your marketing dollars most effectively, by choosing only the most cost-effective media vehicles (or types of promotions) in the future.

4. **Test Everything**

Don't just run ads and hope they'll bring in business. Why not actually *test one headline against another, one offer against another, one mailing list against another* – to determine the most effective direction for each piece of your marketing campaign. This is the secret for getting far greater return from your marketing efforts – without increasing your budget.

5. Polish Up Your Unique Selling Proposition (USP)

There's too much advertising clutter to beat around the bush about what your company does, and why prospects should be doing business with you. Your USP – Unique Selling Proposition – is your simple statement of why people should buy from you. It tells what business you're in, and why you're the best choice – why you're different from the competition. Smart companies let their USP guide every communication, and every employee knows that USP by heart. Use this simple test when reviewing your communications: based just on the words of the communication, *is it clear why someone should do business with your company?*

6. Invest in Training at All Customer/Prospect Touchpoints

The way everyone at your company answers the phone, the length of time the caller is on hold, the way customer service speaks to your customers, the wording and ease of use of your web site, your invoices – *EVERYTHING your customer or prospect sees either enhances or detracts from your USP.* Smart companies pay attention to these “touchpoints”, and invest in training to be sure everyone in the company is as effective at their job as they can be.

7. Serve More of Your Customer's Needs

It's much more cost-effective to market to customers rather than prospects. So why not find more products and services to sell to your existing customers? Through product development, product line expansion, and partnerships with other companies, you can secure *a bigger piece of each customer's business* – and make your company more indispensable to every customer.

8. See Everything From the Customer's Point-of-View

Most companies know this is important; but do you really know how to implement it? Do your customer communications use more “you” and “your”, as compared with “we,” “us,” “our,” your product name and the company name? Your customer communications should be written as if speaking face-to-face with a customer -- in a conversational style, focusing on “what's in it for the customer”. On-going staff training should focus on having everyone look at company procedures from the customer's point-of-view. Modify your procedures anywhere you find you're making the customer adhere to YOUR COMPANY's way of doing things, rather than how the customer prefers to do them.

9. Consider Lifetime Value of the Customer When Budgeting for Prospecting

Your prospecting budget should be based on how much you can afford to spend to acquire each customer – based on the value of the customer over their entire lifetime with the company. For example, if you know the average customer will spend about \$1,000 with you each year, and continue doing business with you for about 2 years, and your margin is 20%, that means each customer generates \$400 in profit. If your prospecting efforts are creating new customers at less than \$400 each, doesn't it make sense to *do more prospecting, as long as the cost per new customer is less than the lifetime value?*

10. Genuinely Value the Customer

Smart companies encourage employees to do the right thing for the customer. *To serve as advisor to the customer*, and make sure the purchase they're contemplating is right for them. The company becomes a trusted advisor, and a business to which the customer is likely to refer others. This can be as simple as the garden department worker at Home Depot mentioning that other customers have found a particular potting soil to work better than the one I might have just put in my cart. I appreciate the recommendation, and think better of Home Depot for it.

.Karen J. Marchetti is Senior Vice President of Strategic Marketing and Advertising, Inc. She has worked as a Product Manager and Marketing Manager, and currently consults with consumer and b-to-b clients nationwide. Contact her at 858-456-5894 or dmservices@smaresource.com.