

How to Use Your Marketing Dollars More Effectively in a Down Economy

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Yes, these are difficult times. Your company's sales are down. Competition is tougher than ever.

However, even if sales are down 50 percent in your industry, it means that five in 10 are still buying. And you—as your company's marketer—can still find ways to reach, influence and generate leads and more sales for your company from these fewer buyers. Even with a smaller budget. Here's how.

Eliminate Marginal Investments

First, cut out all the marketing communications projects you might never get around to anyway. These 'wish list' projects can be added back to the marketing to-do list when the economy turns around and you have the money and resources needed to do them right.

Next, determine which marketing communications programs will have the biggest impact on generating inquiries, qualified leads and short-term sales. Make sure these stay at the top of the list for funding and implementation.

Your company's image and the market's awareness of its products or services are important, but if your budget is tight, don't try to reach the entire market with general messages. Instead, focus your marketing communications efforts on explaining the benefits, features and applications of your products and services to a well-targeted group of prospects. Don't spend your limited budget on an expensive image advertising campaign that won't affect short-term results. Instead, let the quality of your response materials and website do the job of enhancing your company's image.

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As you evaluate what marketing tactics to use, take a hard look at what worked in the past—and what didn't. Swallow hard and eliminate those marketing programs that didn't show a positive ROI as measured in leads or sales. Concentrate your current investments in the communications tactics that made measurable contributions to your marketing ROI.

Interview your salespeople to identify which sales tools have been most instrumental in successfully selling your company's products or services. Ask each salesperson to tell you, with regard to each of his or her customers, which sales tools (e.g., brochures, data sheets, white papers, comparison guides, PowerPoint presentations) played the biggest role in snaring recent sales. Keep track of which tools they mention most frequently, and allocate your marketing budget accordingly.

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Finally, consider the following money-saving tactics in the areas of: direct mail, public relations, trade publication advertising, trade show marketing, Web sites, seminars and workshops, marketing partnerships, marketing collateral, referral programs and sponsorships.

Direct Mail

In these difficult times, think about increasing your use of direct mail. Email, fax and regular mail are cost-effective ways to deliver targeted offers to the most desirable prospects.

Rather than doing less-effective “shotgun” mailings to rented lists, consider repeat mailings targeted at databases of known prospects (like past inquirers). To cut costs, use business letters, email and faxes rather than expensive full-color mailers. Then save more money by sending expensive literature or materials only to those who requested it—not to every prospect in your database.

If you don’t have your own email lists to market to, consider renting email lists from publishers or placing ads in other targeted e-newsletters or e-zines. These can be very economical ways to reach your market and generate a quick response.

“You will get more bang for your marcomm buck by taking advantage of inexpensive PR opportunities.”

And, yes, I did say fax. If you don’t have someone’s email address or permission to correspond with him or her by email, you can still save money by sending faxes instead of mail. This works particularly well if you have a pre-existing business relationship with the prospects. Don’t send unsolicited faxes to rented lists, and be sure to give recipients the ability to opt out (by calling a toll-free number), if they wish.

Get Published

You will get more bang for your marcomm buck by taking advantage of inexpensive PR opportunities. These include writing or contributing to articles for industry publications. Contributed-article programs may include customer success stories that feature testimonials from satisfied clients as well as bylined “expert” articles that highlight your company’s expertise.

Newsletters are another great way to provide value to your customers and to keep your company’s name in their minds without spending a fortune. And, controlling the circulation of the newsletter can help you identify and qualify prospects: You can make it a requirement for people who want the newsletter to fill out a brief survey. The survey asks questions about their level of interest in your products, buying authority and purchasing horizon. This information then goes into your database for immediate or future follow-up, as appropriate, by marketing or sales.



For newsletters and contributed-article programs, consider not only the traditional print format but also the Web. If you already have a Web site, it is cheaper and faster to post customer success stories and newsletters to the site rather than printing and distributing them.

Provide Speakers

Another economical marketing tactic is to provide your company's executives as speakers at key meetings and conferences. It positions your company executives as experts, and you can use these events to generate leads by promising to send audience members a copy of the presentation, a free white paper or some other valuable information if they give you a business card.

Trade Publication Advertising

Regarding advertising in trade publications, in these difficult times you might be better off with a high-frequency or high-impact presence in one or two key publications rather than an occasional presence in several. Be sure to study BPA statements to clearly understand what percentage of the magazine's readership is really your target market. Ask your media reps to give you statistics on what percentage of their readers also read their competitors' magazines, and consider this information when calculating your true cost-per-thousand.

Bear in mind that when the economy is soft, advertising sales may be weak. That being the case, you may be able to negotiate an attractive rate with publishers who, in better economic times, would not be willing to cut a deal.

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Trade Shows

Trade shows can be expensive, so consider eliminating those that haven't shown a favorable ROI. However, if your trade show exhibits have proven effective in generating inquiries, qualified leads and sales, you can still find ways to reduce your trade show costs and boost your return.

For example, consider a smaller booth. Have dealers, distributors or resellers help you staff the booth. Eliminate expensive cocktail parties. Send pre-show mailings to increase the number of visitors to your booth. Send post-show mailings and use telemarketing follow-up to convert casual inquiries into qualified leads.

Web Sites

A few cost-effective changes can dramatically improve the marketing ROI of your corporate Web site. Work with other organizations to link your site to theirs, increasing the number of visitors to your site. Register your Web

site with search engines, selecting keywords carefully so your site will appear in the search results of your intended audience. Post articles and case studies on your site then register those individual Web pages with the search engines.

Seminars and Workshops

You can cut some of the cost of your seminars and workshops by holding them as Web events, teleconferences or videoconferences. “Webinars” and other virtual meetings eliminate the need for presenters and support staff to travel to distant cities. And virtual events sometimes enjoy better attendance than live events, as attendees don’t need to leave their offices to attend. You still need to promote virtual events, but you can save a bundle on travel, meeting rooms and refreshments.

Marketing Collateral

To save money, consider distributing smaller quantities of printed materials to your customers, salespeople, reps, dealers and distributors. Partner with a good literature fulfillment company to create a Web site for just-in-time orders of additional literature supplies. The fulfillment company’s services will more than pay for themselves through reduced literature and shipping costs.

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My research shows that three in 10 requestors will want printed materials to share with their bosses, colleagues or clients. But that means seven in 10 will be happy to save you money and get instant gratification by downloading PDF files or printing HTML pages from your Web site.

You can save on your printed literature production costs by avoiding expensive metallic inks and taking advantage of excess paper supplies the printer is willing to discount. Die cuts can be costly, but not if you use a die the printer already has created. You can also make items slightly smaller or print two-sided to reduce printing and shipping costs.

Find a Marketing Partner

Another way to stretch your marketing dollars is to team up with a company whose products or services complement yours. By pooling your resources, you and your partner can get far more mileage from your respective investments than either of you could alone.

An example would be a jointly sponsored mailing to promote both partners’ products and services to their mutual universe of prospects. The investment would be minimal if you split the costs, but the access to additional prospects and the number of leads you generate could be substantial.

Create a Referral Program

A low-cost way to leverage the power of your existing customers is to create a referral program that rewards customers for referring prospects to your company. Depending on the relationship with the customer, an incentive may not even be required. Getting a referral from a happy long-term customer may be as easy as asking for it.

Sit Back and Think about It

I'm sure if you sit back and think a while, you will find additional ways to cut the fat in your marketing programs and better focus your marketing efforts during this difficult economic time. Doing so will net you a better ROI on your marketing programs and help enhance your reputation with senior management as a valuable contributor to the corporate mission.

About the Author

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