
The High Cost Of Not Marketing

by JOHN GRAHAM

Marketing costs money — but it's also efficient and effective. In spite of those who claim “marketing costs too much,” let me offer some reasons why just the opposite is true.

Marketing bulletproofs a business against competitive attack. Unfortunately though, most companies don't give marketing serious attention until something goes wrong. It may be the activity of an aggressive competitor, falling sales or some internal crisis. When that happens, everyone expects marketing to kick in instantly and solve the problem.

Companies — all companies — are vulnerable to competitive attack when they fail to create a legacy of marketplace credibility. This means projecting and protecting the company image and constantly caring for the way their brand is perceived and appreciated. This takes time, effort and money. But when a problem arises — and it always does — there's a reservoir of goodwill, knowledge and value that offers protection against the attack.

The hundreds of millions of dollars that tobacco companies are committing to smoking education aren't at cross-purposes with selling cigarettes. Those sales are far less important than having these corporations viewed by the public as responsive and responsible, thus helping to mitigate possible legal, legislative and regulatory action.

Marketing creates a company's future — When someone calls and says “I've known about you for years,” you know that marketing has been at work doing its most important job. Here's what effective marketing contributes to a company's success: Before customers make the decision to buy, they must make the decision to go to you. The marketing objective is

to help customers form the picture in their minds that you are the right company to do business with.

Behind all this stands a carefully designed and thoughtfully implemented marketing program with one aim: at the moment of need, the customer either seeks you out or welcomes your call.

Today we are seeing many companies that have been in business but are now in decline. Why? In some cases, their customers have closed their doors, merged or been acquired. Or, new competitors have entered the market and grabbed their accounts. And quite possibly, the “inside” customers who knew them so well — buyers, purchasing agents, managers — have gone elsewhere or retired.

Unless a company is actively prospecting two to 10 years in advance, it will find itself always pushing for sales.

Marketing makes selling easier — If customers

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have a positive predisposition toward doing business with your company, product or service, making the sale is simply easier. This makes it possible for the salesperson to be a consultant (and not just to call himself one). Such common selling issues as overcoming objectives and closing techniques become irrelevant. In fact, relying on “selling skills” to get the order is an indication that a company has no marketing.

Everyone in business receives calls that start out something like this: “A couple of weeks ago, I sent you information about our company...” This is a call that goes nowhere today. Of course, salespeople (very good ones, too) run from such antiquated and stifling working conditions.

Trying to make the sales when prospects lack a clear understanding of why it’s in their best interest to talk to you is a waste of a company’s resources — time, personnel and money. Jacking up commissions or lowering the price only drives up the cost even higher.

The role of marketing is to create the right environment for selling to be successful. Without it, the cost of doing business is too high.

Marketing extends your reach — Whether it’s drilling down into existing companies to find new opportunities, further penetrating a market or market area, or opening the door to new markets and new territories, marketing is the engine that drives the effort.

To grow an already successful business today, the task is one of going from “everybody knows us” to “nobody knows us.” Few companies are willing to acknowledge the height of the wall this creates for anyone in sales. Firms enter a new market where they’re not known and then wonder why sales lag. More often than not, it’s the sales force that gets the blame for the debacle, even though the fault was a lack of marketing.

Onstar is an example of a company that literally drove customers to GM dealers. They have created demand for the product. Motion pictures are pitched the same way — “Coming in May.”

Here’s the message: It’s failing to market that’s too costly. The bottom-line value of marketing becomes clear when you take into account these three factors:

- Sales that are going to a better-known (but not necessarily more competent) competitor.
- Sales opportunities that are missed because you are unaware they even exist.
- Thin-margin sales that are being made to save accounts or “get in the door.”

The money is going out the door now. The goal of marketing is to keep it where it belongs — on the books. □

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