



# CATHEDRAL CONSULTING GROUP, LLC

## Focusing Your Marketing Strategy

As businesses enter into the New Year, it is essential to have a plan. As we mentioned in our November Topic of the Month paper, part of this plan is having a budget. Once it has been created and approved, a company should then develop initiatives to support the newly created budget.

This month's paper outlines several customer-focused marketing initiatives. For Cathedral, all marketing must drive revenue to the business, supporting the projected top line growth of the New Year's budget. (See November's Topic of the Month [here](#))

### Customer Retention

There are several factors to consider when discussing customers and marketing. The best place to start is to analyze the company's current customer base.

It is important to not overlook the importance of a company's existing satisfied customers. Typically, the cost associated with selling to an existing customer is much lower than the expenses related to reaching outside a company's current client pool. Additionally, current customers do not need to be guided over the 'trust barrier', as the company retaining this customer has already proven its expertise. An added bonus to this marketing group is existing customers are often less price sensitive.

There are a few key items to keep in mind when up selling an existing client. It is important that a company does not provide the customer with a comprehensive list of goods and services. This may come across the wrong way in that a customer may miss the value that is being sold and instead focus on the sales pitch, to which he/she has already heard. Instead, introduce customers to items in the current portfolio that will genuinely benefit their company given the working history with the company.

In December, Cathedral emphasizes the focus on the customer relationship and developing a plan for the New Year. As we discussed in last month's paper, reviewing your key customers and showing them that you are thinking about them in the upcoming year provides value. This will show the customer that you are thinking about their potential issues and are looking to help before they happen, not just push new products or services.

Another potential market that falls within a company's customer base that often gets overlooked is dormant customers. Bringing lost customers back to life is still more cost effective than finding new business. In fact, it costs six to seven times more to acquire new customers compared to selling to existing clients. Cathedral sums the strategy of approaching dormant customers into five steps:

1. *Find out why, as the feedback will serve to make a company stronger.*

There is a reason these customers are no longer interacting with a given company – uncovering the reason is an important first step. One method to uncover the reason is to use online surveys and polls that are specifically created for the subsection of business that is under review.

Another, more direct way, is to simply ask. Ask dormant customers what the respective company could do to improve or how it could adjust its offering to be more attractive. It is important to take any and all feedback seriously and to make the adjustments where it is possible. This will go a long way in turning dormant customers into active customers, as not only was the feedback heard, but it was also implemented.

2. *Provide dormant customers with incentives.*

Some customers may require more than words or adjustments to the offering. In such cases, it is helpful to offer something that market competitors cannot, such as discounts on key products or services, cash incentives or personalized services - creating a unique and valuable offering for this type of customer. It is important to be aware of what competitors are offering in order to stand out from the pack. Intuitively, it will depend on the specific space in which the business operates, what the competition is doing and what the needs of the customer are.

3. *Show customers the value and past success.*

A common reason for customers to become disengaged is when the desired results of the product or service were not achieved. In this case, corrective action must be taken by the company. A company should show the customer the advantage of buying or doing business with the company by communicating the success and/or satisfaction of current, active customers are experiencing. It is often useful to provide customers with specific value provided. If you provided a customer with savings, you can suggest that your previous work yielded X amount of value over a period of time, and by coming back you hope they would experience similar results.

4. *Be persistent.*

A company should look for ways to stay in front of disengaged customers. For most smaller professional or manufacturing businesses this consists of a personal call. For businesses with multiple customers, where a call would be an inefficient use of time or irregular, an e-mail may be a better option.

In addition to tapping into a company's existing base, there is an additional network with related strategies to acquire new customers.

### **Customer Acquisition**

Acquiring new customers can be difficult and an expensive process for the small business owner. Below are a few key strategies for targeting customers outside of your current customer base:

1. *Identify a target market.*

Many small businesses have a general sense of what customer base it would like to acquire. It is important, however, to identify and solidify exactly what the target market is. Several factors to consider are: age, income level, psychographics and demographics, as these all effect customer values and can assist in directing the marketing plan. The more

clearly defined a target market it, the easier it will be to shoes effective marketing techniques.

2. *Identify client values.*

This process involves taking a target market and identifying how a customer will perceive value. Some ways to determine this can be market research from your public library and government surveys. Another option is to interview or survey the current customer base.

3. *Align company service and marketing to target market and values.*

When the prior steps are completed effectively, the company should be able to identify ways to improve current service offerings. An additional outcome should be the ability to develop effective marketing campaigns and avenues of marketing. An important item to focus on in this particular step is differentiating the company's marketing and offerings in some way that will attract customers.

4. *Create processes for customer development.*

This essentially involves building a step-by-step process that acquires new leads and takes these leads through to finalizing the agreement. This is an important step because it systematizes the client development process. That way anyone from a new employee to the CEO of a company will be able to provide the same level of service. This also assists in the development of the company's "brand" and when implemented correctly, the CEO can distance himself from the marketing process as the company grows. This will also aid in the company's understanding its sales cycle.

Although marketing may be time consuming and seemingly overwhelming, it is essential in driving the business to the next level. In moving through the Topic of the month papers from November through January, Cathedral has mitigated the aforementioned hesitations, as there is a clear incremental process. In November, we discussed the importance and how-to's regarding creating a budget for the New Year. December's paper discussed the importance of strengthening business relationships, while recommending a brief synopsis performed on client relationships.

Knowing the company's targets for the New Year coupled with familiarity of the respective customer base, including lost or dormant customers, supports the next step – creating a marketing plan.

**Action Items:**

1. Review your budget for 2012 and the projected sales.
2. Review customer assessments performed in December to see where the new projects or customers can be derived.
3. Estimate the number of new customers/projects needed to meet target year-end goals.
4. Use feedback from dormant customers to improve the company's offering for future wins.

**Articles for Further Reading**

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2. Krotz, Joanna L. "5 Easy Steps to Create a Marketing Plan". <http://www.microsoft.com/business/en-us/resources/marketing/market-research/5-easy-steps-to-create-a-marketing-plan.aspx?fbid=i2b8ISw5uOg>. 2011.

3. Baker, Stephen. "Beware Social Media Snake Oil."  
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4. Pattison, Kermit. [Small-Business Guide: How to Market Your Business With Facebook](#).  
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5. Catone, Josh. "How To: Use Social Media to Retain Customers."  
<http://mashable.com/2009/12/08/customer-retention/> 8 December 2009.
6. Goodman, Gail. "Strengthen Your Hellos and Goodbyes: Make better connections with  
e-mail list sign-ups and opt-outs."  
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