

## MASTER YOUR MARKETING: MONITORING AND FEEDBACK ENABLE CONTINUOUS IMPROVEMENT

### Introduction

Small companies that grow and earn healthy profits are good at marketing. They develop skill and expertise at getting a high return from marketing expenditures. They do this by adopting the practices of monitoring, measurement and improvement. Marketing becomes a part of their culture.

The art and science of effective marketing must become a part of each and every person in the organization and part of everything the company does. Every person in the organization must:

- understand, believe and promote the brand in an appropriate manner;
- know that the future prosperity of the business will be determined to a large degree by the quality and effectiveness of the marketing efforts; and
- understand the essential role they play in the feedback loops that enable the continuous improvement necessary to compete in an ever changing and ever more competitive world.

### Awareness, Consideration and Income

Marketing delivers results in three important ways that can be measured: Awareness, consideration and income.

**Awareness...of your company, products or services.** It is important to note here that the only group that you care about – assuming profit is your motive – are the people that you target. Your target will be those that are the most likely to buy whatever it is you are pitching. Spend time (and money) creating and measuring awareness among the general public, if you wish, but you'll likely go broke in the process.

As you strive for maximum awareness generated per dollar of expenditure, you'll seek mediums and methods that create awareness amongst your target market. Survey sampling of the target market of each campaign will provide factual awareness data. Combine this with pre-campaign awareness levels and you'll have the impact of the campaign.

Small companies, by their very nature, have a much more personal relationship with their customers than big companies. These relationships can be used to gauge how well the company is building awareness. Talk to your customers. Make every sales call an informal focus group. Find out how they heard about you. Ask them what got their attention. Get a measure from them of how well your awareness campaign is working.

Other sources to measure awareness can be found in industry organizations and special interest groups that are home to your target market. Ask for feedback – how well known are you? Is your message getting through? You may be surprised that your marketing may not be conveying the message you intend.

## **Why Measure Awareness or Response? We want sales!**

Awareness data is important and needs to be assessed, but it is responses that you want and, more particularly, sales! Of course, but sales are at the very bottom of the funnel. You first must get your customers' attention and then get them to CONSIDER purchasing. To gauge the numbers of "CONSIDERations" we track calls, click-throughs and requests for more information.

To attribute particular responses to specific efforts or campaigns, you'll need to devise a method for identification. Every activity needs a number or code so you can track where leads come from and determine which efforts are most effective.

If you mail 500 newsletters and get 50 click-throughs on your web site, that's a 10% response. If you mail 5,000 direct mail pieces and get 50 postcards returned, that's only a 1% response. In these cases, both returned the same number but vastly different rates. Is this good? Bad? The proof is in the profit, but measuring results at the awareness and consideration level makes it easier to determine where the weak links are.

To gauge responses using peer data, check with your trade association. It's likely that there are many others making similar marketing efforts. Find out what results are typical, high and low. Use the data to gauge your performance, but make it your task to continuously improve...no matter the response.

## **Respond to Changes in Response Rate**

What works today will not work forever, so chart response rates over time. Marketing is a cat and mouse game. You master a method and then the market changes. Monitoring of trends will allow you to respond and maintain effectiveness.

Again, it's ultimately about profit. But money is at the very end of the funnel. It falls out at the bottom once you create awareness, generate responses and then turn those responses into sales, revenue and ... income.

As time passes and your campaign results come in, calculate conversion rates and profitability such as:

- Percent of responses that buy (i.e. total # of respondents that purchased versus total campaign responses)
- Average revenue per response (i.e. total campaign revenue / total responses generated)
- Average gross profit per response (i.e. total campaign gross profit / # of responses)
- Unit sales per response (i.e. total units sold / # of responses)
- Net profit from the campaign (i.e. gross profit generated minus direct and indirect expenses)

These calculations will allow you to draw definitive conclusions about the effectiveness and profitability of each marketing effort - A very important step. The future rests, however, on what you learn from the effort. That knowledge can be used to improve results of future campaigns. Knowing how many people buy is a good thing. Knowing where and why they buy is a better thing. It will help you adjust your marketing messages and means.

So it's the monitoring, data gathering and retrieval effort that allows a company to go from marketing mayhem to mastery. It's a never-ending game played by your entire company and managed by your marketing director. Build the culture, develop the tracking and treat your marketing like a laboratory. Each effort is an experiment that provides profit AND information that will enable each new effort to be better than its predecessor.

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This article is the seventh of a nine-part article series on branding called *The ABC's of Small Business Marketing* developed in conjunction with "The Business Owner" newsletter.

May-June 2004 Issue: *Your Marketing Message: Back to the Drawing Board*

July-Aug '04 Issue: *Avoid Marketing Mayhem: Establishing Your Brand Vision*

Sept-Oct '04 Issue: *Logo and Look: Selecting the Visual Elements that Support Your Brand Vision*

Nov-Dec '04 Issue: *Tag Lines and Ad Copy: What You Say Should Support Your Brand Vision*

Jan-Feb '05 Issue: *Guided Missile Marketing: Selecting Mediums with Maximum Payload*

Mar-April '05 Issue: *Marketing for Dummies? Build in Quality Control*

[May-June '05 Issue: \*Master Your Marketing: Monitoring and Feedback Enable Continuous Improvement\*](#)

July-Aug '05 Issue: *Creative Creatures: Working with Marketing, PR and Ad Professionals*

Sept-Oct '05 Issue: *Win the Marketing Game: Be Proactive or Perish*

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