

FOCUS



INSIDE

- Insights from the 2016 Entrepreneurship Scorecard
- Learning to Deal With Low Cost Competitors
- Travel Healthy – Know Your Risks

**Where Are
Your Customers?**
How to
Strategize
and Overcome
an Ad Slump

SMALL BUSINESS
Association of MICHIGAN

MAY/JUNE 2016 • VOLUME 12 • NUMBER 5

Where are My Customers? Breaking Out of Your Advertising Slump

By Lori Cunningham
and Steve Trecha



Your website is up, signs are in place, the literature is glossy and your Facebook is a “like.” But where are your customers? It’s an advertising slump. The conundrum: trying to figure out how to attract more customers while meeting the day-to-day business demands. It’s time to break the slump. The best place to start is a Strategic Communications Plan (SCP).

“Many companies never seem to be satisfied with their advertising performance,” says Lori Cunningham, Managing Partner of Queue Advertising. What are we talking about? “Simply the targeting, messaging, outreach and follow-up activities that attract customers,” adds Steve Trecha, President and Chief Results Officer of Integrated Strategies Inc.

“The SCP spans a period of time, results are reviewed frequently and actions happen based on results,” states Jordan Sutton, director of Operations and Client Services at Sutton Advisors. “An advertising

plan, no matter the size of your budget, is an important guide in every business decision.” Think about it – without customers the business doesn’t survive. Without a plan, you slump.

“You’re in a slump when you launch your business too,” observes Kellie Johnson-Murphy, owner of Kellie’s Consignments, a popular apparel and furnishings consignment gallery in Okemos, MI. Similar to a baseball batter’s slump, simply saying, “See the ball; hit the ball,” doesn’t break a slump.

“It’s not as easy as that,” notes Johnson-Murphy. “It’s a strategy. It’s knowing your target market and advertising channels and finding the combination that works best. I call it the recipe.” Many businesses have good intentions. They simply operate with almost inherent misperceptions, including leadership’s belief that the business’ advertising runs well enough on gut feel, relegating advertising to an administrative function, simply counting click throughs and Facebook followers as success, lacking a dutiful follow-up or seeing the actual cost versus the benefit.

Advertising should be a revenue generator. It takes solid insights and tough, hard work to make it happen. That’s how you break a slump – solid insights and tough hard work. Most business leaders will tell you the majority of their revenue comes from repeat customers. How did they become customers in the first place? “A real opportunity is to get new customers and make them repeat customers while building more business with the repeats,” says Trecha. That’s where the SCP and knowing your advertising recipe is mission critical.

It’s essential your target market is profiled and you know the desired reaction you’re after. Often, businesses hope for or wish that their clients were something they aren’t. One restaurant described their target market as young, vibrant Millennials. Yet, after a reality check, including spending time in the restaurant and customer profiling, they learned the reality. Their customers, and good ones at that, were blue-collar, middle-aged workers looking for an inexpensive meal. Know your target customer and how you want them to react to your advertising. It changes how you go to market, your message and the communications channels you leverage. See Exhibit I – The

Exhibit I

**Strategic Communications Plan (SCP)
Summary Checklist**
Systematic and Aggressive

Communications Planning

- Identify target(s) and desired reaction(s)
- Identify objectives and resources
- Develop board message(s) and tactics
- Obtain executive approval

Campaign Development

- Establish tasks, timing and resources
- Determine channels, content and schedule
- Produce elements

Implementation & Results

- Allocate resources
- Execute to plan
- Monitor, mentor and adjust

Exhibit II

Changing Your Advertising Recipe
What is your data telling you?



One complex question, four alternatives

are trying to figure out what it is and how to make it work versus simply having the complexity distilled for them.”

It goes back to that analogy “you don’t need to understand how your car runs to successfully drive it.” You do need a good car, though, and a good mechanic who can help keep you safe and moving forward. The bottom line is target value creation. See Exhibit II – Changing Your Advertising Recipe.

Speaking of value, how do you measure it? Johnson-Murphy says, “You can’t track a dollar return per se, yet I can certainly track my results. For example, I am continually asking customers where they learned about us, and I watch the revenue flow. I work with experts who help me understand how to adjust my recipe to ensure it’s serving both my customers and my business.” Value can also be measured in other ways like brand awareness, product volumes and good will. The bottom line is: measure it.

Today social media is creating quite a buzz and real results. The digital advertising channels are vast and data availability is immense. The question: Do we understand the channels and data to improve decisions and business results? For example, one regional retailer decided to utilize social media with a popular platform coupled with a loyalty program. The result was over 5,000 followers. Yet revenues were flat to falling. Why? The approach served their current customers, those who they had already retained, but was

Strategic Communications Plan (SCP) Summary Checklist for a bit more insight.

Channels are an important part of the advertising strategy. There are many: TV, print, radio, social media, billboards and others. It’s complex. Based on the results, you can continue what you are doing or start something new, do more of the same, do less or stop all together. “This is where firms often get lost,” notes Cunningham. “They

not creating business from new customers. Know your data; use your data.

Leverage what is working, including solid traditional approaches. CM Graphics owner Kirk Squiers notes, “A strategy can be top customer, priority focused. Stay in touch and work most closely with them. Do product extensions. For example if they bought a vehicle wrap, introduce other products. Supplement with a website and an online request for quoting.”

Firms that are working to attract new customers are tasked with continuing to experiment, relying on data analytics and best practice knowledge to help drive forward. It is experimentation and good learning. Be prepared to change based on learning.

What’s the big takeaway? “You can’t put up a sign, sit behind your desk and wait. People are not going to come, you have to go get them,” states Johnson-Murphy. This means, you need a solid advertising strategy. “Marketing done well, with advertising as a key component, is critical to the success of any company – the key is *done well*,” says Cunningham.

If your focus is new customers, then learn and establish habits that create new customers. Hello new customers! You are now out of the slump. It’s success! And success is the only option. — **SBAM**



Lori Cunningham is the President of Queue Advertising. Queue Advertising is a woman-owned, full-service advertising agency located in Lansing. Our agency emphasis is on development of strategy-based communication programs that produce results for clients. Learn more about Queue Advertising at queueadvertising.com. Call or contact Lori at lori@queueadvertising.com, 517.927.5921 (c), 517.374.6600 (o).



Steve Trecha is the Chief Results Officer at Integrated Strategies Inc., a business acceleration and supply chain consultancy. In the last 30 years he has worked worldwide with over 75 companies. Learn more about Integrated Strategies Inc. at www.sourcing.com. Call Steve at 517.381.4800 x 2190, visit him at LinkedIn and follow him on twitter [@SteveTrecha@Trechaseureka](https://twitter.com/SteveTrecha).

Connect with SBAM on Facebook, LinkedIn, Google+ and Twitter.



Details at <https://www.sbam.org/Resources/SocialNetworks>