Alternative Marketing Techniques for Entrepreneurs

Douglyss Giuliana

Introduction

Owner-managers of start-ups and small businesses have a long hill to climb. In order for the business to generate sufficient revenues – let alone be successful – managers must get the word out to the buying public. The entrepreneur must creatively marshal limited resources to promote, sell, and distribute the product. This is clearly a challenge for the small business for a number of reasons.

First, start-ups and small businesses have limited capital to spend on marketing campaigns. The capital they do have must be split between product development, personnel, operations, sales, and marketing. In addition, the battle for consumers' attention from the growing number of companies and brands has driven up marketing costs. Managers must find ways to make the most of the marketing funds available, often relying on inexpensive and even free marketing vehicles.

Second, traditional marketing techniques have become less effective. Television, newspaper, and magazine advertising have simply become noise. Consumers are bombarded with so much advertising that they often tune it out, change the channel, or fast forward past it. In addition, consumers have become more and more skeptical of and insensitive to traditional broadcast advertising.

Third, these traditional techniques may not reach the target market. More people are heading to blogs for their news, satellite for radio, MP3s for music, and the Internet for entertainment. These media are, for the most part, beyond the reach of traditional marketing.

This paper investigates a number of alternative marketing techniques appropriate for entrepreneurs and owner-managers engaged in business-to-consumer ventures.

The Challenge of Entrepreneurial Marketing

Start-ups and entrepreneurial ventures suffer from very limited resources, including personnel, time, and money. Yet, every business – large and small – must learn to cope with less, especially during times of downsizing, cost cutting, and reorganization. Even Fortune 500 enterprises wish for larger budgets and bigger departments.

However, despite this similarity, small businesses cannot simply be treated as fractions of large ones. These small firms cannot plainly follow the same techniques as large corporations but on a smaller scale. First, the small owner-manager businesses are following much different strategies – both competitive and marketing strategies – and therefore must develop different targeting, positioning, pricing, and distribution. While public companies suffer short-term pressures from Wall Street who want to see constant increases in profitability, the small, private firm focuses on short-term cash flow.

While large firms aim to reach the mass market as quickly as possible, small firms must decide which niche to address first. In fact, if small firms tried to be like the big ones, they would almost certainly stumble and fail because of the limited resources and, more importantly, limited expertise available to execute. These owner-managers are better served by becoming experts at entrepreneurial marketing methods benefiting from the unique advantages the entrepreneurial firm does enjoy.

Marketing also plays a key role in attracting other critical assets – employees and capital. The start-up or small business must be visible, attractive, and look like a winner; these are things that customers, employees, and investors all look for.

The Owner-Manager Difference

Decisions are made almost exclusively by the owner-manager in a small business or entrepreneurial venture; there is little if any delegation of tasks involving strategy, finance, control, and marketing. Therefore, any marketing activities will rely heavily on the owner-manager's experience, expertise, and knowledge.

In small businesses, marketing activities are often de-emphasized and passed-off as too costly and too time consuming with too little return. These owner-managers believe the critical activities consist of making and delivering the products or providing the service as these offer an immediate payback with revenue and satisfied customers. Yet, no matter how great the product or service is, if people don't know it exists or don't know where to get it, they won't buy it.

However, in reality, these owner-managers are not ignoring marketing; they simply don't identify what they are doing as marketing. Most owner-managers think of marketing as consisting only of acquiring customers (sales) and promoting the products or services (advertising). They don't realize that product, pricing, and placement are all marketing activities as well. They view designing product packaging, opening a new distribution channel, and establishing bulk discounts as operational rather than marketing activities. In addition, they see marketing as only being relevant before the sale is made, ignoring the parts of the customer adoption process that will greatly influence both repeat business and word of mouth. Marketing must be addressed at each of the phases of the adoption cycle – awareness, interest, persuasion, trial, and retention. So, branding, product usability, customer service, and the potential for emotional attachment are also waved off as operational activities.

Marketing Strategy for the Entrepreneur

The small business owner-manager must often focus so much on daily operations that strategy is something left for much larger companies. In fact, entrepreneurs often start with an innovative product but little understanding of the target market. They are content to use their intuition, throw the product into the market, and see who buys. As customers start rolling in, the entrepreneur simply tries to find more of the same. This is quite the opposite of traditional marketing techniques where the target market is identified, a message is crafted, and a strategy to reach the target is developed. The traditional top-down approach of segmentation, targeting, and positioning is replaced by a bottom-up approach that starts with identifying an opportunity, attracting initial customer, and expanding by finding similar customers.

This technique works for the entrepreneur because he is so close to the customers and likely knows every one. The direct communication the entrepreneur enjoys with customers allows him first-hand knowledge of their product needs and personal profile. The combination of this intimate knowledge of the customer along with the lack of heavy process allows the small business to quickly respond to new opportunities. Small firms enjoy the benefit of being flexible and responsive. Therefore, marketing must not require large up-front investments or long-term commitments as these will hinder that very advantage.

In addition to supporting the flexible and responsive nature of the small venture, the bottom-up approach requires fewer resources and is less expensive. But this approach does have a downside. With a weaker understanding of the broader market, potential opportunities, and competitive threats, the resulting plan is less likely to succeed. Relying on intuition alone is a risky bet. In addition, it will take the venture much longer to penetrate the market if it relies on continuous trial and error and stumbling into an attractive market.

While small businesses cast aside traditional techniques of planning and testing in an effort to save time and money, equally important is the fact that these businesses cannot afford a campaign that fails. Entrepreneurs don’t have the luxury of running multiples ads at once in hopes that one will be successful. They must get it right the first time, which requires strategy and planning.

While the owner-manager typically thinks of marketing only in terms of product promotion, marketing can also identify the profitable niche, determine how to avoid or confront competition, refine the product characteristics, identify a distribution method, and define the value proposition. Without an understanding that each of these marketing components has an affect on sales, the owner-manager may be tempted to always compete on price. This will often be a losing proposition, especially for a small business that cannot leverage refined operations, high operating leverage, the learning curve, or even bulk purchasing.

Therefore, the owner-manager must find a way to utilize the traditional segmentation, targeting, and positioning (STP) methodology while maintaining flexibility and keeping cost and manpower requirements to a minimum. While, in many cases, the small business is unlikely to start with the STP process before going to market, this technique can and should be followed to better define and expand the market thereafter. The entrepreneur must leverage his close relationship to the initial customers to understand exactly why they buy. Key questions include:

- What is our value proposition?
- What did they buy from us?
- What frustrations do they feel?
- How do they compare us with our competitors?

In addition, the entrepreneur must profile these initial customers to better understand what segments of the total market are responding to the offering. The important data to gather here includes the typical demographic, psychographic, and social factors. The owner-manager can the use the data to perform segmentation of the actual sales and identify the targets based on those who are already buying. The final piece is to use the questions above to develop the positioning statement appropriate to each of those targets.

Such informal research must be ongoing, however, as the market is constantly changing. This too is an area in which the small business has an advantage. The owner-manager’s close contact with customers and prospects make him keenly aware of shifting market needs. In fact, the very introduction of the new product will likely have an effect on the market. When music sharing service Napster was first introduced, it required the user to be a bit tech savvy. However, it’s initial success drew in a larger and broader user base, which required the service to improve usability in order to cater to the digital music neophyte.

This information will allow the entrepreneur to switch from the bottom-up approach – which is appropriate in the early stage – to top-down – which is a more effective approach for expansion. By developing a strategy using the STP methodology and basing it on actual results to date, the entrepreneur is much more likely to identify attractive markets and to focus the marketing to produce faster results. While under the bottom-up approach the business may stick with a single target market or may wander in search of an attractive opportunity, this switch to STP will provide solid guidance, decreasing marketing spending and improving effectiveness.

This switch is likely to be difficult for the entrepreneur, especially when the entrepreneur and the business is innovation-oriented. While it is an innovative product or service that is the foundation of entrepreneurial ventures, and innovation that keeps these nimble firms ahead of much larger competition, failure to identify attractive markets and respond to the needs of these markets will be to the detriment of the firms growth.

In The Marketing Playbook, Zagula and Tong suggest a different approach to strategy preparation. First, understand the market. Identify the structure and where the money goes. Know the trends that will affect the market in the future. Second, get intimate with the customers. Discover what they want and where existing solutions fail. Next, research competitors. Identify where they are strong and where they are vulnerable. Finally, look inward and be honest about your own strengths and weaknesses. Note where you can compete most effectively.

Most of this information is readily available to the entrepreneur and should be known at least at a high level. This research will highlight specific areas that deserve your attention and areas that should be avoided. Much like traditional segmentation, targeting, and positioning, the outcome of this research is the identification of a target market along with the message that you will communicate to them. Again, while the owner-manager tends to have a feel for this data and reacts rather intuitively, adding some rigor to the process is very likely to reduce the risk that the strategy is flawed.

Marketing Mix

In choosing methods of communication, it is important to use as many methods as can be executed successfully. Multiple methods will reach a broader audience, and different consumers will be affected by different techniques. The investment in marketing is a bet on future returns. Much like an investment portfolio, you should spread the investment around to different vehicles. The trade-off is that spreading too thin might dilute each piece to be ineffective. Also like an investment portfolio, understand the potential cost and return of each option and craft a mix that maximizes that return.

The Offer

While most entrepreneurial ventures are based on an innovative – and therefore differentiated – product, it is important to understand why this is the case and the subsequent responsibility of marketing. Porter defines a matrix of generic competitive strategies as follows:

	Advantage	
Scope	**Low Cost**	**Differentiation**
Broad	Cost Leadership	Differentiation
Narrow	Cost Focus	Differentiation Focus

Simply because of their limited reach and capacity, small firms perform best with a narrow focus. While the narrow scope allows the small business to cater to a specific market, it is also likely that the small market is not enough to attract the attention of larger competition, allowing the small firm to “fly under the radar”.

It is typically difficult for a new or small business to use low costs as an advantage over entrenched competition. Without highly optimized operations, high operating leverage, and purchasing power, the small firm will often be at a disadvantage. However, a cost advantage may be achieved in service businesses where small firms enjoy lower overhead.

This leaves most entrepreneurial ventures with a differentiation focus strategy. The entrepreneur finds an attractive niche market that is underserved by the larger competitors and offers a product that is superior for that niche, although it may be inferior to the broader market. The small firm’s flexibility and innovation-orientation match very well with this strategic position.

The role of marketing is specifically affected by this choice of strategy. If the firm is following a cost focus strategy, then marketing must communicate the lower prices while describing some parity in product characteristics. A differentiation focus requires marketing to clearly and effectively communicate the differentiation while describing some parity in cost. In addition, the marketing must reach the specific target segments that are the focus of the strategy.

Marketing Techniques for the Entrepreneur

Market Research

It is rather common for an entrepreneur to start the business with only a limited understanding of the product, the market, the plan, and the competition. They go with their gut; they use intuition. They sense a need rather than rely on analyst reports or detailed competitive analysis. In fact, many entrepreneurs start with only a product or service idea, and then try to find a market for it. They focus on developing a great product and only later shop it around, then focus on the market that had the strongest response. Indeed it is innovation and creativity that propels the small business to success, but this contrasts the customer orientation that lies at the heart of marketing.

In addition, the small business advantage also lies in its ability to adapt quickly and attack attractive markets. The limited infrastructure and low fixed costs allow the small business to change directions as opportunities arise. And a small emerging market can be very attractive to the entrepreneurial venture while being too small to be of interest to larger companies.

However, if the owner-manager is to identify the attractive markets and take advantage of these emerging markets, he must take advantage of market research. Market research consists of the gathering and analysis of data such as customer needs, market structure, competitive analysis, advertising effectiveness, and economic trends. It closes the information gap between the company marketing plan and the consumer needs.

This information helps craft the product, strategy, message, and marketing methods. Small businesses tend to think of market research as something best left for the bigger companies; it's too expensive, time consuming, and complicated. By failing to gather and analyze this data or by ignoring it, the entrepreneur risks missing attractive opportunities and even puts the venture at risk.

While market research can be a complex and expensive process, there are numerous methods for small businesses to gather such information with a limited commitment of time and resources. Valuable research can be conducted without the need for an outside research firm, formal interview scripts, and industry analysts. However, it does require some preparation and attention on the part of the owner-manager. Making this small investment can reduce risk and increase the effectiveness of the marketing plan. In the end, failing to gather and react to this information can be much more costly in terms of strategic mistakes and missed opportunities. In fact, according to <u>Entrepreneurial Marketing: Lessons from Wharton's Pioneering MBA Course</u>, the chance of a business's failure can be reduced by 60% if the business analyzes the market beforehand.

When it comes to market research and customer feedback, the small business does have an advantage over the large corporations. The small, direct customer base allows a much more intimate dialog to form between the business and the customers and prospects. The owner-manager is often drawn to a small venture because of this direct, personal contact he has with his market. By being able to speak to both customer and prospects directly, the owner-manager has a great opportunity to gather information on consumer needs, product improvements, customer demographics, and marketing effectiveness.

Asking a few simple questions during sales calls and customer interaction points, the owner-manager can gain a strong understanding of the market, opportunities, and competition. A post-sale follow-up is a great time to inquire both about the buying process and customer satisfaction. This information can be gathered directly, using a mailed questionnaire, or over the web or email. All of these methods are inexpensive.

The Soup Peddler, David Ansel, in Austin, Texas has leveraged his personal relationship with his customers to great lengths. He doesn't just use them in his primary market research; he also asks them for advice. When he was recently considering expanding the business, he put the question to his loyal customers. Instead of hiring of consultants or risking making a costly mistake, he used his customer base as a big advisory board. While this method works great for soup delivery, it's probably not a reliable option for aircraft engines.

An even richer set of information can come from actually observing customers directly, whether it be watching them use the product or shop for it. While asking customers about their experience can provide previously unknown nuggets of information, these type of surveys – formal or informal – may not provide completely accurate details. Consumers may be providing the answers they think you want to hear, or may modify their answers so their true beliefs don't seem silly. Observation is much more likely to provide an accurate picture.

In many instances, this type of observation is both easy and inexpensive. All it takes is a bit of stealth investigation. Watch people use your product or even a similar product. See how they shop and buy. Notice how they work around any short-comings they find. While skills in psychology and anthropology might be beneficial, they are by no means required. A large sample size is also not necessary. The purpose of these observations is not to find out about the majority or analyze every customer response. It is simply to learn something about the customer activity cycle that you didn't know before. The findings will offer the small product enhancements or marketing tweaks that will improve your offering and satisfy a larger set of consumers.

Julia Knight, founder of frozen baby food maker Growing Healthy Inc., used in-store observations to take her company from struggling start-up to almost $3 million in revenues. When her product sales remained sluggish, she took to the stores to watch mothers, with children in tow, shop for baby food. She watched as potential customers glanced at her healthier baby food, but ultimately bought other brands. The problem, she discovered, was that mothers spend as little time as possible in the frozen food aisle because it is cold. In response, she worked on convincing stores to install cut-away coolers in the baby food section.

Word of Mouth and Buzz

Word of mouth is the direct person-to-person communication in which one person describes the attributes or experience of a product or service to another person. It occurs when we tell a friend about a great movie or when we brag to a colleague about a new car or a fabulous vacation. However, word of mouth is just as likely, maybe even more likely, to occur when we tell someone about a terrible meal we had at a restaurant or a new computer that constantly crashes. Good or bad, the word spreads.

Word of mouth spreads from those who know about your product, typically existing customers, to those who are unfamiliar or maybe familiar but not yet convinced or sold. Many start-ups rely on word of mouth to attract that initial critical mass of customers, and many small businesses count on the recommendations for all of their new business. In either case, the high effectiveness and low cost of this marketing method makes it a staple for any resource-constrained venture. According to a 2001 McKinsey report, 54% of sales in the United States are affected by word of mouth.

While word of mouth affects almost every business, buzz is much more rare and sprouts only for the truly exceptional. Buzz is the sum of all word of mouth about a particular product at a particular time; it's the roar that grows quickly and spreads far. Products like the Apple iPod MP3 player, The DaVinci Code, and Netflix are great examples of products that generated buzz. The difference for these products is that they are far better than their counterparts in terms of functionality, convenience, and the pleasure of use.

For word of mouth to be most effective, it must be genuine and honest. The combination of a real opinion delivered in a personal context is what makes word of mouth so powerful. With the flood of advertising, the explosion of product placements, and the growth of celebrity endorsements, consumers are looking for truthful conversations and recommendations. While they are skeptical of every ad, marketing claim and promise, consumers so listen when someone they know and trust, someone like themselves, offers an opinion.

While word of mouth tends to happen on its own, there is much the owner-manager can do to increase its spread and hopefully become true buzz. First, a fact that cannot be overlooked, the product must be exceptional. In order to be worthy of being talked about, it needs to be easier to use, more stylish, faster, unique, cheaper – and not just by a little bit. It needs to stand out from the crowd.

Second, you need to reach the people that can best connect with the target market. These people have one or more of three important characteristics. First, these people like to spread the word. Seth Godin calls them “sneezers”. They tell everyone about the latest gadget, the funniest show, and the coolest new hangout. They are naturals at spreading the word and want to be the first one on their block to be talking about it. Second, sneezers are also known as authorities on the subject. These aren’t necessarily public figures or professionals, but the people that consumers go to when they have a question about something. If you are wondering what new computer to buy, you ask an engineer; and if you want to know what the hottest children video is, you ask a mother. These types of “experts” are becoming even more effective as idea spreaders as they make greater use of technology. Chat rooms, message boards, and blogs allow them to speak to a much wider, geographically dispersed audience. Third, a good prolific spreader interacts with your target market often. If you are introducing a new tennis racquet, make sure the tennis pro knows about it so she can tell all her students. People that have all three of these characteristics are termed “hubs” by Emanuel Rosen in The Anatomy of Buzz. Get your product in front of these people first and they will spread the word for you.

Finding these sneezers is not a difficult task, but it does require some investigation. The most obvious candidates are the people who are already sending you referrals. People who are respected in the field also make for great sneezers. If you are introducing a new computer gadget, get one in the hands of the technology writer in the local newspaper or the computer guru at the electronics store. Finally, look for those consumers that are highly connected, electronically or otherwise. People who are active in online communities or chat rooms are good candidates, as well as people who take part in local clubs or organizations.

Even if your product is exceptional and you have reached the “sneezers”, you may need a little something extra to get the word spreading more quickly. Even though Google’s Gmail email service was expected to be much better than the existing services, Google increased the hype by limiting the number of memberships and making the service available by invite only. This meant that an interested user had to ask their friends if they could be invited. It required talking up.

Creativity can also play a big role in pushing a product to be buzz-worthy. In the early 1990's, Stonyfield Farms, makers of yogurt, announced their "Adopt a Cow" campaign. Consumers who purchased a certain amount of yogurt got to adopt one of the actual cows on the Stonyfield farm. The customers received an adoption certificate, photo, and a biography of the cow. The program was so successful that the number of eligible customers far exceeded the stable of cows. However, the benefit of the promotion went far beyond the short-term increase in sales. Stonyfield received a large amount of publicity from the campaign, including mentions in local newspapers and magazines. Plus, the photo and certificate are just the kind of things people like to show others, which created buzz on the street as well. The strength of this buzz helped Stonyfield to open a number of large accounts, including Au Bon Pain.

Viral Marketing

Viral marketing is a special case of buzz in which the product itself is the way that word spreads. This term was coined by Steve Jurvetson who was one of the venture financers of Hotmail. At the bottom of every email sent through Hotmail was the line "Get your private, free email from Hotmail at www.hotmail.com". By using the product, customers were passively spreading the word. This small start-up, with no spending on large media advertising, grew and grew until it was acquired by Microsoft.

Not all products lend themselves to viral marketing. Typically they are highly visible products or products that act as communication themselves, as in the Hotmail example. Blackberry email devices is an example that has both. Similar to Hotmail, every email sent from a Blackberry tells the receiver that it was sent from a Blackberry. Plus, people typing away on these tiny keyboards in public drew much attention. Post-it Notes by 3M is another example of a successful product that grew through viral marketing. Simply using the notes and posting them on your desk or giving it to a colleague spread the word.

While viral products spread rather passively, the marketing still requires attention and planning. Post-it Notes didn't enjoy phenomenal growth until they were sent to secretaries in all of the Fortune 500 companies. The owner-manager must determine whether his product is a candidate for viral marketing. Good candidates typically have one of the following characteristics:

- The product itself is a method of communication (ex. Hotmail, Blackberry)
- The product enjoys a network effect (ex. Skype)
- Simply using the product draws attention (ex. new Volkswagen Beetle, LiveStrong bracelet)

Customer Evangelism

A customer evangelist tells your story and tells it to everyone. He purchases your product, believes in your business, recommends it to friends and colleagues, supports you even when you make a mistake, and provides feedback even before you ask. He wants you to succeed. This action and belief is based on an emotional connection the customer has with your product, service, or company.

Customers become evangelists when they are so pleased with their experience with the product or service that they want to tell others and even want to help the business succeed. People love to talk about their experience with products and especially like to be the one that pointed out a great product that everyone subsequently adopts.

Customer evangelism is such a strong form of marketing for a number of reasons. First, your customers know your target market very well because they are your target market. Since they know the target so well, they can translate the customer value proposition into language that is familiar and easily understood by the target market. Second, they are seen as being genuine and impartial sources of information. Unlike paid endorsements or product placements, these evangelists have little to gain by singing your praises and they are therefore trusted. Finally, customer evangelism is a very inexpensive marketing method. It doesn’t require expensive air time, glossy flyers, or creative advertisements.

Most critical to successful customer evangelism is developing an incredible product or service that fills a customer needs, is easy to use, and ultimately makes the customer’s life better. Only products that are this satisfying will gain a following strong enough to turn short-term buzz into committed evangelism. TiVo, the personal video recorder, is a great example of such a product. It offers consumers the ability to pause and rewind television, easily record shows without fighting the cryptic VCR interface, and is incredibly easy to use. While people without a TiVo don't completely understand its value, those with a TiVo readily and frequently extol its virtues. Being able to pause a movie in order to tend to a crying baby and fast-forward over commercials and rewind a fantastic sports play certainly makes the experience of watching television better.

In Creating Customer Evangelists, Ben MacConnell and Jackie Huba describe 6 tenets of customer evangelism:

1. Customer Plus-Delta

Rather than gathering customer feedback only at discrete points like focus groups or satisfaction surveys, gather feedback continuously. This is more advantageous for small businesses anyway because it is less expensive that running formal research. While this feedback can primarily come from direct customer interaction, it should also include investigating what people are saying about you on the web, gathering feedback on your website, third-party customer interviews, and even creating a customer advisory board. The two questions you are looking to answer, signified by the "plus" and "delta" respectively, are "what is working well" and "what needs to be improved."

2. Napsterize your knowledge

Give away the information you have. Let customers share and exchange information and let them try before they buy. By giving away your knowledge, you help spread the word on your company, product, or service. This also makes it easier for your customers to share information about you with their friends. In addition, it may lead to other opportunities like partnerships, product extensions, and new markets

3. Build the buzz

While buzz happens between consumers, there is much that even a small company can do to help it spread. Give your customers something worthy of mention, and give it to them often. Start by focusing on the "hubs", people that can spread the word for you the fastest. And provide them with tools to help them spread the word, whether it be flyers, coupons, samples, or examples.

4. Create community

People want to feel that they belong to something. Providing a vehicle for your customers to connect with each other will offer benefits to all involved. While customers can share experience and advice, they will also become more loyal consumers. Whether it be face-to-face or online clubs, discussion groups, or newsletters, connect with your customers often and help them connect at the same time.

5. Make bite-size chunks

By offering a trial or introductory version of your product or service, you can eliminate many of the hurdles to the buying decision. Consumers can taste, touch, or experience your offering with little commitment, then be more confident in their decision to follow-up with a buy. In addition, it gives you a much larger army in your target market to spread the word on your product.

6. Create a cause

When customers form an emotional bond with your company, they are much more likely to evangelize and to remain loyal. The most effective ways to encourage that bond are to adopt a cause or sell a dream. A cause can be a charitable organization or a commitment to community service. McDonald's Ronald McDonald House is an extreme example of a cause, but small companies have many opportunities as well. A sporting goods store can sponsor a little league team and a woman's clothing store can donate proceeds to breast cancer research.

Stonyfield Farms, a producer of all-natural organic yogurts and ice creams, has leveraged a number of these tenets to become a successful organization. In the early 1990's, with around 5 employees, Stoneyfield introduced the "Adopt-a-cow" program which allowed customers who made frequent purchases to receive an adoption certificate, photo, and biography of an actual cow on the farm. This created quite the buzz and gained the company significant PR exposure. In addition, the company sends out a "Moosletter" to keep a continuous dialog with customers. They donate 10% of profits to causes that help protect the earth and they are dedicated to environmental and socially responsible business practices. During this time, Stonyfield has grown from $6 million to $100 million in sales.

Customer evangelism does have some drawbacks. First, when you rely on others to communicate your message, you lose some control over the message itself. You cannot carefully craft the feature list, the differentiators, or the vocabulary. You cannot even guarantee that the evangelists are spreading positive opinions of you and your product. Second, you cannot make customers tell your story. Your product must be different or exciting enough for them to want to talk. Customer evangelism is based on the business's loyalty to the customers and the customer's loyalty to the business. Finally, the spread of your value proposition is limited by the number of evangelizing customers you have and the frequency of these one-on-few interactions the evangelists have with other prospects in your target market. Therefore, growth for a small business using this method is likely to be slow.

While customer evangelism is an effective method for marketing to new prospects, it is also a great way to keep those customers you have. It is expensive to acquire new customers, so the entrepreneur must also focus on keeping existing customers. By creating customer evangelists, the business is also creating loyal, long-term customers.

Building Brand

While strong brands are typically associated with larger, established companies that have had years to build a reputation and become widely known, a strong brand can also be successfully built by the small business. The purpose of developing a strong brand is in its ability to communicate the value proposition easily and effectively. A brand consists of two parts. First, the brand includes your visual branding such as your logo, business name, tag line, and style. These aspects of brand can communicate whether the business is serious, fun, professional, loud, or simple. This is often where first impressions are made. Second, the brand includes that values of your business. The Body Shop has a simple, refined logo and constantly broadcasts its care for the environment and sustainable farming.

In order to establish a successful brand and use it as an effective marketing vehicle, the brand must be both well-known by your target audience and must carry a reputation or communicate a positive emotion or association. Without these, you have nothing more than a name and your brand won't be able to sell your products.

To build a well-known brand you must use it consistently and use it often. It must be on your business cards, stationary, website, advertising, and all product packaging. It is only through repetition that consumers will come to know it well. Reaching the level of repetition required may mean advertising. However, the advertising has to tell your story as much as it sells your products.

The brand must also communicate a reputation or emotion. The strongest brands actually elicit an emotional bond with the customer. The key for the small business is to create a brand that describes who the company is and what they stand for. Burt's Bees, a line of personal care products, uses simple old-time packaging to describe its old-school, all-natural products and commitment to the environment. However, the business must deliver on the promises that the brand makes, or the image will backfire. Burt's Bees uses environmentally friendly packaging with high concentrations of recycled material and works toward sustainable farming practices. Their actions reinforce the brand.

It is important to understand that a brand will not make the sale, cover up for poor products or strengthen a weak value proposition. It's not a cure, but an enhancer. A brand adds to the value of a good business. Given the mileage you get out of your brand, logo, and company image, it's worthwhile to hire a brand consultant or graphic artist to make it all come to life and deliver the message you want to communicate.

Nantucket Nectars founders Tom and Tom focused on developing a strong brand only after having trouble getting the product to sell on the mainland. Their early attention to doing their own distribution had succeeded in getting the product on the shelves of convenience stores, but there it sat. The large numbers of customers that did drink it from their markets on Nantucket loved the taste, so it had to be something else.

When an acquaintance suggested that they reconsider their packaging, Tom First realized that their weak packaging might be holding back their otherwise superior product. So they invested in a redesign. They introduced 17.5 ounce bottles with cartoonish drawings of the Nantucket lifestyles and added purple caps with short stories on the underside to differentiate themselves at the shelf. They also linked the package design effort with the building of their brand. By telling the story of how the company was founded and the hurdles along the way, they built an image of being hard-working but quirky and fun. Tom and Tom spread the brand through radio commercials they did themselves, telling stories of the company's early days. The packaging changes and the focus on brand caused a sharp increase in sales, rocketing the company to $1 million in sales in just over a year.

Partnerships

There are two types of partnerships that small businesses can take advantage of. First, by partnering with another small business, the two can join forces and their limited resources to promote, package, or distribute their products together. Beyond simply sharing the bills, the two businesses can split up the work and offer expertise that the other business might lack. Second, a small business can partner with a larger, established company. While this is typically much more difficult to accomplish, if a relationship can be forged, the small business can benefit greatly.

SailTime Boston is a local base operating under a license from the SailTime Licensing Group. SailTime offers memberships and ownership programs in new luxury cruising yachts. When the Boston base opened in early 2004, owner Douglyss Giuliana was hungry to spread the word in existing sailing circles. In addition, the base needed access to small training boats and skilled, certified instructors to train novice sailors that became members of SailTime Boston. Doug shied away from the larger sailing schools in Boston harbor because they also offered membership programs that competed with SailTime. However, Piers Park Sailing Center in East Boston provided a fantastic opportunity. They offered memberships only in smaller boats that did not compete with SailTime, and they offered sailing instruction. When Doug approached Tim Dorr, the center's Director of Adult Education, with the idea to partner, the mutual benefits quickly became apparent. Tim was eager to introduce his members to the pleasures of cruising so they could see that sailing was a lifelong activity. In addition, Doug would pay him for every referral that joined SailTime while Piers Park often lost members to the other big clubs and received nothing. Doug would get quality instruction for his members and would be able to introduce his offering to new sailors that might some day be interested in an upgrade.

While SailTime Boston was forging a relationship with another small business, SailTime Licensing Group (STLG) forged a huge deal that changed the trajectory of the company. SailTime was started in 2000 by two friends so they could split the ownership of a new sailboat between some friends. As more and more people showed interest, they opened the business up to the public and started a small fleet of boats on Lake Travis in Austin, Texas. They quickly realized that the idea would do even better in cities with large sailing populations and ventured to license the idea throughout the US. By 2004, they had a total of six bases. They approached Hunter Marine, the largest production sailboat manufacturer in the US, in an attempt to forge a relationship that would benefit both organizations. The resulting partnership gave SailTime large commissions on each boat sold into the program, co-marketing opportunities, and access to the nationwide Hunter dealer network. In exchange, SailTime would exclusively use Hunter boats which would provide an excellent trial opportunity for Hunter's target market – sailing enthusiasts who did not yet own boats. The only cost of this partnership to SailTime was the cost of selling the idea to Hunter over four stressful weeks. However, the outcome was explosive growth to over 30 bases in the next 12 months, strong PR, and the respect that comes from being associated with an industry leader.

These partnerships don't always have to be so formal. Spoodles at the Tower in Worcester, Massachusetts partners with various local businesses off and on throughout the year. so the business reaches different sets of people. Partnered with nearby gym offering free week memberships after the holidays. These are very inexpensive to execute and may include printing some coupons or making a sign. While such partnerships aren't going to dramatically increase business, they well worth doing.

Conclusion

As the entrepreneur or owner-manager juggles a variety of business tasks, marketing often gets pushed aside in favor of a focus on operations or product innovation. While the small business can be successful early in its life with limited marketing support and therefore sales, growth is severely limited and the venture is at risk of failure.

While traditional marketing techniques rules our attention and are the focus of business education, they rarely apply so easily to the small firm. Lack of budget, lack of manpower, and most importantly lack of knowledge put traditional marketing out of reach of most small businesses. However, there are now ample alternative methods to promotion that are not only more affordable to small businesses, but fit their culture, flexibility, and attitudes. These alternative techniques have proven so successful that many larger corporations are investing heavily in them as well.

The key for the owner-manager and entrepreneur is to become educated in these techniques and understand how to cultivate their success. In addition to the techniques mentioned here which are now well-known and documented, new techniques are always emerging. Blogging, open source, and the “long tail” are the next wave of marketing tools. While the small business must make an investment in learning and implementing these myriad techniques, the ones that do will be small companies no longer.

Conclusion

Although the entrepreneurial venture lacks the resources and manpower of larger, established companies, this should not prevent the small firm from competing and succeeding. While these small firms are unlikely to have a dedicated marketing staff, and the owner-manager places marketing activities low on the list of priorities, these small firms do actually perform a number of these marketing activities. However, to make the most of the marketing effort, the entrepreneur must follow these two principles:

1. Develop a marketing strategy that is consistent with the competitive strategy and considers the market, the competition, and the firms’ own abilities;
2. Leverage alternative marketing techniques that are less expensive, but clearly understand how and when they should be used.

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