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Marketing Smarts for the Growing Business

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Get to Work

Do-it-yourself ways to reach a key audience: at-work consumers



How many times have you shopped for a gift online while at work? Do you plan dinner just before leaving the office, picking up groceries on your way home? Maybe you've asked coworkers to recommend a good dry cleaner near the office.

Studies show that Americans are spending an increasing amount of time at work. It's no wonder, then, that more and more purchasing decisions are being made at the office. And smart marketers have noticed. "As marketers are looking to maximize ROI, the importance of targeting gainfully employed, value-seeking consumers is essential," says

Phil Rist, executive vice president of strategy at BIGresearch, a consumer intelligence firm based in Worthington, Ohio. In a study examining the shopping behavior of consumers during the workday, the organization found that:

- More than 47 percent of at-work consumers had researched electronics online during the workday within the past 90 days.
- Almost three quarters of at-work consumers dined out or bought groceries during the work day.
- Office chatter influences at-work consumers. More than 95 percent gave advice to their peers about products and services, and more than 92 percent also sought advice from peers before making purchases.

A handful of marketing companies focus exclusively on this segment. WorkPlace Media has developed relationships with 920,000 U.S. businesses representing more than 64 million at-work consumers. Advertisers hire the Mentor, Ohio-based company to distribute product samples or coupons to employees. Employers like the program as a way to offer workers small perks, such as samples of chewing gum or discounts at a local restaurant. For the marketer, the product is perceived as coming from a trusted source, says Tara Peters, marketing supervisor at WorkPlace Media. "In many cases the product or brand is actually being touted by the employer," she adds.

Another leading company in this space, Captivate Network, in

ONLINE BRAND BUILDING

Tips for Credible Testimonials

If you post customer testimonials to your Web site, here are three sure ways to get visitors to take notice:

- 1. Identify the contributor by name and location.** Bob Bly, a Dumont, N.J.-based marketing guru, explains that "J.B. in Georgia" or "Mary S., self-made millionaire" is not as effective as "Jim Smith, vice president of manufacturing, Reade Corporation, Dover, Del."
- 2. Be real.** Some customers would rather sign a testimonial written by the company, but Bly recommends that you get it in the customer's own words. A copywriter, no matter how skilled, can't match the sincerity and credibility of genuine words of praise from a real customer, he maintains.
- 3. Say cheese.** Include a photo of the customer along with the text. Even better, show the customer using the product. The goal is to create an overwhelming impression in the buyer's mind that he or she cannot go wrong buying the product or using the service, says David Newman, author of *Sales Science*. ■

For more online brand building tips, visit www.info.fuelnet.com/onlinebrand.

Chelmsford, Mass., puts flat-screen displays in office elevators, providing news and other programming along with advertising spots. "If a small advertiser wants to target a specific building or neighborhood, it can be a pretty efficient spend," says Paul Jankauskas, senior vice president of sales. "We often say that the smaller your budget, the more sense we make."

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SET YOUR SITES

Looking for eyeballs? Try one of the top 10 Web sites viewed in the office.

- | | |
|--------------------------|------------------------------|
| 1. Google | 6. eBay |
| 2. Yahoo! | 7. Wikipedia |
| 3. Microsoft | 8. Amazon.com |
| 4. AOL | 9. <i>The New York Times</i> |
| 5. Fox Interactive Media | 10. Turner Network |

— comScore Inc.

FROM THE EDITOR

Hooked on Email



Call it a marriage made in heaven: Studies show that email is the marketing tool of choice for most businesses and that a majority of consumers prefer email as their primary method of communication. In fact, 59 percent of email users say they're so hooked on the medium that they regularly check their inbox from the cozy confines of the bathroom, according to the fourth annual AOL Email Addiction Survey.

Say what you will about spam and flawed opt-out practices, among other issues, but if an email offer is appealing and customer-centric, consumers will be motivated to buy. A well-executed campaign can also reactivate dormant customers, enhance customer relationships, and increase brand awareness. Here are three suggestions to keep in mind:

- **Pay attention to spelling and punctuation.** The AOL study found that 68 percent of respondents are annoyed by emails with errors. At the very least, run a spell check.
- **Craft a creative subject line.** It's the equivalent of the outer envelope in a direct mail package. Keep it short (50 characters or less) and drive home the value proposition you want to deliver.
- **Solicit feedback.** It's the best way to connect with customers and prospects and refine your communications. ■

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NEW RESEARCH

Find Your Space Online

Sometimes you can fight a trend or join in. Many businesses are choosing the latter when it comes to the thriving social media sphere, including sites like MySpace, Facebook, and LinkedIn. A recent study by Deloitte found that an increasing number of companies are engaging customers and employees in these communities by sparking brand discussions, soliciting ideas, recruiting talent, and promoting their products.

It's not just the major sites that are attracting attention. Niche communities have also sprung up to take advantage of social media's promotional potential. The Deloitte study found that nearly 60 percent of companies plan to shift more dollars to online communities in the next year.

Deloitte's "2008 Tribalization of Business Survey" also suggests ways

to create an effective online community. Ideas include:

- starting with a strategy and an ultimate goal for what the community should accomplish
- getting a passionate core of participants involved before launching
- keeping the site simple and intuitive, as well as fresh and active
- focusing on the value the community gives to members
- having a dynamic team of community leaders.

Given that marketing through these communities costs less than many other channels and often requires a minimum of oversight, it's no wonder that Forrester Research expects adoption of social networking technology by growing businesses to increase by 20 percent this year alone. Those companies that use it effectively are sure to reap the benefits. ■

OFF PRESS

Proven Ways to Engage Customers

It's one thing to excel at what you do, and quite another to get the word out. Phil Fragasso, a marketing professional with more than 25 years in the field, provides some helpful advice in his new book, *Marketing for Rainmakers: 52 Rules of Engagement to Attract and Retain Customers for Life*. Rainmakers, in his definition, are people and organizations that deliver a service of immense value or solve tough problems. But they aren't always great at marketing themselves. Here are some of Fragasso's suggestions:

- **Distill your message to its essence.** Too much wordage means more chance of misunderstanding, more possibility of raising concerns, making the simple sound complicated, and losing the audience's engagement. Whatever business you're in, your target audience will distill your message down to a single sentence. Do it yourself and deliver the message you want.
- **Instill belief in your product.** If your people truly believe they are bringing value with what you do, they'll transform from workers to evangelists. Fragasso cites top companies such as Apple, Starbucks, and Target that have developed a cult-like devotion among employees and customers.
- **Stay on message.** Consistency is paramount in building a powerful brand. The Marine Corps is the smallest branch of service but also the most well-known and highly regarded. Fragasso cites its simple, memorable motto: "The few, the proud, the Marines." At the opposite end of the spectrum, McDonald's has broadened its menu over time but has never wavered from its original proposition as an affordable venue for a family meal.
- **Use humor.** It makes a message memorable and promotes empathy. But use caution. As Fragasso points out, most of us aren't as funny as we think we are. ■



How Can I Help My Staff Better Deal with Recession-Related Fear?

A The U.S. may or may not be in a recession, but most leaders will tell you that *something* is going on. Employees are afraid of their companies failing, of being downsized, of losing their homes and everything they've worked so long and hard to achieve. What's more, they could feel like failures. Here's how to help them deal with their fear and get more productive:

- **Get real.** It's far better to take the "It's fear; it's here; get used to it" approach than pretend you're all on a butterfly hunt. Tell employees, "Yes, the economy stinks. It isn't going to get better soon, it will exact a price from everybody, and it compromises many aspects of our lives." Such openness will help reduce anxiety and allow people to focus on productive work.

- **Don't assume all conflict is bad.** Conflict can actually be healthy for a company. After all, there can be no growth without challenge, and no challenge without conflict. Address the cause of a conflict and the symptom will resolve itself.

Whatever you do, don't discourage employees from speaking their minds.

- **Encourage and reward people, especially salespeople.** Salespeople are doing everything short of pleading and begging, and are ending up completely disengaged emotionally. That said, when a salesperson takes a risk, praise that person. If the risk yields results, reward him or her. Not only will you encourage repeat success, you'll encourage coworkers to follow that person's lead.

- **Live by the theory of abundance.** This theory holds that there are infinite resources available to you, and you can pick and choose opportunities that mesh with your values and that ultimately benefit you. Look at it this way: People still need your product or service, and they have to buy it from somebody. Why not you? Focus on being the best at what you do, and move forward confidently. ■

— *Morrie Shechtman, author of Fifth Wave Leadership (fifthwaveleadership.com)*

What Are the Keys to Success?

A Success doesn't happen by accident. It requires strategic planning, action, and commitment. Success also takes an additional ingredient most people overlook: the ability to thumb your nose at conventional wisdom and so-called "best practices." Here are three things the ultra-successful do differently that you can implement now:

1. **Exploit your uniqueness.** Real success comes from being "for" a specific group of people and "not for" others. Specialization and

customization win the day, garner more attention, and ultimately attract the most success.

2. **Read.** Successful people read books constantly, listen to tapes and audio programs, and attend seminars on a regular basis.

3. **Take risks.** Super-successful people understand that with risk comes reward, and they're willing to take chances. But they hedge their bets with information and research and are open, honest, and blunt about their passions. ■

— *Travis Miller and Jimmy Vee, coauthors of Gravitational Marketing (gravitationalmarketing.com)*

How Can I Improve Internal Marketing?

A The lack of a comprehensive internal marketing strategy can undercut otherwise successful hiring strategies and thwart business growth. Make sure your employees know what your organization stands for and promises, so they can deliver on those promises to the customer. Here are some tactics to consider:

- Measure employee awareness and satisfaction to see if they are in line with customer satisfaction.
- Hit the road with a salesperson. See what you can learn from the experience.
- Include marketing information in employee orientation programs.
- Offer employees subscriptions to industry-related publications.
- Mention internal and external marketing successes in newsletters and Web site postings.
- Write articles for trade publications, local papers, and customer publications. Then get reprints and distribute them to employees and customers.
- Turn your benefits plan into a marketing brochure.
- Promote and internally market significant achievements.
- Videotape testimonials from employees to share with new staff during the orientation process.
- Email employees a company-related fact of the day.
- Create a monthly contest to quiz employees on their knowledge of the organization. ■

— *Bill Lowell, founder and president, Business Development Directives (bddonline.com)*

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Steps to Take Before Making a Free Offer

Today's marketplace is about building relationships and learning how to allocate your resources wisely so that those who are inclined to buy your products and services step forward. Unfortunately, many companies still rely on outdated mass-marketing techniques. They bombard people with ads in the hope of landing a few sales, only to achieve mediocre results at best.

Because consumers are inundated with sales information every day, they distrust companies and people who blatantly try to sell them something. That's why in today's challenging business environment, you must give something of value for free to attract long-term customers. The goal is simply to get prospects familiar with what you have to offer. Once you've done that, the sales will come. If you're planning a giveaway, consider the following suggestions:

- **Define your target audience.** To attract new customers, you must focus on a target market and find new ways to reach them directly. You can segment your audience many different ways: by age, gender, family status, personal or professional interests, previous similar purchases, geographic location, etc. Your job is to analyze what you do and whom you could help the most, and then narrow that audience down to a clearly defined niche.
- **Identify your target market's biggest pain.** What are the concerns of your target audience? What issues keep them up at night? What information or services or products would they pay big money for? If you're selling business to business, determine the biggest need of your prospect's customers. To uncover this information, you need to think like your potential customers. You could also interview them or ask them to participate in a survey. Additionally, talk with your sales department and find out what concerns prospects routinely mention.
- **Define a product, a service, or an activity you could give away.** What can you offer that will be of real value to your target audience? Realize that this does not have to be an expensive proposition. It simply has to have a high perceived value to your target audience. For example, a CPA could offer a free seminar on new tax law changes and how they could affect the target audience. A dentist could offer a free teeth-whitening procedure to new clients. Other free giveaways could include:

- a webinar
- an informational DVD, report, or e-book
- an in-depth consultation
- an assessment.

The goal is to let your prospects experience what you have to offer, so you can prove to them that you are worthy of their trust — and their money. ■

— Ingunn Aursnes, owner, Quantum Leaps Consulting LLC
(quantumleapsconsulting.com)



BRAND BUILDING

Create a Brand that Really Rocks

At first glance, it's difficult to imagine how Wal-Mart and the band Kiss are similar, or Cadillac and the Rolling Stones. Yet, according to Roger Blackwell, coauthor of *Brands That Rock: What Business Leaders Can Learn from the World of Rock and Roll*, it all comes down to adoring fans who are willing to evangelize for their favorite products and performers — and who have an insatiable appetite for spending. Creating an emotional connection with fans is essential, and achieving cultural icon status is paramount to achieving fame and fortune, Blackwell argues.

“The most valuable asset for any company does not appear on a balance sheet. It is brand equity,” Blackwell points out. “The companies that create a known and loved brand are just like a great rock-and-roll band. They can endure for decades.”

So how can a growing business create a brand that rocks? Although there's no single formula, Blackwell says a brand must create value and a sense of joy that doesn't exist with competitors' products. It must also:

- build brand loyalty one fan group at a time;
- stay fresh in the marketplace, while staying true to its core strength;
- evolve at a rate that doesn't alienate existing customers;
- exude energy and passion to command respect and grab attention.

“It's essential to create a product or service that is culturally relevant,” Blackwell adds. “That means understanding cultural variables: how people dress, what they drive, and what they eat.” ■



MARKETING

5 Smart Ways to Optimize Your E-Advertising

Online advertising remains something of a mystery — why are some ads more effective than others? The following tips will help demystify e-advertising and maximize your online investment:

- 1. Create a landing page for your ad.** When your prospects click on your ad, what do you want them to see? Certainly not your Web site's home page, as that lacks a specific focus or call to action in relation to your ad. The same is true of your product or service page — it isn't likely to help your potential customers know what to do next. By creating an ad-specific landing page, you can expand on your advertising message or offer a specific call to action. A great landing page:
 - offers a concise and well-articulated marketing message that includes the value proposition of your product or service and ties directly to the message you make in your ad;
 - shares the look and feel of your online ad and your branding,

which helps build brand recognition and reinforces for potential customers that they've landed in the right place;

- provides links that move prospects through your Web site to learn more about the specific product/service;
 - registers prospects for promotional giveaways, technical articles, e-newsletters, white papers, or discount coupons, among other offerings.
- 2. Create multiple versions of your e-advertisement.** Running the same banner ad for an entire month will bore your prospects. For your ad to be like light to a moth, you've got to change it regularly or rotate three or four ads over the course of your insertion.
 - 3. Use Flash whenever possible.** Most Web sites today accept Flash files for online advertising. This dynamic format creates a mini movie of your words and images. Another tactic, an animated GIF (graphics interchange

format), is also acceptable, but not as smooth as Flash.

- 4. Monitor your results and be prepared to act.** Online advertising offers metrics that print can't. You can learn how many people click on your ad, how many click through to your Web site, how long they stay on your landing page, and where they go within your site. Armed with this information, you can tweak your ad and your landing page to continue to improve results.

- 5. Keep your ad consistent with your branding.** So often, online ads and other marketing vehicles seem like they were created in a vacuum, leaving one company looking like several to unfamiliar prospects. Follow the lead of major successful brands by keeping a consistent identity. It's possible to remain fresh and creative within your brand boundaries. ■

— Debra Harrsch, CEO, *Brandwidth Solutions LLC* (brandwidthsolutions.com)



CUSTOMER SERVICE

Tips for Building Customer Loyalty

Consumers are more savvy than ever. They know how to find the best deals. They're up on all the latest trends. And if there's a hot new product on the market, they don't want to miss it. So how do you keep people connected to your brand? By creating the ultimate customer experience, says Scott Deming, author of *The Brand Who Cried Wolf*. Here are some simple ways to build customer loyalty:

- **Separate yourself from the pack.** When businesses get mired in sales quotas, short-term goals, statistics, and so forth, the people inside those businesses become robotic. Their eyes are focused not on how the

brand is doing, but on what the numbers tell them. When it comes to your customers, always be proactive.

- **Understand your company's reach of influence.** It's important to focus on actions that show you understand your customers' needs. Doing this will help your strategy and make customers eager to sing your praises.
- **Know that the easy way isn't always best.** Tools such as email and instant messaging should help you streamline your operations, create new opportunities, reach a broader customer base, and reinforce your carefully developed brand identity marketing strategy. ■

+ BONUS TIP

If you still view your vendors as little more than sellers of products and services, you're behind the times. Companies that develop cooperative relationships with their vendors realize the best results — and the highest profits. One of the best ways to turn your vendor into a strategic business partner is by sharing intellectual capital. Mary Adams, a principal with Trek Consulting LCC in Winchester, Mass., suggests brainstorming with your vendors. For example, how can you work with clients to help them keep up-to-date with the latest techniques for connecting and creating communities as the Web grows?

Surround Your Customers

How to boost an integrated marketing campaign

The current economic climate has led to some tough times for growing businesses looking to stretch their marketing dollars. That makes a cost-effective integrated marketing communications campaign — one that encompasses a variety of media for different consumer groups — essential. Here are some low-cost strategies to keep your business moving forward:

1 Be sure to offer value. Consumers rarely respond to pure sales schtick — particularly in a weak economy. Tying helpful tips, coupons, and other perks to a marketing message can be a difference-maker. The British company Flix placed a coupon for its teeth-cleaning device on sandwich wrappers in select urban markets, such as Manchester, Birmingham, and Cambridge. It read, “You’ve already got something between your teeth.” In the first four days, 36,000 people signed up on Flix’s Web site for samples, according to Joel Warady, principal of Joel Warady Group, the Chicago-based marketing firm that executed the project.

2 Pick up the phone. Identify your top 20 sources of business, referrals, and prospects, and don’t let 30 days go by without telephoning them, says Jay Lipe, president of EmergeMarketing.com in Minneapolis. That’s how Goldenwood Cabinetry of Becker, Minn., decided to follow up on trade show inquiries. “They got a much higher rate of first meetings than when they responded by email or written letters,” Lipe notes.

3 Emphasize personal contact. Given the impersonal nature of the Internet, it’s important to meet periodically with existing and would-be customers. Take them to lunch, a ballgame, or the symphony, Lipe suggests. “People value personal interaction more than ever,” he adds.

4 Leverage word of mouth. Who better to win over best prospects than a trusted friend? Incorporate word-of-mouth tactics whenever possible: “Use a tell-a-friend program in everything you do,” recommends James Feldman, founder of Chicago-based James Feldman Associates. “It’s the most trusted message there is.”

5 Test, then test some more. Email marketing remains a bargain. Still, experiment to make sure cost-effective doesn’t mean ineffective. For example, send out several emails to different groups, varying both the subject line and content, then measure which message generates the greatest response.

6 Investigate pay-per-click advertising. This popular online marketing technique is both focused and cost-effective. Enjoy Life Foods, a gluten- and allergen-free food company in Schiller Park, Ill., saw traffic to its Web site jump 80 percent from a pay-per-click ad.

7 Piggyback. If an existing product already goes to your target audience, make the most of it. “If you offer financial services, for example, arrange to stuff a flyer in a bank statement,” Feldman says.

8 Offer a guarantee. With money tight, consumers are pickier than ever. Make certain your marketing message incorporates a promise or guarantee. “Whether it’s 100 percent satisfaction or guaranteed delivery, feature it prominently,” Lipe says. “It’s telling the buyer that they don’t have to take on risk.”

9 Involve everyone. Be sure every employee understands, and consistently acts on, your brand promise. “Have employees build relationships with customers and let them follow up with them,” Warady says.

1/2 Monitor your results constantly. An email marketing program, for example, can quickly deliver such information as open rates, click-throughs, and conversions. “Watch your results and adjust as needed so you can remain fluid,” Feldman says.

CONTINUED FROM PAGE 1 >

Get to Work

However, if you think creatively and know your customers well, you may not need a specialist to reach at-work consumers. Here are some low-cost, do-it-yourself tactics to consider:

• **Reach them during their commute.** Do your customers take public transportation to the office? Ads in the daily local tabloids that many metropolitan newspapers hand out free on subways and buses can be an inexpensive way to reach potential customers, notes Joel Kelly, an interactive media specialist at the ad agency Cossette Atlantic in Halifax, Nova Scotia.

• **Catch them during online leisure time.** Most workers check their online social networks, favorite blogs, and other Web sites while at the office, says Kelly. “If you can figure out the interests of your customers, then you can be super targeted and you can do it for super cheap,” he adds. If you specialize in health food, for example, a Web site on organic food would be an obvious choice. Using the free Google Ad Planner tool, you can target Web ads to specific groups of people in specific geographic areas. Look to advertise on small, local Web sites, which will have lower costs and lower minimum buys.

• **Design your ads to fit workplace constraints.** A Web ad for the

workplace shouldn’t be interactive or noisy or require a lot of clicks to get relevant information. “At work, people may be doing it a little sneakily and won’t want to stay on the Web site for too long,” Kelly says.

• **Pay attention to the clock and the calendar.** Chicago-based job coach Lauren Milligan produces a weekly lunch-hour radio show on the Internet, offering tips on career advancement. “What better time to pitch my services to someone who is miserable at their job?” she asks. Many Web sites offer “day-parting,” which means your ad will display only during certain hours of the day, such as late afternoon when workers are leaving the office. ■

Seeing Is Believing

PROBLEM: Ribbit Films is a seven-person operation in New York that produces drag-and-drop stock footage for the movie production and broadcast industries. CEO Navarre Joseph faced a twofold challenge: he needed to create awareness among his best prospects and demonstrate the quality of Ribbit's product to decision-makers.

SOLUTION: Joseph shoots short clips in front of a green screen and has compiled a large library. If a producer needs a dancing figure for a TV ad, for example, he or she simply selects an appropriate clip, purchases it, and downloads it right into a project. This eliminates the need to hire a costly film crew. Offering previews of Ribbit-clips, as they're called, wasn't a possibility. "You can't really tell how good this material is just from looking at previews," Joseph explains. "Our crews worked on *Star Wars* and *Pirates of the Caribbean*. The post-production clients we cater to have that level of visual effects sophistication and design sensibility to understand how live action can be used as a design element."



Potential customers needed to see the whole shebang, so Joseph created demo pages on his Web site (ribbitfilms.com), where prospects could download a few clips for free. "Unless you work with our material, you can't know about the range of the color latitude, the slow-motion options, or the depth and style of the lighting," he says.

Giving clips away is a risk, but Joseph says it's well worth it. High-end production houses instantly recognized the clips' quality — and many quickly became customers. "They saw how we could shorten their production time and maintain the high quality they demanded for their projects," Joseph notes. "It's why our material has shown up in ads for Microsoft, American Express, and Verizon, among others." ■

Winning Proposition

PROBLEM: Jan Thomas, a Mission Viejo, Calif.-based entrepreneur, thought she could "do well by doing good" with bracelets she designed to help build girls' self-esteem. But like many start-ups, Thomas' business, *Loved Unconditionally*, had a limited budget and little experience in designing either a logo or a Web site to market her jewelry. She was struggling to get the word out.

SOLUTION: Thomas tried using a low-cost Web-building company, but she wasn't happy with the result. Then, while surfing the Internet, she found a contest on SweepstakesToday.com. Hewlett-Packard was offering a Web site and logo redesign, as well as a printer and supplies, to the person who wrote the best essay about his or her branding and marketing challenges. Thomas entered and won.

Even as her new Web site was being built this past summer, sales picked up just from the publicity about winning the contest. Entering a contest may be a gamble, but as Thomas knows, winning can certainly pay off. ■

CONSUMER MARKETING TRENDS

The Benefits of Cause Marketing

The seemingly endless wave of reports on corporate misdeeds, each more scandalous than the last, has prompted the business community to begin promoting its good deeds. It has become common, in fact, for publicly traded companies to issue annual social responsibility reports in addition to their financial reports. Strides have been made in cataloging and quantifying the positive impact companies are having on the environment, overseas labor practices, the advancement of minorities in the workplace, and energy usage.

Even growing businesses that are short on cash and human resources can leave a positive footprint in their

local communities through good deeds. This practice is often referred to as cause marketing, and it's proving to be an effective way to build profitability and brand awareness.

It may sound a bit insincere to tie marketing to philanthropic endeavors, but cause marketing brings to organizations and communities contributions in time and labor that otherwise would not be available. And it's smart business because there is a growing rallying cry among consumers to buy local. Participating with the community in solving problems makes for good public relations and builds goodwill among potential customers and clients.

Steven Van Yoder, author of *Get Slightly Famous: Become a Celebrity in Your Field and Attract More Business with Less Effort*, advises companies to make sure their cause-related marketing activities highlight their reputation within the target market. The benefits can include:

- increased sales
- improved visibility
- greater customer loyalty
- enhanced company image
- positive media coverage.

For more on consumer marketing trends, visit www.info.fuelnet.com/cmtrends.

Learn from the Failure in Detroit

As the Big Three U.S. automakers — General Motors, Ford, and Chrysler — teeter on the edge of solvency and strategic paralysis, I can't help but recall an eerily similar situation for one of the companies back in the early 1980s. At the time, skyrocketing gas prices and shortages at the pumps — caused by the Arab oil embargo — and a series of vehicle recalls resulting from shoddy workmanship had Chrysler headed for bankruptcy. A miracle was needed, and the executive who stepped forward and masterminded a now-legendary turnaround was Lee Iacocca.

Iacocca made no excuses. He said Chrysler had dropped the ball by not positioning itself for the future. He knew that his company had to either radically change its attitude or perish. So Iacocca ordered Chrysler engineers to design a new generation of attractive smaller cars that offered better fuel economy than the company's large, expensive vehicles — and he insisted on quality.

Throughout Chrysler's transformation, Iacocca huddled regularly with managers at all levels and met with assembly line workers at plants across the country. Good businesses, he said, attract the best people, and therefore become known for offering the best products. "Any competitor can match you on technology," he told his team. "But where they can't match you is with your people. We have to be smart enough to know that it's people who make the difference. People will make or break us."

Lessons to Live By

In recent months, GM, Ford, and Chrysler have all announced massive layoffs to cut costs, and sent good people packing. It's questionable whether the message being communicated is one of fiscal responsibility or a call to abandon ship. While the Big Three rested on their laurels, Toyota became the world's best-selling automaker.

In the spirit of Iacocca, whose tough words and honesty were the foundation for Chrysler's turnaround a quarter century ago, here are some take-home lessons for owners of growing businesses who want to endure today's challenges:

- Even in good times, always study the opposition and look around corners to identify the latest market trends.

TELL US WHAT YOU THINK

Do you agree with Oz that all companies can learn from the big automakers in Detroit, or is he only kidding himself? Either way, we'd love to hear your reaction. Please email your thoughts to Ken Beaulieu, chief content creator for *FuelNet Monthly*, at kbeaulieu@fuelnet.com. We'll publish select responses in these pages.

- Create an in-house research and development program that forms the basis for new products and services. Your R&D might be as simple as finding clever ways to improve your offerings, or sending staff to important industry conferences to stay abreast of the latest buzz.
- Conduct focus groups to learn what your customers are thinking.
- Harness your employees as ambassadors for new products. After all, if they're not excited about the things you offer, then why should your customers be?
- Put a face on brand leadership. Get out in front of your products, like Iacocca did when he revived Chrysler.
- Allow room for your company to evolve as part of your long-term business development strategy. The Big Three put most of their eggs in the SUV basket, stubbornly bucked fuel economy, and ignored the trends in oil production.
- Focus on quality. Big Three executives admit that by cutting corners on production and ingenuity, they may have saved bucks in the short term but lost customer trust, which is incredibly difficult to earn back.
- Validate the customer's desire to buy American-made products from local businesses. The patriotic motto of Iacocca's campaign was "The pride is back."
- Never adopt a bunker mentality in tough times, as it only causes panic. The best thing to do is to keep the lines of communication open, even when layoffs are unavoidable.
- Routinely gather your staff and map out the course the organization plans to take. Iacocca said it's vital for employees to know they are working in tandem with management and not merely seen as cogs on a rudderless ship. Staff devotion is enhanced if employees believe their feedback is not only desired, but also acted on.

Finally, don't ever try to fool yourself. Selling a product is forever about customer service and accountability. If a customer has a problem with a product, you fix it, pronto; when someone has a complaint, you listen, undistracted; and when a client pays you a compliment, you tell him or her that you're proud to have earned their business. Then ask, "How can we do even better next time?" ■

Lee Iacocca made no excuses. Good businesses, he said, attract the best people, and therefore become known for offering the best products.



Oz's identity can't be revealed because he is wanted in six states for peculiar thinking.