Communicating with Your Customer

While communication and marketing are by no means the only elements crucial to the success of a business, they can play a critical role. Investing time and minimal funds to learn and practice solid communications techniques can provide measurable benefit to most businesses in both the near and long term.

Many smaller businesses need to communicate with customers and potential customers, but don't have a huge budget to support their efforts. Here are some suggestions to maximize communications efforts within the constraints of a minimum budget.

**Target Market(s)**
There is no point in attempting to communicate if you don't know whom you're trying to reach. Step one of any good communications effort is to sit down and determine who your current customers are--and who you want your new ones to be.

For example, if you sell toys, that doesn't mean you will be communicating directly with the bib and diaper set. Instead, you're after the people who purchase toys—moms, dads, grandparents, daycare centers, church nurseries, etc. (Don't overlook basic market research here. Although parents are the obvious market for the toys on your shelves, you might discover that large numbers of buyers in your store are grandparents, because you give excellent personal service and advice about what kids of different ages like to play with. Then, you put extra efforts into communicating with grandparents.) Once you figure out who your customers are, you can decide how to get your message out to them.

**Communications Options**
Communications options (not necessarily in order of effectiveness or cost-efficiency) include word-of-mouth, paid advertising, earned media, direct mail, and distribution.

**Paid advertising.** Paid advertising can be costly. Small businesses should take a return on investment approach to any paid advertising they are considering, be it print or broadcast. Remember, many people who advocate paid advertising are paid to sell advertising. They have a vested interest in the deal they're trying to get you to make.

Put simply, if an advertisement will cost a business $750 (arbitrary number, for example purposes) in the local newspaper, can the firm safely project more than $750 in revenues as a result of the placed advertisement? Or at least break even?

In regard to radio advertising, always review the demographic and ratings information of any station you're considering buying airtime from. This will not only let you know the audience they're reaching, it will also help you decide what content to include in your ads. Basically the same thing applies (study the demographics and circulation base) when purchasing ad space from the trade press that covers your industry.

While we're talking trade press, don't forget trade shows. If they're a big deal in your line of work, participate in them. You may not be able to afford every one that comes down the pike, but you may not be able to afford not going to at least one or two every few years.

**Outdoor advertising** is another option; again, take the return on investment approach.

And, don't forget The Real Yellow Pages -- how many times have you yourself flipped to the back of the phone book to find a product or service? In this case, you'll also want to weigh the option of a display ad in this section; again, remember the return on investment rule of thumb.

**Electronic Communications.** Many businesses both small and large are finding themselves a niche on
the World Wide Web. There are several options here. Build your own Web site and promote it within other communications methods; or advertise on someone/something else's Web site. Also, consider using social media to promote your business. There's a lot of information available about successful strategies for using FaceBook, Twitter, and other social media to bring your business to people's attention. Do the research to find out how/if this is a good route for you.

Earned media. Earned media is the journalism term that means getting newspapers, trade magazines, and radio and television stations to "cover" your business. You thereby "earn" an article or a mention, rather than paying for advertising space. One way to attract attention to your business is to send a press release to the media outlets in your community, or to the trade press that covers your industry (this is often used for targeting business-to-business customers). See How to Create a Quality Press Release (next section) for some basic tips on writing a press release.

Direct mail. Direct mail lets you send material directly to your target market. It's pretty cost-effective, and with the technology available on personal computers and at print and copy shops these days, some nice pieces can be turned out quickly and inexpensively. Here are a couple of caveats, though.

1) People throw away lots and lots of "junk mail" without a second thought. Remember, you're competing against color, slick pieces produced by very large companies. However, direct mail might work for you. You've also seen good, interesting advertising in your mail box from local small businesses. Investigate the costs and think through the return on your investment.

2) A poorly-produced piece of direct mail is worse than no direct mail at all. Pay attention to spelling and presentation.

Distribution. Sometimes, businesses order pens, coffee cups, hats, note pads, etc. (advertising specialties/novelties) and distribute them. You're not about to be surprised at our advice here: take the return on investment approach. Will you really gain enough customers and/or sales to cover the cost of 10,000 ballpoint pens (and don't forget that one-time setup fee)? There is value in promoting name recognition. And there is value in building good will by giving the customer a small token like a ballpoint pen. Trying to calculate the value of those intangibles versus the cost of the items distributed is hard to do, but businesses learn how to make those calculations.

Resources

The great thing about communications is that you don't have to reinvent the wheel. If you've got some money to spend, there are plenty of firms and individuals in this line of work; check your Yellow Pages under advertising, marketing and/or public relations to find firms operating in your community. Better yet, talk to business owners whose products or services you've read or heard about in the newspaper. Find out if they used a professional for communications services. Word of mouth is always a good marketing tool, especially for marketers!

Also check with your local or regional Advertising Federation, Public Relations Society of America and/or International Association of Business Communicators. There are times when your business can make money by hiring the expertise of somebody else.