

How To Reduce Marketing Costs

The logo for OverGo Studio is located within a dark blue curved shape at the bottom of the page. It features the word "OverGo" in white, with a thin horizontal line underneath it. Below the line is the word "STUDIO" in orange. A white arrow graphic points from the right side of the "OverGo" text towards the right edge of the blue shape.

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"Because its purpose is to create a client, the business has two - and only two - functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs." -Peter Drucker

Peter Drucker, a man whom many consider to be the father of modern business management, once said that marketing and its counterpart, innovation, are the only two claims to uniqueness a business really has. The rest, he argued, are costs.

In today's complex, connected business world, Drucker's quote seems quaint and naive. However, such a principled, black-and-white concept still holds value, particularly in the arena of **small- to medium-sized businesses**. In the high stakes game of owning and operating a SMB with razor-thin margins, a misallocation of funds one year could mean

bankruptcy the next. With such pressure, it can be easy to view marketing as an additional cost that must be minimized.

Marketing, however, is one of two aspects that set a business apart from its competition. Marketing is the two-way channel that **connects** a **business** and its **customers**. It's a freeway

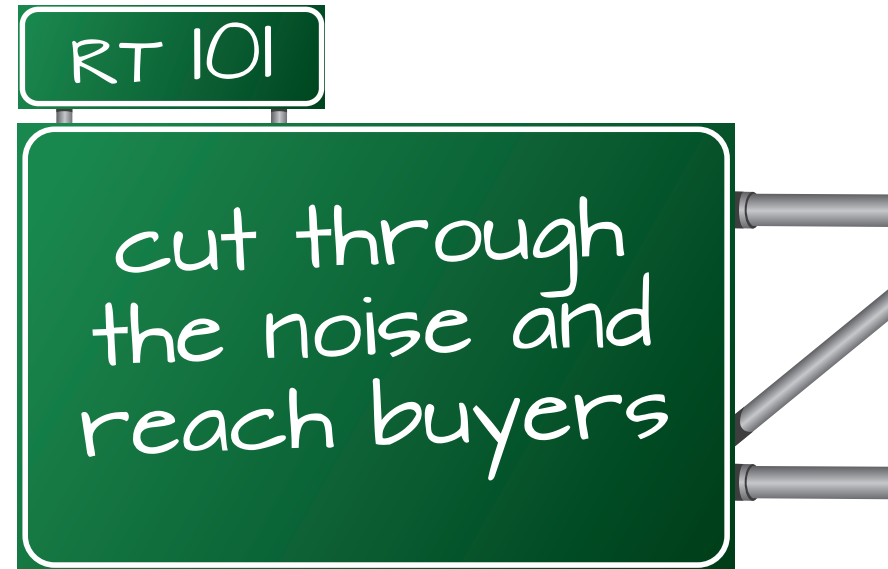


through which goodwill and positive messaging can travel outward from your company, and through which prospects travel on their journey to becoming a buyer.

Marketing is undeniably important to a business's success, and particularly to a SMB, where expansion of brand awareness could mean life or death. So if you can't take money away from your marketing, maybe you can afford to **perform your marketing operations more efficiently**, and as a result, cutting marketing's cost to your overall business expenditures.

Marketing Has Changed

Marketing has come a long way from the newspaper ads of yesteryear. Television ads experienced a heyday for several decades,



but with the invention of DVR, YouGov reports that 86% of television viewers skip the commercials while watching television programs on their DVR.^[1] Television is still one of the last remaining stalwarts of traditional marketing, but unless you're a big national brand, it's too difficult and expensive to use it effectively.

Today, thanks to the internet, **the consumer is more empowered than ever**. The decision-making power of potential buyers is no longer

[1] <http://www.theguardian.com/media/2010/aug/24/tv-advertising>

limited to the advertising delivered to them by companies via television, radio, and print ads. Instead, buyers use the internet for information gathering before they buy.

Buyers compare prices over numerous sites and read reviews written by other users.



In response to consumers' mass migration to the internet, marketing has gone digital as well. Popups and banner ads pervaded websites for a while, but now buyers are more likely to survive a plane crash than to click on a display ad.^[2]

In such an overcrowded marketplace, where

millions of advertisements are fighting for buyers' attention each day, the challenge is to cut through the noise and reach buyers in a way that **captures attention and spreads a positive, helpful message**. Marketers call this a signal-to-noise ratio, which is a technical way of saying the marketing you create cuts through the chaff on the internet and hammers your message home.

It took several years of marketing chaos on the internet, but marketers now understand how to **harness the power of the internet**, and have begun to develop standardized methods and best practices for harnessing that power. The key is that consumers are people, and the relationship between buyers and sellers needs to be personal- a human relationship.

[2] <http://blog.hubspot.com/horrifying-display-advertising-stats>

Now, marketing combines the best elements of traditional marketing, such as market segmentation and research, with the unprecedented positioning capabilities that the internet provides. The result is **marketing** that offers a learning experience for everyone involved, and **feels more like a conversation** between two people.

Inbound Marketing

Marketing in this evolved, digital form is what we call inbound marketing. **Inbound marketing uses segmentation and analytics to allow us to measure marketing return on investment and determine cost per lead.** It was difficult to report on these traditional marketing tactics because it is inherently impossible to measure the quantitative value of an impression – or the point at which a person sees an advertisement.

The primary tenet of inbound marketing is the use of a business website as a lead generation tool. In order to generate leads using your website, you need to first attract visitors to your site by optimizing the pages on your site for specific keywords – so that search engines will see them and display them in search engine results pages.

However, **optimizing a few static pages isn't going to be enough** to get recognition from search engines. You need to have a blog on your site where you frequently post articles that position you as a thought leader in your industry. Actively posting



high quality articles on your blog is important, because it tells the search engines that you are a consistent, reliable source for content on a particular subject. Over time, you will start to see your ranking position with the search engines rise, and the amount of traffic to your website will increase. It's important to remember that **this doesn't happen overnight**. Be patient and diligent.



Once you start attracting qualified visitors to your site, you need to capture information about them – names, email addresses, job information – so that you can

a) **qualify them** as leads who are likely to buy, and b) **help nurture** their buying decision with targeted emails.

Advanced content is generally informative material that offers unique insight into a specific area of your industry that can serve the **dual purpose** of both **capturing leads and providing thought leadership**. Advanced content can take the form of a variety of media – white papers, ebooks, webinars, videos. Whatever medium you choose the content you produce needs to be entertaining, engaging, and informative; something that your target buyer will eagerly want to experience.

You can capture leads by gating this content behind a landing page with a form. Use the landing page to illustrate why the potential

lead can benefit from the content, and require that the lead completes the form in order to access the content. Drive your site visitors to these pages with calls to action (CTAs) that use contrasting colors and persuasive messages to draw visitors' attention.

Rinse and repeat this process of advanced content creation to beef up your website with great marketing material.

If you've properly optimized your website as a lead generation tool, the leads will start to flood in. You'll likely find you have an abundance of leads for your sales team to follow up on, and your sales team may end up wasting valuable time chasing leads that end up being disqualified because they're either not ready to buy or just aren't your ideal buyer. Lead scoring and lead nurturing can help



solve this problem, in turn helping your sales team act more efficiently.

Lead nurturing is the process of entering leads into an email campaign where leads receive a series of emails at regular intervals.

These emails are designed to bring them to a point at which they're ready to set up a meeting with your sales team, or in the case of shorter sales cycles, make a purchase.

Lead scoring is the process of establishing a system for grading leads based on their level of qualification as a potential buyer.

The criteria you use to determine what qualities a lead needs to make them an ideal buyer is specific to your business. These criteria can be determined by tracking the actions and behaviors of your current customers on your site. If all your customers clicked on links in your emails or downloaded a specific piece of advanced content, those actions should probably play a big role in your lead qualification.

Once you've determined what characteristics your most sought-after leads need, you need to establish a system for scoring them. Assign a point value to each action you deem crucial to the qualification of a lead. Remember, you can also assign negative point values to

behaviors and actions that disqualify a lead. For example, if you don't want to sell your product to distributors, have leads choose what best describes them from a dropdown list of descriptors on your forms. If a lead chooses distributors, assign them a negative point value.

The numbers you assign are arbitrary and you should choose whatever suits you best. It might be a good idea to stay within a 1-100 range, for simplicity's sake. Keep running tallies of the points your leads get, and when those point values reach a threshold that you determine, add them to a list of



qualified leads for your sales team to follow up on.

All of these processes and methodologies combine to form a cost-effective alternative to traditional, interruptive marketing. As you continue to tweak and improve these processes, you and your team will get more efficient at carrying them out, and your marketing operation will perform like a well-oiled lead generating machine.

RT 101

Combine these processes for a cost-effective solution:
Inbound Marketing

That isn't to say these processes are easy. Lead scoring requires advanced analytics tools that allow you to track the behaviors of website visitors. If you and your team lack knowledge in areas like search engine optimization, web development, market research or analytics, properly executing inbound marketing can be almost impossible.

In fact, you'll need to be able to tap into an entire team, with a variety of skillsets to be able to properly do inbound. **A barebones inbound marketing team is going to consist of four key players:**

1. **Web Developer:** You need someone who is at least proficient in CSS or HTML who can design and optimize your site for maximum user-friendliness and conversion.
2. **Graphic Designer:** Designing attractive,

eye-catching CTAs and creating beautiful layouts for advanced content is a job for an experienced graphic designer. You'll get bonus value out of a graphic designer who has marketing experience.

3. **Marketer:** You need a down and dirty web marketer who can dig into the numbers and test and tweak your strategy.

4. **Writer:** Someone has to write all the content you need to produce – blogs, ebooks, and white papers. The writer also needs to be intimately familiar with your industry, because this person's writing is going to represent your company's thought leadership and industry expertise.

That's at least **four** unique skillsets. The problem is that you'll most likely only need to utilize each of these skillsets around 10-15 hours per week. Since **four** different jobs at

40-60 hours per week may be too much for one person to handle, you may have to hire up to **four** new team members. When you include the cost of training and labor for each new employee, it doesn't sound like inbound marketing is really reducing your marketing costs, does it?

Outsource It

Enter specialization. The proliferation of inbound marketing has sparked the rise of startup inbound marketing agencies. Traditional marketing agencies are also realizing they won't be able to survive much longer without adding inbound marketing elements to their existing suites



of services. According to HubSpot, 73% of marketing agencies are adopting inbound marketing strategies.^[3]

For business owners, hiring an inbound marketing company means getting a team of inbound marketing experts for about the cost of one employee. Your team of experts will tap into its reserve of specialized skills in order to tailor a marketing strategy for you. Above all else, that inbound marketing team will focus maniacally on results.



Adopt Inbound Marketing

The Takeaway

Reducing your marketing costs isn't about slashing costs in areas that are essential to business development. **Reducing marketing costs is about streamlining the efficiency of your marketing so it becomes a complement to sales.** Marketing and sales should act like two components in a business development machine.

There is no point in sticking with outdated marketing tactics that equate big costs with big reach, and give you no way to measure your return on investment. The key to reducing your marketing costs is to adopt a closed-loop marketing process that tracks and analyzes your efforts. The end result is marketing that makes sense.

[3] <http://bit.ly/13BsguX>



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Free
consultation

OverGo Studio is a full inbound marketing agency dedicated to being your inbound marketing team. We work closely with you to attract traffic to your website and use your website to capture leads. We track and nurture your leads to make sure your sales team is calling qualified business prospects.

Reach out for a free consultation today and we can discuss how our expert inbound marketing team can help grow your business.