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'Silver bullets' can backfire

James Dunn | March 28, 2008

IT'S fair to say that advertising agencies and graphic design consultants won't like what Tony Gattari and Shaun Mooney have to say.

Partners in business development firm Achievers Group, they are not fans of advertising and branding when it comes to priorities for their business clients, small and large. Being sucked into what the pair call "silver bullet" marketing, which usually entails expensive advertising and logos and a new website and signage, is a far too common mistake small businesses make, they say. This occurs because the business owner doesn't understand marketing.

"The key to success in business is making sure that you understand the power of marketing. Marketing is not ads, a logo, a website or brochures. Branding and 'brand recall' is a myth. Marketing is using effective strategies to increase the number of inquiries into the business, to improve the average transaction and to retain existing customers," Gattari says.

"You don't do marketing when things are bad, you do it consistently. You need to check and measure every marketing activity with brutal efficiency. And you need to test and measure marketing on the variables that make up profits, not on rubbish concepts like brand recall, which means nothing to people who are running businesses. Brand recall doesn't pay wages or put food on the table."

The variables against which the efficiency of marketing campaigns should be measured, says Gattari, are the building blocks of profit: things like conversion rates, average dollar sale, frequency of sales, gross margins and leads.

"Take advertising, which is one of the most basic methods of marketing. Forget the brand recall, you've got to measure whether you're getting any sales growth, and how many leads are being generated," he says.

"In most businesses, the function of advertising is to generate leads. A lead is an interested contact. One of the best places to measure the effectiveness of advertising is in leads. Don't use a marketing strategy until you can measure it. How many more phone calls are you getting, how many more online inquiry forms are being filled out, how many more people are coming through the door?"

Too many business owners approach marketing unsure of what they actually want from it, says Gattari. "You have to understand very clearly what you want - the objectives that you want to achieve. It shouldn't be 'I want to grow sales' - you have to know exactly by how much you want to grow sales," he says. "Then, you've got to take massive, extraordinary amounts of action. Not every strategy that you apply is going to work. The key is to try a lot, to determine what works. Then, it is critical that you measure what you're getting from those strategies. Anything that doesn't work, and which you have executed correctly, eliminate it immediately. If something works, don't just celebrate the fact that it's working. Document exactly what it is that you've done, so you can train others to do it. If you don't train others how to do it, the business can't grow past yourself."

Gattari and Mooney have just released a book, *Marketing Success*, which sets out their philosophy.

Examples include a proactive referral system, because "every customer has friends", and taking the time to work out who is your target market: who makes the decision to buy your product and service. Gattari and Mooney are "huge fans" of strategic alliances and co-marketing, where organisations that deal with the same client can share expenses.

"Approach your suppliers. If you're running a campaign that promotes their products, ask them to contribute half of the cost," Gattari says. "You've got to sell the vision and make sure that the supplier sees it as an attractive proposition. The key is to get the money for the campaign out of the marketing budget of the larger company, because it ultimately helps them."

And if you want to advertise and build your business's brand, well, that's OK, in the right circumstances.

"Just remember to test and measure it to the nth degree," he says.

Marketing Success, Ark House Press. \$24.95.

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