

Smarter Marketing: A Guide for Business Owners and Managers

**A More Effective Approach
For Building Your Company's Brand And Image
In Your Prospect's Or Customer's Mind**

One Change In How You Market Can:

- **Slash Advertising Costs...**
- **Increase Sales...**
- **And Boost Your Reputation**

CLARKE ECHOLS
*B2B Web Copy
Sales Collateral
And Marcom Consulting*

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**One Change In Perspective and Approach
Can Reduce Your Marketing Costs...
Boost Your Reputation and Sales...
And Make Your Business More Competitive.
Here's How...**

**by Clarke F. Echols, Senior B2B Copywriter and
Web Marketing Communications Consultant**

**Most
Incompetent
Profession?**

"There is more incompetence in advertising than in any other profession except psychology."

—John Carlton—

"The most ripped-off writer on the web" (who also has a degree in psychology)

**What Does the Word
"Brand"
Really mean?**

Legendary copywriter David Ogilvy defines brand as:

"The intangible sum of a product's attributes: its name, packaging, and price, its history, its reputation, and the way it's advertised."

The American Marketing Association definition is:

"A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers."

Executive Summary

One challenging problem confronts every small- to medium-size company: How to face down and beat large competitors who have the cash for massive marketing campaigns and media buys.

Big companies spend huge sums advertising their brand as they attempt to boost their image in the marketplace. That's money you don't have, but also money you don't necessarily need. And if you do have the money, you can use it much more effectively through a different, far more efficient approach.

In the Old Testament, the boy David used a small stone and a more efficient delivery method to bypass the heavy armor the Phillistine giant, Goliath, was wearing — and sunk it directly into his foe's skull, killing him instantly.

In a similar way, smart companies can use their smaller size and more agile thinking to beat the competition at their own game.

The secret is hidden in how your competitors approach their marketing.

Forget "brand". Forget "image". There is a better way to win. And the hidden key comes from understanding what *really* gets customers to buy — something big companies seem to ignore, or they don't understand.

College-educated marketers don't know the secret because professors don't understand it. Advertising agencies either don't know it or ignore it because it's more profitable for them to have clients spending huge sums on advertising so they can collect a bigger commission.

The real master key that so few understand is not about advertising — it's something else entirely.

Your advantage — your access to Goliath's unprotected skull — comes from exploiting what those big companies, advertising agencies, and university marketing professors aren't aware of. That gaping hole in academia's knowledge means they can't pass the secret on to their students who now work for your large, corporate competitors — or soon will.

If you and your company are trapped by that same lack of knowledge, it's costing you a ton of money in higher costs, missed sales, and lower profits.

This paper examines the problem and provides a powerful perspective you can use to **out-smart and out-think the self-proclaimed experts** who so skillfully relieve companies of their marketing dollars. You **gain the advantage against your competition** as you position your business, and your products and services, more effectively in the minds of your prospects and customers.

From Greatness to Mediocrity: A Case Study

I was employed by Hewlett-Packard Company for 30 years. Owning my own small retail-store business during my college years before I started at HP gave me an advantageous perspective most college graduates lack. I saw first-hand what makes a company great — then later observed that same company becoming much less great as it grew bigger and lost its entrepreneurial focus after the co-founders retired and their influence faded.

The year I started, HP hit \$168 million in annual sales, and to call HP a computer company would have been absurd. I was still there when HP topped \$20 billion and was one of the biggest players in the computer industry. I was also directly involved in creating some of the products that helped fuel that growth.

There is only one difference between HP when it was one of the most admired companies in the industry — when HP was rated as one of the top-10 best companies to work for in the entire USA, based on actual employee surveys...

...And when it became “just another big corporation” that once-very-loyal employees no longer admired. The decline was disheartening. Former HP stalwarts held new Wall-Street-appointed management in derision because the newcomers seemed uninterested in what had once made HP great.

They certainly lacked the values instilled in the organization by the co-founders, Bill Hewlett, and Dave Packard — or just “Bill and Dave” as they were called by their “*Dear fellow HP employees*”, a salutation they always used in letters from corporate headquarters to company personnel.

Building a Company, Not A Brand

Some refer to Bill and Dave as “marketing geniuses”. I think they would disagree. My first-hand experience as an HP-ite revealed them as men of vision, but also men of great personal integrity — a quality too often missing in too many business and political circles today.

The problem is less prevalent in small businesses run by entrepreneurs, but too common when firms are run by managers who have never started a business and built it from the ground-up. When the prevailing mindset measures success by profits and shareholder value — rather than pride in workmanship and delivering value to customers — trouble is usually close behind.

Fixation on financial performance — especially rampant in the financial services and investment industries — too often leads to deceptive trade practices, criminal activity, fraud, deceit, political influence-peddling, corruption in government and on Wall Street, with high-level executives marched off to jail after broad media exposure. When lust for money and power replaces doing what’s right, it’s called greed.

Willful greed inevitably destroys reputations, wrecks lives, and ruins companies.

Incompetence can’t explain away such blatant avarice, deceit, and corruption. But they lend credence to Paul’s New Testament assertion that “the love of money is the root of all evil” (I Timothy 6:10).

HP Founders’ Management Philosophy

“First, we did not want to run a hire-and-fire operation, but rather a company built on a loyal and dedicated work force. Further, we felt that this work force should be able to share to some extent in the progress of the company. Second, we wished to operate, as much as possible, on a pay-as-you-go basis, that our growth be financed by our earnings and not by debt.”

— Bill Hewlett —

**Food for Thought:
Quotes by
Bill Hewlett
and Dave Packard**

“Set out to build a company and make a contribution, not an empire and a fortune.”

“The best possible company management is one that combines a sense of corporate greatness and destiny, with empathy for, and fidelity to, the average employee.”

“The biggest competitive advantage is to do the right thing at the worst time.”

“A company that focuses solely on profits ultimately betrays both itself and society.”

“The best business decisions are the most humane decisions. And, all other talents being even, the greatest managers are also the most human managers.”

Integrity — Key To HP’s Solid Reputation

In the 1970s, an edict went out from Bill and Dave upon hearing of an HP sales rep who had apparently been engaging in a bit of bribery to gain a sale to a foreign third-world government. All employees were put on notice that any such activities were a violation of HP’s standards of conduct, and if such measures were necessary to make a sale, they had no interest in the transaction. Furthermore, any person even remotely involved in any such activity would be summarily discharged.

Three basic elements made HP such an admired and successful company. The HP reputation — “brand” if you will — was built on them:

- Creating first-rate products people needed, but nobody else could make. They developed technologies their competitors couldn’t match, so they could price well enough to have a healthy profit. Uncompromising quality, plus unusual ruggedness and durability were paramount.
- Integrity and exceptional customer service were standard. Any employee involved in dishonest dealings with customers or governments faced sudden termination for cause.
- Durable and ruthlessly reliable products brought solidly loyal customers who not only loved HP, but told their colleagues and friends.

The HP “brand” and the HP image in the marketplace were built on these qualities. The company’s reputation came from product performance and the dedication and creativity of employees, who were appreciated and rewarded appropriately for a job well done.

These qualities are found in far too few large and very large American corporations today.

But they are commonly found in smaller companies headed by inspired, passionate entrepreneurs who like and appreciate people. And it is to these companies this paper is addressed.

The Beginning Of A Fall

Bill and Dave often expressed their concern about HP becoming big and losing its desirable qualities. Those concerns were well founded.

Up to that point, all managers were promoted from within the company. HP never hired a manager from outside for any position — no exceptions. As owners of well over 50% of all outstanding shares of stock, the co-founders could enforce that policy.

But when they retired and others took the reins, changes appeared.

As their stock, held by various entities, was sold, eventually Wall Street-based investors gained a majority position. The end of an era arrived when a new CEO — called the darling of Wall Street by some — was hired in 1999.

An entirely new approach set in. Employees were now a liability on the financial balance sheets, and they knew it. Top talent left. Product lines were changed, discarded, bought and sold. Advertising took on an entirely new look, and consumer markets were actively pursued.

A decade later HP was hardly recognizable in many ways.

The Trouble With Agency Mass-Advertising

“Car manufacturers assume that you are not interested in facts. Indeed, their advertising is not aimed at consumers. Its purpose is to win an ovation when it is projected on the screen at hoopla conventions of dealers. Show-biz commercials have that effect. Sober, factual advertising does not. If their engineering was as incompetent as their advertising, their cars would not run ten miles without a breakdown.”

– David Ogilvy –
“The King of
Madison Avenue”
from

Ogilvy on Advertising

(Ogilvy wrote several famous ads for Rolls Royce)

HP consumer-grade printers were selling in discount stores for less than a set of replacement ink cartridges. And some printers barely lasted to the end of their warranty period. Getting help on a failed HP PC became an ordeal entailing hours on the phone attempting to get an answer from someone with a difficult accent on the other side of the world.

The HP name in Consumer Land was *all* about brand and image, but with far too little substance to support it.

A passionate commitment to technologies others couldn't match seemed a relic from ancient history. Wall Street cared more about current performance than the company's competitiveness 5 or 10 years in the future.

Attempts have been made to recover some of that loss of respect and customer loyalty, but only time will tell whether they succeed.

What Single Thing Made HP Great or Not Great?

My purpose is not to castigate nor denigrate HP as a company for the decisions made by managers and personnel who are no longer employed there.

But there is an important lesson in observing the chain of events.

To know and understand what made the difference between the old HP and the newer version, you only need to look at three areas in the company:

- Marketing,
- Accounting,
- Management.

There is another factor that comes into play; namely, Wall Street and investors fixated on short-term results, and interested in only three things:

- Today's stock price,
- This quarter's profits, and
- How much the next stockholders' dividend will be.

The dominant force behind the mess is simple: 1) short-term thinking demanding short-term profits, and 2) a chronic shortage of long-term perspectives and planning. This mentality and point-of-view pervades much of the large-corporation, high-finance, and big-government segments of modern US society.

There is little doubt it is also rooted in an equally narcissistic self-interest and demand for instant gratification coming from far too many consumers.

Lessons from the HP Study: Building Your Company's Foundation

You can avoid many of the traps and pitfalls plaguing large corporate enterprises and many of your competitors if you use a different approach to how you view your business and how you market your products and services.

Some have wisely observed: If you watch what others do, then do the *opposite*, you'll be so close to dead-on it'll scare you.

That certainly is often true in marketing and advertising.

Why Advertise In A Recession?

“When the economy is going backwards, there’s a vicious cycle that everyone feels helpless to fix: Customers buy less, so there’s less money for marketing, which means there’s less money to persuade customers to buy in the first place, and eventually the whole industry is gasping for breath. It’s just bad for everybody.

But wait a minute — if advertising is often the first point of contact for new business, why would you cut back on it during a recession? Wouldn’t you do more?

Sure you would, but only if you were certain it worked.

The reason people don’t buy more advertising in a recession is because they’re not even sure it works in the first place.

So I have a solution for this problem:

Fix the bad advertising and the problem will go away.”

– Perry Marshall –
“World’s most quoted
Google AdWords
expert”
from

*Sense & Nonsense in
B2B Advertising*

Don’t Listen to Ad Agencies

Ad agencies make their money from commissions collected on ad placements. To make more, they must spend more of their clients’ money, usually with little ability to prove that what they do actually works.

They have annual conventions where they hand out awards to each other for the most impressive or best-looking ads, etc. — not unlike the Emmys or Oscars in entertainment. But don’t expect any kudos for the ad or campaign that produced the highest return on the client’s money that paid for it.

Use Direct-Response Marketing Instead of Mass Advertising

Direct-**response** marketing is based on the proven principles of *salesmanship*. It is rooted in a knowledge of basic human behavior of *individuals* armed with product knowledge and understanding, not the theoretical responses of large herds of humans reacting to a hyped-up video production.

It’s based on one-on-one relationships between buyer and seller, whether that buyer is an individual consumer or someone inside a company considering buying what you want to sell. It’s also aimed at not just making one sale, but also developing a long-term relationship that can produce additional purchases over the long haul, thus reducing the company’s long-term marketing costs through repeat purchases by loyal customers.

It’s the approach that carefully avoids the mass hysteria so desired by Hollywood as they saturate the air waves with promotions for the latest blockbuster hit, hoping it won’t be a total flop in the real market.

It’s the kind of marketing that allows you to sleep peacefully at night because you know you’re offering solid value to your prospects, with no need to misrepresent yourself, your company, or what you sell to cover the overhead and have some profit left over at the end of the day.

Direct-**response** marketing isn’t the same as what agencies call “direct marketing”. *Direct Marketing News* and other similar publications are filled with the same focus on “brand” and “image” that pervades conventional mass-media marketing and advertising. That’s not what we’re talking about here.

Let’s take a closer look...

Direct-Response Basics

Direct-response marketing starts with a focus on the *customer*. What does the *customer* want? What thing keeps your prospective *customer* awake at night? What is the problem your *customer* wants solved?

Once you know what your prospect is looking for, you match that to what you produce. Obviously, it’s very smart to first find out what your prospects want, then match product development to that, but if you’re already producing, you can also use marketing methods that will help your best prospects self-identify and tell you who they are and what they want, so you can then match them to your offer and market directly to them with their permission.

As you traverse the path to sales driven by direct-response, you must first figure out what your selling proposition is that makes you unique among all of your competitors — so we’ll start with that.

Your USP (Unique Selling Proposition)

What makes you unique? What first-rate products or service do you provide that people need, but nobody else can produce as well as you do? What do you have or do that your competitors can't match?

If you don't have a magnetic USP, you'll be stuck with competing on price alone, and that's no way to profit in a competitive market — especially when you also face a soft economy with overhead eating you alive.

But with the right kind of USP, you can not only thrive — you can compete in a way that makes price a non-issue, or at least a much less important factor, because of the high perceived value you can lay on the table in front of your prospect.

Customer Service

Companies commonly boast of “superior customer service”. And nobody believes them when they do. “Our People Make the Difference” is an empty, trite statement that may harm as much as it helps. People, when they see such claims, say to themselves: *What difference? Their employees are just as indifferent as any other big company's.*

Do you search for and treat prospects and customers with complete integrity at all times? How well do you handle and solve problems? Are you sure? What measures do you take to prevent any dishonest dealings with prospects and customers?

When you use slogans or make statements in your advertising, do you look at your copy from a prospect's point of view, then ask yourself, “So what? Who cares?” If you don't have good answers to those questions, it's time to reconsider what you're saying.

The “Buzz”

Ad agencies are big on “buzz”. Hollywood uses it to hype the world into going to see another movie they hope will be a “blockbuster” instead of going bust. It makes lots of money for the studio if it works, but a lot for the agency whether it works or not. Automobile companies show new cars in ridiculous situations or locations such as atop a solid stone needle with vertical cliffs dropping hundreds of feet on every side. Is that supposed to make a sale? Will the prospect even remember the brand or model? Does one even care?

What kind of buzz is associated with your business? Forget the big, become-famous road to success. Success is a do-the-right-thing, long-term pursuit. Do you have durable and ruthlessly reliable products and services that bring solidly loyal customers who not only love you and your business, but also tell their colleagues and friends?

Word-of-mouth is still the best form of advertising anywhere.

It takes time to develop, but the pay-back can be huge if you keep doing it and don't get “Wall-Street-itis”.

Just remember: You're in the solving-problems-for-people business, no matter what you do. Do that well, and you'll be amply rewarded.

Do You Have A Dumb Company or

A Smart Company?

“Dumb Companies think that the marketing department exists to sell products.

Smart Companies know that the only reason to have a product is to give the marketing department a vehicle with which it can attract new customers and produce revenues and profits.”

-Clayton Makepeace- The world's top copywriter, whose words have netted more than \$1.5 billion in sales.

The Purpose Of A Business

“A group of people get together and exist as an institution we call a company so they are able to accomplish something collectively that they could not accomplish separately — they make a contribution to society, a phrase which sounds trite but is fundamental.”

– David Packard –
HP co-founder

So What’s the One Change We Promised?

The one, single change that can slash your marketing costs, increase sales, and boost your reputation in your prospects’ and customers’ eyes that your competition, college professors, and ad agencies don’t understand is simply this:

You can’t create or build a company brand with massive “brand” and “image” advertising. It costs too much and it really doesn’t work very well.

You have to build your brand by solving real problems for real people, even in B2B. There is no easier or better way. It takes longer, but costs less and pays much better in the long-run, because it’s built on real relationships, not hype.

The **only** effective way you can build a solid brand and image is:

- By being unique and doing for others what nobody else can or is willing to do. This enables you to **position yourself higher** on your prospect’s or customer’s mental reputation ladder as their supplier of choice — ahead of all competitors.
- Through your uniquely better understanding and treatment of prospects and customers, before and after the sale. This is the second leg of your three-legged stool that **positions your business** in the prospect’s or customer’s mind.
- By demonstrating integrity, fair dealing, and treating everyone well, regardless of station in life or position in the company, so **your reputation gets spread by word-of-mouth to others.**

Companies whose marketers think they can beat this long-term strategy with advertising alone are doomed to spend a lot of money while getting clobbered by others who know better.

And **that’s the big, dark, hidden secret that can make you richer than Midas if you learn to do it well.**

Is There A Practical Alternative?

If you still have doubts and think massive advertising can get you to marketing Nirvana, consider the rise of Amazon.com.

Founded in 1995, Amazon spent huge sums on mass-media advertising, just like the ad agencies and advertising intellectuals insisted was the right answer. Did it work?

In the years around 2000, they were spending as much as \$60 in advertising and customer acquisition costs just to get one person to come to their website and buy one or more books at a discount.

For close to 7 years, they bled red ink — \$2.8 billion worth — before they turned their first profit in the fourth quarter of 2001, announcing it on January 22, 2002. But how many years it took to recover the \$2.8B in red ink is an entirely different matter. Many hundreds of millions of transactions, at best.

Today, Amazon is a big success story, but others didn’t fare as well — companies funded with billions of dollars in capital that went bust — belly-up — in the infamous dot-bomb years of 2000-2003.

But what built the Amazon “brand”? Was it all that advertising for years? Hardly.

What Is Marketing?

"Marketing should be the art and science of bringing value to consumers' lives at a price that is insignificant relative to that value."

– Bob King –
(Quoted by
Clayton Makepeace)

The same applies in B2B marketing to people inside of other companies — your customers.

Amazon's reputation came from happy customers telling others, who told still others, until it became the popular marketing organization it is today.

Google is another huge word-of-mouth success story based on giving people what they want without massive mass-advertising.

As a sensible person, you don't want to blow billions, or even millions of dollars, and being the next Amazon isn't your desire. Direct-response marketing works, and it has worked since the 1800s. It's based on principles of individual human behavior, coupled with reliable feedback mechanisms that enable you to measure results with at least reasonable confidence, thus avoiding a lot of uncertainty and invisible risk in a mass-market crap-shoot that's entirely avoidable.

Still, You Must Publicize

I'm not suggesting you can escape the need for publicizing your business. You have get your message out to your audience. The magic is found in how you do it.

You can expect a lot more bang for your buck if you change how you think about marketing, then alter the methods you use when doing it.

Here are a few tips to help you through the maze:

- Find the problem that's keeping your prospect awake at night, then show him or her how you can help solve it.
- Use the only scientifically proven method of advertising that works: Messages directly focused on the individual, that lead to a measurable **direct-response**. It has proven effective for more than a century. Even the Ancient Greeks used it thousands of years ago.
- Get seriously acquainted with the principles of direct-response copy and how it differs from conventional advertising. There are several excellent books on that subject. But don't look to colleges for help. Professors not only don't understand direct-response — many view it with a haughty disdain too typical of certain academic elites.

Get Help With Your Marcom Collateral

As a B2B marketer, you already know good B2B copy creators who understand B2B sales cycles and know how to effectively connect B2B companies with their prospects and customers can be hard to find.

I can help you solve that problem. I've owned my own businesses. I've worked in the corporate world. I've been involved in sales for many years and seen how a lot of people think (or don't think). I was a corporate senior writer before a lot of today's writers were even born.

I know how to create persuasive copy that connects and educates B2B buyers, with no need for hype-and-hoopla "image" or "brand" nonsense.

If you'd like help with your marcom, whether collateral, copy, or strategy — or even if you're just short on manpower, let me know. I'm easy to find:

Phone: (970) 667-6736, Monday-Friday
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I look forward to working with you.

About Clarke Echols

Clarke Echols is a freelance copywriter and marketing-communications consultant with over 40 years of professional experience in business and industry, plus 35 years as a professional, senior-level writer.

His educational background includes specialized B2B and B2C copywriter training from American Writers and Artists, Inc., the world's top copywriter training organization, plus additional education and training from world-recognized luminaries including Bob Bly, Clayton Makepeace, Daniel Levis, Mike Stelzner, Steve Slaunwhite, John Forde, John Carlton, and other top experts.

That was preceded by a degree in physics, graduate studies in electrical engineering and mathematics, additional studies in business, and other fields. In 1980 he was licensed to practice as a Registered Professional Engineer (license not currently active).

Clarke's business experience started when he owned a retail TV service store and two cable TV systems while in college in his early 20s, followed by several small businesses during and after his employment in industry.

He was employed for 30 years at Hewlett-Packard. After 10 years as an electronic engineer where he designed and built equipment and systems for testing chips and other micro-electronic devices, he worked 20 years as a senior technical writer and learning-products engineer where he created thousands of pages of computer manuals and a large Unix online help system.

Clarke is the principal author of *The Ultimate Guide to the Vi and Ex Text Editors* which he originally wrote in 1987. Still popular a quarter-century later, many professionals consider it the best book ever written on the subject.

He wrote a series of main-feature articles for *NewsBlarg.com*, the online news and opinion magazine published by world-renowned copywriter Clayton Makepeace. His articles appeared in rotation with *New York Times* and *Wall Street Journal* best-selling author Robert Ringer, Dr. Martin Weiss, founder of Weiss Research, and publisher of *Safe Money Report*, and the publisher.

He has appeared as a guest on "Street-Wise Real-Estate News", broadcast by 50,000-watt KLTT-AM radio in Denver. He was announcer and chief engineer at an AM radio station where he replaced the station transmitter and made other improvements in signal coverage at the young age of 21.

His very broad experience also includes construction (he built his own large home and remodelled or rebuilt several others), designing and building heavy vehicles (he has been a competent welder for over 50 years), plumbing, electrical, and most other building trades.

He is widely respected for his broad, deep knowledge of many important fields, including perspectives from 45 years of business ownership and a quarter-century of direct sales. He is well qualified to help you with whatever business marketing and communication needs you may have.

Married 46 years, his family includes nine children, 16 grandchildren, and three great-grandchildren.

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