

# CATALYST

the **MARXGROUP**

Business Strategy | Marketing Communications

**October 2001**

One of our very first Catalysts was quite succinct. Here are the four short articles from October 2001.

## **Lead Generation: Force Majeure**

Still don't believe in silver bullets?

On the average, Direct Mail campaigns generate less than 2% response — and most of these are non-qualified. While there are many different types of lead generation campaigns (telemarketing, direct mail, trade ads, websites, email newsletters, etc.), There are tested programs that are realizing extraordinary ROI – up to 20-35% qualified leads!

These programs utilize a highly focused formula of telemarketing to a “scrubbed” list, an attention getting – and memorable – dimensional mailer, incentivized web traffic generation, and thorough follow-through. Results: highly qualified sales leads to “grease the slide” for your sales team.

This is especially efficient for having your sales team supported to meet qualified prospects at your next trade show, or to execute a cost effective launch of your new product.

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## **Why Would I Advertise During This Downturn?**

Every time a business cycle turns down, savvy marketing folks are standing on top of the hill, yelling:

*" Now is the time to market your company — because no one else is. Market share is yours for the taking!"*

The following is clear evidence of this phenomenon, which we call "opportunity marketing". In a study commissioned by the Media Research Bureau (an independent research organization) it was discovered that the sales results of companies improved dramatically from one year to the next when those firms advertised heavily during the period following a down year.

Here are some excerpts from that study:

The 100 total companies surveyed consisted of companies whose year-end sales were down over 20%. Of these 100 companies, 73 companies spent the same or LESS on advertising the following year. Of those 73:

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- 68 companies grew sales at 10% or less for the next year.
- 3 companies' results remained essentially the same.
- 2 companies had lower sales the following year.

In contrast, 27 companies spent MORE on advertising the following year. Of those 27:

- 13 companies increased in sales by 25% or more.
- 8 companies increased in sales by 15% or more.
- 4 companies increased in sales by 10% or more.
- 2 companies had flat or reduced sales.

The Moral of the Story?

It pays to advertise, especially when the economy is soft.

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## **How Can I Make My Trade Show Investment Really Pay Off?**

- *Do you leave a trade show with a handful of business cards, only to find out later that few of them convert to actual sales?*
- *Does your exhibit team wait for prospects to walk into your booth, rather than having pre-set, focused appointments with prospects and customers?*

A recent survey shows that **trade show marketing costs have increased by as much as 75% in the past 5 years**. Very likely you are not getting the best ROI. A trade show needs to be treated the same as any special event. Customers and prospects should be invited to specific, focused, sales-oriented appointments.

**Driving qualified traffic to your booth is not that difficult** and the cost is far less than what you might spend for a hospitality party (which always seems to attract the same old crowd). Effective pre-show marketing really works, and in the end delivers the ROI you need to more than justify your trade show budget.

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## **Marketing and Sales MUST Go Hand In Hand.**

We are continually shocked by the number of companies that have poor communications between sales and marketing teams. Ask yourself:

- *Does your organization have an effective feedback loop between sales and marketing teams?*
- *Do you know which marketing efforts truly support your sales team's success, and which do not?*

When you work closely to integrate your sales and marketing teams, the result is often transformational, generating increased sales, reduced costs, and overall, a far better attitude. This is not rah-rah or games, we're talking about fundamental strategy and process.

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