

When every penny counts (and even when it doesn't), make sure you're getting actual returns on your marketing investment by following three straightforward guidelines.

Despite a nascent economic recovery, many businesses are still feeling the pain of the past few years. With companies growing leaner and ever more gun-shy about where to invest precious resources, marketing budgets have been strained and, in some cases, slashed. But it's important not to allow marketing budgets—attractive targets, given that the return on investment is sometimes hard to measure—to get cut too close to the bone. The worst mistake businesses can make is to fall silent and stop reminding people about what they have to offer.

“The key is to keep a steady beat and maintain the presence you have in the market,” says John Hutto, Global Commercial Banking Marketing Executive of Bank of America Merrill Lynch. At the same time, he stresses that businesses shouldn't throw dollars at advertising initiatives without taking the time to measure which tactics are generating results. “By not measuring, you ‘peanut butter’ your investment—that is, spread it evenly across but only get return from a few critical areas,” Hutto explains.

The secret to lean marketing is to measure the effectiveness of your outreach as you go and take full advantage of each cost-effective refinement. Particularly in tough times, it's crucial for companies to understand who their customers are and how to reach them without breaking the bank.



Know Your Audience

In years past, a typical marketing campaign may have included some display ads in newspapers and magazines, a press release and possibly a TV commercial—all attention-getting, but difficult to measure in terms of how many viewers actually became customers. These days, online click-through metrics have set a new bar in determining how—and how many—customers find their way to a business.

By combining online metrics with customer databases, businesses can learn a great deal about who is glancing through their online presence. “Businesses, for instance, can use Quantcast to capture

data about everyone who hits their Web sites,” notes Hope Jensen Schau, Ph.D., an associate professor of marketing at the University of Arizona. “They can give you demographics, age and gender of the people who went to your site.” Facebook and other social-networking sites can be even more useful, as users themselves post information about their schools, locations and business affiliations. “If you know that a certain number of Facebook fans attended the University of Arizona, you might, for instance, want to sponsor a UA event or advertise in a UA publication,” Schau says.

That said, even more traditional methods of reaching buyers can live up to a new standard of accountability. If you send out an ad via direct mail or place a Yellow Pages ad, be sure to create specific phone numbers for just those advertisements and then document how many calls you receive.

Marketing experts agree that it's vital to know who your customers are and how they find you, as that information can prevent you from devoting limited resources to shiny new marketing toys to which your audience isn't likely to respond.

Use the Web Effectively

Especially if budgets are tight, the Web can represent both a stopgap step and a measure of salvation. Online marketing doesn't have to cost a lot of money, and in most cases its results are measurable. "If you have a limited budget, you have more opportunity today to have an impact than you ever have in the past," says Jack Myers, founder of the New York consulting firm M.E.D.I. Advisory Group and an economist who has been studying media trends for 30 years.

Even if you run a brick-and-mortar business—and even if most of your customers don't spend much time glued to computer screens—it's essential to have a robust online presence. Most consumers, including the least tech-savvy, won't make a major purchase without doing a quick Internet search, so it's imperative that your business be searchable and findable.

Armed with about 30 minutes of time and a credit-card number, any business owner can wade into the basic reaches of



search-engine marketing. Google AdWords provides tutorials that let businesses identify keywords that will help their sites show up near the top of Google searches' sponsored links. Clients spend money only when people click on their site.

Search-engine optimization (SEO) is more involved and time-consuming, but it's imperative if you want your site to appear prominently in unpaid search results. There are many factors to consider, but perhaps the most important in terms of cost is having any Web site construction involve a marketing team and an SEO strategy from

the ground up to avoid having to re-engineer those elements after the fact.

Social networking might hold promise—but only if you're prepared to participate in any online community you create. This effort does not have to be costly; it's free to start a blog for your business or put up a page that can be accessed by Facebook's 400 million-plus active users. The keys to success are time, appropriateness to your audience and a willingness to post original content frequently.

"Engagement has to happen regularly on Facebook or people will forget about you," says Schau of the University of Arizona. "Hit their news feeds regularly and ask them to do something." A chain of restaurants, for instance, might share a recipe or post a short video of a chef making a dish, then encourage people to check out the two-for-one deal on that dish. As in every marketing effort, remember to measure effectiveness: If special promotions are part of your Facebook page, blog or company Web site, document how many take the bait.

Learn When to Staff Up

In an ideal world, you might have a marketing team in-house that could measure high- and low-tech strategies, optimize your Web site and keep all of your channels filled with a stream of robust content. In some cases, though, it's better to bring in an outside consultant.

The question, of course, is which kind of consultant. Particularly with hot new areas such as SEO, businesses must be on guard against snake-oil salespeople. "Look to a network of friends in your field and to local business associations for referrals," advises Frank Strong, public relations director for Vocus, a Lanham, Md.-based company that provides public relations software. "Also do a simple commonsense test. If your proposed consultant is John Smith, can you find him online? Google him. He should come up as the first link."

If budgets are tight and you don't want to commit to a costly, long-term relationship with a consultant, some big-name PR and marketing firms will provide consulting on a short-term basis and train your staff to handle these newfangled marketing tools. Business professors also can be a reasonably priced alternative for helpful one-time guidance.

In addition, remember the tremendous value of customer-service associates and other frontline workers, such as repair staff, retail representatives and salespeople. Hutto of Bank of America Merrill Lynch says it's crucial for businesses to recognize that these workers often represent the most effective marketing resources of all.

"Our frontline associates are the most valuable and most important marketing



resource we have, and it's one that doesn't cost us additional marketing dollars," Hutto says. "Especially during tough times, people want more communication, closer contact...and those folks spending time with customers will really have an impact on customer decisions."

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