



PRESENTS

# Niche Marketing

**With Neil Godin**

**A three way approach to  
protecting and growing your  
value-added business in  
a difficult economy.**



# Niche Marketing

## Success: As simple as A-B-C

- A. Position and “brand” yourself**
- B. Grow your business organically**
- C. Attract new customers to you**

### Introduction

Many business owners—in all industries—think marketing is something that is best left to their marketing or sales staff—or to marketing and advertising consultants and salespeople. Many tend to think that their products and services “speak for themselves,” and that word of mouth is marketing enough. The truth, however, is that most of our products and projects are invisible to the world at large—and if we want to survive and thrive in a difficult economy, we need to “get our story out.” Owners of companies need to play a leading or guiding role in publicizing the great work your companies do. Those who do great work—and let the world know about it—earn themselves a tremendous competitive advantage.

In researching and preparing today’s program, I visited dozens of websites, and was deeply impressed by the variety and the quality of work done by B.C.’s value-added wood manufacturers. The photo gallery pages on many web sites are stunning— but I found myself wondering, “are these companies using search engine optimization (SEO) to make sure they can be easily found by people looking for the kind of work they do?” If not, these beautiful photographs won’t be seen by many of the prospective customers who are looking for them. Today, of course, this aspect of marketing has become critical.

Similarly, we need to gather and use customer testimonials—so that others are singing our praises for us, which is far more credible than blowing our own horn. And along the same lines, we need to ask current customers who they know that are thinking about doing similar work— rather than simply hoping that word-of-mouth will happen by itself. In other words, we need to move from a passive approach to marketing, to an active approach—without using old-fashioned, pushy, or egotistical approaches. The purpose of today’s workshop is to provide you with three highly effective ways to market your business, that will keep both you and your present and prospective customers in your comfort zone. Thank you for being here, and enjoy. NG

## A. Positioning and branding

### 1. Positioning.

Positioning is the process of determining your particular place (or space) in the market. BMW is positioned at the high end of the auto market; Kia is at the low end. Volvo is positioned as a safe car. The Corvette is positioned as a sports car. Interfor is positioned as a commodity lumber manufacturer. Pioneer Log Homes, of Williams Lake ([www.pioneerloghomesofbc.com](http://www.pioneerloghomesofbc.com)), positions itself as builder of “the finest log homes on earth.”

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a. How would you describe your company’s position in the market place? [Draft #1]

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b. Now think about how you can use this positioning exercise to “cut yourself from the crowd.” Think: “It’s the niche, or the ditch.” You must differentiate your business—and stand out in a specific and significant way—or you have to fight hard for recognition and market share.

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c. Key questions in positioning:

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Why should customers buy from you instead of your competitors?

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What do you do that no one else does?

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What could you do that no one else does?

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What do customers in your segment of the value added wood industry wish companies like yours would start doing—and/or stop doing?

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d. Make sure that you cannot be compared, “apples to apples,” with any other company in your sector. For example, Interfor uses the following positioning statement on its website:

“Interfor continues to make significant progress to position the company as one of North America’s leading lumber and building product manufacturers.”

If you were advising Interfor on its approach to positioning, what would you say to them? [Discussion].

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e. Think “micro-marketing” and “surgical selling.”

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f. Who, exactly, are your ideal customers?

By product line: \_\_\_\_\_

By market segment: \_\_\_\_\_

In terms of demographics: \_\_\_\_\_

In terms of psychographics: \_\_\_\_\_

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g. Where, exactly, do groups of these customers hurt? In other words what do they need badly, and what do they wish for? What keeps them awake at night?

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h. What could your company do to address these hurts and hopes?

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i. Ready? Now write draft #2 of your answer to the question, "How would (or could) you describe your company's position in the market place?" (This is the foundation for your differentiator and your positioning statement. Now you're marketing!).

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j. Now for your five second commercial. Based on your answer, how would you introduce yourself at a Chamber of Commerce or industry networking event?

Here is the example that appears on our power point slide: *"My name is Pat Smith. I'm an accountant and I save small business owners an extra \$12,000 a year on their taxes, on average."*

Imagine that you were in the audience when this person stood and introduced themselves. Would you feel compelled to go and talk to that person, based on their five second introduction? Probably. Now your goal is to come up with a similarly compelling introduction for yourself and your business.

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k. Now write a 30-second introduction that goes into more detail. But be sure to start it with the wording in your 5-second introduction.

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## B. Grow your business organically

We use the term organic marketing to describe ways to build your business with and through your present customers. The idea is to avoid the “toxic stress” of old-fashioned prospecting and cold calling—and the expensive “fertilizer” of paid advertising that doesn’t produce.

a. Place a dollar value on customer retention.

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b. Calculate the lifetime value of your customers.

Example:

Average customer spends \$5000 a year with us, and stays with us for five years.

Primary value:  $5 \times \$5000 = \$25,000$ .

Average customer introduces us to one new customer a year for five years.

Referral value:  $5 \times \$25,000 = \$125,000$ .

Total value of a customer: \$150,000

Your customers' Primary value: \$ \_\_\_\_\_

Your customers' Referral value: \$ \_\_\_\_\_

Your customers' Total value: \$ \_\_\_\_\_

c. Consider a new customer incentive package.

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d. Develop a customer “onboarding” program.

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e. Engage everyone in your customer satisfaction program (this is brand integration). And commit yourselves to service that goes **“the mile beyond the extra mile,”** where there is no competitor traffic.

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f. Address “The Four E’s” of marketing

Ethics \_\_\_\_\_

Engagement \_\_\_\_\_

Education \_\_\_\_\_

Environment \_\_\_\_\_

g. Think LEED and “Marketing Green.”

LEED (Leadership in Energy and Environmental Design) is a national third-party certification program that measures the use of “green” materials and processes in building and renovating. LEED measures “green performance” in 8 different categories, as follows:

- Innovation and design
- Location and linkages
- Sustainable sites
- Water efficiency
- Energy and atmosphere
- Materials and resources
- Indoor environmental control
- Education and awareness

The Canada Green Building Council ([www.cagbc.org](http://www.cagbc.org)), will roll out the LEED for Homes program across Canada this year (Spring 2009). There are now 3000 people across the country who are LEED accredited, and there are more than 50 pilot projects under review –with many professionals being accredited to allow them to review future projects. Clearly, the move toward green is growing rapidly, and is here to stay.

Educating clients on the value of going green—as a key part of your marketing/ differentiation program—gives you an important competitive advantage. As more and more people grasp the importance and value of a sustainable approach to their housing, demand for new and resale homes that are green is rising. According to CAGBC, a green home uses less energy, water and natural resources; creates less waste; and is healthier and more comfortable for the occupants. Why not provide your prospective residential customers with tables like the following (from LEED in the USA), to help them see and understand the value?

<b>LEED™ Rating</b>	<b>Certified</b>	<b>Silver</b>	<b>Gold</b>	<b>Platinum</b>
LEED™ Points	26 to 32	33 to 38	39 to 51	52 to 69
Energy Savings	25 to 35%	35 to 50%	50 to 60%	>60%
Yrly Util. Savings	\$0.40/ft2	\$0.60/ft2	\$0.80/ft2	\$1.00/ft2
Typical Payback	Under 3 yrs	3-5 yrs	5-10 yrs	10+ years
<b>Incremental Construction Cost</b>				
Small Buildings	3%	7%	10%	15%
Large Buildings	1%	3%	5%	8%

Here in BC, the provincial government has now added green requirements to the BC Building Code, and says it will implement the new BC Energy Plan (setting cost-effective, energy-efficient standards for buildings), by 2010. Areas the government says it will focus on in future include:

- Energy intensity targets
- Solar ready; thermal
- Grey water reuse
- Role of wood in sustainability
- Indoor air quality and materials; VOC's (volatile organic compounds)

h. "Going green" and the Four E's.

- Ethics: It is clearly the right thing to do.
- Engagement: Planning "green" products and construction directly involves your customers.
- Education: You join a learning and teaching process that raises everyone's knowledge and competence.
- Environment: You contribute to a healthful legacy for generations to come.

i. The benefits to you of going green.

Differentiation and positioning—You're "on trend" and above and ahead of the crowd.

Publicity—The media are looking for words and pictures of what you are doing.

Pride—You and your employees share a sense of pride in being great corporate citizens.

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j. Think of your customers as members of your marketing team.

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k. Develop loyalty and referral programs.

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l. Use introduction marketing. (Note: Referrals are not enough. Ask for introductions.)

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m. Attract and request testimonials.

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n. Use systematic add-on and cross-selling.

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o. Develop a database marketing program.

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p. Use CRM (Customer Relationship Management) and develop a customer "touch" program.

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q. Use "word of mouse" marketing.

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r. Network. Network. Network.

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## C. Attraction Marketing

Attraction Marketing is a term that describes the many things we can do to attract customers to us—rather than old fashioned cold call prospecting (or just waiting and hoping). Attraction marketing vehicles include:

- Public speaking
- Publishing
- Blogging
- Forming “live” local groups on social media/networking sites like MeetUp
- Joining and offering expert advice to members of relevant groups on social media/networking sites like Facebook
- Joining and actively using the connecting and endorsing power of sites like LinkedIn
- Putting a hilarious blooper video up on YouTube (and everywhere else) showing people how “not” to use your product or service
- Hosting educational events for your customers (and their friends who would make ideal new customers)
- Sending out press releases and getting free media publicity whenever you introduce a new product, person or event
- Being interviewed on radio or television or in print
- Offering a “gift for attending,” like developers do when they want to attract potential buyers to their time-share and resort condominium sales presentations
- Using guerrilla marketing to attract customers at minimal cost
- Using paid advertising that delivers
- And more !

a. Why it is important to attract customers—and get them to contact you first.

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b. Why cold calling is the most wasteful and destructive activity in the world of business.

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c. How, when, where and why to use the “warm calling” approach to selling.

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d. Become a “personality” in your marketplace.

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e. Publish or perish.

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f. Develop a “silent sales force.”

A silent sales force—on your premises, on your vehicles, on your building sites, and on your website, is a device to help you get your customers—and your publicity—and your product or project photographs—to do your initial “selling” for you. Your silent sales force can consist of any or all of the following (and more):

- Showcards and posters that tell the story of your products, services and people (using the same messages you developed when writing your 5, 30 and 60 second introductions, in Section A)
- Testimonial letters and brief quotes, and testimonial audio and video clips and photos
- Customer reviews of your products and services
- Reviews by industry analysts and publications
- Video and Power Point presentations (click to play or continuous)
- Charts, facts and figures etc. from trusted industry and government sources (third party credibility)

- Media news reports about you; your industry, and your products, services and people
- Feature and benefit comparison charts
- Photos and credentials/biogs of you and your people
- Before and after photos/videos of projects, if applicable
- Photos/videos of projects in progress, if applicable
- How-to photos, posters, videos
- Problem solving photos, posters, videos
- Awards you have won
- Evidence of your participation in the community and your industry
- FAQ lists (lists of frequently asked questions, and your answers) that respond to common objections or concerns that prospects voice when thinking about buying what you sell

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g. Work the internet (a nice website is not enough).

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- Google tutorials
  - Search engine Optimization (SEO)
  - Google Maps for local promotion
  - Squeeze pages (capture those email addresses)
  - Email marketing
  - Automated marketing
  - Pay per click advertising
  - Google Analytics
  - Social media
  - And more!

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h. Make your trade show participation pay.

Fact: 80% of consumer trade show leads aren't followed up. Why? Because salespeople have learned the hard way that most trade show leads are not qualified, have no value, and are a waste of time. Solution: Gather only fully qualified leads. Your two goals are to attract traffic in your target market—and generate highly qualified leads that produce sales. Here are several tips that can help you maximize the value of home show participation:

- Focus your entire exhibit on one special theme—a product or service you are introducing, or a specific problem that can only be solved by what you offer, or a valuable exclusive benefit that you offer, etc.
- Base this core message or theme on your 5-second introduction (from Section A).
- Example: *“The way we build your green home will actually save you money in construction—as well as on your energy bills. Ask us how.”*
- Do not hold contests or draws that are open to anyone to enter. Instead, hold a private contest for qualified prospects only (for example, people who are planning to build or buy in the next three months, or coming season, etc.)
- Try to set sales appointments on the spot
- Don't hand out literature (too much of it gets dumped) instead provide literature request forms
- Many serious buyers attend shows on the first or second day (usually a Thursday or Friday), when crowds are smaller) so be sure to staff up on these days
- Make your exhibit a “silent sales force” that includes:
  - Testimonial posters, quotes, photos, videos
  - FAQ's that answer all of the most challenging objections you hear when selling
  - Photos and videos that show your product, service, people and customers in action—and getting the benefits of using what you sell
  - Use “Before and After” and “By Comparison” photos and videos
  - Use feature and benefit comparison charts
  - Show media coverage and government/industry reports and statistics that support your claims
  - Avoid clutter; no chairs; good floor covering for staff
  - Staff breaks every two hours (no alcohol on breaks), so everyone stays fresh
  - Establish your purpose (“to generate sales”) and design everything to support that specific purpose.

i. Force your advertising to pay.

While a lot of paid advertising fails to pay a return on investment, there are ways to literally force your advertising to turn a profit. These include the following four keys to advertising success:

1. A high impact, attention-getting presentation (graphics, headline, or opening on radio/TV etc.)
  2. A powerful offer (preferably, a genuinely irresistible offer)
  3. A call to action (a deadline and a way to reach you in order to act on the offer—now)
  4. A tracking device (a way for you to know that a prospect or buyer is contacting you specifically because they read, heard or saw a specific ad that you ran in a specific advertising medium)
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Not sure whether to buy what an advertising sales rep is selling? Try this acid test. Ask yourself, “If this was my last \$5000 (or whatever the cost is)—and it absolutely had to work—is this how I would spend it?”

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Note: For tips on how to advertise successfully in newspaper, radio and other media, please download Neil Godin’s guidebook, “How to Make Advertising pay,” available to you at this link:

<http://www.neilgodin.com/howtomakeadvertisingpay/>

j. “Go Guerrilla.”

Guerrilla marketing is a term used to describe alternative ways to promote business that are usually less expensive—and often more effective and faster-acting than using the usual media campaigns. Guerrilla tactics include:

Sandwich boards  
Banners and balloons  
Inexpensive temporary street signs  
Car top signs  
Attention getting special events  
And more!!

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**Workshop Close.**