

*Proven Marketing Tactics  
for the Self-Employed*



# Proven Marketing Tactics for the Self-Employed

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# Introduction

You obviously see the need to market your business. But what exactly is marketing. Most businesses want to market because marketing is directly tied to revenue. Corporations large and small keep and feed marketing departments with the expectation that doing so will increase the money flowing into the company. In fact, they expect the money coming in because of marketing to exceed the money being spent on marketing. It's simple to define marketing if you look at in terms of revenue. Marketing leads to increasing revenue. And good marketing leads to ever-increasing revenue.

Increasing revenue may be the what and the why of marketing, but what you really want to understand is the how. Marketing is obviously more than a singular act. It

involves a variety of activities in the areas of gathering and sharing knowledge. If you let them, these activities can become academic and quickly draw you away from the purpose of marketing - which as we've stated is to increase revenue. To be effective, your marketing activities must stay aligned with what you want to accomplish.

The clearest way to keep your marketing activities focused on increasing revenue is to center them around the source of your revenue. What is the source of your revenue? If you answered, "products or services or anything that is a thing" scold yourself harshly. Products and services do not give you money. They are simply the thing you exchange for money. Customers give you money. Customers are the source. Without customers you have no business. Center your marketing activities around customers.

If the customer is the life-blood of your business, then your marketing plan is a guide to the care and feeding of customers. In considering how to go about caring for customers (and generating revenue), you may find it helpful to consider the lifecycle of the customer. They start as prospects that you need to get to know. Once you know them, you need to find ways to attract them to your product or service. Next, attracted prospects become paying customers. In business terms, you acquire them as a customer. And lastly, they become loyal, repeat

customers, where conditions are set that keep them coming back.

Look at the life cycle of the customer from prospect, qualified lead, to customer. It becomes clear that marketing can be broken down into four essential goals that align with the life cycle of the customer:

- Know Customers
- Attract Customers
- Acquire Customers
- Keep Customers

These four areas of emphasis provide a framework into which we can put all the activities that make up marketing. They also provide us, finally, with a workable definition of marketing: Marketing is the act of getting to know, attracting, acquiring, and keeping customers. As we move through these different phases, I hope that you begin to see the customer as the focal point of all your business endeavors. When you put their welfare at the heart of your decision making, your business cannot help but thrive.

As a note to those of you who wonder how selling fits into this definition, selling is a subset of marketing under the Acquire Customer phase. Selling involves the tasks of qualifying and closing under conditions set up through your marketing plan. We'll talk a little bit about selling at that phase.

Throughout this book, I refer to the self-employed as freelancers. This term is often used to refer specifically to the artistic crowd, but here I use it in the broader definition to refer to all self-employed consultants, contractors, coaches, and artists regardless of their industry.

# Section 1:

## Know Customers

Marketing is 90% questions and 10% answers.

So often, when people think about marketing, they think about creating brochures, launching web sites, or running advertisements. The truth is that these things are the tip of the iceberg. The real power of good marketing is below the surface. It's in getting to really know the customer. Be careful not to confuse knowing the customer with knowing about the customer. Knowing about the customer is only the first step to really knowing the customer. Knowing about the customer includes knowing things like average age, gender, income bracket, etc. These are first steps. This is where many ad agencies only

interested in buying media slots will stop. You can't stop here. To really put together a great marketing strategy, you need to know the customer: what they value, how they respond to changes in the market, and what they want you to do for them.

Attempting to attract or acquire customers before you really know them is a "Ready, Fire, Aim" approach and wastes considerable ammunition. In an ideal world, a company would, and many large companies do, embark on a lengthy customer study before launching any kind of marketing message. The research project would give them a clear understanding of the customer from many different vantage points and lead them to some fairly reliable projections. You don't have that luxury, and fortunately you don't need it. As a freelancer, you need to be about your business right now. You need to be making deals today and tomorrow and the next day. But your business will always be a scramble, it will never flow to you as freely as it can, until you know your customers.

As a freelancer, you need a market research method that you can integrate into your day to day activities. Every time you are with a customer, you are doing market research along with providing a service to them. A system that allows you turn everyday conversations into market research will make marketing your freelance business as natural as walking. And because you are a freelancer, you

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can change and adjust your business to match the market, much more quickly and cheaply than big companies.



## 1.1 Why Research?

One of the first sales jobs I had was selling printing. Working in the publishing industry I had purchased a lot of printing and understood the process well. I thought, “I’ve been the target market for several years, I can sell this product in my sleep.” The truth was that, although I had been a buyer of the product, I was unaware of the issues that faced most of the people to whom I was selling. They were facing corporate issues, interoffice politics, budget constraints, unrealistic deadlines, and an array of other issues I really hadn’t faced in my publishing experience. Printing to me had been the main product around which all my budgets and timelines were created. In other businesses, creating printed materials was far from the mainstream business and often understaffed and un-

der-funded. I quickly learned that I didn't understand my customer as well as I had thought. I met with our marketing people, and we began to gather and document customer information.

Many freelancers enter a particular market because they have expertise in that area. They feel that they already know the target customer. They may even have been the target customer in a previous job. This sense of knowing can tempt the freelancer to take short cuts, to bet their marketing dollars based on their own hunches. Resist that temptation. Even if you have been the target market, you are only one person, and although you are of great worth as a person, you are statistically insignificant. By that I mean that one person's opinion on a subject does not represent the views of the entire marketplace. I would also note, that unless your business is directed at other freelancers, you have values and aspirations that vary greatly from most of the non-freelance population.

Face it, you are unique – just like everyone else. The only way to reach a consensus is to talk to enough unique people that you can identify trends in certain areas. By identifying these trends, you can start to understand the marketplace in a reliable, objective way. The path to good marketing is like the path to good politics: you need to build on common ground. Until you know where that

common ground is, you can't really start building an effective marketing strategy.

Marketing research is the way we create a map to the common ground we want to build on. It shows us the obstacles, resources, and paths of least resistance that lead a business forward. Without research we wander up false passes and choose impassable routes. Although wandering lost can be interesting and even educational, it often leads to cash flow starvation. Avoid wandering; build a map.

As you research the market, keep in mind how the information you are gathering can be used to refine your product or service. We often think of market research as a way to say just the right thing in a brochure or advertisement, but customer centered marketing impacts product development and product management in profound and often astounding ways. Good research will help you refine your product or service, establish prosperous pricing, and see with clarity the pathway to the next stage of your business.



## 1.2 Market Research

Although marketing is crucial to your success, a freelancer doesn't need an MBA in marketing to conduct useful research. In large businesses, conducting marketing research can involve several teams and complex logistics over long periods of time. Thankfully, freelance research, because of its tighter focus and frequent interaction with the customer, doesn't have to be that involved. Also, the freelancer doesn't need exhaustive coordination between marketing and sales. As the freelancer, the salesman part of your brain ought to be in constant contact with the marketer part of your brain.

As stated earlier, the very nature of the freelance business, with its limited resources and focused effort, creates opportunities for market research as a matter of

daily routine. As you talk and interact with customers, you will be able to gather the kind of good marketing information that big companies spend hundreds of thousands of dollars to obtain. The most valuable marketing data being gathered by today's marketing professionals comes from the personal interview.

Personal interviews combined with value mapping are at the cutting edge of primary market research. Other market research such as focus groups and surveys are mere support elements to information gathered in the personal interview. As a freelancer, you can and should become a master at conducting personal interviews. Conducting a good personal interview is really a matter of getting customers to open up and tell you what they care about and how they behave.

You probably already conduct one on one interviews to a certain extent. Two simple things will help turn your conversations into market research: first, the type of questions you ask and second, how you record and organize the information. As you develop a habit of asking value- and behavior-based questions in a non-biased way, you will find the information you get back to be more relevant and meaningful to your marketing needs. By capturing this information and then formally analyzing it, you can refine your marketing plan from day to day, quarter to quarter, and year to year.

## 1.3 Asking the Right Questions

What kind of information you gather will vary greatly depending on the type of business you are in. If you are selling financial services, your questions may involve risk aversion. Whereas if you are selling tile, your questions may revolve more around aesthetics. The questions you ask can basically be divided into two categories: first, general value questions, and second, industry-specific information.

When asking general value questions, you want to arrive at a clear hierarchy of what the customer values. I find it most helpful to find out what they care about on a personal level to better understand what they care about from a business standpoint. If you find out that a person genuinely loves their family and being with their family above all else, you will find that they want as little intru-

sion from work as possible. If you find out a person really loves their job and career, you may also understand why they expect career devotion from a vendor.

Industry-specific questions deal more with how much the customer values products and services in the industry and why they value those things. As you consider what areas to cover consider points of differentiation within your industry. Learn about areas where you have strengths and where you have weaknesses. You may find out that customers are very interested in a strength of yours that you had never considered mentioning. You may also find that an area you are weak in is a big deal to your customer base, and you need to turn it into a strength to gain more business.

Although direct questions about what customers value can be enlightening, they mostly reveal what customers believe is right or socially acceptable for them to value. Another way to determine values is by using behavioral questions. Behavioral questions simply ask customers how they act in certain situations. You might ask a home owner, "The last time you redecorated a room, did you make all the decisions yourself, or did someone make decisions with you?" This question would help you understand how much they value the input of their spouse and family. If you identified this as a trend, you may adjust your sales practices to target couples more than in-

dividuals. By focusing on a behavior, you are more likely to understand how the person would behave in a similar situation and get an honest picture of what they value.



## 1.4 Asking Questions the Right Way

I recall the story of a business owner interviewing different individuals for an advisory position in his company. He first interviewed an engineer and asked him what one plus one equaled. The engineer responded, “Two.” Next he interviewed a mathematician and asked him the same question. The mathematician responded by asking, “What number base are you using?” He then interviewed an accountant and asked him the same question, “What does one plus one equal?” The accountant leaned in toward the businessman and quietly asked, “What do you want it to equal?”

Like the accountant, marketers can easily affect the outcome of a research effort simply by the way they set up the questions. Sometimes marketing firms do this without even knowing they are doing it. Sometimes firms do this to keep a client happy, knowing that if their results don't match the hunches of the CEO, they will lose the contract. The way we ask questions often biases the responder toward our initial hypothesis. In fact, we are more likely to ask biased questions than not. It's the nature of the beast. As human beings, we have opinions, and we naturally seek consensus and validation of our opinions.

As the marketer of your freelance business, you need to throw off your natural tendencies and focus on the purpose of your questions. Their purpose is not to recruit others to your point of view. The purpose of your questions is to gather clear, honest information. To do this, you need to analyze the language you use, how you phrase your questions and constantly review your performance to correct any bias you may have added.

I wish I could give you a list of great non-bias questions to ask, but such a list is impossible to create as the exact circumstances of every freelance business and every customer are unique. What I can do is lay out a couple questions to ask yourself as you prepare your questions.

“Does the question I’m asking compel the respondent to make up answers?” For instance, if you ask a customer what they like about shopping without finding out if they do like shopping, you’ve created a situation that compels them to possibly make up things they like about shopping. They will tell you the things they think you want to hear. Had you qualified them for the question by first asking how they felt about shopping, you could be asking a perfectly good follow-up question.

“Does the question I’m asking insert my own assumption or hypothesis?” For instance, asking a Hispanic person how they deal with prejudice behavior toward them inserts your assumption that they have to deal with prejudice behavior. Asking the person to describe how they are treated in their community would be better and less assumptive.

Remember, right now you are not trying to sell the customer on your idea, but rather trying to find out what the customer is sold on, so that you can provide it. Good research helps you meet customer needs, not bend customer needs to your product.



## 1.5 Considering the Competition

Part of any market research effort needs to involve competitive analysis. I can think of no better way to analyze the competition than to look at them through the eyes of the customer. In fact, it is the customer's opinion of the competition that matters most. I've sat in board rooms where executives disparaged the competition by referring to weak financial statements or diminishing returns. They've found fault with the competition in all sorts of areas that really don't matter. A company can have the weakest financials in the world, yet still dominate a market. For all their problems, GM is still a dominant player in several key automotive categories. And I remember the pre-Iacocca days when we all thought Chrysler had fired its last sparkplug. Companies can turn around, they can have hidden resources in

alliances and talent that don't show up on a balance sheet. What matters most is what customers think and how far they are willing to go to stand by a brand, product, or service that competes with yours.

Almost every successful business has competition. If you happen on a business that is successful and has no competition, just wait. Competition will arrive. The key to competing with similar companies is to offer something a little different. Considering the competition requires taking an honest, open-minded look at what they are doing and how customers perceive them. Only an honest analysis can reveal their strengths and their missed opportunities.

To make competition part of a personal interview, you need to ask for an honest assessment. If the respondent knows you are in competition with them, they may try to sugar coat the competition's weaknesses. Make it clear to them that you respect the competitor and would like the respondent to answer candidly about how they see the competition. After you have what you consider an open, honest assessment, ask them how they would compare the two of you – what they see as the differences.

Often, I have gratified my own ego by focusing on the weaknesses within my competition. This is fool hardy. They know their weaknesses better than anyone and are usually taking steps to correct them. If you rely on oth-

ers' weaknesses to define your competitive advantage, you may find yourself with no advantage three months later. Competitors need to be considered in the best possible light. They have loyal customers for a reason.



## 1.6 Capturing Results

As you gather all this information, you need to make sure you record it in a systemized fashion or you will find that your information never turns into anything tangible. Consider setting up a procedure for capturing information:

1. Record information as soon as possible (preferably while you are receiving it).
2. Keep results in a spreadsheet like format so that you can look at results in a systematic way and identify trends.
3. Set up a regular time each week to review and update results.

Most of the things we learn never make it past short-term memory unless we apply them in some way. You may have a great conversation with a customer that

leads you to a new level of clarity about the best direction to take your company. However, if you don't act on this knowledge by recording it, expanding on it through some sort of analysis, and making it part of your business action plan, the information and the motivating power behind it, will be lost. It is essential that information is recorded on the day it is received, so that it may be clearly captured. If you wait, it will certainly get distorted into something it's not or even be lost.

Perhaps the best format for analyzing marketing trends is the spreadsheet. This is where you create a row for each customer you talk to and a column for each question you ask. You may also want to create a column where you record something about the type or demographics of the customer. As you fill in this chart, you will find that certain behavioral trends start to become dominant. By using the sort command, you can sort by different questions or customer types to help give you an adequate picture of what is going on with customer behaviors, buying patterns, etc. The best tool for this type of project in Microsoft® Excel. It comes bundled with Microsoft® Office and will serve as a fantastic tool in several aspects of your business. If you are unfamiliar with Excel, there are a number of books and training modules that can help you. Video-based training by Makau ([www.makaucorp.com](http://www.makaucorp.com)) is an excellent way to get started.

If you make a review and analysis of your growing cache of data part of your weekly routine, you will find that gathering information becomes a habit – a habit that keeps your mind full of ideas on improving your business.



## 1.7 Boiling Down Results

Once you have all this wonderful data, what do you do with it? Analysis for the freelancer is pretty straight forward. We aren't trying to capture the mind of the masses or perform segmentation studies. Freelance analysis looks at trends and then creates simple consensus maps.

With all your data laid out in a spreadsheet format, begin flagging similar responses and adding up the results, you will start to notice that some answers crop up more than others. These are trends in your data. Strong trends will help you understand what is most important to your customers, what types of things are likely to attract similar customers.

From these trends, you will want to extract a positioning strategy. The positioning strategy of your com-

pany, put simply, is what you do for the customer that matters to them and how you do it better than anybody else. An example of a positioning strategy for a yard care service is that they take extra care to not disturb the homeowners at early hours and they make more spot inspections during the week than any competitor. At this point, you're not trying to develop a polished marketing slogan or tag line, but a clearly stated position. The position is the seed from which all the creative marketing materials will grow.

## Section 2:

# Attract Customers

Research has shown that people make decisions on both emotional and rational levels at the same time. They are driven by emotion to want something and then choose the thing they can most easily rationalize to those around them. By tapping into the emotional triggers (often called value triggers) of the customer and providing them with solid material to support the rationality of the decision, you can generate persuasive sales, advertising, packaging, and public relations materials.

As I stated in the last section, all the creative work grows out of the positioning strategy, which is based on the values of the customer. If you've got that right, the

rest should be a snap. The thing to remember about slogans and marketing materials is that their primary purpose is to sell. They are not disseminating information like an evening news broadcast. They are transferring knowledge that prompts people to action. The action may be to purchase or, as is more often the case, take the next step toward purchasing. Purchasing is the big test, if your marketing message doesn't move customers closer to purchasing, it is not effective.

Attracting customers is an iterative process that starts with a research-based strategy, cycles through creation and research until it is a polished, effective presentation. The customer needs to be involved as an active participant, viewing and responding to your message. You need to keep learning, keep adjusting, and keep evolving your message until it has the desired effect on customers.

## 2.1 Arriving at a Message

Now that you've gathered and boiled down the data, you have the ingredients you need to develop a core message. The core message is your positioning strategy in action – a positioning statement. Put into words that offer both emotional and rational appeal. This is the fun creative part of marketing. It involves brainstorming, thinking outside the box, and coming up with ideas that will drive business.

In all this free thinking, it is also not a time to fall in love with your own words. You must be willing to put your favorite, most clever bit of prose up in front of the audience, and if it fails, kill it. Rewrite until your words resonate with the audience. It doesn't matter if you like

it, only if they like it. And if they like it enough to act on it, you should love it.

Remember, your marketing message is not your reason for being. It is not your mission statement. It is also not the history of your company or how you came up with that clever company name. Your marketing message tells people why they should buy from you. It must communicate and motivate. It is the spur that drives people to do business with you. This message needs to be centered on fulfilling the needs of customers while at the same time positioning your offering as unique and valuable.

We are so bombarded with high-priced image ads that promote high-end brands, that freelancers and small businesses fall into the trap of thinking they need a transcendent image ad. The ethereal image is the domain of billion dollar ad budgets. What you don't see behind the ad is the top-notch sales force selling into the channel with down-to-earth, well-crafted marketing messages that position the company against the competition and get the product on the shelf. Nike shows a runner on TV followed by a swoosh, but they make sure that everyone from the sales VP to the Foot Locker shoe jockey knows and can repeat why Nike is the best at what they do. The image is pure emotion, but they have boatloads of rational messages to back it up.

For the freelancer, skip the image ad and start with a nice positioning statement that expresses who you are in one sentence. This is your marketing message. The process to get to that message involves disciplined creativity and plenty of humility.

As you write your message, keep two more things in mind: First, people who know big words also know little words, so use little words that everyone understands. Second, cut out the industry jargon. Even if your audience is a group IT consultants with doctorates from MIT, they have to get the money from a millionaire sheepherder who leased his family water rights to developers and bought a computer company because he thinks watching movies on his computer is cool. He'll turn them down on funding if you haven't provided a message in plain English that he understands.



## 2.2 Branding Yourself

I train horses, but I don't shoe them. For that, I rely on Mark Cutler. Mark has one piece of marketing material. It's his business card. It shows a cartoon of a horseshoer whistling a tune. Across the top of the card it reads, "The Happy Horseshoer." This is followed by Mark's name and phone number. Now if you've spent much time shoeing horses, you know that it's not a job that contributes to being happy. Being kicked, bit, stepped on, and shoved around by an animal five times their size leads most farriers to be anything but happy. Mark is the exception to the rule. He seems to genuinely enjoy what he's doing. He's fast, he's good, and as advertised, he's happy. So who do I call? The guy that shows up smiling.

When you brand a company, you create an image around the company that is both pleasing and memorable. From your logo to your colors to images you use, you set the stage to make the impression that you are not only competent, but that you are someone people like to do business with. Along with wanting to do business with you, people need to remember you. You need to present something from your personality or physicality that they can latch on to, like Mark the Happy Horseshoer or a portly graphic designer I have hired on occasion, Jonathan with Big Guy Productions. After you win the business and you've repeatedly wowed the customer, the work or product will be what brings in the return business, but in the beginning, branding yourself can help keep you at the top of the customer's mind.

Like your marketing message, the image you present is appealing on an emotional level and defensible on a rational level. By creating this image you offer the customer a persona that fulfills some basic needs for likeability and value. As a freelancer, you have a certain personality that is endearing to the segment you are trying to reach. You are your brand.

## 2.3 Communication Channels

Advertising is big business, and there is no shortage of people willing to make space for your message in their publication or on their radio program. This would be a good time to employ a media buying agency. They can usually get you a better deal than you can get on your own and will be able to advise you on the most efficient and effective way to allocate your budget. And by all means, start with a budget. We'll be discussing budgets later.

If you decide to purchase media on your own, make sure you understand who the media reaches and with what frequency. Whether you are dealing with a magazine, radio, or even television, the provider should be able to tell you who their audience is and how many people they are reaching. If the media salesperson can't provide

you with this, move on. Their numbers probably don't justify their price.

Before making a decision, create a strategy for reaching your customers that is targeted and efficient. This means choosing the communication channels most likely to achieve your goal. You want to be as targeted as possible in your approach so that your message does not fall on deaf ears. The time you spend pouring over the demographics of different media, the more likely you are to clearly see where your media dollars should be spent.

A good place to start – to test the waters of media buying is in trade or specialty magazines. This is especially true if you are providing a business to business service. A business trade magazine is targeted to the very crowd you are trying to do business with. The trade magazine is a way to warm up your customers in context. Readers see you in an area they are already familiar with, a context they trust. Trade magazines are also reasonably priced, often a tenth or less of what you'd pay in a consumer magazine. Start with a reasonable frequency in one magazine. One ad in four consecutive months should be a good. And test your results.

If you are looking for consumers in a local market, you may want to consider radio. Radio is not only cost effective, but many stations offer support to help you plan and record your message. Some even offer assistance in

tracking your business leads so you can see how much business actually came from the radio ads.

Several media channels are available to you and with some creative thinking, I would bet you can come up with a few more.



## 2.4 Buying Advertising

As we stated in the last chapter, you need to have a clear budget before you attempt to buy advertising. Buying advertising is a lot like buying a car. The fellow doing the selling is a master at up-selling. He will offer you package deals, an extra ad at half price, even an “unprecedented” flyer include in his upcoming issue. If it’s outside your budget, don’t buy it. Stick to your plan.

A concern I often run into with executives buying their first bit of advertising is their fear that their money isn’t really buying anything or the fear that the radio or television station will take their money and not really perform as promised. I understand their concern. They can’t keep the radio on all day to see if the company is running every ad in their 30 day ad schedule. Thanks to

the might of big ad agencies over the last few decades, the industry has built in reporting mechanisms to help you make sure you get what you pay for. After the ads have run, your ad rep should ask to meet with you to review what ran and what extras he was able to get you for ads that may have been bumped for breaking news stories or other issues. This post tracking will help you as you track the other side of the advertising endeavor – sales results.

## 2.5 Tracking Results

Return on investment (ROI) is a hot topic in advertising and marketing. Ask ten different marketers how to track return on investment, and you'll get ten different answers. Most of them revolve around pre- and post-awareness testing, brand strength, or consumer confidence. These are great metrics to measure and predict future growth in household brands like Coke and Pepsi, but for the freelancer, tracking results comes down to one simple question, "Did I get more business from my marketing efforts than it cost me?" In other words, if my marketing cost me \$500 and it resulted in sales with a profit of \$1,000, I got a positive return on my investment. Two main factors come into play as you track and hone your marketing mix:

1. How much is my return?
2. How long did it take to get it?

Many times, you will here marketing people talking of their return on investments in terms of percentage points. This is good to a certain point, especially when you are comparing returns form season to season. However, at some point you need to look at the whole thing in dollars. Only in dollars can you really make some intelligent decisions about whether the marketing push was worth the time and effort you put into it. When reporting on advertising campaigns, I prefer to show returns in dollars – referred to as lift – that show sales after advertising compared to projected or historical sales without advertising. If you are measuring against projected sales, project those numbers before the campaign so you don't taint them at the time you are trying to make the comparison.

Our second question regarding time is essential to understanding the profitability of the campaign. Profit is a function of money over time. A campaign the makes a 15% return in three months is more profitable than a campaign that makes a 15% return in one year. By measuring the amount of money you get back as well as the time it takes, you have two key factors to improve upon as your business progresses.

As you keep track of your business as a whole, track revenue for fiscal years. In an initial interview with a client who needed a marketing plan, I asked their approximate revenue. He said two million dollars. I built a plan accordingly. He wasn't happy with the numbers I proposed. On questioning him further, I discovered that his two million dollar figure was for three years. When someone asks about revenue, they want an annual amount, not a lifetime accumulation.

Your strategy going forward should be to increase the answer to the first question (money) and reduce the answer to the second (time). Remember, profit is a function of money over time.



## 2.6 Word of Mouth

A great deal of freelance business comes through word of mouth. Happy customers and friends pass your name on to others who continue to tout your wares to yet others. The good thing about word of mouth is that customers pass on an honest assessment of your work. The bad part is that they pass on an honest assessment of your work.

Word of mouth is double edged. If your performance does not live up to your marketing message, word of mouth can work against you. With that in mind, know that the single most powerful effect on word of mouth advertising is you. Word of mouth is based more on emotional attachment than rational thought. Even if everything went wrong on your last project, you can influence positive word of mouth by the way you handle things.

This is where good interpersonal and customer service skills come into play.

If you find that you're not getting good referral or word of mouth business, first look inside and honestly ask if you have done the kind of work and developed the kind of relationships that merit referral. Second, ask for referrals. I once had a customer timidly approach me about doing some work for an associate. They seemed to have the impression that telling someone else about my services was an imposition on my busy schedule. Since then, I have made it a policy to ask for referrals. This is the surest way I know of to get them.

Over time, if you are doing things right, word of mouth will become your strongest and most reliable form of marketing. You can't influence it with any kind of marketing hocus pocus. You can only do your very best and ask happy customers to tell a friend.

Akin to word of mouth of course is networking. Networking for the freelancer can be their lowest cost and most efficient marketing opportunity. Networking should be going on all the time. You are surrounded by networking opportunities. Through trade organizations, chambers of commerce, and even leads groups that were created for the sole purpose of providing networks. Choose a network that is akin to the type of business you are doing. If your work is suited for

large corporations, focus on large corporate and industry groups. If you are targeting small businesses or individuals, a chamber of commerce or civic group can be a great place to start. As you meet people, keep a formal list and track results. Be thankful for every lead. And remember the cardinal rule of successful networking, the way to get leads is to give leads.



## Section 3:

# Acquire Customers

How customers become customers in your business? Is it as simple as writing you a check, or do they have to fill out financial forms in triplicate and offer up their life history? Do you have a clear path that customers follow to move from prospect to customer and do you understand what you need to do to help them? Most importantly, have you looked at the purchasing process through the customer's eyes and removed all possible obstacles?

The process by which a prospect becomes a customer is crucial to the longevity and value of that customer. If that customer has to wade through time-consuming procedures or make uncomfortable leaps of faith. This is

where you may lose them. People don't mind spending money. They do mind wasting time, sharing too much personal information, or paying before they see what they are buying.

Consider the whole process from the customer's perspective, make it easy, make it desirable, and make it priceless.

## 3.1 Selling

Selling is the craft of assisting the customer through the acquisition phase. It is how you move a prospect from being attracted to your company to being a customer of your company. Selling is essentially broken into two parts: qualifying and closing. By looking at each part separately, you can hone your skills to move customers smoothly through the acquire phase of marketing.

The Qualifying part of selling is where you determine what it is that the customer specifically needs and how much they are expecting to pay for it. If you are a roofer, you can find out how big the house is that the customer wants to shingle, what kinds of shingles they want, what their expected time frame is, and how much they have allocated to do the job. The last item, how much, may

have to be part of going back and forth on a bid, where you and the customer determine what can be had for the money they are willing to spend. As deals become more complex, so do the questions you will need to ask to help the customer see where the two of you can work together and how different solutions can benefit the customer. If you intend to do a lot of large deals that require consultative sales techniques, I recommend you read *SPIN Selling* by Neal Rackham.

The Close part is where you ask for the order or for the next step leading to an order. You don't use tricks or gimmicks – no assumptions or alternates. The client has identified what they need and what they are willing to pay in the qualifying phase. Now you ask them per permission to fulfill an order. Such as, “Would you like me to go ahead and start building a website for you?” Or, “Would you like me to send you a sample shipping schedule?” You ask the customer very directly for their permission to complete the next step and allow them the control they deserve to accept or reject the sale.

From the volumes of books that have been written about the subject, there is a lot to be said about those two little steps. They can be further broken down and refined. For the owner operator business, however, the process doesn't need to be complicated. Be honest, be thorough,

and ask for the order. Your honest desire to help your clients will be what carries the day.



## 3.2 Make the Purchasing Painless

“. . . but they don't take American Express." Every time I saw those Visa ads about companies that don't take American Express, I wanted to call up the company and ask what kind of idiot was at the helm. I understand that American Express costs the vendors more. But I also know that a well-thought-out pricing strategy accounts for those expenses in a way that is invisible to the customer. Refusing to take a particular credit card, especially one as common as American Express, is lazy marketing and puts unnecessary strain on the purchasing process.

Similar stress factors on the purchase process include fees for using credit cards, additional personal information, and delays. Most of these have been put in place by

people who manage their business according to spreadsheets rather than customer satisfaction.

As a freelancer, you are most likely to get paid by check. However, you should also be prepared to take credit cards and give receipts for cash. A receipt for cash can be as simple as stamping or writing “paid” on an invoice. Taking credit cards is a little more involved, but not as hard as you might think. Thanks to the power of the internet, you can easily set up a PayPal merchant account for free and run all credit card transactions through your PayPal account. They handle the transaction, collect credit card fees, and deposit the money in a bank account of your choosing. Go to [www.paypal.com](http://www.paypal.com) and see how easy it is.

Some businesses, such as foreign procurement, require lengthy interactions with banks to secure a letter of credit. If you are in a business that requires lengthy processes to handle purchases, make sure you are a master of the process. Walk your customer through all the steps with confidence so that they will not have additional anxiety.

Whatever the difficulty, make the purchase process painless by walking through it and removing the obstacles. Purchasing is a series of events or decision points, breaking it down and looking at each point will help you analyze how painless it can be for your customer.

Remember, this is not about streamlining processes for you. It's all about the customer.

When you ask a customer for money on a service you performed or on a service or product that has yet to be delivered, remember that trust is reserved for God. If you are invoicing your client, give them a detailed report of what they bought or are buying. If you must ask for payment in advance, make it half up front so that they know you still have a vested interest in delivering on your promise. I work with a mail house that asks for postage up front, but bills me for their time after the job ships. This is fair and makes sense because it covers their initial risk but doesn't really reward their effort until after performance.

If your customer is ready to buy, you've already invested a lot to get them to this point. Don't blow it with unnecessary obstacles.



## 3.3 Reward Customers

You enter a hotel room after a long flight to find the bed turned down and a mint on the pillow. This wasn't in the hotel brochure; no one mentioned it when you made your reservation. They did mention a long list of amenities that they know business travelers love. They made sure they had a competitive advantage. But they held back a few little touches to surprise you and create another positive experience.

It's these little touch points, the unadvertised extras, that build customer loyalty. If they had advertised it, it would have been expected, even demanded. But because they just did it, it's an added bonus, some free bit of value that counts big with the customer on an emotional level. The emotional level is where loyalty is built. All the other

facts and features just act as rational support for a decision the customer has already made.

Giving something extra is what will set you off as a true professional. Regardless of your industry, you can always find something extra to enhance the value the customer received from doing business with you. I recall the woman who designed and made the window hangings in my home. She asks how my wife liked the layout of our furniture and then did a couple alternate drawings that really improved on the layout. A week later she sent us a certificate for dinner for two at a local restaurant. Now when people ask about window hangings or interior design, my wife and I recommend Angela DeHoyas.

I've seen and received unexpected rewards from vendors in a variety of industries:

- An independent home builder provides his customers with welcome baskets.
- A mortgage agent gives his customers a book for important financial documents that already has the mortgage papers loaded in it.
- A printer provides personalized not pads with customers' print orders.
- A plumber makes a follow-up call in nice slacks and a button-up shirt to walk customers through the features and maintenance of their plumbing system.

- An advertising buyer who also works with local sports teams obtains signed memorabilia for other clients.

I'm certain that if you get creative, there are some great touches that you can offer with your product or service. Consider your business and what's available to you that may not be readily available to your client. What is something you can get in bulk that would make a nice add-on or gift? What does your customer love that you can easily provide? I'm not referring to coupons or flyer miles that reward customer loyalty. Rather, this is something that offers an emotional reward all on its own, no additional purchase necessary. As you come up with what you can do to make a better experience for the customer, consider a few simple guidelines:

- Keep the cost low compared to the product being given so that it does feel like a nicety and not something preloaded into the price.
- Make it relevant to the type of service you are providing, making it more of a unique gift from you.
- Don't mention it or make a big production about it afterwards. This may give the perception that you are chasing praise.



## 3.4 Make Your Product Priceless

We've all seen the MasterCard ads with a list of prices that lead to a final event that's priceless. In fact, some Harvard folks got together and wrote a book called *Priceless* discussing this very topic. You can make your product or service priceless by adding the intangibles of your creativity, personality, and genius to create a memorable emotional bond with the customer. This is the Wow factor of your business. It's where the customer gets all tingly and knows that they had an experience beyond the value of their money.

Some experiences that I've found to be priceless:

- Southern hospitality dining in New Orleans
- Banter with a street vendor outside the Metropolitan Museum in New York.

- Fishing stories from the bait boy on a charter boat off the coast of Washington

Each of us can find something about the things we create or the services we offer that is priceless. In most places, the priceless thing you have to offer, the thing they can't buy, is a part of you – part of your personality. Let it shine. It's that little intangible that thrills customers and endears vendors. Find it.

## Section 4:

# Keep Customers

One of the most often overlooked aspects of marketing is retaining the customers you already have. In big companies, marketing people hand this function off to customer service and forget about it. They focus all their attention on gaining new business. A recent example would be Dish Network. They offer their new DVR product to help bring in new business. At the same time, they are loosing existing customers who want DVRs but can't get the same deal as new customers, so they leave and go to competitors for their DVRs. How is Dish Network making their customers feel? Are they valued?

How much less does it cost to communicate with an existing customer versus a prospect? You already know who they are, what they like to buy, and generally what they value. Reaching out to existing customers is your most cost-effective marketing opportunity, the thing that is likely to give you the highest return. You will always lose a few customers to competition, so you do need to keep looking for new business, but your existing customers will always represent your best business.

As you continue to market to existing customers, you need to continue to get to know them. The needs and wants of an established customer are often different than those of the prospect. Consider their changing needs, their matured relationship with you, and the ways their value can increase over time. Never, ever take their business for granted.

## 4.1 Value Relationships

Once a customer has been attracted to your business and has successfully weathered a transaction or two, an interesting dynamic takes place. You begin to establish a professional relationship with your customer. You become friends and establish expectations. One thing your customer expects is that even as professional friends, you continue to offer him competitive pricing and service. These elements are the backbone of the trust you have established.

The fact that your customers continues to do business with you is evidence that they have placed a certain amount of trust in you. Extend a sense of confidence and trust reciprocal to the trust they have shown you:

- Invite them to critique your next piece of marketing material.

- If you are creating a new business card, ask them what they think of the new design.
- Send them referrals whenever possible.
- Ask their advice on professional matters where they are the expert.
- Use their services when needed.

These are the things friends do. As you interact on different levels, you will begin to form a bond that eliminates the need for constant bidding. You will become the vendor of choice. Above all, always perform to your best ability so that your professional performance only serves to enhance that relationship.

One way to think of your relationship with your customer is like a bank account. Every time you deliver, every time you have a confidence-building interaction with your customer, good will is added to the bank account. When you mess up (and you will mess up), good will is withdrawn from the bank account. Never let the account go dry. Delivering on your professional promises is the biggest way to add to the account. Lunch and spiffs are nice, but they add little. Delivering and reporting on what you delivered make for great business relationships.

## 4.2 Keep Attracting

Existing customers should be continually courted with the same materials you would send to prospects. Don't ever make the mistake Dish Network made. Every offer you create for new customers should be extended to existing customers. Every marketing piece you send out to prospects should be sent to existing customers as well. Even if your existing customer is receiving a better deal than you can offer to prospects, let them know about deals for prospects so they will know that they are preferred and so they might pass the offer along as a referral.

As you improve your positioning or expand your offering, you can continue to sell your customers on the value of choosing you over the competition. Your competition is busy trying to take those customers from you,

so you need to make sure you are relentless in your efforts to retain them. You do this by reminding them why they chose you and why they should continue to choose you. No one wants to feel they've made a bad decision. Keep reminding them of what a good decision they've made. And make sure you deliver on that promise.

This additional marketing to existing customers affects your business in several ways: it helps solidify your positioning in the mind of the customer, it reminds the customer of the positive role you've played in their business, and it gives them a tangible piece to share with others.

In addition to sending existing customers the same marketing materials you are sending to prospects, you will want to send them additional materials. These additional materials are a way of reinforcing your relationship with them and giving them a sense of inclusion. This should be something simple:

- A brief newsletter
- An occasional note on the state of the market
- An industry related story you found interesting
- A recipe for success in an area related to your expertise

When you send out this information, you create a sense of friendship. You should be aware of whether your customer want to receive these things, and keep them

short and spaced far enough apart that they are welcomed rather than disruptive.



## 4.3 Reward Loyalty

Note: If you are a mortician, skip this chapter.

Repeat customers deserve rewards, something that says, “You are a preferred customer entitled to special privileges.” Almost every company can come up with some sort of rewards program.

We often think of big companies, like airlines and auto manufacturers, offering rewards programs. They seem like the domain of large entities with millions of customers. That’s not the case. The principles that drive large customer loyalty programs function equally well on a smaller scale. The basic principle is that it is less expensive to offer a little free product than to spend the marketing money recapturing that market sector that spends

the most money. Also, by retaining the biggest spenders, you make up for the discount by selling more volume.

As a self-employed business person, you can create your rewards programs to let long-standing customers know that they are valued above and beyond the next prospect. The sandwich shop on the corner may offer such a program – buy ten sandwiches get the eleventh one free. Consider some guidelines for designing a rewards program that works for you:

- The reward program should encourage increased consumption of your everyday products.
- The reward should be targeted at your direct repeat customer. A foundation plasterer would have a reward program for general contractors, not for home owners.
- The reward should to be something in line with the customer's purchase pattern. Unless you run a t-shirt shop, a free t-shirt is a spiff, not a loyalty reward.
- The reward should be significant enough that the customer feels they have received a reward. Buy 100 sandwiches get your 101st free, may be an insignificant reward.
- The reward program should be simple enough to be described in one simple sentence.

- The reward should be economically feasible for you to give. Make sure you can sustain the reward program.
- The reward should not be supported by noticeably inflated prices. Remember that only a few of your customers will purchase in a way that takes advantage of the reward, so don't raise your prices 10 percent across the board to support a buy ten get one free campaign.

Every company with repeat customers, no matter how small, has an opportunity to create rewards programs. It will take some creative thinking and a real understanding of what your customers value to come up with the right incentive. If you don't know where to start, ask your customers. Tell them you are thinking of offering some kind of customer loyalty rewards and see what they have to say. They may give you a good place to start, and if your lucky, one of them may provide the winning idea you need.



# Appendix: Marketing Budgets

Marketing budgets are hotly debated in corporate America where boards of directors offer warring departments an ever-shrinking budget to divide up. You, however, don't have that problem. As a freelancer, it comes down to a balance between how much you can afford and how fast you want to grow. If you are frugal and patient, your budget may only include business cards and a website. Sometimes in a new business its nice to have a year of slow growth to make mistakes on a small scale. I'd rather find out my price point was unprofitable after two transactions than two hundred. Consider your marketing goals and what it will take to reach those goals. If the number

*Bob Shawgo*

you come up with is less than 10% of your expected revenue, you're probably about right.