

Finding The Right "Mix"

Local business owner learns about the pitfalls of marketing



Aaron Bloch works on a car at his business, Aaron's Autowerks, on South Phoenix Road. He says word of mouth is largely how he promotes his business. Jim Craven

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Editor's note: This is the latest installment in a periodic series on management issues and an RCC training course series for entrepreneurs that addresses those issues.

New businesses want people to know they exist. Likewise, owners need to inform themselves about their market.

Successful proprietors size up the appeal of their products and services as well as costs. They also need to identify the demographic and psychographic (lifestyle) trends in their area.

Finding the right mix isn't an easy task.

Aaron Bloch opened a car repair business on South Phoenix Road in 2006. The veteran aerospace mechanic pursued foreign auto owners driving late-model Volkswagens, Audis, Subarus, Porsche, BMW and Mercedes brands.

He'd like to market his Aaron's Autowerks more widely, but he's still learning about his customer base. Even if he had a clearer understanding of his clientele, he says, unexpected costs have prevented additional marketing forays.

"People's cars are going to break and when they break that's when I need to do sales on my part," Bloch says. "I need to educate car owners about the need for doing scheduled service."

Other than run a series of radio spots, Bloch hasn't relied on traditional advertising.

"I've done some seminars, hosted shows for fundraisers and networked at the chamber of commerce," he says. "But most of my business comes from word of mouth."

When he set up his pricing, Bloch reviewed what he knew to be his fixed costs and then how much he wanted to pay himself.

"It was pretty much speculation based on a minimum value; it was sort of a leap of faith," said Bloch, who previously lived in California and Colorado.

Among the factors preventing more marketing, he says, are property and personal property taxes. His lease agreement includes paying property taxes on the portion of the building he occupies. He's also taxed on equipment and supplies — something he didn't anticipate.

While there was plenty of business in December 2006, he says it trailed off in the last month. He attributes the slower month to higher gas prices, the housing market and Christmas spending.

"People are going to stretch it out before they fix their cars," he says. "If gas prices keep going up, I may have to start repairing lawn mowers."

Weaving the four Ps of marketing — product, price, place and promotion — into a coherent strategy is the goal, says Linda Ballasy, who teaches a small business management program at Rogue Community College.

"Manufacturers and businesses create products and services and people buy them for pleasure, status or whatever," Ballasy says.

"It's important to understand the purchase cycle and who makes the decisions. You need to understand your customer. Are you marketing to consumers or business to business? In those cases, it's a different kind of sale."

While demographics tell about age, income and spending habits, she says, psychographic surveys seek the motivation for buying goods and services.

Such techniques aid businessmen like Bloch to better understand and track clients driving diesel and alternative fuel autos.

"Customers driving cars like that are more environmentally conscious are concerned about what emissions a car produces," Bloch says. "People who are concerned with the environment are probably eating organic foods and it crosses over into their fuel usage. They may be using alternative methods for heating and electricity as well."

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