

Marketing:

For small startup businesses, it helps to begin with a plan, but entrepreneurs also have to leave room for trial and error.



Dave Wyland, owner of Goldsmiths, rebuilds a diamond bracelet Tuesday. Wyland has struggled to find the right mix with advertising. Above right, Steve Johnson, designer for Goldsmiths, prepares a diamond ring for stone setting. Mail Tribune Photo / Jamie Lusch

By **Greg Stiles**

Mail Tribune

January 23, 2008

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.

Small businesses frequently launch operations on a shoestring with expectations and dreams outweighing cash on hand and initial revenue.

So how do startups effectively promote themselves when bank accounts are slim and dollars earmarked for advertising can be summed up as "none"?

Given the proliferation of marketing options, there are no simple answers.

When it comes to investing marketing dollars, each option has strengths and weaknesses, said Linda Ballasy, a small-business management instructor at Rogue Community College's Riverside Campus in Medford.

"What I try to tell (students) is be careful about buying what you needed versus what someone is selling you," Ballasy said.

A formal marketing plan might even reduce the number of misspent dollars.

"I try to get them to write a marketing plan and an advertising and promotion plan that really outlines what they are going to do and how much it costs," Ballasy said. "Then they need to think it all through."

"There's a lot of trial and error," said Retail Profit Systems owner Tom Pepple, who has sold ATMs and provided credit card processing for a decade.

In his business-to-business world, Pepple said face-to-face approaches are far more fruitful than mass mailings.

"Merchants are bombarded daily with mail and telephone calls hitting them with lowest-rate messages," Pepple said. "They don't see a lot of people face to face. We have to look for opportunities in everyday life when we're visiting restaurants and going to the dry cleaners."

Dave Wyland, owner of Goldsmiths, a jewelry retailer and repair shop on Crater Lake Avenue, said he doesn't have a set budget for advertising.

"It's hard to set a budget and stick with it when you don't know what you'll make from it. I'm still experimenting to see what we can get for the dollar."

Wyland invested in software to help him track the reasons customers enter the door. Based on what happened during the recent Christmas season, he's not sure he invested dollars wisely.

"I spent a bunch of money on television and radio and I had my worst month in a while," Wyland said. "I quit spending money, I'm in the hole for December and it will take three or four months to catch up with it."

Now that's not to say he's throwing out the baby with the bath water. Wyland bought a 10-minute segment once a month with a morning AM radio talk show personality.

"It's like an infomercial where we talk about diamonds, prices, repairs and custom work," Wyland said. "We track everything that comes in here and we've tracked \$60,000 (revenue) on a \$1,200 investment."

Ultimately, Ballasy said, advertisers need to think about who they are targeting.

"If you run a commercial once or twice, people aren't going to get it," she said. "They need to see a consistent message three times before they are aware of the product and it can be up to seven times before they purchase."

Another factor is clutter, whether using print or electronic mediums.

"How many ads are running and what's the show or article around you?" Ballasy asked. "Sometimes you can pay (more) for placement where you want to be."

Reach reporter Greg Stiles at 776-4463 or e-mail business@mailtribune.com.