

Report #

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A Chuck McKay *Hands On Marketing* Report

When Customers Are Like

Salmon Swimming Against the Current

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Will customers drive from a bigger community to a smaller one in order to shop?

Water flows downstream. It's a fact of nature. The water carries everything in it's path downstream with it.

Even fish don't swim against the current... oh, wait a minute. Salmon do. Salmon wear themselves out swimming upstream to spawn. Then they die. Marketers who swim against the current tend to suffer the same fate as those salmon. They die, too.

Pulled by gravity, rivers always flow downstream. Pulled by self interest, customers will always follow their own motivation. Marketers who swim against the current are attempting to fight the pull of the customer's self interest.* They could just as well attempt to make the river flow uphill.

Example? Consider a shopper in Rusk, Texas - a community of roughly 5,000 persons. It's easy for that shopper to justify driving to Crocket, Texas (population 7,500) to shop. People from Crocket, however, never shop in Rusk. They drive to Palestine (population 18,000). Of course, you won't find the Palestinians driving to Crocket. They travel to Tyler (population 84,000). Bored shoppers in Tyler drive to Dallas.

When Customers Flow Like Salmon Against the Current is one in a series of *Hands On Marketing* reports by marketing consultant Chuck McKay.

All of the *Hands On Marketing* reports are available at www.ChuckMcKayOnLine.com.

All across America shoppers find larger communities appealing, probably because of the perception of greater variety in shopping choices. Shoppers follow their self interest by pursuing more choices. They flow with the current.

They flow with the current when they go from Arnegard, to Watford City, to Williston, to Minot,

to Bismarck, North Dakota. They leave Baker and flow with the current to Barstow, to Victorville, to Rancho Cucamonga, to San Bernardino, California. You'll see shoppers flowing from Mount Sterling to Grove City, to Columbus, to Cincinnati, Ohio.

Just as a river flows downhill from higher terrain, shoppers always flow from the smaller community to the larger. Neither flows backwards. Advertising in the bigger community to draw customers to your smaller community is as futile as trying to make the water in a river defy gravity.

I was reminded of the effects of swimming against the current when I received this letter:

"I've owned a boat dealership for over 30 years. We are located 1.5 - 2.5 hours northwest of Chicago in an area of lakes where our best customers own a second home. How do I use radio to reach these people?"

A. They are primarily up here only on week-ends in the summer.

B. They live full-time in the greater Chicagoland area where radio advertising is too expensive for us.

C. We have local radio stations, but our customers can still tune in their favorite Chicago area stations.

Over the past few years, I've run a Reed's Marine radio commercial three times a day, seven days a week from April thru August. I've used the two biggest stations in our county, so we are permeating our area. My hope was that I might be heard by my best prospects on a rare occasion, but I was primarily targeting all the people in my county who would eventually mention us when they come in contact with the tourist coming from Chicago on the week-ends.

Do you think "second-hand" radio advertising can have an actual effect ... sort of like second-hand cigarette smoke?"

*Tom Johnson, owner
Reed's Marine*

Second hand advertising?

Yes, it can have an amazing effect. Another name for it is "word of mouth." It's also known as your professional reputation, the sum of the experiences customers have had with you. This personal experience factor determines whether any individual customer will be a good source of word of mouth.

Exceptional experiences turn shoppers into customer evangelists. These are people who

can't wait to rave to the world about your exceptional business. (Of course, give them a bad experience and they could just as easily become vigilante customers - also eager to tell the world about your business).

So whether you call it word of mouth or professional reputation, those personal experiences drive repeat business, referral business, and collectively drive first-time business. Yes, "second-hand radio advertising," works. It's also one of the requirements of business success.

But Tom actually asked two questions, didn't he? The second, the unstated question, wasn't about professional reputations, or customer experiences, or referral business.

Tom wonders if he can make the river flow uphill.

He wants to know if his situation is different enough to justify advertising in Chicago.

It's not.

The biggest waste of money in advertising happens when a business spends its budget, but didn't invest enough to persuade anyone. Compare it to buying a ticket three-quarters of the way to Europe. You spent your money, but still didn't arrive.

The first problem is the sheer size of the Chicago market. The number of people in Chicago who own homes in Delavan is going to be a tiny fraction of a tiny fraction of a tiny percentage of the population.

In order to reach that miniscule segment of the market, you're forced to also address the rest of the Chicago audience. And Tom, you can't afford enough repetition of your ad on Chicago radio stations to effectively persuade anyone.** Like the salmon using all of its physical resources swimming against the current, you're going to expend your financial resources fighting the inclination of all of those radio listeners to shop in bigger communities.

There is a practical way, though, to pursue that tiny fraction of Chicago's population.

Stop using mass media.

Start making personal contact with Chicago residents who own homes in Delavan. The good news is it's easier, and less costly, to make that personal contact once they've already arrived.

- In most communities you can find the names and addresses of all new homeowners at the courthouse (or wherever the deeds are recorded). These are highly-targeted potential customers. Consider a "Welcome to your new home"

letter to those folks, and include a CD ROM of the e-book you offer on your web site: The Five Biggest Mistakes People Make When Buying A Boat. Perhaps you could make that letter a full package of "welcome" gifts. Be sure to keep testing different letters and keeping very careful records of your expenses and conversion rates. Whenever you determine that one works better, dump the old one.

- Find locations that tourists frequently patronize... restaurants, gas stations, and local service businesses. Any possibilities for flyers? Display ads in those locations?
- Find referral partners. Team up with other local businesses who's reputations are as good as your own; non-competitors who share your customers. Exchange sales leads. Support one another, publicly and privately. Start with the realtors, motorcycle / ATV dealers, and sporting goods stores.
- Consider a "boat out" on a weekday evening. Take some of your best-selling models out on the water and invite local folks (as well as any visitors in the area) to look and ride. Make it a party atmosphere. Tie in a local restaurant or caterer. Get some local artists to show off their work. Find some local musicians to perform. Most of those folks will participate for the publicity. Twist the arm of your Chaparral Boat representative to pick up any out-of-pocket costs.

These personal contact ideas are not replacements for your primary marketing plan, which will include local mass media. Any can be added to a good plan, however.

What you've told us about Reed's Marine's radio strategy appears solid. Long term, twenty-one ads per week will be sufficient on most radio stations, provided that you're targeting relational shoppers.

I'm also assuming that your ads are customer focused. You are personally involved in the writing of those ads, aren't you? Please don't leave it up to the local radio stations. We already discussed the power of word of mouth. If your message isn't worth repeating, it won't be repeated.

A few additional points to consider

- Maximize your local media impact with heavier schedules early in the season and heavier schedules on weekends throughout the season.
- Purchase gift certificates for dinners, concert events, or movies. Offer them to your local radio stations as give-away items. *"Be the 9th caller and win a family four-pack of movie tickets, courtesy of Reed's Marine in Delavan."*

- Consider billboards on the main roads into town. In some small communities, especially those with few roads into town, three or four boards can provide as much as a 100 showing.
- Your web site is very well done. Crisp, clean, informative, and easy to navigate. I'd suggest that you add the free download of your e-book to the home page as well. (More companies should be following your lead in this area - its an excellent piece.) Also consider making a link from your home page to the "Reed's Marine Pledge To You" statement. You can't go wrong telling customers what's in it for them. Tell them early and often.

Most advertisers in a smaller communities can afford enough frequency in local newspaper or radio to persuade local shoppers to come do business. You're already doing the things most businesses should be doing. Stick with your existing strategy, and when tempted to purchase advertising in Chicago, remember what happens to the Salmon. Don't wear yourself out fighting the current.

* Please don't confuse comments about marketers swimming against the current as a condemnation of any contrarian philosophy. Contrarians find opportunities in serving the existing needs of customers which other businesses are ignoring.

** There is one possible exception in which Chicago radio could pay off, but it's a long shot.

Are there outdoor shows in the Chicago area sponsored by Chicago radio stations? Is the attendance at those shows such that you could justify your involvement?

Many of the stations will tie your involvement in the show to purchases of advertising packages. Your mission is to get the largest number of announcements with the financial investment they require. See if they'll let you exchange prime time ads for overnight placement to increase frequency, then concentrate those between 4am - 6am, especially Friday and Saturday. Consider sponsoring Friday evening or Saturday traffic reports.

And remember, the primary value of this strategy is to get face-to-face with potential customers at the outdoor show. The radio schedule is the price of your participation.

About Chuck McKay

Chuck is a teacher. He just can't help it. He's compelled to reduce complex marketing issues to elegantly simple and easily remembered explanations

Chuck's clients are quite vocal about his work. And since no two clients have the same needs, his services are designed to be easily customized.

1. He will teach you to effectively market your business.
2. He will teach you whether the marketing professionals you work with really understand what they're talking about.
3. And if you discover that you don't like handling your own marketing, he can quickly assemble a cost-efficient team of professionals who understand your goals to get it done for you.



Chuck is a frequent guest speaker at meetings of civic organizations, marketing groups, and business associations.

He has been a regular contributor to *Radio and Production* magazine as well as Southern California's *Business Journal*. His columns and marketing commentary are featured online at AllBusiness.com, and AmericanSmallBusiness.com.

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