

# The 7 Areas of Marketing Waste

## *Are You Committing These Deadly Marketing No-No's?*

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If you want to reduce waste and grow your business it can be useful to know where to look. Marketing waste is usually most apparent in these 7 key areas:

1. Activity (over production)
2. People (over capacity)
3. Processes (over complication)
4. Waiting (poor communication)
5. Excessive Communication Costs
6. Trial and Error
7. Excessive Lead Costs

### **1. Activity (over production)**

Too many people doing too many different things. Thousands of brochures produced with no clear plan how to get them in the right hands. Twenty different networking meetings on the horizon, with no time to follow up.

Over production and too much activity is usually a symptom of poor planning. You're not quite sure what you aim to achieve, but there is budget (or time) to spend and any marketing activity is seen as good activity.

Performing lots of different marketing activities without first having a clear vision and strategy in place is a massive area of waste. Your business may perform well as a result of so much effort (and cost), but how do you know what is working and what isn't?

Measuring ROI on activity is essential. This will enable you to focus more effectively on the successful activity and completely remove the need for unsuccessful or wasteful marketing approaches to free up capital as profit or to fund other business improvement initiatives.

### **2. People (over / under capacity)**

Too many people involved in the marketing process can also be a big area of waste. In particular, full time marketing managers can waste a lot of time choosing where to spend your money on promotion.

The marketing director or CEO needs to be able to enlist good marketing advice and planning as it is needed and then allow experts outside the company to implement the necessary action. There is no need for an internal marketing manager to oversee this if you use the right marketing consultants. By carefully retaining the services of a marketing consultancy you can gain access to a range of experience that no single individual can ever hope to possess. You can then recruit a more junior but bright person from within your company to liaise with your consultants and yourself.

You can never truly know if your marketing manager is working at full steam and I'm certain that they won't tell you unless they want more budget to spend on the next CV enhancing fad.

If you are a marketing manager reading this, then be honest. Maybe you should talk to your boss about a more flexible retained position. This way you can look for other contracts and build your exposure to more businesses that will enhance your ability to perform well.

If you're a solo or very small business, then the "people" doing your marketing may be just you and you may be suffering from a serious **lack of capacity**. There comes a time when your lack of time causes waste for your business and holds you back. You must seriously look at the skills gap and address the needs of your business (and your sanity!).

### **3. Processes (over complication)**

Lean Manufacturing deals with the process of moving an order through your supply chain and to your customer. But in this case we're talking about the marketing process. This deals with acquiring the customer in the first place and how you handle your customers once you have them. For this we use the Lean Marketing Pipeline.

To understand your present state you need to map the processes of communication, customer acquisition, customer processing and customer relationships. Then you need to make sure that there are no non-value adding activities. This will enable you to eliminate steps in the process that have literally become bad habits. Get the book on Moments of Truth at <http://www.leanmarketing.co.uk/products>

Getting your sales and marketing process right will enable you to reduce the cost of gaining new business, dealing with your customers and upselling new services and products.

Other important things to include when refining your processes are measurement tools. Once you begin to measure success against strategic key performance indicators you will have the information to continuously improve and reduce waste even further. If your customer facing processes work well you will also find that customer satisfaction will improve.

### **4. Waiting (poor communication)**

An over hierarchical communication structure can make it very difficult to take action quickly. This lack of flexibility can cause waste in the form of missed opportunities and unnecessary inaction. If the people responsible for implementing marketing for your business are inactive then you are wasting money. We're not just talking about the hierarchy in your business (you may not have one) - we're talking about the hierarchies that affect your marketing consultancy, web developer or ad agency.

If you see marketing as a fundamental part of your business then waiting is rarely a problem. If the CEO or board view marketing as separate from the business, then lower priority will be given to spending and decision making in this area.

Changing communication policy or empowering people closer to your marketing activity with limited (and accountable) financial independence will help to overcome this problem. So too will properly communicated goals and guidelines.

### **5. Excessive Communication Costs**

Traditional methods of communication - mail / fax / phone / in-person are relatively expensive, and though still essential, need to be mixed with other more cost effective methods. The Internet is a powerful way to reduce communication costs, but still far too few businesses embrace it as such.

Let's say that you produce a monthly printed newsletter for your customers. This will involve cost at the following stages: design; copywriting; editing; printing; packing; distribution. Now imagine the same idea using email. The cost areas are: design; copywriting; editing;

distribution. Firstly, there are fewer steps (less time) in the email process, but when you look at the steps that are omitted you'll also find that they are the costs that escalate (stamps, envelopes, printing) as you communicate to a growing audience.

How many times do your people get asked the same questions? Every time they answer a frequently asked question they are performing a duty that does not add value but can't be ignored. Simply using your website to provide general advice and FAQs (Frequently Asked Questions) could reduce your costs (Freephone support line) and free up your people's time to perform more productive, value added duties.

## **6. Trial and Error**

Trial and error is the inherent waste involved in all marketing. But simply accepting this fact is not good enough. There are ways to reduce the guesswork as well as reducing the cost of targeting and increasing conversions.

The biggest failing of most traditional marketing promotion is that it relies on interrupting people when they aren't necessarily looking for the product or service you have to offer. Just think what happens when you are watching your favourite TV show; the advertisements are a useful break to make a cup of tea or go to the toilet. They aren't providing something you were actively looking for by watching TV.

Advertisements in glossy magazines interrupt you when you're in the middle of an article. They may improve your awareness of a product or service but you'll rarely welcome the opportunity to read them - you'll ignore them! The bits of paper and advertisements that are shoved into magazines and Sunday newspapers are also wasteful. If you're like me then I bet you simply shake the magazine until all of the annoying bits fall out and then throw them in the bin.

You need to find places and procedures for attracting people to look for your solution and find you without interrupting them. A correctly designed and marketed website is the ideal solution.

## **7. Excessive Lead Costs**

What do you currently have to do to find new leads? If you're in B2C then list brokers are useful, but as soon as you buy a list you're well aware that the information will be out of date (instant waste). So you pay for your own people or a telesales agency to clean the list. Then you may only get one shot at this list before you pay again. See the problem?

B2B businesses should almost never buy lists. The Internet has opened up a whole range of opportunities for finding information to build your own database.

Every other element of waste involved in promotion (especially trial and error interruptive marketing) is wasting money. You need to look at the important elements of a process and remove the unnecessary. Then with what's left, ask yourself, "How can we do the same thing cheaper?"

Reducing lead cost can also be achieved by selling more to your existing customers and building referral streams.

Before you make assumptions you'll need to measure. There are plenty of people who don't even know how much each lead costs or more importantly how this can be calculated.

So, how many ways can you see for reducing the waste in your marketing? Why not spend a few minutes now to consider how the 7 areas of waste are affecting you?"