



Marketing on a Shoestring Budget



JCADVANTAGE
marketing & consulting

Helping your company scale, grow and change

© 2020 Judy C. Arnold, JCA Advantage, LLC • JCA Advantage.net • jcarnold@jcadvantage.net



TABLE OF CONTENTS

Marketing on a Shoestring Budget Overview	3
Marketing Defined	3
Marketing Strategies.....	3
Content Marketing Strategy	4
Search Engine Marketing	5
Guerilla Marketing	6
Public Relations.....	7
Direct Response	8
Direct Mail.....	8
Email marketing	8
How Much Should You Spend on Marketing?	9
What Results to Expect	10
Key Marketing Technology Tools	11
Email.....	11
CRM.....	11
SEO/Analytics	11
Freelance Resources	12
No Cost to Low Cost Marketing Tactics	12
Building a Marketing Plan	13
Summary	13
References	14



Marketing on a Shoestring Budget Overview

Small businesses often recognize the need to launch some form of marketing yet don't always quite understand that true definition—or what it costs. As a marketer, at a company with limited funds for marketing, it can feel like being asked to climb a mountain with two hands tied behind your back. Or, another great scenario it reminds me of is the [“Ducktape and Cardboard”](#) scene in Apollo 13.¹ (You know, like fitting a square peg in a round hole?!)

So, how do you determine the right things to do and a reasonable amount to spend? To answer that question, it's important to first be clear on the definition of marketing and understand the various strategies and tactics available, to establish some benchmarks for budgets, identify resources needed and build a plan.

Marketing Defined

According to the American Marketing Association, “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offers that have value for customers, clients, partners and society at large.”² To put it more simply, marketing is promoting your products and services to your prospects and clients and communicating the benefits to build awareness and drive sales. It's an investment—not an expense. It's about creating the critical foundation to establish your firm's brand image and support sales in closing deals.

Marketing and sales need to work hand in hand and be integrated. Although the functions can overlap and even be shared, there are distinct differences. While marketing informs your audience about your products, services and solutions, sales is responsible for reinforcing the value. Marketing campaigns generate interest and attract leads. It's up to sales to close deals, converting prospects into clients. Big picture marketing strategies are required to focus on the long term while sales professionals have to keep long-term objectives in view but concentrate on short-term sales goals (quotas, monthly, quarterly and/or annual targets). Target marketing and segmentation of large groups is the responsibility of marketing while sales targets subsets of those groups.



Marketing Strategies

Marketing strategies have evolved dramatically over time as print and broadcast media expanded to include a variety of digital media options. Today, it's important to recognize which of these forms reach your audience and to integrate an effective blend and balance for maximum impact. Plus, what has typically made an organization successful may not always sustain ongoing growth. You need to innovate—not only by developing new products or services but by experimenting with new and creative marketing approaches.





For small or mid-sized businesses with limited marketing funds, there are several key strategies that can be implemented using internal staff and free or low-cost tools and tactics.

Content Marketing Strategy

"Content marketing is the strategic marketing approach of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience—with the objective of driving profitable customer action." The intent of this strategy is to share valuable information with your audience,

illustrating you understand their challenges and offering perspectives and solutions. **You need to earn the right to pitch.** And over time, showcasing your expertise will earn you credibility and trust, ultimately rewarding you with the business and loyalty of your prospects and clients. ³

Content marketing focuses on why, how and what...

- Why? To create customer experience and build business outcomes
- How? By sharing best practices and methodologies
- What? About issues related to the products, services and solutions that you offer

Inbound marketing is a non-intrusive, 'soft-sell' approach. The goal is to take advantage of publishing content intent on capturing the attention of your audience and getting them to take action by engaging with the information that you shared. Examples include posting a blog on your website, linking to your content on social media sites, implementing natural or paid search engine marketing strategies or through public relations efforts. The idea is to 'pull people in' by having them express interest and respond to your Call to Action (CTA).

Outbound marketing is a more direct approach and very effective for specific offers. Using email to invite respondents to register for a webinar or a conference is one example. Placing telemarketing calls to your target audience is another method.

I firmly believe, that old-fashioned 'cold calling' is dead—and quite unwelcome among management and executives. However, 'informed' or 'warm calling' is acceptable when you do your homework and can make a call that is well targeted. It's as simple as checking out the individuals' LinkedIn profiles and other social media sites to see what their interests are, who they follow and what articles they comment on. Check out their company website and search online for any relevant news. Warm the call by physically mailing a creative package and/or sending an introductory email before picking up the phone. If you can uncover a challenge or opportunity and present a solution by reaching out to them in multiple ways, they may take your call.

In addition to these two key marketing strategies, providing **sales enablement** tools for your sales team will allow them to reinforce your messages and convert prospects to clients. These assets include presentations, proposals, articles, product brochures or other literature and case studies.



Search Engine Marketing

The terminology for how to take advantage of search engines can be confusing to even experienced marketers. Technology advances have opened up access to incredible amounts of online data. But, the formulas change and get updated frequently, while new methods for digital marketing constantly develop. That said, let's simplify and break it down.

Search Engine Marketing includes paid and free (or natural/organic) methods that help with immediate exposure, ongoing communications and long-term visibility for your brand. All methods require initial key word and competitive research to be effective.

For immediate exposure, **Pay Per Click (PPC) advertising** can serve as a direct lead generation channel that allows you to control your messaging and quickly test and refine it. That allows for immediate visibility in search engines and helps boost your listing to the top of the Search Engine Results Pages.

Social media marketing is a strategy that can establish one-on-one connections with your audience and allow for real-time feedback and interactions. You can create and enhance relationships with prospects, customers and partners using various social media sites for ongoing communication. With a sizable following, you can also use social media for research.

In 2019, it's estimated that over 2.7 billion people were using social media and that it will hit 3 billion by 2021. There are over 50 social media sites that can be used to build your brand. It's important to understand which social media platforms your customers are using and engage with them there. Generally, for business-to-business organizations, LinkedIn is the place to be while Facebook is better suited to consumer targets. Remember, however, that other characteristics of your audience need to be considered since Instagram, for instance, is most popular with the 18-34-year-old age group.⁴

For any size business, you need to narrow your focus to what you and your team can manage that will return the greatest impact. Social media is about engagement—not just posting content and walking away. You need to commit to consistent content development and posting, respond, interact and follow up.

Following the 5-3-2 rule⁵ is an excellent content management strategy to use when deploying social media posts. Remember, you need to earn the right to sell, so do not pitch when pushing out marketing content. Instead, content should focus on your audience, not you or your company. For every ten posts:

- 5 should be content from other sources that are relevant to your audience: **curation**
- 3 should be content you've created, that's relevant to your audience: **creation**
- 2 should be personal, fun content that humanizes your brand to your audience: **humanization**



Search engine marketing is intended to drive your audience somewhere else online—either an exclusive landing page when you want a very specific direct action—or your **website**, to encourage engagement on additional pages. An effective website announces that you’re open for business! It’s a critical foundation for any business today that provides credibility and opportunity for you to broaden your reach.

There are basic elements you need to consider when launching or enhancing your website.

- Clearly state what you do and what makes you unique.
- Display strong CTAs (Calls to Action) prominently on every page.
- Feature a Contact Us button in sticky nav.
- List services and products simply and logically—ask your clients for input.
- Showcase client logos, testimonials or industries you serve.
- Illustrate your expertise through thought leadership insights—blogs, articles, e-books, videos, white papers and other content.
- Include a simple sign-up form to get ongoing communications (just email and name).



According to the Forbes Agency Council, from responsive design to actual content, you need to think about what message your website is sending to visitors. Layout, design and user experience play a huge role in customers’ perception of your company. (See chart for the council’s recommendations of the 13 most important elements for designing a website.)⁶

Guerilla Marketing

According to Hubspot, despite the intense word, “guerilla,” guerilla marketing isn’t about rebellion, conflict or combative marketing. Instead, it plays on the element of surprise—using unconventional campaigns to catch people off guard during their daily routines. The goal is to get maximum results with minimal resources. Types of guerilla marketing include outdoor, indoor, events and experiential campaigns.⁷

Here are two examples that better illustrate this approach.

Frontline Image Source: [Marketing Ideas 101](#)



Frontline purchased floor space in a multi-level mall. From the second story, customers could lean over the floor and look down on an image of a giant dog that is scratching its ear. The tag line is, “Get them off your dog.” From the second floor, the people walking across the floor look like small bugs or fleas—making customers look twice at the ad for an attention-getting, “ah-ha,” memorable moment.⁸



Image Source: [ALT TERRAIN](#)

To promote a new line of undergarments, the **GoldToe** brand placed an enormous pair of briefs on an iconic charging bull and other statues in New York. Street traffic clearly had to do a double take—if only briefly!⁹

Public Relations

Seth Godin noted that “marketing is no longer about the stuff that you make, but the stories you tell.” Public relations is about telling your story to build brand awareness, trust and credibility.

Since the term was coined in the early 20th century, the practice has evolved dramatically. Early definitions emphasized press and publicity while now the focus is on engagement and relationship building. “At its core, public relations is about influencing, engaging and building a relationship with key stakeholders across numerous platforms...to shape and frame the public perception of an organization.”¹⁰

“Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics.”

– PRSA



Content is the foundation to fuel distribution of your thought-leadership perspectives and sharing of other relevant, expert opinions. *News media* is key for attracting attention to your company and building your brand. Mentions from highly reputable and credible news organizations are incredibly valuable—these objective opinions are much more powerful than paid advertising. *Social media* is a critical channel to not only share your point of view but to also engage with prospects, clients, influencers, media and referral sources. And, depending on your industry, product or service, a process should be created to prepare appropriate and timely communications in response to any potential *crisis*.

Used effectively, public relations can help develop your brand identity, build consumer interest and grow consumer trust.¹¹

Direct Response

Direct response marketing is a strategic approach where organizations send prospects or customers targeted messages or offers to drive a specific action—like buying a product, reading your content, registering for an event, etc. Although almost any channel can be used as a direct response tactic, such as a billboard with an 800# or an online ad offering a discounted product, direct mail and email marketing can more easily and cost-effectively be segmented, targeted, managed and executed for small businesses.

Direct Mail

Since the advancements of technology over the past 10-20 years have typically seen marketers investing more heavily in digital ads, the physical mailbox is now virtually empty. This is a fantastic opportunity to get attention due to less physical mail clutter and competition.

During the 2000s, while managing lead generation for a business-to-business, financial services firm, we found that sending dimensional direct mail packages and following up with outsourced telemarketing calls allowed us to schedule appointments with 10-20% of our targets (mostly CFOs). And, most salespeople I talk to today tell me sending a mailing then placing a call still works!

Currently, I'm a big fan of a creative, turnkey direct mailer, [ShipShapes™ by Imageworks](#), that produces and sends high-impact, non-rectangular, die-cut dimensional direct mail—without an envelope. Stock die-cut shapes, or your own custom design, stand out and capture attention.

Don't forget, however, that creative is only partially responsible for driving results. The age-

old marketing 40-40-20 rule still applies: 40% of response is attributed to the offer, 40% to the list and 20% influenced by the creative.

Email marketing

Email marketing has become one of the most common marketing tactics due to its relative low cost and ease of execution. There are various free email marketing tools available with basic templates that can be used to create an email campaign. Quite often, small business owners handle email marketing themselves but you can also outsource to freelancers or agencies for copy, design and execution. Smart businesses capture customer data—especially emails—for periodic communications, special offers, invitations, etc. Email marketing is very effective for educating your audience, ongoing nurturing, event invitations and product announcements.

It's important to remember that clients who are familiar with your brand, products and services are much more likely to open your email just based on seeing the sender is someone they know and trust.



Getting cold prospects to open emails—and respond to them—is, however, much more difficult depending on the level of brand awareness, relevancy and the value of the offer.

Response rates are impacted by many variables so it's important to test and see what works best for you. For instance, responsive design is critical since over half of emails are opened on a mobile device. And, almost half of users open an email based on the subject line.¹²

How Much Should You Spend on Marketing?

“The U.S. Small Business Administration recommends spending 7 to 8 % of your gross revenue for marketing and advertising if you're doing less than \$5 million a year in sales and your net profit margin—after all expenses—is in the 10 to 12 % range.” Depending on the maturity of your firm, how long you've been in business, and the competitive environment, start-ups and small businesses have been advised to spend anywhere between 1 and 10 % of revenue.¹³

A 2017 CEB study indicated that business-to-business firms generally spend between 2-4%—which narrows the range and would be a reasonable and conservative starting point.

Of course, this is a broad range so it's important to consider other variables as part of the formula to determine your budget.



YOUR BUSINESS
MATURITY—NEW
OR ESTABLISHED



COSTS OF
PRODUCTS AND
SERVICES



VALUE OF A NEW
AND LONG-TERM
CUSTOMER



MARKET
CHANGES,
COMPETITION
AND
OPPORTUNITIES



NEW PRODUCTS
OR SERVICES TO
PROMOTE

- *Business maturity*—new or established. A new business may need to spend on the high end to build brand awareness while an established firm may be able to reduce brand advertising after building credibility.
- *Costs of products and services.* Enterprise organizations that generate thousands of dollars or more on a new deal should invest proportionately to find new clients. But small businesses need to look at the value of a sale and set budgets appropriately. (A car dealer may mail out videos to potential buyers while a local ice cream shop may mail residents coupons through a shared coupon pack mailer.)
- *Value of a new and long-term customer.* Look beyond the initial sale to understand life-time customer value and use that as a guide for what you can invest to acquire a new customer.
- *Market changes, competition and opportunities.* A new competitor may require increased advertising to maintain market share. Changing market demands might also provide an opportunity to offer a new product or service or adaptations to an existing one.



- *New products or services to promote.* Marketing new products or services may require a shift in marketing budgets—how much is spent or how it is spent. If you need to reach a new audience or reengage existing customers, it may require additional funding.

What Results to Expect

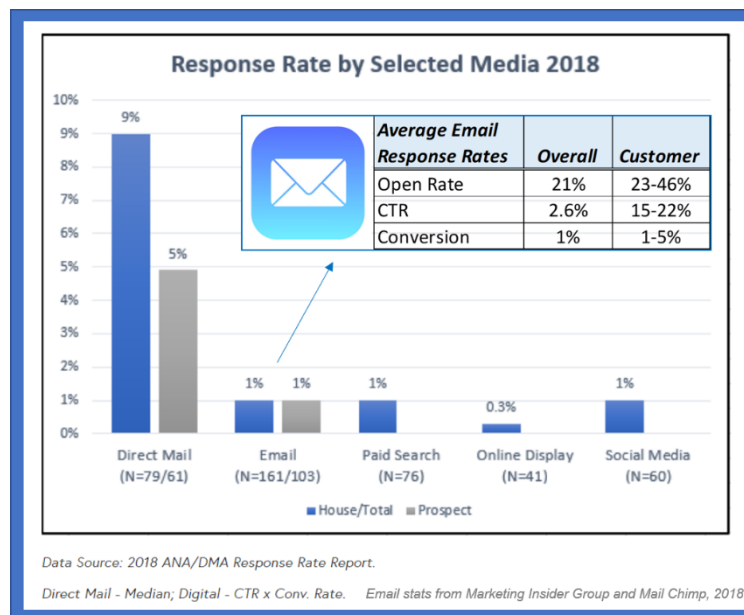
An integrated approach, allowing you to reach your prospects and customers at the various places they spend their time and search for products and services, will provide the biggest impact. Frequency is also critical to continue to expose your audience to your

“5-9 exposures...most optimal for driving brand awareness”

brand so they remember you when they have a need for what you sell. Based on extensive research by News America Marketing and NAM Digital Insights, 5-9 exposures are deemed to be the most optimal level for driving brand awareness while 10+ exposures are the optimal for driving purchase intent.¹⁴

Depending on what social media and websites your audience reads, and where they are geographically located, it's best to include a mix of online digital advertising as well as email, direct mail, events, sponsorships and other marketing strategies and tactics. This decision should also be influenced by looking at benchmark results for similar tactics and businesses to formulate your own expected impact and return on investment.

Response rates vary for prospects and customers with current clients typically responding at a higher rate due to their familiarity with your brand. Averages can skew results due to this disparity. That said, looking at results reports gives you a frame of reference for your expectations.



The 2018 DMA Response Rate Report showed a dramatic increase in **direct mail response rates** over the early 2000s. According to the report, direct mail response rates to a house list averaged 9% while a prospect list generated a 5% response. The average between 2003 and 2015 was 3.6% and 1.6%, respectively. A key takeaway indicated that letter-sized direct mail performed the best for lead generation with a 15.1% response rate.¹⁵

Additional benefits of direct mail:

- 29% return on investment
- Postal mail is opened 9 out of 10 times
- 75% of people who receive direct mail can recall the brand¹⁶



While up to 90% of direct mail gets opened, it's 20-30% for **emails**.¹⁶ Benchmarking studies show an average open rate for email marketing across all industries at approximately 22% and an average click-through rate of almost 3%. Be sure to check out specific industry response rates for a valid comparison for your business.¹² Also, when evaluating your expected return on investment, depending on the type of direct mail that you send and the related expense, average email cost per acquisition is \$22.52 vs. direct mail which is significantly more at \$43.90.¹⁶

Search network, or text ads, have an average click-through rate (CTR) of 4.1% and an average conversion rate of 3.48% while **display**, or banner ads, have an average click-through rate (CTR) of 0.6% and an average conversion rate of .72%. A key reason for this difference is user intent—respondents to text ads were searching for a term while display ads 'follow' people around on websites hoping to attract their attention and interest.¹⁷

Social media advertising in business-to-business (B2B) is generally used for building a brand, increasing loyalty and growing a following. It can be more effective for consumer purchases when advertising sale events or special offers. According to Social Media Examiner's 2018 Social Media Marketing Industry Report, 78% of marketers who have used social media for two or more years report increased traffic to their websites. LinkedIn is the tool of choice for B2B marketers and can drive up to 70% of website form completion.¹⁷

Key Marketing Technology Tools

As organizations ramp up marketing efforts, it becomes critical to have the right technology tools for cost-effective, efficient and successful implementation of marketing programs. You can get started with free software applications and increase functionality as your business matures.

Following are some brief lists of technology you may want to consider based on researching various industry expert opinions and recommendations for small businesses. Sources referenced, that provide helpful guidance, include PCMag.com, Search Engine Journal and FinancesOnline.

Email

- [Constant Contact](#)
- [HubSpot](#)
- [MailChimp](#)
- [sendinblue](#)

CRM

- [freshsales](#)
- [HubSpot](#)
- [Insightly](#)
- [pipedrive](#)
- [Salesforce](#)
- [Zoho CRM](#)

SEO/Analytics

- [Answer the Public](#)
- [BROWSEO](#)
- [Google Analytics](#)
- [Google Search Console](#)
- [Ubersuggest](#)
- [Can I Rank?](#)
- [Semrush](#)
- [woorank](#)



Freelance Resources

Freelance, temporary or contract resources can be a great way to supplement your team without committing to additional full-time employees when your marketing needs are sporadic, or if you need specific expertise beyond that of current employees.

There are various recruiting firms that specialize in providing creative resources like copywriters, designers or digital marketing experts for project work or on a short-term basis. In addition, for anyone who uses LinkedIn, there is no cost for users take advantage of LinkedIn [ProFinder](#) to find consultants or contractors through this online search and proposal system. An additional web service that many small businesses use is [UpWork](#), which is an online tool free to clients looking for resources with a range of experts from entry level to intermediate and experienced, with fees relative to experience. A variety of marketing consultants and agencies can also help with everything from strategy to implementation and can be found through referrals, local chambers, online searches and LinkedIn.

No Cost to Low Cost Marketing Tactics

There are a variety of ways to get started with marketing programs on a limited budget. Of course, it does depend on the expertise of the business owner and existing employees. Using internal resources, you can take advantage of content marketing to attract prospects and clients by writing and posting blogs on your website, sharing links to your blogs or other relevant articles on social media, creating presentations, proposals and brochures (with current tools like PowerPoint and Word), pre-recording webinars using free or low-cost online tools and sharing them online, sending emails or letter-sized mailings, and placing outbound calls.



Investing in external resources will allow you to shift the workload to experts and rely on them for objective opinions, broader expertise, new and innovative ideas and faster turn-around times for a quicker go-to-market strategy. Consultants, contractors, freelancers or agencies can provide strategic direction and implementation support. That includes ghost-writing, email campaigns, creating professional brochures, supporting

trade shows by creating exhibit booths and promotional give away items, assisting with managing live, in-person events or webinars, creating integrated lead generation programs (digital and/or direct mail) and conducting outbound telemarketing campaigns. They can also help to assure proper tracking is set up as well as manage reporting and analysis to help you learn, refine and improve results.

While evaluating the various marketing approaches or channels you might want to try, it's important to do some homework to understand your costs and potential return relative to your available budget. And even more importantly, before jumping into tactics, you need to build a plan.



References

1. "Ducktape and Carboard" scene in Apollo 13, filmed in 1995, <https://www.youtube.com/watch?v=f6F6MzMT2g8&t=1s>
2. American Marketing Association, 2017, <https://www.ama.org/the-definition-of-marketing-what-is-marketing/>
3. Content Marketing Institute, <https://contentmarketinginstitute.com/getting-started/>
4. 50+ Social Media Sites You Need to Know in 2019 by Influencer Marketing, updated December 2, 2019, <https://influencermarketinghub.com/50-social-media-sites-you-need-to-know/>
5. *Explained: The 5:3:2 Rule for Social Media*, by Matt Byrom, April 9, 2018 <https://www.business.com/articles/explained-the-5-3-2-rule-for-social-media/>
6. *13 Important Elements To Include When Designing A Website* by the Forbes Agency Council, October 13, 2017; <https://www.forbes.com/sites/forbesagencycouncil/2017/10/13/13-important-elements-to-include-when-designing-a-website/#1a99657668de>
7. *What Is Guerilla Marketing? 7 Examples to Inspire Your Brand*, by Amanda Zantal-Wiener, HubSpot, July 30, 2018; <https://blog.hubspot.com/marketing/guerilla-marketing-examples>
8. <https://marketingideas101.com/marketing/5-great-guerrilla-marketing-ideas/>
9. <https://altterrain.com/guerrilla-marketing-agency-advertising-creative-ideas-examples/>
10. <https://www.prsa.org/about/all-about-pr>
11. *Five Things Great PR Can Help Your Brand Achieve* by Suki Mulberg Altamirano, Forbes Councils Member, Jan. 30, 2018; <https://www.forbes.com/sites/allbusiness/2017/04/18/from-ph-d-candidate-to-seo-guru-brian-dean-of-backlinko-reveals-how-he-achieved-seo-success/#6625fde36efc>
12. *Email Marketing Conversion Rate Comparison* by Johanna Rivard, Marketing Insider Group by Johanna Rivard, March 8, 2018; <https://marketinginsidergroup.com/content-marketing/email-marketing-conversion-rate-comparison/>
13. *What Percentage of Gross Revenue Should Be Used for Marketing & Advertising?* by George Boykin; Reviewed by Jayne Thompson, LLB, LLM; Updated March 01, 2019; <https://smallbusiness.chron.com/percentage-gross-revenue-should-used-marketing-advertising-55928.html>
14. *How Do We Determine the Optimum Mix of Reach vs. Frequency?* News America Marketing, April 22, 2019; <https://www.newsamerica.com/news/how-do-we-determine-the-optimum-mix-of-reach-vs-frequency/>
15. *The Latest Direct Mail Response Rate Data from DMA Will Leave You Speechless* by Debora Haskel, January 16, 2019; <https://www.iwco.com/blog/2019/01/16/direct-mail-response-rates-dominate-other-channels/>



16. Direct Mail Statistics That Will Have You Running to the Post Office by Ivana Vojinovic, September 17, 2019, smallbizgenius; <https://www.smallbizgenius.net/by-the-numbers/direct-mail-statistics/>

17. The 2019 Marketing Benchmarks Cheat Sheet by Amy Cook, March 3, 2019, The LinkedIn Marketing Blog; <https://business.linkedin.com/marketing-solutions/blog/best-practices--marketing-metrics/2019/the-2019-marketing-benchmarks-cheat-sheet->

18. Marketing Plan Template: Exactly What To Include by Forbes Contributor, Dave Lavinsky, September 30, 2013; <https://www.forbes.com/sites/davelavinsky/2013/09/30/marketing-plan-template-exactly-what-to-include/#121945053503>

For help lacing up your shoes to hit the ground running, contact Judy C. Arnold, founder, JCAAdvantage, for a free 15-minute phone consultation.



JCAADVANTAGE
marketing & consulting

Helping your company scale, grow and change

© 2020 Judy C. Arnold, JCAAdvantage, LLC • JCAAdvantage.net • jcarnold@jcadvantage.net

