



WHY SUCCESSFUL BUSINESSES STILL NEED TO MARKET

By Mike Shubic – Your Marketing Coach

Everyone has heard of Coke and Pepsi, right? Then why would they each need to spend upwards of \$100m each in advertising each year? Notice I said “advertising,” saying nothing of their entire marketing budget! Staggering sums of money spent by two very successful, well-known brands. Why would they need to spend so much money? First, they don’t look at it as spending money, but rather investing in their respective futures. You see, everyday people die, people are born and competition continues to emerge...so, the need to educate the populous and create demand for their products is constant.

I know you’re saying to yourself, “I just have a small business and have more customers than I know what to do with. Or, I can’t really afford to spend money marketing my business.” If your problem is the latter of the two, you probably should reconsider being in business. If you’re not putting aside a fair amount of gross sales or net profits toward marketing, and investing that money wisely, then there is a strong likelihood of failure. Over 90% of small businesses fail within the first year.

If you’re in the situation where business is good and you still are not investing in marketing, then it’s probably just a matter of time until you, too, fall into the 90 percentile as described above. Basic market demand says that if you have more business than you can handle, then one of two things needs to occur, you either need to curb demand by raising your rates. Or, you need to expand, either physically or with more human resources. More often than not, business owners reject the laws of market demand. And then, often without warning, the tides shift and they find themselves going out of business or having to sell or merge to stay afloat. If businesses don’t listen to the market, then demand will shift. Look at AOL, a start-up in the early 90s, a massive economic powerhouse in the late 90s and

nearly dead today. Look what happened to Montgomery Ward, they had nearly 100 more years operating experience than Wal-Mart. Or, how about Kmart, they keep closing stores, while Target continues to open them.

Bottom line...doesn't matter how good your product or service is...it's all about marketing!

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