MISSISSIPPI STATE UNIVERSITY EXTENSION

Small Business Owners: 5 Steps to Stop Wasting Marketing Dollars and Boost Revenue

Marketing serves as the backbone of any successful business. However, many companies waste substantial portions of their marketing budgets on ineffective strategies, ambiguous messaging, and poorly targeted campaigns. This publication outlines five steps to help you clarify your messaging, prevent overspending on marketing, and increase your revenue.

Estimating Marketing Waste for Small Businesses in the U.S.

Most companies invest between 1 percent and 40 percent of their sales revenue in marketing. A midpoint of 20 percent translates to an expenditure of $77,400 on marketing for a small business. Research indicates that companies waste about 25 percent of their marketing budget. Based on average sales revenue of $387,000 per small business, a typical marketing budget is around $77,400 (20 percent of $387,000) for a small business in the U.S. with one to four employees. This waste, estimated at 25 percent of the annual marketing budget, translates to $19,350 lost annually per business. Improving marketing strategies is essential to reducing waste.

Drawing on more than a decade of research and practical experience with companies in the Bricks-to-Clicks Marketing program, here are five steps to help minimize marketing waste and boost revenue.

BRICKS TO CLICKS® MARKETING

Free and Low-Cost Marketing Resources to Help Grow Your Audience and Sales

Step 1: Define Your Unique Value

What Is a Value Proposition?

A value proposition is a concise statement that explains the unique value your product or service delivers to your customers. It answers the essential question: Why should a customer buy from you instead of your competitors?

A strong value proposition is:

- easy to understand
- specific about the results your customer can expect
- differentiated from your competitors

Why Is a Value Proposition Important?

A well-crafted value proposition helps customers quickly understand what you offer and why it matters. It can boost conversion rates, streamline your messaging, and ensure consistency across all your marketing channels.

Despite its importance, the majority of companies lack a compelling value proposition, which often results in lost opportunities and decreased sales. Businesses that prioritize creating a clear and customer-focused message are better positioned to stand out and drive growth.

Examples of Strong Value Propositions

- Slack: "Be more productive at work with less effort."
- Less Accounting: "Bookkeeping, without the hassle."

These examples are clear, concise, and directly focused on the customer's benefit, making them highly effective.

How to Create a Value Proposition

To craft your value proposition, follow this three-step formula:

1. Identify the problem your customer faces.
2. Explain the solution your product or service provides.
3. Show the success or positive outcome your customer will experience.

Example

> *When you can't find a job, life is a struggle. That's why we created an easy-to-use platform that has helped more than 14 million people land their dream jobs. We can help you at Indeed.com.*

By focusing on clarity and emphasizing customer benefits, your value proposition will resonate with your audience and compel them to take action.

Step 2: Craft Clear, Compelling Messaging

Why Clarity Matters

In marketing, clarity beats cleverness every time. Customers are busy and distracted—they don't have time to decode complicated or ambiguous messages. Your marketing should clearly answer these three questions:

1. What does your company sell?
2. How does it improve the customer's life?
3. What steps must the customer take to buy or engage?

Clear messaging not only attracts attention but also builds trust, making it easier for customers to take action.

Branding vs. Marketing Messaging

To develop effective communication, it's essential to understand the difference between branding and marketing messaging:

- Branding: Focuses on evoking emotions, memories, and experiences associated with your product or service. Branding helps customers remember you and builds loyalty over time.
- Marketing Messaging: Communicates your offer clearly and drives action. It focuses on what you sell, why it benefits the customer, and how to buy.

Example of Clear Messaging

Imagine you're promoting an online photography course. Compare these two approaches:

- Vague Messaging: "Capture the light and find your vision."
- Clear Messaging: "Learn to take professional business photos to make your brand stand out. Enroll today and start attracting more customers."

Key Takeaway: Your messaging should leave no doubt about your offer and how it helps customers solve their problems.

Step 3: Build a High-Converting Website

Why Your Website Matters

Your website is often the first interaction potential customers have with your business. A well-designed website can turn visitors into customers, while a confusing one can drive them away.

Elements of a Sales-Driven Website

Clear Messaging

Ensure your homepage answers these three questions:

- What do you sell?
- How does it benefit the customer?
- How can they buy from or contact you?

Strong Headlines

Use headlines that capture attention and clearly convey your value proposition. A strong headline connects emotionally with the visitor while delivering the key benefit of your product or service.

Clear Call-to-Action (CTA)

Make what action you want the visitor to take obvious. Examples: "Buy now," "get started," or "schedule a call."

Message Test for Your Website

Ask yourself:

- What's the product or service being offered?
- How does it make the customer's life better?
- How can I buy or engage with this business?

If your website doesn't answer these questions within a few seconds, it's time for a revision. Visitors should never have to search for this information—it should be intuitive and immediately visible.

Example of a Good Website Headline

Let's revisit the example of an online photography course for business owners.

Headline: "Struggling to Attract Online Customers Because Your Business Photos Are Lacking?"

Subtext: Take our online photography course to learn expert tips and tricks to create stunning business photos that grab your audience's attention.

Call-to-Action (CTA): "Enroll in the Course Today."

Step 4: Create a Social Media Plan That Engages

The Importance of Social Media

Social media is a powerful tool for growing your business, but success requires consistency and strategy. A successful social media plan can do the following:

- Build brand awareness.
- Drive traffic to your website.
- Engage and nurture your audience.

Key Principles of Social Media Marketing

Marathon, Not a Sprint

Success takes time; be patient and persistent.

80/20 Rule

- 80 percent value content (educational, entertaining, or inspiring).
- 20 percent sales content (promotions, offers, or CTAs).

Engagement

Set aside time to interact with your audience. Respond to comments and messages.

Consistency

Regular posting is critical. Use a content calendar to stay organized.

Content Ideas for Social Media

1. *Problem-solution posts*
   Highlight common challenges and how your product solves them.
2. *Transformation stories*
   Use images or videos to show before-and-after results.
3. *Social proof*
   Share testimonials, reviews, and success stories.

Step 5: Build, Implement, and Optimize Your Sales Funnel

What Is a Sales Funnel?

A sales funnel is a step-by-step process that guides potential customers through different stages, from becoming aware of your product to making a purchase. The typical stages of a sales funnel include awareness, interest, decision, and action, each designed to nurture potential customers as leads and convert them into paying customers.

The stages typically include:

1. Awareness: The customer learns about your business.
2. Interest: They consider your offer.
3. Decision: They decide to buy.
4. Action: They make a purchase.

A sales funnel is often referred to as a buyer journey map. Both aim to attract customers, guiding them from being unaware of a problem to discovering a solution they want to purchase. Five key elements form the foundation of a successful sales funnel.

Five Key Elements of an Effective Sales Funnel

Clear Value Proposition

Start with a compelling reason to buy from you.

Sales-Oriented Website

Ensure your website supports conversions.

Lead Generator

To capture potential customers' email addresses, offer a free resource (e.g., an e-book or video). Implement your lead generator so it appears as a pop-up on your website.

Automated Email Sequence

Create five to seven emails that nurture leads and drive them to buy.

Engaging Social Media Plan

Use social media to attract and engage potential customers.

Conclusion

These five marketing steps can help eliminate waste, clarify your messaging, and grow your business. Focus on:

1. Crafting a clear value proposition to define your unique value to customers.
2. Crafting clear, compelling messaging.
3. Building a high-converting website.
4. Developing an engaging social media plan.
5. Building, implementing, and optimizing your sales funnel.

With these steps, your marketing efforts will become more efficient, targeted, and successful.

Other Marketing Resources to Help You

The Master Your Marketing workshop will teach you how to grow your business with a digital marketing plan. In this live marketing workshop, you'll learn the following:

- How to talk about what you offer so that your ideal customers pay attention.
- Why your website isn't working—and how to fix it.
- How to establish yourself as the go-to expert in your industry.
- The secret to turning prospects into paying customers.

- The self-guided Website Mini-Masterclass teaches you how to make tangible changes to your website to boost your revenue.
- In the book Five Social Media Mistakes Your Business Should Avoid, you'll learn about these mistakes that most businesses make that destroy engagement and sales. You'll learn actionable steps to give your social media a makeover and increase social engagement and sales.
- Sign up for the newsletter Traction to get easy-to-implement, actionable marketing tips delivered to your inbox.
- In the Bricks-to-Clicks Marketing Podcast, you'll learn practical marketing tips to bring in more customers and revenue. In 15 minutes or less, episodes cover the top five social media mistakes, five principles for building a thriving community, the blueprint for social media success, and the one thing to do to grow your business, nonprofit, or personal brand.
- Bricks-to-Clicks also offers One-on-One Coaching to improve your marketing.

Visit brickstoclicks.extension.msstate.edu to access these resources, or email james.barnes@msstate.edu.

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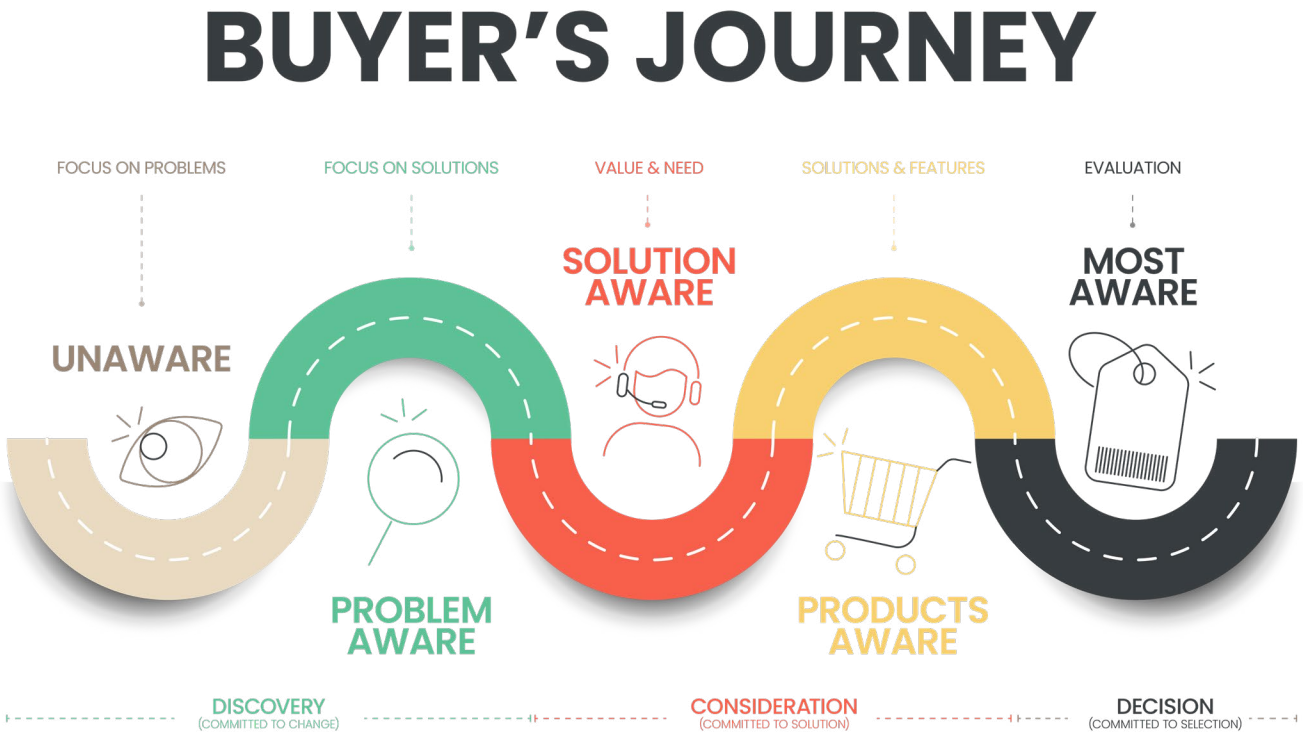

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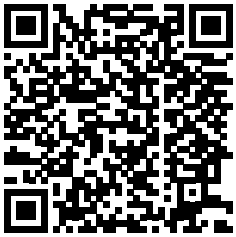

5 Social Media
Marketing Mistakes Book

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