

DISPATCHESTM

Insights On Brand Development From The Marketing Front

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LEARNING FROM small BUSINESS

It is very curious that so many managers from large multi-national corporations (i.e., BIG business) express a desire to have their own small business some day in the future. It's their dream. The reason, they say, for joining BIG business out of B-school is to learn how to manage and run a business. Their rationale is that you learn from BIG business and then apply it to your small business. This is expected to improve their likelihood for success. They believe BIG business is the font for learning and experience to prepare for managing a small business.

Very curious thinking indeed that BIG business has the know-how; BIG business is somehow more sophisticated. This is especially curious when you consider that small business has been a more significant contributor to the growth in the ranks of the employed (i.e., jobs) than BIG business in many of the world's economies. It is very curious indeed since small business represents a growing share of GNP (Gross National Product) for many developed countries. There's a lot of action going on in small business. Is that because those with the dream of migrating from BIG to their own businesses have made the leap? Is it because managing BIG business better prepares managers for success in small business? The answer to these questions is "it ain't necessarily so."

There's another way. Many current small business proprietors started out as small business managers. They didn't have BIG business experience before they started their dry cleaning store, medical practice, convenience store, restaurant, beauty salon, dog grooming or walking business, etc. We don't have to name them all. You are quite familiar with the many kinds of small businesses since you undoubtedly avail yourself to their products and services. These folks didn't migrate from BIG to small business. They just went out and started their own business. They may have had a passion for it. They may have apprenticed in the business and felt they could do better on their own. They may have merely started their small businesses out of necessity – like, to survive financially. Despite their lack of BIG business experience many have been extremely successful. More than likely they're one of the proverbial "millionaires living next door."

My barber is a good example of the successful small business owner. (The term "barber" may be inappropriate for a man who wears Armani suits and drives an Aston Martin. But "hair stylist" might be an overstatement for what I need and get, a simple haircut.) His name is Pascal and he originates from Paris. He owns and operates two "spas" in the Chicagoland area. While he lacks a formal education in business management and has never been employed by a Fortune Top 100 Company we, in BIG business, can learn from him. He is the prototypical self-made (wo)man. He's earned his success. He rightly deserves his rewards.

Pascal refers to his business as a “salon and medical spa.” Not a barbershop. Not a beauty salon. He didn’t start with a “medical” spa. He started with what we would call a beauty salon. But over the years he expanded his services to better serve his comfortable (as in wealthy) clientele. Today’s his clientele consists of women and men. He offers massages, beauty treatments and, in his new shop, cosmetic surgery. No, Pascal does not conduct all these services personally. He has partnered with others such as a plastic surgeon to provide these services and evolve the nature of his business. In other words he has evolved his business, enhancing its competencies, over the years consistent with a vision based on what he perceives to be the growing needs of his core customers. He didn’t spend large sums of money to conduct marketing research that conclusively pointed the way to what the business should be. Instead, he talked with his clientele and listened to what they had to say, he has been keenly sensitive to trends, he has dreamed BIG. And he found a way to make it happen, service by service.

I appreciate Pascal for who he is and the successes that he has created. He is a very practical and shrewd small business owner. My appreciation for his business acumen rose dramatically based upon a recent article in the Chicago Tribune (Chicago’s major newspaper) featuring a story about none other than Pascal, my barber. I was astonished to find the article titled, “Billboard called racy, wrong,” about an ad Pascal is running to promote his “salon and medical spa.” The billboard measures 10-feet-by-36-feet and appears at a major intersection. The ad, promoting Pascal’s salon and medical spa, features a beautiful young woman lying on her stomach in what appears to be a bathing suit. There are numerous callouts identifying her perceived problem areas (which I don’t find to be problems) and solutions that are available through the spa (such as Botox).

I’ve passed this billboard on the way to the airport. Obviously it captured my attention – which is a good sign, very good. The billboard is placed in the geographical neighborhood of the spa, which is also very good. The linkage to Pascal’s salon is very clear – again, very good. On the other hand, I wasn’t sure that this would be compelling to women since the woman appearing in the ad didn’t appear to need any cosmetic help that I could see. Moreover, I thought it had too many callouts for me to read as my car raced down the road. I was not able to take-in all the copy. If you can’t communicate what you want to say in about four-tenths of a second on a billboard the audience is not going to get it. So I had been mulling in my mind whether it would be effective in generating customers for Pascal.

I was oblivious to the maelstrom of controversy it would create and the nature of that controversy that made the newspaper. Some residents in the area thought the ad too racy. Pascal believes it is modest compared to what might appear in ads in Paris. Others believe it does not accurately portray women or the inner beauty of women. Perhaps, this latter subject is more relevant given recent publicity regarding anorexic models, the negative impact of portraying models airbrushed to abnormal perfection on the self-image of young girls and women, coupled with the success of the Dove real beauty campaign.

Is the ad good or bad? It depends upon your point of view. If you are concerned about caring for society and the role of women in it then it may not be good. If your issue is with the brand character, or personality of the brand, then you need to know what the character of the brand is and whether this is consistent with it. (I believe it is consistent with the brand character of Pascal’s salon and medical spa.) On the other hand if you are concerned with its impact on sales then you need to measure the results. Has it increased patronage and sales? Has it alienated current customers and eroded sales?

The ad was originally a direct mail campaign. The mailing, which went out to 25,000 households, increased business significantly. So, Pascal knows it was effective. The thinking was to build on it, take it to another medium in the vicinity of the spa. A Campaign Idea is medium indifferent. Execution is medium dependent. As mentioned, I thought there were too many callouts for someone (even someone who is interested) to be able to absorb while driving by the billboard. But, perhaps, the message really is “if we can make this beautiful woman even more beautiful imagine what we can do for you.”

This article is about more than the controversial billboard ad. It’s about what Pascal has done to achieve success as a business owner. The fact that he does not come from or run a Fortune Top 100 Company neither diminishes his accomplishments or what we can learn from him or others like him in managing our brands.

BOATS & HELICOPTERS

Here’s what we think we can learn or relearn from Pascal’s small business management:

1. Have a vision. Evolve your brand based upon untapped customer needs, trends and your dream of what it is capable of becoming. Like Pascal identify ways to distinguish your offering from the generic category offerings and go for it.
2. Find a way to gain the competencies you need to make your brand vision a reality. You may build competencies and/or acquire them through purchases, alliances and partnerships. But ensure you are making the brand more competitive in satisfying current customers and attracting new ones. This may also require building competencies for the organization such as shared services that enable other brands within the corporation to also benefit.
3. Don’t try to please everyone. The objective is to win with your target customers. Examine the performance of your communications against your target. They are the relevant audience. Everyone else is, well, irrelevant to the health of your brand. Moreover, don’t dilute your communications in any way that reduces its effectiveness with your target customers.
4. Be concerned with the net impression of your execution. I mentioned that I thought the billboard had too many copy points. I couldn’t read it. I’m sure others who travel that

road can't read all the copy points either. But the net impression among targeted customers might very well be that the salon and medical spa can do a lot for me. So don't get caught-up in all your copy points. Make sure your customers are receiving your message.

5. Determine the impact of your marketing elements and tactics and invest in those that work to generate business. Pascal knew the ad in question worked. He measured it at the cash register. Do you know what your communications are doing for your brand? How are you measuring effectiveness?
6. Go where your customers go. In other words employ those marketing communication mediums that will engage your customers at the appropriate time and/or place. Direct mail was a valuable medium for Pascal because he could carefully target current (to sell more services) and prospective (to encourage switching) customers. The billboard dominated in his geographical market.
7. Build on success. The ad proved successful in direct mail so Pascal took it to another medium – a logical choice. Might we see this ad in the local newspaper? Or, perhaps, we will see it in other publications that cater to his target audience in the community where he offers his services.
8. Finally, don't overlook publicity value. Pascal generated, intentionally or unintentionally, a lot of publicity. He received media attention. Hollywood moguls believe "any publicity is good publicity." It really depends. I'll have to ask my barber about that!

We thank Pascal for getting us to think. What else might we learn from successful small business owners?

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