

CREATING A BUZZ AROUND A NEW LOCATION

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THE
DISTRIBUTION
TEAM

A few weeks ago, I was facilitating a discussion of marketing professionals trying to help one of their colleagues provide marketing support for a new location opening. As always, I am dazzled by the brilliance of this group and how they can absolutely make me wish I had this kind of talent around me when I was a distribution executive. In this article, I will focus on the marketing side, but there is certainly a whole discussion that needs to be had around the inventory and logistical side. Perhaps that would be a good follow up for next month.

In this scenario, brought forth by one of the cohorts, the company had decided to open a new location a few hours away from the headquarters. The thought was to create a much larger facility than they had in relatively close proximity and try to dominate the market by sheer presence and product availability. This member was charged with creating a buzz prior to opening and to identify potential market segment to assist the sales direction. By the way, we don't have an established budget and no precedent for promotion. Good luck and make us proud. I can see why she was throwing a lifeline out to the group. By any measure, this is a daunting task.

Over my years, I have seen many distributors take quite the opposite approach. They do a stealthy incursion into the market and snipe from an undisclosed location. Colorful words aside, this approach feels like there is some doubt in the mind of the organization. Do I really want to be here? Boy, those competitors look pretty tough. Do I really want to ruffle their feathers and have them gunning for me? If this is the case, we really need to check our motivations for slamming down a brick-and-

mortar facility in a particular area. It goes without saying, those places are expensive and can be a real cash bleed until we either succeed or pull out. I had a discussion years ago with a distribution president where we talked about how our egos allow bleeding for way too long before we finally pull the plug. If we aren't fully committed, it is a whole lot cheaper to send a delivery vehicle and salesperson into the territory to test the waters.

In this case, the organization was all in. The location was chosen, and the resources committed. In true unbridled distributor fashion, "Damn the torpedoes, full steam ahead." One of the most impressive parts about this marketing cohort is their ability to dissect a problem and offer different areas to think about. Here is a sample of some of the questions posed:

- |When the location was selected, was there any prospect analysis using market data?
- Are you known to the potential customers in the area?
- Was the strategy to locate close to the customer offices or to locate in growth areas?
- Do your key suppliers know and are they supportive of this new location?
- What is the availability of experienced associates in the area?

All of these questions really gave the team an opportunity to craft different solutions and provide tips from their experience. I told you they were smart.

The solutions provided broke down into four major categories: location identification, prospect targeting, digital marketing, and traditional advertising. There could be an argument made for combining the

digital marketing and prospecting areas, but there are distinct suggestions for each.

Although in this scenario, the location had been identified and locked down. During the discussion, one of the members shared how they use a combination of prospect gathering techniques and mapping software to identify potentially attractive locations. Using the SIC (Standard Industrial Classification) codes of the ideal customers prospects. For those who are not familiar with SIC codes, these are officially 4-digit codes assigned by the government to identify industries. To further break down the classification, some data reference sites add a 5th or 6th digit. One a list of potential customers is created, or obtained through a service, this member marries that data to mapping software like Maptive or Google Maps. This will allow him to look at the prospects for clusters or patterns that might influence where he should locate. Once the prospects are in place, he will layer in competitors and local suppliers. If they are considering a new building in an existing market, he will layer in the addresses of employees to make sure that they consider potential commute times for the associates. For someone catering to commercial construction, you could also layer in current and future large projects. All of this data provides valuable insight in a visual format.

One of the more traditional ways to prime the new market is to get back to some old school smiling and dialing. One of the group members suggested that her company created dialing campaigns into a territory months before an opening. They first started to work any existing customers with a presence in the region. Some of this

was promotion, but there was a fair amount of information gathering going on as well. What do you like about the existing supplier in the area? Are there any service holes that you would like to see filled? They would also invest in new prospect lists from reference companies like Zoom Info and Dun and Bradstreet. Although it is usually not the most comfortable of all selling scenarios, these folks would make cold calls to the prospects and introduce the organization. There are many more efficient ways to reach prospects, but not nearly as personal. Remember, we are still in the relationship business.

Staying in the realm of traditional reach, the team discussed the use of billboard advertising and vehicle mounted billboards to announce the coming of a new store. Depending on the pricing in the market, and the size of your wallet, these can be relatively effective. In one market explored, traditional billboard advertising cost around \$3,000 per month. Mobile billboards, on flatbed trucks, cost about 10 times this for a 30-day period. Again, if I was considering this type of advertising, I would use my heat map from the suggestion above to pinpoint where I want my message to be seen.

Stepping a bit outside the traditional comfort zone, the group spent a lot of time discussing digital marketing solutions and mobile technologies. As you might have experienced in your own social media platforms, marketers have become fairly adept at pushing you advertising based on your preferences, demographics, and physical location. Geo-targeting is a type of advertising that uses location data to reach consumers with messaging appropriate to their locality and behavior. Doesn't this seem tailor-made to our challenge – How do we spread the word about our new store opening? After speaking

with a few distributors, many have used this technology to specifically target customers in an area that they frequent. For example, let's say that your city is building a new stadium. This is a big project, and we want to make sure that the contractors on the site know that we are ready to serve. Using targeting technology, usually deployed by an agency partner, we can make sure that messages are pushed directly to the social feed of our intended customers. In a more granular example, we could draw our "geo-fence" around a competitor location and push messaging to anyone entering the perimeter. I know. It seems like a sketchy tactic; but I want you to consider this, "How fair is it going to be when this competitor targets your employees the minute you start making headway?" You are deploying a cutting-edge tactic. They just wish they thought of it first.

There are many more ways to give that location a fighting chance at success. Since I only have a bit more than a thousand words before I get the figurative hook from my editors, I had to limit my thoughts. I am not a marketing expert, nor do I claim to be. I just happen to be a good listener and am humble enough to always remain teachable. After losing my backside on a couple of ill-fated branching decisions in the past, I can see the wisdom of taking a deliberate approach. The old Field of Dreams sentiment, "If you build it, they will come" just doesn't fly anymore. In this day and age, if we build it, we better learn how to best promote it. Good luck and if you want to learn a little bit more about the creepy world of mobile marketing, I would be happy to steer you in the right direction.

About the Author:

Jason Bader is the principal of The Distribution Team. He is a holistic

distribution advisor who is passionate about helping business owners solve challenges, generate wealth and achieve personal goals. He can be found speaking at several industry events throughout the year, providing executive coaching services to private clients and letting his thoughts be known in an industry publication or two. Last year, he launched his first podcast, Distribution Talk. Episodes can be found at www.distributiontalk.com and most podcast applications. He can be reached at (503) 282-2333 or via email at jason@distributionteam.com. You can find additional resources on his website: www.thedistributionteam.com