



## Adopting a Marketing Mindset

In today's alarm industry, with more competition from new entrants such as cable and telecom companies offering security as part of a bundled service package, along with DIY offerings in the market, alarm dealers must adopt a marketing mindset. To build

and operate a profitable alarm company means moving beyond the outdated view that marketing is a "nice to have but we can't afford it" department or mindset. Otherwise, you're missing opportunities to gain a competitive edge, and to generate RMR and growth.

## MARKETING AND HOW IT CAN GROW YOUR BUSINESS

### *What do we mean by marketing?*

Marketing refers to anything that you do to create awareness and visibility for your company, with the ultimate goal of generating leads or business growth. For example, with the current influx of advertising dollars being spent by cable/telecommunications companies to educate the end-user on home-automation and home security, you don't need to spend much to "ride the wave" and merely let your customers/prospects know that you have similar offerings, but with much friendlier service.

Marketing includes using industry intelligence to make decisions that will drive your sales and achieve your business development goals. It involves being customer-focused and market-driven, thinking about your business in terms of your customers' needs and wants, and then developing products and solutions to satisfy those demands.



**SECURITY InfoWatch Reports:** There has been a bevy of new entrants to the home alarm and automation market over the past several years including AT&T, Comcast and Cox Communications just to name a few...some believe that their entry will mark a windfall for the industry as a whole by increasing awareness among consumers through their advertising spend.

## HERE ARE SOME KEY TERMS THAT WILL HELP YOU UNDERSTAND MARKETING AND ITS IMPACT ON YOUR BUSINESS

### Marketing Strategy

Your marketing strategy is “how” you plan to achieve your overall goals. For example, if a goal is to “increase sales revenues,” the accompanying strategy could be to “upgrade customers and generate referrals.” Your marketing strategy will take your topline revenue goal and then decide how you will achieve it. Your strategy should reflect any market research and intelligence you’ve gained, and should be used to focus your company on how you plan to differentiate your products and solutions from your competitors. In addition, you need to know how you’ll allocate your resources in order to achieve maximum growth and profit potential.

### Marketing Plan

Your marketing plan is the blueprint you use to keep a log of the activities you plan to use (and the timing of those activities) in order to generate more leads and meet your business development goals. It should identify your set of products and solutions and your specific market segment (demographic or regional) and then define each of the activities involved in achieving your goals for gaining new business within a specified amount of time. Your

plan should include the identification of specific customer needs and how your company intends to address them with marketing messages. Your plan should also include the specific promotional activities you intend to undertake, the target audience for each activity, who in your company is specifically responsible for those activities, and how you will measure success.

### Marketing Structure

Marketing structure refers to how you set up your organizational structure to ensure there is a responsible person, or people, to undertake and measure marketing activities within your company. While marketing structure varies with the size of your company, a good marketing structure means that at least one person is dedicated to ensuring that marketing activities are happening on an ongoing basis and is keeping you updated on the measurement of those activities and their relative success. Larger companies may have teams of people who are specifically focused on these areas, but having one is sufficient for a smaller company.

## HOW TO THINK LIKE A MARKETER

### *Why should you adopt a marketing mindset?*

A marketing mindset is one that recognizes that marketing is more than just a narrow set of responsibilities assigned to one person, and it's more than just advertising. A marketing mindset

considers the impact of marketing on every area of your company and asks: how do all of the various business functions, sales, service and installation, customer service, billing, operations, even IT and management, help convey the value of our goods and services to your potential customers?

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Even more fundamentally, a marketing mindset recognizes that marketing is not simply a cost or support function, but rather a primary, revenue-generating function that drives the growth and strategic path of your company.

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You must commit to supporting marketing as an integral function to your business, and promote a business approach and a culture that makes marketing an important, accountable, and measurable function.

A company-wide marketing mindset is even more beneficial. When you share your marketing plan with your whole team, you'll get everyone thinking about how they might do their part to support the plan. Perhaps they will share and make comments on your social media pages. Maybe one of your operational people will write a blog about a certain product and why it's superior. Or you may ask someone to ensure all your potential customer email addresses are properly maintained in a "clean" database.

Adopting a company-wide marketing mindset also fosters collaboration across marketing and sales. While the marketing function is focused on generating leads and awareness, it's the salesperson's job to turn the lead into a customer.

Marketing involves uncovering customer wants and needs, identifying new opportunities for growth, and conveying your value proposition to your customers and prospects. When marketing and sales are aligned, the outcome is a more customer-focused company. When the marketing and sales functions work closely together and share competitor information, lead qualification and lead feedback occurs, which ultimately means more closed sales and satisfied customers.

In the same way, marketing's close interaction with customer service, service and installation, and other operational functions like billing and collections, results in better information gathering about customers wants and needs, as well as market trends and challenges. These departments are also on the front lines of the customer experience, and each interaction with a customer or prospect is another chance to communicate your company's marketing messaging and to positively impact customer loyalty, retention, referrals, and lead generation.

## DEVELOPING YOUR MARKETING STRATEGY

In the alarm industry, the ultimate goal of your marketing strategy is twofold: to help you grow your customer base by attracting new accounts and to cement your relationships with your existing customers so that they not only become more likely to add on upgrades, but also serve as a source of referrals and leads for new customers.

Developing your marketing strategy requires research, thought, and analysis. The first step is to identify your company's goals and objectives, both short- and long-term (including any exit strategy). Once you are clear on your business goals, you want to ask yourself a couple of key questions: who are you, what products and solutions do you provide, and what makes you unique? Part of developing a successful marketing strategy requires you to take a hard look at what is, and isn't, currently working for your company as it relates to serving your current clients. To be successful, your marketing strategy should answer the following questions:

### *What do your customers want?*

Being customer-focused and solutions-oriented will help you determine what products and services will best suit your target market.

### *Where are you now and where do you want to go?*

What portfolio of products and services are you offering now and how do they fit within your target market? Are your offerings competitive? Are there opportunities that you are missing, like new technologies or new services such as home

automation, video, or mobile? Or do you have too much overlap within your own mix of products and services, or with your competitors?

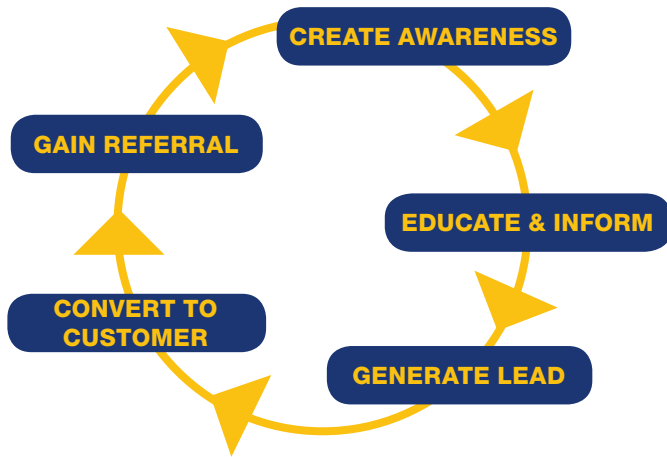
### *What are you communicating to your market?*

Do you know how your customers and prospects perceive you? What do you want to be known for? Value, low-price, quality, reliability, or white glove service? Understanding how the market perceives you, rather than how you perceive your company, is critical to developing your communications. If the market perceives you one way, and you'd like to change that perception, it is important you understand that the time it takes to shift people's mindset is lengthier than it is if you just want to reinforce what they already think. If you have a good reputation with current customers, but just need more people to know about you, make sure you leverage the testimonials of your current clients to communicate with new ones.

### *What marketing strategies are best for you?*

Remember that the ultimate goal of your marketing strategy is to drive growth through lead generation of potential new customers and sales add-ons or upgrades to existing customers. To do so, you need to implement marketing programs and sales promotions that move your targets along the sales pipeline from prospects to customers and from customers to referral sources.

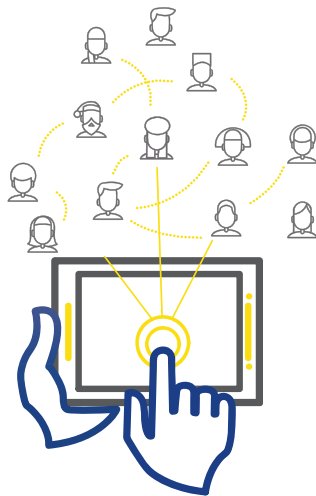
The basic customer process:



Your marketing and promotional strategies can, and should, be designed to positively impact every stage of the process.

## Create Awareness:

To enhance your brand visibility and awareness, direct your appropriate audience to your website by using email marketing, blogs, or direct-mail newsletters. To ensure the effectiveness of your online marketing strategy, target your audience by identifying social media platforms commonly used by them. On your website, give them something of value for free in exchange for their email address. These activities will help you build a prospect list that will yield qualified leads.



## Educate and Inform:

Educated and informed prospects are not only more likely to convert to customers, but they are also more likely to be loyal customers that become referral sources. Make sure your communications are geared to educating your audience, rather than “selling” to them. Keep them updated on changes in the industry. Let them know about changes in crime rates and other statistics. Keep your communications personal. Make sure your potential customers know you *care about them*, whether they buy from you or not. Communications that educate and inform your customer, whether it be through your website, blogs, newsletters, e-mails, and social media, as well as any employee-customer interaction (customer service, billing, service and maintenance), are the best way to build trust with your customers.

## Generate Qualified Leads:

In the alarm industry, selling to qualified leads (customers and prospects who have expressed an interest in buying a security system, who are actively seeking information, or who are prepared to make a buying decision) generally leads to higher quality, more loyal, long-term customers. In contrast, customers that buy as a result of high-pressure or fast-pitch sales tactics are more likely to cancel at the end of their initial contract. Or they simply stop using the system and perhaps stop paying for it, because they do not know or fully understand what they bought, or they bought a system that did not fit their needs. For this reason, using an “education based” marketing strategy with formal lead generation and referral programs,

promotions, and incentives will help you get qualified leads. Don't forget that every customer-facing function of your company, sales, service and installation, customer service, and billing and collections, has the ability to generate more qualified leads.

## Convert to Customer:

Once you have educated and informed a prospect as to the overall need for your solution, why your particular solution is better suited to them than your competitors, and they are prepared to make a buying decision, it's time to convert the lead to a customer. Once you have the customer, it is

paramount that they receive the kind of products and solutions your education based marketing promised. If you don't deliver on your promise, your strategy will not continue to work.

## Gain Referral:

When you do deliver on your promise, and you continue to effectively communicate with your current client over the course of your engagement, you will have gained a quality referral source.

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Happy, satisfied customers are  
your best outside sales force!

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## IMPLEMENTING STRATEGY AND MEASURING SUCCESS

No matter how good your marketing strategy, it won't yield the results you want unless it is properly executed.

The first step in implementation must be communication from management that includes a clear explanation of the strategy, the shift in culture toward a marketing mindset, and the reasons behind the shift. Sticking to the articulated strategy for a sufficient and reasonable time (no less than 6 months) will allow you to adequately implement the various components and measure their results. This requires continued visible and authentic support from management, and may involve additional internal communications and possibly some training. Adequate resources, whether

people or budget, are also crucial to building an effective marketing structure. Managing costs are important, too. While you likely don't need to hire an outside marketing team, you do need to leverage the strategic partnerships you have in place and empower the person you've given the responsibility to "quarterback" the marketing effort.

Measuring the success of your marketing strategy requires time and patience. Keep a close eye on which of your marketing activities are generating the most leads and then concentrate your efforts toward those activities. By tracking the leads you generate and the sales you close, you'll be able to continually shift your activities to the ones that have the most impact on your bottom line.

## MARKETING MINDSET: THE KEY TO BUILDING A PROFITABLE ALARM COMPANY

*Having a formal marketing strategy does not **guarantee** business success, however **not having one** will most likely result in less growth and less profitability for you and your company.*

In today's alarm industry, increasing economic pressures and greater competition from both traditional and new sources makes it more important than ever to adopt a marketing mindset that prioritizes the ongoing education and experience of the customer. Shifting to a mindset that recognizes marketing as more than just a support function or an optional cost center, but rather a core business function, will enable you and your company to keep your finger on the

pulse of your current and potential customers and respond nimbly to offer new solutions, products, and services. Developing and implementing an effective marketing strategy that is integrated with the other core functions of your company, sales, customer service, installation and maintenance, even billing and collections, will enable you to grow your account base and increase your RMR as well as enhance your reputation and brand.

