

Entertainment Marketing

Does your company need to entertain prospects and clients in order to gain—or keep—their business? In the big press/big ticket world of commercial printing, this is a very common practice. In the quick printing marketplace, “wining and dining” seems a lot less common.

Ultimately, I think it all depends on your prospects and clients. The simple answer is that if they expect it and require it, you have to provide it if you want the business. However, many of the people who buy printing in the modern business world don’t need to be entertained in this way. In fact, many of them simply don’t have the time to spend being wined and dined by salespeople. I’ve found that to be especially true among entrepreneurial owners of small and medium-sized businesses, and among marketing staffers and managers at larger companies.

If the majority of your customers and prospects don’t need to be wined and dined as part of the sales process, I think that’s good. The money you’re not spending on entertaining those people can be invested in other forms of marketing and promotion, or allocated to other areas of the company, or even allowed to fall to the bottom line as profit!

But even having said that, I think it’s a mistake to completely ignore the entertainment strategy. I know both quick and commercial printers who have made it a defined part of their strategy to seek out customers and prospects who don’t need to be entertained. I know others—primarily commercial printers—who conduct most of their sales and marketing effort on the golf course. I’ve seen successes and failures in both strategic camps.

I think a quick printer’s greatest chance of success at “entertainment marketing” comes somewhere in the middle. Because when it’s properly allocated, whatever amount of money you budget for entertainment can go a long way.

Part Of A Plan

The word “budgeted” is key. Entertainment is an expense that should be planned for, with a specific amount of money budgeted for entertainment activities. You should budget for the company as a whole, and if you employ outside salespeople, you should also create a budget for each individual salesperson. The company as a whole should get a measurable return on its entertainment investment, and each individual salesperson—the owner included!—should be held accountable for his or her entertainment expenditures.

To me, accountability is an all-important consideration. The bottom line here is that whenever you or one of your salespeople spend money on a customer or prospect, you want to be sure that the prospect or customer is spending—or likely to spend—enough money with you to make it a good investment.

Effectively managing your entertainment budget at the sales rep level is a two-step process. First, let each salesperson know how much he or she has to spend, and then ask each salesperson to give you an outline of how they think the money will be best spent. Next, create a simple spreadsheet on which you can list entertainment expenditures by customer or prospect, and also list the sales volume you’re getting in return. I predict that you’ll find that an interesting comparison, especially the first time around.

Owner Accountability

How does an owner hold himself (or herself) accountable for entertainment expenses? Obviously, there is some level of accountability simply in the fact that it’s your money! If you spend it foolishly, it’s gone and you have nothing to show for it.

But that’s a situation you want to avoid, right? And the best way to do that is to put a little thought into your own entertainment decisions. Don’t just take the attitude that it’s your money, and you can do anything you want with it. Ask yourself how you’d feel if an employee made the same entertainment “investment” that you are contemplating. Believe me, holding your own decisions up to that standard can provide a very effective measure of accountability.

Stretching The Budget

There are a number of things you and your salespeople can do to stretch an entertainment budget, starting with choosing moderately-priced restaurants instead of expensive ones. I’m not suggesting that you do all of your entertaining at Burger King, but I would point out that you can put a lot of food on the table at a good Chinese or Mexican restaurant for a lot less money than you can at a fancy steakhouse. This may seem like a small matter, but I once reduced a printing company’s entertainment expenditures by almost 40% without cutting back on the number of people we took out to lunches and dinners—and without seeing any negative effects in our sales figures—by simply encouraging our salespeople to choose Chinese restaurants.

Another thought is to entertain earlier in the day, rather than later. It's almost certain to cost less to take a customer out to breakfast than out to lunch, or to lunch rather than dinner. (And as a side-benefit, don't you love the idea of having your salespeople out on the street early enough to be taking people to breakfast?)

It's also likely to cost less to bring food in instead of taking people out. The strategy of bringing donuts or bagels in on an early-morning call has become very popular—from both the sales side and the customer's side!—and there are variations on that theme that work well at any time of the day.

There is a danger of falling victim to false economies in that particular strategy, though. You should consider that in some cases, the most important value of entertaining is to get a customer or prospect *out of* the office, either to establish a neutral ground or to ensure a long enough period off uninterrupted attention to get your business done. Simply keeping expenses down is not the most important issue. Getting the business is! And you should be willing to spend a little more when it will give you greater results!

Employee Benefit

Another thing that's worth considering is where entertaining fits in as a perceived employee benefit. I think many printing salespeople would tell you that "wining and dining" on the company credit card is one of the "goodies" of their job.

As a manager, I was always willing to live with that—as long as I was seeing a solid return on my overall investment. If I wasn't getting that return, you'd better believe that my salespeople heard about it!

Measure And Manage

The bottom line on entertainment as a selling strategy is that it can work very effectively for you. Or else, it can represent one of those "black holes" into which profits go. The key is to measure and manage...look at where the money is going, measure the sales volume which results, and make changes if you're not getting your money's worth.

Ask yourself these key questions: Would we get less business from a particular customer if we stopped spending money to entertain them? Would we get more business from a particular customer or prospect if we started investing—or spent *more* money—on entertaining them? Are we better off spending smaller amounts of money on larger groups of people (like taking three or four customers out for Chinese or Mexican food in a month), or spending larger amounts of money on smaller groups of people (like taking one high-value customer or prospect a month out to the most expensive restaurant in town).

There are no across-the-board answers to these questions, but you stand to gain a great deal in your own specific situation by giving them some thought!