



Marketing for manufacturers

The definitive guide to driving
sales and growth



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Introduction

This guide provides you with everything you need to know about how marketing can benefit your business. Many manufacturers don't realise the true value of professional marketing, but effective branding has 2.86 times more impact than operational efficiency on bottom line profit according to PA Consulting.

Learn how to use marketing to help overcome common problems, such as ending dependence on a single customer. Explore what's involved in creating a powerful manufacturing brand, learn how to use the media to generate growth and hear about common marketing pitfalls for manufacturers.

This guide distils some of our experience. I hope you find it useful.

Tim Witcherley

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1 How to end your dependence on a single customer: 3 essential steps for manufacturers

It is a common problem for many UK manufacturers: at least a third of their business comes from a single customer.

There are always logical, historical reasons for this. The relationship has been lucrative, and it has inspired a great deal of innovation. But it has two big implications:

1. Your business would be in jeopardy if that customer left or made sizeable cuts in its order
2. Your business is ignoring opportunities to apply its expertise to other areas, and is therefore overlooking potential revenue

So how does a manufacturer go out into the big wide world? Here are three ideas to get you started.

1. Think about how your capabilities can be applied to different sectors

It sounds obvious, but it's the best starting point. One of our clients had a solid reputation making components for the brewery industry. But there was no reason why they couldn't manufacture components for cars using the same techniques and machinery. Think about what you offer your existing customers. Do your projects involve a lot of CNC machining, for example? Or do you pride yourself on your tooling? Are you experts at a certain type of CAD? Make a list of all the capabilities you push at the moment, and have a serious think about other applications that require those capabilities as part of the manufacturing process.

2. Look at the rest of the supply chain and see other customers and industries they work with

Most manufacturers are part of a larger supply chain, contracting with a distributor or engineer rather than the end user. Use existing relationships to your advantage.

In many cases your direct customer might not have thought about wider applications for your capabilities. Look at other companies they work with and think about

how your expertise could help improve the product or streamline the supply chain.

3. Leverage your 'British-ness'

End users and distributors had been turning to overseas manufacturers in order to reduce costs, but this is changing. They are increasingly recognising the value of British manufacturing. The quality tends to be higher. It also makes it easier and cheaper to manage inventory because they don't have to wait to fill large containers or pay for costly shipping.

Have a think about potential customers that have turned abroad. Pick one or two and look at the specifics of how you can help them improve their product, expedite their logistics and save money overall.

Shifting your customer base obviously doesn't happen overnight. But to start the process you have to identify where you want to – and can – diversify.

2 How to promote your machinery to win more customers

Manufacturing is one of the industries where there's a real pride in the end product, especially in the equipment and technology that are used.

Engineers, quite rightly, love to explain how excellent their technology is, and the enthusiasm is infectious.

When it comes to tendering, though, it's hard to get that sentiment across because competitors are bragging about their machinery as well. This means that the people doing the procuring can get a bit of 'kit fatigue'. They reduce everything to checklists and don't properly understand why, for example, your £10,000 investment in a new scanner helps them out. This is where the marketing and sales challenge comes in, and it's where manufacturers can get a bit intimidated.

For your customer it's not about how much money you've invested, it's about how your investment adds value

Investing tens of thousands of pounds in new machinery is a big deal. It's a lot of money for the business, and it's very exciting for the engineers.

But if you tell that to customers their first reaction is likely to be: 'That's nice. So what?'

You have to tell customers what value the new kit adds from their perspective. So if it means you can make 30 widgets an hour when old machines only make 10, put it in those terms. Customers can be lazy – don't rely on them working it out themselves.

This means you have to separate out the features from the benefits

This may seem like something out of a school lesson, but it's a really valuable exercise. Because it can be a different way of thinking for engineers.

A feature is what the machine does, like an innovative new way of automating component assembly. The advantage is the result, like making 20 more widgets an hour. The benefit is that the customer gets more widgets, faster.

So when you are tendering or speaking to customers, don't start by saying: 'We've got a new machine that gives us an innovative new way of automating component assembly.' Instead say:

'We deliver more widgets faster because our new investment produces 20 more widgets an hour than the industry standard.'

The customer doesn't have to think so hard in the second scenario – you are coming right out and telling them how the machine adds value, and that makes you seem like a more valuable supplier.

Don't be shy: talk about your investment

The ideal sales situation is as follows: a potential customer has heard you deliver more widgets faster because of a new piece of machinery. He then rings up to find out more. It's the best kind of lead because you haven't had to do lots of work to get the phone call.

The key in this situation is that the customer heard about your investment, and in order for this to happen you have to tell people about it.

Prepare a little crib sheet for your salesmen and engineers with the features, advantages and benefits. That way they are primed to talk about it when they are out at exhibitions or speaking to customers.

Publicise it more widely as well. Put a news item on your website or your LinkedIn profile. Let key industry magazines know and get a bit of media coverage.

Just remember: focus on the benefits. And then the more people that hear about it the better.

3

10 steps to help manufacturers create a powerful brand

Small and medium-sized manufacturers are often too busy making things to worry about branding. It's not uncommon for them to use the same logo they've been using since they were founded, with a website created 'just to get something up there.'

They see the value of branding for other industries but it's not a priority for them, and they don't see it as a worth while financial investment.

The evidence, however, shows this logic is flawed. According to PA Consulting, effective branding has 2.86 times more impact than operational efficiency on bottom line profit.

And that applies to manufacturers as much as clothing retailers or marketing agencies. This is because it's the foundation for your sales process, helping to convince customers to choose you over your competitors.

How to construct an effective manufacturing brand

Here are 10 steps to creating a strong brand. These elements make it easier to win contracts because you are being very clear about what value you offer your customers.

You get the biggest impact by doing all 10, because there is a powerful combined effect. But even doing one or two will make a difference.



1. Define your proposition

A 'brand' is not just a logo or a design scheme. It's not about what you make. Rather, it's the personality of your business. It's the way that you make what you make. In other words, there may be several companies that manufacture widgets, but there's a reason why customers choose to buy them from you.

Defining your proposition is about stating that reason. So ask yourself some key questions. Why do you make what you make? How do you do it? What is exceptional about your manufacturing process, your quality control or your customer service? Why should potential customers care?

2. Define your values

This is not a mission statement, and it's not useless marketing fluff. Choose a couple of words that sum up your approach. Are you about expertise, innovation and service? Then make sure you communicate these ideas with everything you say and do.

3. Define your tone of voice

How do you speak to customers? You need to communicate in their language, but a common trap for manufacturers is to be too technical. Your prospects may be engineers or distributors, but they're also human and they need to be engaged. So beware of being so full of jargon that you become dry or difficult to read.

4. Define your key messages

These build on your brand values, describing in more detail what you offer. They provide the basis for future marketing material. If you set out your key messages ahead of time you won't have to reinvent the wheel every time you need to write a proposal or place an advert. And you ensure everything you say is consistent and effective.

5. Create a logo

Make sure it supports your proposition in terms of style, attitude and colour. Once you've decided to create a new logo it can be tempting to go overboard in the name of creativity. Always think about how your customers will perceive that logo – you're a manufacturer not a graphic designer, so you need something that conveys gravitas, expertise and professionalism.

6. Consider a strapline or icon device

Not strictly necessary, but these can be used tactically

alongside your logo to tell people who you are at a glance – like the Nike 'swish'.

7. Create your website and promotional material

Now that you've got the elements of the brand sorted you need to tell your customers about it. Make sure everything is in the right tone of voice and draws on the key messages.

8. Involve your customers and colleagues in the process

Your customers have crucial insight into what makes you a good supplier – they often place importance on things you don't immediately think of. To some extent, your own perceptions can be limiting, as it's hard to be totally objective. For example, one of our manufacturing clients was convinced a website was unimportant. But a bit of research showed that potential customers did in fact make use of websites. By having a good online presence the client was able to steal a march on its competitors. Stand in your customers' shoes, experience what they experience and understand their issues and concerns.

Your employees also need to feel ownership of the brand if they are going to communicate it on the front line. For SMEs in particular there is no point in the owner or managing director saying 'this is what we stand for' if staff and customers don't buy into it, or if the company's products and services fail to live up to what the brand promises.

9. Make sure you deliver what your brand promises

The FedEx brand is about being the fastest courier service available. If they consistently lose packages or have delays customers won't return or refer. So if you play up the fact that you do everything in house, for example, don't start outsourcing aspects of the manufacturing process without an explanation.

10. Keep at it

Strong brands are no accident – they take commitment and hard work. Make sure that everyone is using the brand consistently, and that materials and messages are updated as required. The elements of an effective brand aren't static – they need to be reviewed regularly to remain fresh and deliver value.

4

How manufacturers can use the media to drive growth



When we mention the media to manufacturers their immediate reaction is: 'It sounds like more effort than it's worth.' The second reaction is: 'No one will want to read about us anyway.'

And it does take effort, but it is worth it. There is strong business case for PR – and people do want to read about manufacturers. This is because the sales process has evolved, even in manufacturing. Decision-makers constantly absorb information, whether they are proactively researching your company or just educating themselves about industry developments. And by being present in the media you build trust and credibility, which gives you a leg up when you come to tender.

We're not talking about bringing BBC Breakfast to your manufacturing facility to disrupt all your operations. Unless, that is, lots of key decision-makers watch BBC Breakfast. The most successful approach for manufacturers is usually to focus on the trade magazines your customers read and the events they attend.

Here's an example. One of our clients does a lot of work with the oil and gas industry. We wrote an article, which we placed in Offshore Engineer magazine, profiling a complex job completed in Korea. Several customers rang up in response to the article, saying they didn't know about the capability and would be interested in using the service.

Understanding PR will help you get the greatest value from your activity

Contrary to what some people think, PR is not an acronym for 'press release' – it stands for public relations. PR encompasses a wide range of tactics – it can be a cost-effective way to help build awareness, attract new customers and investors and increase revenue.

Here are some things to consider when developing a strategy.

1. Know your target audience

Knowing what magazines your customers read and what events they attend is important – there's no point in having a big article about your company if the relevant people don't read it. This means identifying the key trade publications decision makers rely on, as well as which business magazines, websites and newspapers they read regularly.

2. Be newsworthy

PR is not simply a free form of advertising. Just because you put information out there doesn't mean that a publication will find it relevant at that particular time.

And just because you think something is important doesn't necessarily mean it's newsworthy. Think about it from the customer's perspective – they are much more likely to

read through a feature that troubleshoots a relevant problem than a short paragraph on a new hire. Since a magazine wants to sell issues, a journalist will be looking to engage its readers in this manner as well.

3. Build relationships with journalists

Don't just contact a journalist when you are trying to get a story published. Have informal chats so they get to know you and what your company does. They are much more likely to use material you send in the future if this relationship exists, and they are much more likely to contact you with potential opportunities as they arise.

4. Get media and presentation training

Whether you're conducting a phone interview or speaking at an exhibition, you need to be prepared to get the right message across. Make sure you feel comfortable with everything, from your key messages to what you wear. Do you know how to handle awkward questions? Anticipation and preparation will allow you to present yourself and your company in the best light.

5. Take advantage of exhibitions and events

Industry exhibitions and events are excellent ways to network. They also give you a reason to update everyone about your business. The media love them as well, so invite as many journalists as you can and take the opportunity to tell them about what you've been up to. Speaker slots as part of panel discussions, seminars and workshops are also great opportunities to position yourself as an expert and to reach a room full of potential customers.

6. Enter awards

Third party endorsement is very powerful, so look at opportunities to enter award schemes. There is a huge range out there, from manufacturing-specific ones to regional ones. Also think about sponsoring sector awards that your customers will be entering. This can be an excellent way to boost your profile.

7. Be prepared for a crisis

Reputations that take decades to build can be ruined in an instant. Make sure there are robust procedures in place should a crisis occur, identifying what you will say and who will be speaking on behalf of the company. A

slick and coordinated response can be the difference between a catastrophe and a minor hiccup.

8. Communicate with your employees

With so much emphasis on external communications, companies frequently overlook their own employees. Employees use social media sites like Facebook, LinkedIn and Twitter, so everyone is a potential ambassador for the company. You therefore need to make sure your staff are up to date on news and achievements, especially if you're spread across multiple locations. Employee newsletters or even notice boards are useful in this regard.

9. Evaluate your activity

Successful PR is about quality rather than quantity. Having thousands of articles published in magazines your customers don't read isn't as helpful as a single, quality feature in a relevant trade journal. Look at all the positive, neutral and negative coverage you receive, as well as how your key messages have been communicated. Are you reaching the right audience? Do you need to start looking at new publications as you develop and grow?

We use a point system to evaluate PR activity.

Point	Evaluation
1	Message delivery
1	Brand mention
2	Service mention
2	Call to action, e.g. website, email, phone number
2	Use of absolute key message
1	Use of secondary key message
1	Message delivery (positive/neutral)
Brand awareness	
2	Tier one publication
2	Use of photography/logo
2	Positioning, e.g. front page, in a relevant feature or supplement
16	Total allocated points

Then you can say, for example, that you want 75% of your coverage to score at least 10, and you have something to work towards.

5

The manufacturing industry: Common marketing pitfalls



Many small and medium-sized manufacturers don't recognise the value of professional marketing. Others simply find it too difficult to source the skills they need, and end up doing nothing.

Manufacturers have a critical role to play in driving economic growth, but in order to thrive you have to communicate effectively with your customers. That is marketing at its most basic level, but it can be a daunting thing to undertake.

Here are four common pitfalls to avoid.

Pitfall 1: Relying on your product or service to sell itself



You're good at what you do, your customers know it, they spread the word and they keep coming back. So why bother with additional marketing? This is an extremely common attitude from manufacturers because everyone is busy and the immediate pipeline is healthy. The mentality is generally 'if it ain't broke, don't fix it'.

But this inactive approach carries a high opportunity cost. Existing customers may not be aware of your complete offering. Do they know you also advise on design or that you do CNC machining? If not you are missing out on opportunities to sell them additional services.

Potential customers may be not being aware of you at all. And even if the name rings a bell they may not know exactly what you do, which means they're unlikely to become a paying customer.

Pitfall 2: Relying on printers or one-man-band agencies on an ad-hoc project basis



You know you need a website, so the quick and easy option is to pay for a cheap and cheerful template that incorporates your logo, contact details and basic information about what you do. Later you need a brochure, so you send a printer the basic requirements to get on with. This can seem like a very cost-effective approach to marketing because you get what you think you need, but only when you need it – there are no hefty ongoing costs.

However, this is not as economical as it seems because you're not getting the maximum value out of each element. If you don't have an overarching strategy these elements aren't working as hard as they can to win business. This is because prospects need different information at different points in the purchasing process. Opportunities will slip through the cracks if your marketing lacks consistency or if it doesn't nurture your prospect through this decision-making process.

For example, having a website is important. However, it's not really serving a purpose if the only visitors are existing customers or contacts that find out what they already know. In this situation your website is essentially money down the drain.

But if your website uses some very basic search optimisation techniques potential customers may stumble upon you on Google. And by having a simple form to download a product sheet or request a call back you can capture data to build your customer database. Knowing what product sheet the person downloaded, you can then follow up with more information relevant to him.

This nurturing makes you more likely to close the deal. Which means you are achieving a real return on investment rather than spending resources for the sake of it.

Pitfall 3: Relying on an in-house employee to handle all marketing strategy and material 👎

Having a dedicated employee demonstrates a real commitment to communicating effectively with customers. But unless that person is Superman and Einstein rolled into one it is impossible for him or her to do everything that needs to be done.

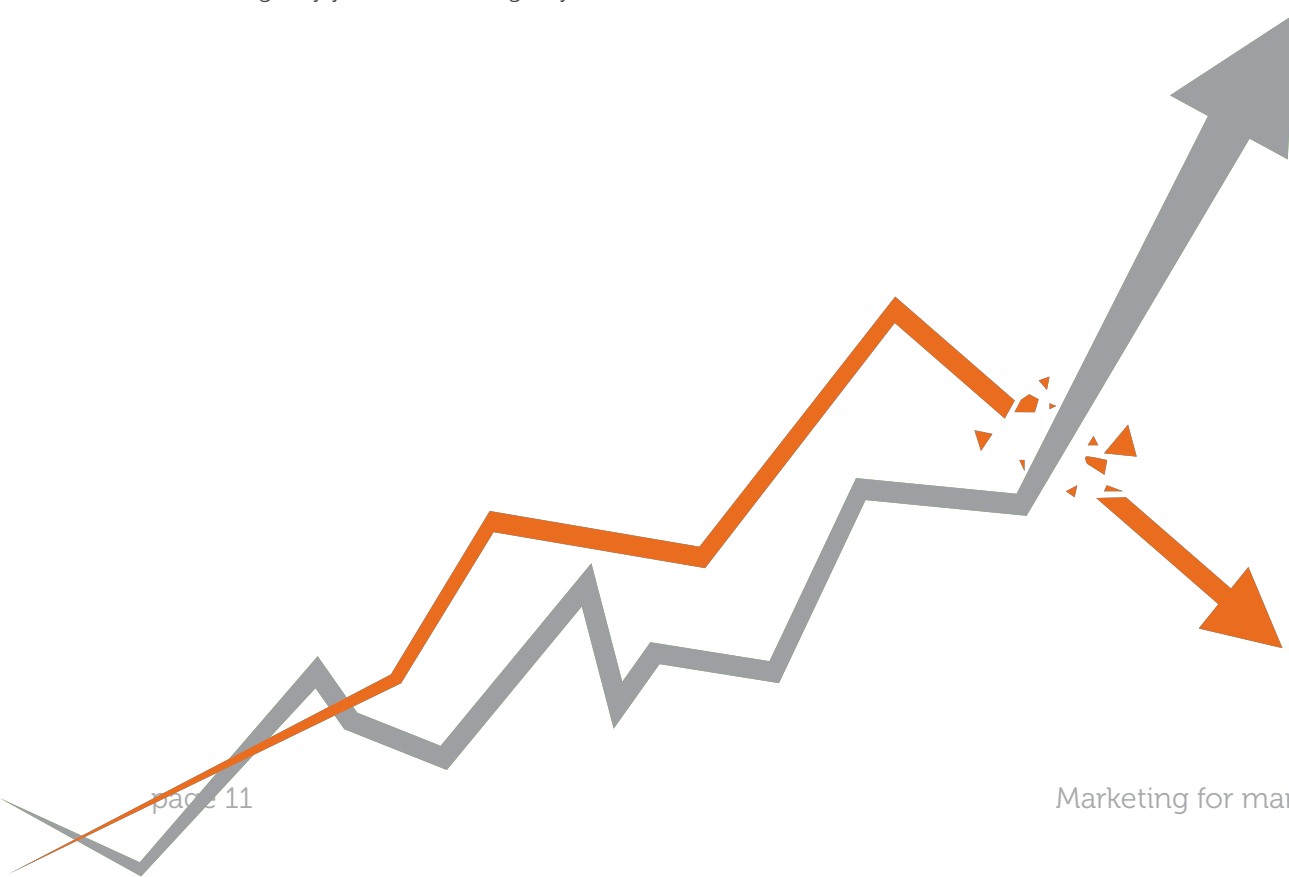
The person's strength may be in strategy but he may not have the copywriting expertise to oversee professional materials. She might be a great project manager but could use support when it comes to planning an effective marketing campaign. Expecting one person to deliver on all counts is an unreasonable ask, and as a result something always falls by the wayside.

Pitfall 4: Relying on a traditional agency 👎

Most marketing, creative, digital and PR agencies present an attractive face to all businesses, but the hard reality is that they are geared towards large corporates with big budgets and a large in-house marketing resource. Most agencies will attempt to make what works for these large companies work for smaller businesses with smaller budgets and higher aspirations. Thus the results are often an expensive disappointment.

The key is identifying the right support for your company. What experience does the agency have with SME manufacturers? Does the agency have the strategists, branding experts, copywriters, graphic designers, web developers, social media and PR people in house? Is the agency able to deliver a demonstrable commercial return?

Your objective in hiring an agency is to gain the full range of creative and strategic capabilities, with the ability to generate revenue, at what is essentially the cost of a single employee. These sorts of questions will help make sure the agency you choose can give you that.



6

Why some manufacturers don't want a marketing agency

With 10 years in the business, and having worked with dozens of manufacturers, we've heard a host of reasons why not to work with a marketing agency. Here are some of the most frequently asked questions.

Q: We're doing pretty well as we are, so why do we need to pay a marketing agency?

A: You're good at what you do, your customers know it, they spread the word and they keep coming back.

So why bother with additional marketing? This is an extremely common attitude from manufacturers because everyone is busy and the immediate pipeline is healthy. The mentality is generally 'if it ain't broke, don't fix it'.

But this inactive approach carries a high opportunity cost. Existing customers may not be aware of your complete offering. Do they know you also advise on design or that you do CNC machining? If not you are missing out on opportunities to sell them additional services.

Potential customers may be not being aware of you at all. And even if the name rings a bell they may not know exactly what you do, which means they're unlikely to become a paying customer.

Q: Why do we need to do it now?

A: Three big reasons:

1: Right now we're seeing perfect market conditions for manufacturers looking to win more business. We're seeing economic green shoots, and the government is putting a great deal of emphasis on the importance of UK manufacturing. From R&D tax credits to regional growth funding, there is support out there to help manufacturers expand.

2: Lots of companies that had been going overseas are now coming back to the UK and Europe. They had been lured abroad by cheap prices but have ended up with inventory problems and high logistics costs. Now's the time to start snapping up that business.

3: UK manufacturing is facing a major skills shortage. This means that it's going to be increasingly hard to recruit good employees. In a candidate's market you have to be seen as an employer of choice, and that means having a healthy balance sheet, a steady pipeline of work and the ability to invest in new machinery.

Q: I feel like I'm being asked to pay for a lot of 'fluff'. What do you actually do that we can't do ourselves?

A: You wouldn't take on a chartered engineer to operate a semi-automatic tilt and pour machine. Just as CAD requires a different skillset to finishing and assembly, marketing requires a different skillset to engineering. We can't design tooling but we can look at a business and zero in on the elements that will sell well. It's a different skill but it's valuable nonetheless.

We therefore let you focus on doing what you're good at while we do what we're good at, which is generating revenue for our clients. And we have the track record to prove it.

Q: I accept that marketing is a different skillset to engineering, but why don't I just hire someone to work for me directly?

A: It's better value to hire an integrated agency. One person can't do everything an agency can do. You are simply not going to find a single employee that is an expert in direct marketing, social media, PR, graphic design, strategy and copywriting. When you hire an integrated agency like Cognition you get experts in everything, so you can tap into what you need when you need it.

Basically, we act as a complete bolt-on marketing department for your company. Plus, we're about the same as the salary of a single employee but without the PAYE, National Insurance or any other overheads associated with taking on a person directly.

7

Case study: How a good rebrand helped generate £2.7 million of leads

If done well, marketing truly has the power to drive sales and growth. But how do you ensure you're doing it well?

Evidence and measurement

Cognition has been in business for 15 years, and the big lesson over that time has been that guesswork marketing isn't worth the money it costs. To deliver the best possible results you need:

- Evidence to back up your strategy, and
- Methods for measuring how things are working

Here is an excellent example. BSC Diecasting & Finishing, is a Midlands-based business whose components are used in products manufactured by the likes of Jaguar Land Rover and Budweiser. Following heavy investment by the owner to reinvigorate the business and expand its capabilities, Cognition was selected to carry out a rebrand and establish a watertight marketing strategy geared for growth.

Our challenge was to make an immediate impact by raising the business' profile and generating new leads. With a dated existing brand, very limited online presence, no previous PR activity and no sales strategy in place, we were effectively starting from scratch.

We undertook a full review of BSC's brand, the market, its customers and competitors so we'd have a strong body of evidence on which to base our recommendations.

The evidence showed that BSC's brand did not align with its reputation or its illustrious client roster, giving the impression of a smaller, less established company. The existing name – BSC Diecasting – did not communicate the fact that its true strong point was delivering a perfect finished product.

We therefore recommended that the name be changed to BSC Diecasting & Finishing, retaining the existing

equity, but better communicating its range of capabilities. Our creative team refined the logo and look and feel to mirror the company's emphasis on a sleek result, giving pride of place to imagery of BSC's most intricate components. We defined the company's proposition and key messages so we'd have a consistent way of communicating its offering to customers. This new branding was then rolled out across a suite of collateral including brochures, e-shots and a website.

The evidence also laid the foundation for a targeted marketing strategy that included elements of online, offline and PR, all feeding into each other for maximum exposure and impact.

Our research unveiled untapped opportunities, particularly in online marketing.

Until this point, the diecasting industry didn't think an online presence was important. Our research showed that there were actually online opportunities to be had, providing we created a website that targeted the right segment of the market.

The site had to communicate BSC's key selling points and be very easy to navigate. We had to strike a delicate balance between providing enough information to persuade visitors to make an enquiry, but not so much that competitors would be able to match BSC's offering.

BSC and its peers were also sceptical that potential customers would use search engines to look for services. But our evidence suggested otherwise. We therefore presented BSC with an invaluable opportunity to steal a march on competitors with almost exclusive access to a new source of business.

We also identified an opportunity to put BSC's expertise in the spotlight.

The diecasting industry generally was not active on the PR front. We therefore launched a communications programme using our key messages. The aim was to position senior management as expert commentators in the manufacturing sector. After several briefing sessions with BSC's managing director, we set up introductory meetings with key journalists to establish on-going relationships.

And our integrated, evidence-based approach paid off.

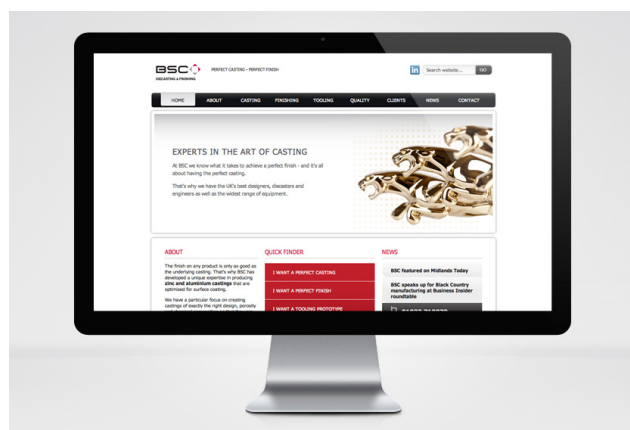
In the first week, the new BSC website generated more than £2.7 million worth of leads, prompting our client to remark:

"I have never seen so many new leads, and they're exactly the type of work I want."

This trend continued with 20 viable new enquiries in the first 6 months. Direct telephone enquiries also increased significantly.

To the management team's surprise, search engines now drive more than 70% of all traffic to the site. A three-week pay-per-click campaign increased traffic to the website by nearly 60% and generated three contact form conversions.

In addition to the online campaign, Cognition's PR activity has achieved consistent positive coverage in trade and regional titles, reaching an audience of more than 9.6 million.



BSC's key messages featured in 100% of all coverage achieved. As an example, The Guardian wrote:

'When the management team [at BSC] embarked on this growth push they made a concerted effort to invest in new machinery, the skills of their staff and, importantly, re-branding and running a PR campaign. They "talk the talk as well as walk the walk".'

Cognition organised a round table event, which led to a four-page spread in Midlands Business Insider featuring photographs of BSC's managing director. As a result of the article he was invited to join a regional committee.

We also helped BSC build links with the Manufacturing Advisory Service (MAS) via Twitter. BSC was then asked to comment in the MAS's press release announcing the results of its industry barometer.

In an excellent demonstration of how PR activity builds on itself, this comment resulted in a TV appearance for BSC on BBC Midlands Today. The segment included a site visit to the factory and an interview with BSC chairman, Mark Nunan. The new BSC branding was clearly displayed during the TV programme, which attracted average viewing figures of 607,000 for each of its two showings.

In the three days following the broadcast, BSC's website saw an increase in traffic of 175%.

The BSC example shows how an evidence-based approach has real impact, and how integrating marketing, PR, digital and creative delivers tangible results.



About Cognition

We believe marketing is about science and plain speaking, not guesswork or jargon. We challenge the established habits of our industry, delivering practical marketing that makes a difference.

Our typical client is brilliant at manufacturing its product, but lacks focus and effectiveness when it comes to telling people about it. As a result it's missing opportunities to win more customers.

We get under the skin of your business, uncovering the evidence we need to develop an informed marketing strategy. We coordinate and deliver the tactics, constantly measuring, reviewing and refining to achieve the best results.

We therefore deliver creative, professional and measurable marketing that drives revenue and growth.



Free
30
MINUTES

Give us 30 minutes and we'll give you a free appraisal.

If you're not convinced after 30 minutes we'll pay for your time, no questions asked.

Contact Paul Houston, Cognition's Commercial Director, on **01926 330 800** or email paul.h@cognitionagency.co.uk.

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