

To Market, To Market

A few months ago at an AGMA management seminar, I was surprised by the feverish note taking that went on at a presentation on marketing. The sight reminded me that while many of us in the gear industry are good engineers, designers, and managers, we are often not as familiar - or comfortable - with less concrete concepts, such as marketing.

We tend to like things neat and quantifiable, and marketing isn't always that way. Marketing doesn't have convenient standards or specifications that, when plugged in, give "right" answers. Marketing solutions are not available on trig tables. But if we are to compete effectively in today's grueling business climate, we have to overcome our aversion and our ignorance of this subject and learn to use it effectively. Good marketing can often help you take the lead over your competitors when all other factors are equal.

But what exactly is marketing? In its broadest sense, marketing involves every aspect of your company's operations - production, delivery, research and development, advertising, sales and promotions, customer relations. It is the total combination of functions - the products you make, the segment of the market you're trying to reach, the messages conveyed by your advertising and sales materials, your responses to customer inquiries - that taken together produce your company's image in the marketplace. Done right it makes for those most valuable commodities, company reputation and name recognition, which in turn, make for increased sales.

Some parts of marketing may seem far removed from building gears. Unfamiliar terminology like "repositioning," "corporate image," "product research," and "media relations" are apt to crop up in marketing discussions. But image or perception are important in the marketplace. What good does it do to build the best gears in the world if customers don't know that, or, worse yet, think that you don't? And no one is better able or more willing to spread the word about your company and products than you are. If you're not committed to developing a favorable image for your company, who will be?

PUBLISHER'S PAGE



(Continued on page 36)

(Continued from page 7)

We know marketing works for other products and companies. When we hear a name like Mercedes Benz, Craftsman, or Tiffany's, we know we're dealing with the top of the line. For example, even if we don't know anything about fine jewelry, the name Tiffany reassures us that we're dealing with not just a reputable business, but one with a long-standing history of quality and customer service.

Name recognition like that doesn't come easily. A company has to have the products and services to back it up. Mercedes Benz does build some of the best cars in the world; Craftsman tools bought 50 years ago through the catalog are still

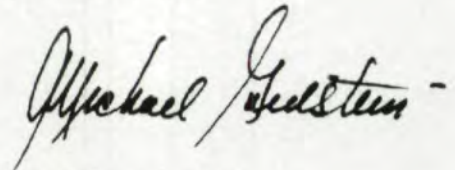
years of careful planning and performance based on the fine-tuned combination of disciplines called marketing.

I don't think marketing is a cure-all for what ails the gear industry - or any other business, for that matter. Any image has to have something substantial to back it up. The basics of business are still building the best product you know how to build at the most competitive price.

But your company's reputation and image are important too. These are assets every bit as valuable as your factories, your machines, your employees, and your expertise, and you should work as hard at making the most of them as you do all the others. Perhaps some of our disappointing sales figures are the result of thinking like Joe at the jewelry store. We too have let the other guy develop the reputation of being THE place to go to get the product.

In today's competitive climate, we have to use every asset at our disposal to survive, much less get ahead. Maybe now we need to overcome some of our aversion to the "soft" science of marketing and learn to capitalize on our names and our images.

Teaching your customers to think of your product as the equivalent of Craftsman or Mercedes Benz won't solve all your problems. Living up to a reputation like that is also a challenge. But it is one of the many challenges you have to meet if you're going to survive in today's business climate.



Michael Goldstein

Publisher/Editor-in-Chief

PUBLISHER'S PAGE

**If you're not committed
to developing a
favorable image for
your company,
who will be?**

working just fine, and if one breaks, you can still return it to Sears for a new one, no questions asked.

But once you have earned such recognition, it's worth its weight in gold. Joe's Jewelry may be selling the same diamonds as Tiffany's - crystallized carbon is crystallized carbon, after all - but Tiffany's has a reputation. Buyers get more than just another ring in that pale blue Tiffany's box. They get a sense of confidence and well-being about the purchase on which it is hard to put a dollar value. Such a reputation is the result of