

Bang For Your Buck

I was reminded recently of an article I wrote for *Quick Printing* back in 1995, called “Entertainment Marketing.” It was all about “wining and dining”, and it started with a question: Does your company *need* to entertain prospects and customers in order to gain—or keep—their business?

“Ultimately,” I wrote, “it all depends on your prospects and customers. 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.”

That’s what I wrote back in 1995, and if anything, those words are even more applicable today. Having said that, though, there are still benefits to entertaining, as long as you go about it wisely. What does that mean? Every company—and every responsible salesperson—should be thinking about the *return on investment* connected to an entertainment expense. You shouldn’t take someone to lunch or dinner or a ball game just because you can. You should only take someone to lunch or dinner or a ball game when it makes good business sense!

Now, let’s consider that there are four distinct points on the ROI scale. It would make good business sense to make a small investment to get a small return. It would also make good business sense to make a large investment to get a large return. It would be better still to make a small investment and get a large return. It would be significantly worse to make a large investment and get only a small return.

Small Investments

So, we have two small investment scenarios and two large investment scenarios. Obviously any investment that doesn’t pay off is an undesirable result, but do you see the benefit of a small investment entertainment strategy? On one hand, you’re in balance if a small investment delivers a small return, and you’re way ahead of the game if a small investment delivers a large return. On the other hand, if a small investment fails, it’s (hopefully) only a small mistake.

Here are a few guidelines and suggestions for small investment entertainment.

- Lunch rather than dinner
- Breakfast rather than lunch
- Gift cards rather than picking up the check
- PF Chang’s rather than Ruth’s Chris
- Minor league rather than major league

Remember, it’s all about *return on investment*. That means *think before you spend*. Remember too that it’s difficult to get people to go out with you in these busy time, and that’s all the more reason to be conscious of getting the most bang for your buck.

Lunch generally costs less than dinner, right? But it still fulfills the objective of getting a buyer out of his/her office and into a more neutral setting. That can be very important, especially if we’re talking about a potential customer. In their office, they have the home field advantage—and you also have the home field disadvantage, which means the potential for interruption. Another cost factor and benefit is that most people drink less (if at all) at lunch. Adult beverages can add pretty dramatically to the cost of entertainment. They can also cause people to say things they’ll wish they hadn’t said. I’ve seen quite a few relationships damaged by things people said when they were drinking, both salespeople and buyers.

Breakfast generally costs less than lunch, but that’s only half of the reason I like meeting customers and potential customers for breakfast. The other half is the way it extends the selling day. Sure, dinner and drinks can extend your selling day too, but it’s been my experience that more gets accomplished in a day that starts with a breakfast meeting, and it’s also easier to control the end time. Have you even been out in the evening with a customer or prospect who wasn’t ready to call it quits when you were? Have you ever had one of those evenings end up damaging a relationship rather than strengthening it?

The potential for that kind of damage can be minimized by *sending* a customer or prospect to dinner rather than taking them. Gift cards can be a very effective way of showing your appreciation. Granted, they don’t allow the bonding that can take place when you’re entertaining in person, but they can create a lot of goodwill. Think about it, who would you rather go out with, a salesperson or your significant other? Gift cards and *sending* are not always the

best strategy, but neither is *taking* and picking up the check. It's also worth noting that gift cards come in fixed amounts, so you know the exact amount of your investment.

Managing Cost

Another suggestion for managing cost is to entertain at moderately priced restaurants rather than high-priced ones. That's what I meant by PF Changs rather than Ruth's Chris. I'm not suggesting that you send or take your customers or prospects to a ptomaine palace. I'm just saying that a moderately priced restaurant will probably provide you with most if not all of the benefits of entertaining, at a lower overall cost. One more thought regarding gift cards, though. Please don't send me to Ruth's Chris with a \$50 gift card, because it's going to cost me at least twice that much to eat there with my wife. By the same token, \$50 would cover a very nice dinner for two at PF Changs.

Now, on to minor league rather than major league. I live in the 48th largest metropolitan area in the United States. We have one professional sports team, the NHL's Carolina Hurricanes. We also have a couple of minor league teams in various sports, including the Durham Bulls baseball team, a Triple A affiliate of the Tampa Bay Rays. The difference in cost between a Hurricanes game and a Bulls game is very significant. I could take 4-5 people to a Bulls game for what it would cost to take one person to a Hurricanes game. The obvious question is whether I'd get as much impact from a Bulls game, and I'm not sure that I wouldn't. It depends on whether the objective is to watch major league athletes perform, or to build or add to the relationship with a customer or potential customer.

Customers and Prospects

Here's something else to think about. As noted, I could take 4-5 people to a Bulls game for the same cost as taking one person to a Hurricanes game. That could be 4-5 people from one company, one person from 4-5 companies, or any combination of customers and/or prospects that adds up to 4-5 people. Do you see the value in putting customers and prospects together in a social setting? You've probably been trying to convince your prospects that you can deliver on whatever it is that you're hoping to sell them. With wise use of your entertainment budget, you can engineer a situation where current customers will tell them that they can.

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