

Cross promotion - a low cost way to grow your business

With marketing budgets under pressure, business owners and managers are looking for ways to do more with less. One of the most effective ways to find new customers with minimal expense is cross promotion.

Cross promotion is simply when two or more businesses combine resources to market their products or services to each other's customers. The main criteria for success in cross promotion are that the businesses serve the same types of customers but don't compete with each other.

There are hundreds of ways businesses can work together to achieve this. Here are a few cross-promotion ideas that can help you expand your market on a small budget.

1. Two businesses can agree to display each other's brochures. An example is a pharmacy that displays brochures for a therapeutic furniture store. In return the furniture store will display brochures promoting the pharmacy. This is a good match because both businesses serve people with health issues.

Businesses can agree to put each other's promotional materials in shopping bags when customers make purchases. Another option is to print promotional messages, or coupons, on each other's cash register receipts.

2. On a business to business level, companies serving the same markets can include each other's brochures when they send out invoices to their customers. For example, a commercial printer includes a brochure from a commercial photography agency that serves the same market. In return, the company providing commercial photography will include the printer's brochure in its mailings.
3. Professionals can also benefit from cross promotion. For example, a financial planner, lawyer, accountant and insurance broker can produce a joint seminar where they speak about wealth creation and risk minimization. Each participant raises their credibility by speaking at the event, gaining access to new clients.

A key part of cross promotion is credibility. By working with other respected businesses you instantly gain credibility amongst their clients. You also add value for your clients by letting them know about quality products and services you endorse.

If you haven't done any cross promotion before, you can start by asking, "Who are my potential customers?" Once you have determined this, write a list of non-competing businesses that sell to the same types of customers as you do. You probably already know people in business who would be ready and willing to start a cross promotion alliance. First, it's important you ensure that companies you cross promote with are reliable and offer quality products or services. Getting into an alliance with a company that doesn't meet customer expectations can damage your reputation.

Once you have found a partner to work with, meet and brainstorm ideas on how you can best work together. Discuss the ways in which you currently make contact with your customers. Are there ways you can work together using these existing methods? If you have a retail business, you can focus on in-store promotions such as posters, displays, brochures and coupons.

If you are in a service or consulting business, you can promote each other in direct mail pieces, newsletters, on your website or in any other ways that you connect with your customers. As mentioned, joint seminars will raise the credibility of the speakers while giving them access to each other's customers.

You don't have to limit yourself to one business when cross promoting. For example, separate companies offering home renovation, interior design, painting, flooring, plumbing and electrical services can combine mailing lists and create joint promotions to send to their customers. These companies all provide home improvement services, but don't directly compete with each other.

If you're having trouble coming up with relevant cross-promotion ideas, here are a few more.

- Publish articles about one another's businesses in the newsletters you send to your clients.
- Mention the benefits of each other's products or services when speaking at local events, to the media, or to your customers.
- Promote your partner's products during their slow times and ask them to do the same for you.
- Train your staff to promote your cross-promotion partner's products or services.
- Give your partner's product to your customers when they buy a large quantity of yours and ask your partner to do the same for you.