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This document contains an excerpt from a white paper written for HR Marketer.com. □
The white paper is given away free to prospective clients to explain the value of their □
service and collect contact information from the prospect for future marketing. □

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To complete this piece, I assembled data and information previously published by the □
client in other forms and conducted additional research to update and supplement the □
existing information. My tasks including planning and organizing the white paper, do □
research, and write the piece from beginning to end. □

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Upon submitting the final draft, my client said he was "very impressed and excited" □
about the quality of the product.

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|--|-----------|
| Introduction: The Changing Rules of HR Marketing | 2 |
| <i>Section One: The New Human Resources Marketplace: Profitable, Competitive & Technologically Advanced.....</i> | 3 |
| Chapter 1: HR Buyers—Who they are and where they are | 3 |
| New Breed of HR Professional is Focused on the Bottom Line..... | 3 |
| HR Buyers Also Found Outside HR Departments | 3 |
| Identify Your HR Market | 3 |
| Market Size & Makeup—Demands for Suppliers | 4 |
| Defining the Targets | 5 |
| Classification of HR Suppliers | 6 |
| Media and Content Communities—the Other Players in the HR Marketplace | 8 |
| Chapter 2: Marketplace Trends—HR Pros Growing in Influence and Responsibility | 9 |
| Role, Status and Purchase Influence of HR Pros Rising Steadily | 9 |
| Human Resources Mandated to Demonstrate ROI..... | 9 |
| Reduced Barriers to Entry Means More Competition than Ever | 10 |
| Chapter 3 Marketplace Trends: New Strategies Needed for Effective HR Marketing..... | 13 |
| Online & Direct Marketing Increasing in Presence | 13 |
| World Wide Web: Where Buyers Look for HR Solutions | 14 |
| Social Media Proving Viable as Marketing Medium | 16 |
| <i>Section Two: Solutions for HR Marketing</i> | 18 |
| Chapter 4: Multifaceted Approach Is Necessary | 18 |
| Chapter 5: The Fundamentals of Successful HR Marketing..... | 19 |
| The Need for Marketing—Establishing a Budget | 19 |
| Developing Identity | 19 |
| Determining Your Target - Develop a Full Sphere of Influence | 20 |
| What Message Will You Deliver?..... | 21 |
| Communicating Your Message | 22 |
| Developing a Tactical Marketing Plan | 23 |
| Choosing Your Marketing Tools..... | 25 |
| Chapter 6: Marketing PR—The New World of Marketing..... | 27 |
| Combining Marketing and PR to Take Your Message Directly to Your Prospects | 27 |
| Search-Optimizing Your Website: Your Marketing PR Starting Place..... | 29 |
| Marketing 2.0—Marketing via Content | 30 |
| PR 2.0—Directing News to Consumers & Customers | 31 |
| Direct Marketing | 32 |
| Advertising..... | 33 |
| Chapter 7: HR Marketer—Your partner for cost-effective Strategies to Successfully Market Your HR Products and Services..... | 35 |
| HRmarketer.com Saves You Time and Expense by Providing Market Information, Assessments, Tools and Guidance to Make Quality Marketing Decisions and Deliver Your Marketing Message..... | 35 |
| HRmarketer.com is No. 1 On-Demand Marketing and Media Visibility Service for HR Suppliers ... | 37 |
| <i>Software & Service Companies and the Markets/Buyers they serve</i> | 39 |
| <i>Appendix.....</i> | 40 |
| Software / Services Companies and the Markets / Buyers They Serve:..... | 40 |
| HR Pillars | 42 |
| HRmarketer.com services grid – how we can help SEO, etc. | 43 |

Introduction: The Changing Rules of HR Marketing

It used to be that brand advertising, a few direct mail campaigns and tradeshow appearances, coupled with sales calls and a little PR was enough to stay competitive as a supplier of Human Resources-related products and services. No longer.

New executive attitudes about the importance of HR and the emergence of new, powerful methods of promoting products and services online have vastly changed the way HR marketers must reach out to their buyers.

The HR marketplace is growing rapidly as organizations realize the competitive edge gained from high-quality employees. In fact, our calculations suggest it is a marketplace worth more than \$1 trillion per year and still growing. But this lucrative marketplace has attracted swarms of new companies offering products and services for all segments of the HR industry. These companies are taking advantage of new web-based technologies that instantly make them competitive.

Diverse competition forces all suppliers to become more efficient and cost effective, which is good for everyone. But the onslaught of competition is rapidly changing how HR buyers view previously effective marketing tools. Traditional marketing tools now tend to get lost in an already crowded marketplace and confuse buyers as they become swamped with marketing messages. Today, broad-based marketing messages and brand advertising are mostly ignored by the very people you are trying to reach.

Rather than receiving marketing messages and sales calls, HR buyers are hunting for information and resources to help them identify their needs and distinguish the products and services that will help them most. They are looking for people they can trust and people trusted by others. The chief resource HR buyers use to find what they are looking for is the Internet. Specifically, they are using search engine technology and Web 2.0 functions to locate news and information they can trust. Key tools for reaching the new breed of HR buyer include online press releases, other forms of online content, and search-engine-optimized web sites.

The bottom line, then, is that suppliers of HR-related products and services who will succeed in today's HR marketplace are those who are readily available to help buyers in their quest for information online, develop a standing of good reputation among trusted advisors, and have the mechanisms to develop relationships with prospects.

Additionally, suppliers of HR products and services have one other challenge. That is to demonstrate a high rate of return for each marketing dollar invested. Again, new online marketing tools that easily track prospects' response to marketing messages are surfacing as the most effective and cost-efficient means of achieving this end.

This eBook will walk you through the new HR marketplace environment to help you understand the changes that are taking place and help you see a future for your company in that marketplace. Then we'll show you how to make use of the most effective marketing tools available today and how to measure the success of your marketing campaign to satisfy the new mandate for demonstrable ROI. This paper concludes by showing you how HR Marketer has been employing these tools for years to put our clients ahead of the marketing curve and how you can use HR Marketer to get the best possible return on your marketing investment.

Section One: The New Human Resources Marketplace: Profitable, Competitive & Technologically Advanced

Chapter 1: HR Buyers—Who they are and where they are

New Breed of HR Professional is Focused on the Bottom Line

The recent shift to a global economy is forcing companies to become more efficient and competitive, and this includes recruiting better, more loyal employees. The result is more attention and funding given to HR functions within the company and this has attracted a new breed of professional to the Human Resources industry. They are armed with business degrees, acquainted with the new Internet world, and focused on the bottom line.

Charged with producing better employees using fewer resources, both human and financial, these new HR professionals are looking for better recruiting and managing software, communications technology, recruiting and staffing solutions, employee benefits solutions and outsourced services. These needs create a growth of opportunity for HR suppliers, but the higher education and familiarity with technology possessed by these new HR professionals requires a sophisticated marketing approach. Successful HR suppliers know where these professionals are looking for information and know how to give them the information they're looking for while developing a relationship of trust with them.

HR Buyers Also Found Outside HR Departments

The Society for Human Resources Management (SHRM), the leading association of HR professionals, boasts nearly a quarter of a million members around the world. But HR Professionals are not the only buyers of HR products and services. This number increases significantly when combined with people outside the typical HR sector who also hire, train and maintain a workforce. These include public sector personnel directors, procurement departments, small and mid-sized business owners, benefit brokers, PEOs and professionals in other areas, such as IT and finance, who play a key role in influencing human resources products and services purchasing decisions.

Identify Your HR Market

To help you understand what HR buyers are thinking and doing in various markets, we analyzed 12 months of data gathered from leading software and services vendors with marketing campaigns targeted at HR executives. The volume, quality and age of the data enabled us to make the following business-validated observations about the typical HR buyer:

- Large companies have a multitude of potential buyers, while smaller companies have one or just a few.

Influencers of hiring, training and maintaining a workforce other than HR professionals:

- *Public sector personnel directors*
- *Procurement departments*
- *Owners of small and mid-sized businesses*
- *Franchise managers*
- *Benefit Brokers*
- *PEOs*
- *Head Hunters*
- *IT (Information Technology)*
- *Finance*

- High-level executives are as likely to respond to HR marketing campaigns as managers or staffers – 50% of the respondents in this data sample were director level or higher.
- Geographically, 40% of HR buyers hail from five states: CA, TX, NY, IL and PA.
- HR executives are evenly distributed between genders—top-level positions continue to be occupied by more men than women, but at the manager level and below they are more likely to be female. (See Figures 1 & 2 below)
- The demographic split should be watched as it will likely evolve over time and may impact the way some vendors market their services. For the marketing professional targeting HR buyers, it is worthwhile to note how these demographics match the make-up of your buyer(s).

Figure 1:

Gender Distribution of the HR Buyer

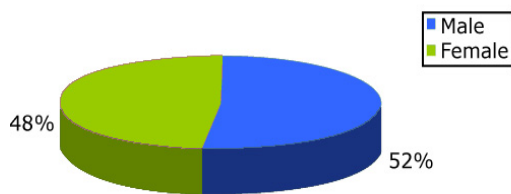
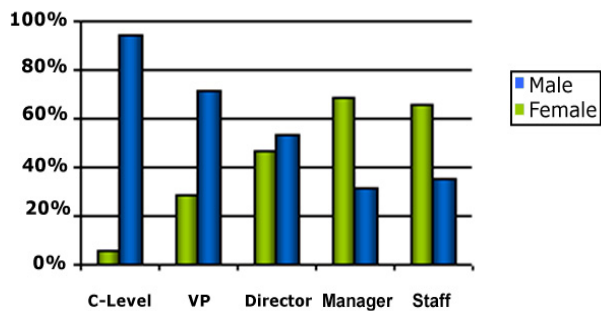


Figure 2:

Gender Distribution of the HR Buyer by Title



Market Size & Makeup—Demands for Suppliers

The HR Marketplace, which includes all markets served by providers of HR-related software and services and employee benefits, is growing rapidly with more than 1.2 million private-sector firms having potential need for HR products/services in the United States alone. We estimate annual spending on HR-related products and services, including employee benefits, at more than \$1 trillion worldwide.

Potential buyers in this market range from large companies searching for better recruiting results and streamlined delivery of employee benefits to smaller companies that need to do more with fewer resources.

According to recent census data (see Table 1 below), there are more than 1.2 million private-sector firms in the USA employing at least 10 employees. These firms employed a combined 102 million workers. Considering that most firms with 10 or more employees purchase at least one HR product or service, opportunities exist for a wide variety of suppliers. Companies spent an estimated \$785 billion on employee benefit products and services alone in 1997 (Thomas Weisel Partners) and, according to a newly-released IDC study focused on just services, worldwide HR

services spending will grow by 9.6 percent through 2009 to reach \$113.4 billion. Add the component categories and you are looking at a one-trillion-dollar global market.

Table 1: Marketplace of U.S. Companies

| Company Size | Total Firms | Total Employees |
|------------------------------|------------------|--------------------|
| 10 to 19 employees | 616,064 | 8,274,541 |
| 20 to 99 employees | 518,258 | 20,370,447 |
| 100 to 499 employees | 85,304 | 16,410,367 |
| 500 employees or more | 17,367 | 57,677,735 |
| 500 to 999 employees | 8,572 | 5,906,266 |
| 1,000 to 1,499 employees | 2,854 | 3,474,455 |
| 1,500 to 2,499 employees | 2,307 | 4,419,771 |
| 2,500 to 4,999 employees | 1,770 | 6,063,596 |
| 5,000 to 9,999 employees | 934 | 6,456,068 |
| 10,000 employees or more | 930 | 31,357,579 |
| Totals | 1,236,993 | 102,733,090 |

Source: USA Census Bureau, 2001

Defining the Targets

To pinpoint your marketing target, you need to know how HR is organized within an organization and who is responsible for the HR specialization that you supply. Generally the human resource function is assigned to a specific person or department or within an organization or person/department within its various divisions, however, the department, job title or authority level of an HR buyer varies widely from company to company. All of these factors result in varying needs and behaviors of HR buyers and will influence your marketing strategy.

Table 2: HR Practices by Company Size

| Company Size | Small Employers (< 50 Employees) | Midsize Employers (51- 999 Employees) | Large Employers (1,000+ Employees) |
|--------------------------------|--|--|---|
| HR Department Structure | <ul style="list-style-type: none"> • Less formal HR department, with HR often a non-core function of an operations or office manager position • Business owner typically makes all HR-related decisions • May rely on benefit brokers or contract with outside HR services firm (i.e. payroll vendor, PEO) for HR needs • Buying process is varied and less structured, often with conflicting internal forces between primary purchaser and influencers | <ul style="list-style-type: none"> • More formal HR department with HR generalist and mix of in-house and outsourced solutions • Greater level of delegation from senior management than with small employers • Structured, committee-based buying process emerges, with a cohesive strategic direction | <ul style="list-style-type: none"> • Formal, hierarchical HR department including specialists for primary HR functions such as compensation and benefits, recruitment, training and compliance • Can be highly decentralized—purchases made at all levels |

Note: See Appendix for a complete profile matrix of the HR buyers and influencers.

Influence of Size

To market effectively, you must understand how the HR function is structured within your targeted organizations (See Table 2 above). Depending upon on a company's size and scope, the target may be the business owner who handles HR functions on