

Business Builder Newsletter # 22: “Color Sells!” March 3, 2010

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Color is big business. For manufacturers of consumer goods, much research and investment goes into choosing the right colors for products, logos and packages. There are organizations such as the Color Marketing Group and the Color Association of the United States whose members determine future color palettes for fashion and household categories. And in my last Business Builder article on 2010 trends, I mentioned Pantone, which publishes its own color forecasts. It is no coincidence that you see the same product colors at retail from many different suppliers.

But why is color important for your business? Because color SELLS!

In fact, color can be up to 85 percent of the reason people decide to buy, according to the Color Marketing Group (www.colormarketing.org).

Here's a first-hand example:

When I worked in the office products industry, one of my responsibilities was pencil sharpeners, and Wal-Mart was my biggest customer. At that time, office products came in three boring colors: black, grey and beige. Knowing from previous experience that color boosts sales, I convinced Wal-Mart to test pastel-colored battery pencil sharpeners. The result: Wal-Mart's sales of that product tripled during the Back to School season.

6 Ways Color Can Build Your Business

But you don't have to sell consumer products to benefit from strategic use of color. Even if you're in B2B services, **here are six important ways to use color to build your business:**

1) Establish your brand image

The colors you pick for your logo, website and marketing materials should reflect the image you want to convey for your brand and company. For example, a graphic design firm might pick jazzy colors for its logo, while an accounting firm might stick with conservative neutrals in order to come across as solid and dependable.

2) Increase your brand awareness

Color increases brand recognition by up to 80 percent, according to the Color Marketing Group. Put the same color out there consistently, and people will remember it and come to associate it with your brand. Quick, what brands do you associate with the color red? Chances are, you thought of Coke or Target.

3) Fit In

“It's important to use colors that are acceptable within your industry,” says Nancy Sipera, president of First Impressions Advertising in Cherry Hill, NJ. Nancy has a strong design and art background which she applies to her clients' communications projects. “Don't use pink in packaging for toddler boys. Use dark blues, greens or other 'rich' shades for financial planners or banks.”

4) Differentiate Yourself

On the other hand, your colors should set you apart from your competitors. So it's important to do your homework upfront and know what colors are already taken. Some companies use

words for colors (“Red Circle Advertising” or “GreenLight Consulting Group”) in their name as a differentiator.

5) Target different market segments.

The bright, primary colors often used for children’s bedding are not those you would see for adult bedrooms (soft, sophisticated tones). These end user segments have very different color preferences.

6) Communications

Color can also be used tactically in printed materials and websites to increase comprehension (e.g., highlight important information, or group similar items) or to direct the viewer to a “call to action” item.

But how do you pick the right colors for you and your business?

For starters, click this link for Nancy Sipera’s article, “What Your Color Choices Tell Others,” and read how colors can set the right tone (<http://firstimpressadv.com/article11.aspx>).

Then research your competition thoroughly to make sure the colors you have chosen are not in conflict with someone else’s.

Finally, make sure you like your brand’s colors and feel comfortable with them, because ideally, you will be living with them for a long time!