

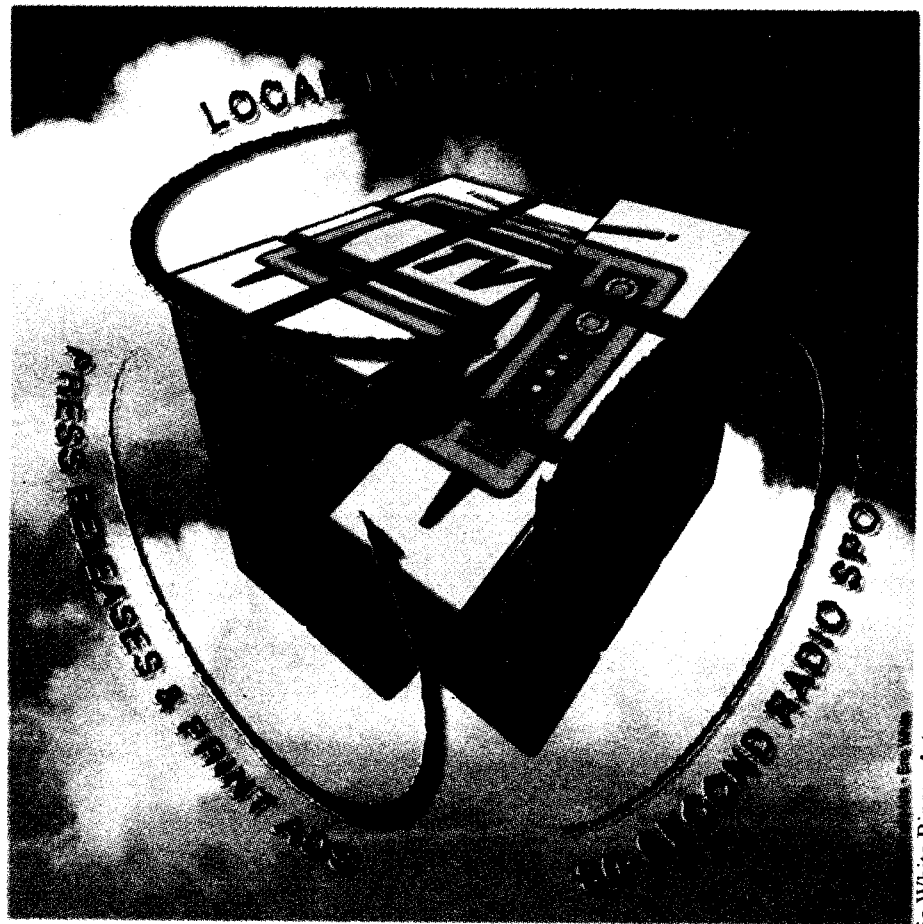
BUSINESS REVIEW

For Central Florida

November 1991 • \$1.50

"The Small Business Guide To Profitability"

Volume 2 • Number 11



Eric White Binary Arts

Marketing The One Great Opportunity For The 90's

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In today's competitive marketplace you can't enhance the bottom line any more by manufacturing, so the one great opportunity left for you is marketing.

The Ten Major Marketing Mistakes that Every Business Makes..

1. Not Testing Ads, Prices or Sales Scripts For Results. Its amazing how few companies ever test any aspect of their marketing and compare it to something else. They bet their destiny on arbitrary, subjective decisions and conjecture.

How do we put a marketing question to a

vote? By testing. When you test one approach against another and carefully analyze and tabulate the results, you'll be amazed that one approach always substantially outpulls all the others.

You can easily achieve immediate increases in sales and profits merely by testing. Test every sales variable.

Once you identify the most successful combination, your work has just begun. Keep testing, see if you can improve.

2. Running Image Advertising. Many print ads, mailing pieces, radio and TV commercials we see are based on image or institutional type advertising. At best they produce deferred results. At worst, image advertising is an ineffectual, wasteful expense that accomplishes no productive purpose. (Continued on page 12.)

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Most image advertising tells you how great the company paying for the advertising is. It doesn't convey any compelling reason for the reader to favor your business over another.

Direct response advertising is salesmanship in print or over the air. As salesmanship, it makes a complete case for the company, product or service. It overcomes sales objections. It answers all major questions and it promises performance or results.

Direct response advertising directs people to action. It compels readers or viewers or listeners to visit your establishment, call you, send in money or drive their car down to trade it in on a new model.

3. Not having a 'Unique Selling Proposition' – That Which Makes You Special. The USP is the distinguishing advantage you hold out in all your marketing, advertising and sales efforts. It is the philosophical foundation of your business and its essence should pervade everything you do.

The foundation of your USP genuinely depends on that specific market niche you have already carved or wish to carve out. Your USP may be:

- You only sell the highest grade products.
- You sell your products at the lowest markup.
- You maintain 24 hour, 7 day a week service.

One of the first things you should do when you get back to your business is to develop your USP.

4. Failure To Utilize Your Customer List For Repeat Sales. Most companies never address the back-end or residual part of their business, but the back-end is all

important.

You spend hundreds or thousands of dollars to get a customer to come in to your store or buy your product or service but most businesses don't even get the name and address of each one.

Research has shown that a customer of yours is 6 times as likely to buy from you again as a new prospect is to buy from you the first time.

Look for logical product or service extensions to offer your customers. If you are basically a one-product or one-service company, seek out other products, companies or services to offer your customers.

Ironically, most businesses rarely try to resell their current or previous customers. You should do it constantly.

5. Not Knowing The 'Lifetime Value' of Your Customers. In measuring the results of your advertising its not simply enough to count the number of people who respond. In fact, what you really want to know is how much is a customer worth to you - in dollars and cents - over his lifetime.

Not 1 business in a 1,000 thinks in terms of lifetime value or know how to calculate it. Yet the calculation is easy and yields enormous benefits.

What you need to do is calculate how many times your average customer will buy from you, then multiply that result by the average gross profit from each sale.

These numbers will sometimes stagger your imagination. When you know the lifetime value of your customers, you should now see how it might be profitable to lose a little on the 1st sale in order to get a new customer.

6. Failing To Determine and Address

What Your Customer Really Wants. 90% of the businesses never precisely determine the needs, desires or requirements of the people to whom they are trying to sell. The companies that understand their customers' needs and attempt to satisfy those needs seem to end up with all the business.

I don't know which need or which combination of needs your potential customer seeks more than anything else, but once you find and fill that need, you own your business niche.

Then don't merely fill those needs silently. Make sure customers, prospects, salespeople and your entire marketplace learn that your business listened and that you finally did something to satisfy the needs of your customers.

7. Forgetting To Recognize That You Have To Both Sell and Educate. Whenever you make an offer, ask for a sale, run an ad, have a salesperson make a presentation to a customer or prospect, or offer a product or service for sale at a specific price, always tell the reason why.

Why can you sell a product or service at a lower price than your competitor? Is it lower overhead or your volume buying? Do you buy odd-lot inventories? Do you not give all the service? Why is your price so good?

If your price is high, again, tell the customer or prospect why. Do you offer a far superior product to the norm? Is your product made with demonstratable finer material? Is your product designed to last or perform 2 1/2 times longer than your competitors? Is it handmade?

Why should I patronize you instead of your competitors? Tell me what you're doing, will do or will avoid doing that makes favoring your firm better for me than dealing with someone else.

8. Failing to Make Doing Business With Your Company Easy, Appealing and Even Fun. It surprises me that most companies never put themselves in their customers' or prospects position. Why else would they make doing business with them so hard?

How willing are you or your people to answer questions and render truly informative advice, even if it does not directly or immediately benefit you?

How easy is it to find things in your store? How conscientiously do you follow up on sales requests, orders and inquires? How well do you keep customers informed on the

progress of their orders?

9. Abandoning Marketing Campaigns That Are Still Working. Most people get tired of their advertising long before the marketplace does.

I buy a new car about every 4 years. And that means I only read the car ads one weekend every 4 years – that's one out of 208 weekends. 207 weekends I don't look at them.

The point is this, you'll get tired of your marketing long before the marketplace is saturated. When you toss an ad that you are sick of seeing, you're throwing your money away.

Never abandon something until it stops working. How do you know when that happens? By tracking and analyzing.

The marketplace is like a moving parade. People respond to something only when they have an interest. Just because they're not interested today doesn't mean they won't be interested tomorrow or next month.

10. Not Transferring The Risk From The Customer To You. Even if you've done a fabulous job of selling, people may be reluctant to buy from you, because of simple fear or inertia.

After all, you already know that your product or service will meet your claims. The customer, on the other hand, has no such faith. So you should be willing to back up your product or service with a strong guarantee.

The standard guarantee may be to offer customers their money back if they return the product within 30 days. A stronger guarantee is to offer them a 6 month money back guarantee. Or, let them try your product for free billing them only after 30 days have expired.

Will customers take advantage of you when you offer a stronger guarantee? A few will, but the money you lose on those customers is a tiny fraction of the increased sales you'll get by offering the guarantee in the first place.

CONCLUSION. Eliminating one or two of these ten major marketing mistakes can catapult your business beyond everyone else's. Eliminate all of them and the sky's the limit - literally. □