

Why Marketing Fails

An Insider's Guide
How to Fix the Marketing
in Your Business

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www.theklegroup.com

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WHY IS MR. SMITH SO UPSET?



Mr. Smith owns a business. For the last 10 years he's worked his rear-end off trying to grow it, make decent money, and stay ahead of his competition. Business is okay, but sales have slowed in recent years and some of the "new kids on the block" are threatening to cut into his market, and his ever shrinking profit.

So Mr. Smith decided that he needed marketing to both regain lost ground, and then to get his business to the next level. He thought paying to run some ads would generate sales and make money. Boy... was he in for a surprise!

First he tried some direct mail. He paid \$40,000 to print and send out about twenty thousand post cards. He was confident that the cards would make the phones *ring off the hook*. Guess what? They didn't. As best as he could tell he only received a couple of calls. Ouch! A lot of money spent for very little result.

Then someone told him how great radio can work. So he dropped another \$25,000 on a big, splashy radio campaign with lots of 30 and 60 second spots. Blasting radio commercials to thousands of people would surely result in lots of calls – and sales. Ouch again! The phones didn't ring at all. Twenty-five thousand bucks down the drain.

In the mean time his other business costs had gone up, and a price war erupted with his competitor's that was further cutting into profits. Mr. Smith was getting desperate for a solution.

Next, an ad rep he met at a networking meeting convinced him to try some print ads in the local paper. After all, everyone reads the paper, right? By this time Mr. Smith had spent his entire annual advertising budget (with little results to show) and had to dip into other operating money to try the print ads. There was a lot riding on this new campaign because Mr. Smith needed these new ads to create enough sales to make up for the duds he had already blown sixty-five grand on. Sound familiar?

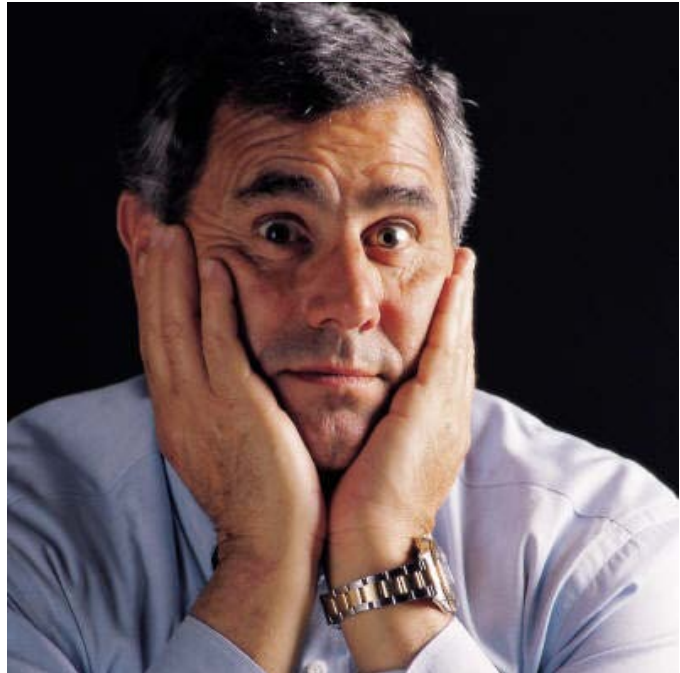
So Mr. Smith scrapped together another \$35,000 for a three month print ad campaign in the local paper. He wrote the check, approved the ad layout, rechecked the ad copy, and then prayed the new ads would work.

Not only did it not make up enough leads and sales for the other loser ads, but this latest campaign bombed as well.

So why is Mr. Smith so upset? Because he is sick and tired of wasting precious time and money on marketing and advertising that just doesn't seem to work. He flat out can't afford to spend another penny on business development activities that don't generate MORE revenue than they cost. After all, isn't that what marketing is supposed to be able to do – generate return on investment (ROI) that pays!

Mr. Smith wants – no, demands - a solution to his marketing and advertising. He wants to generate more leads, more sales, and more repeat business for the time, money, and effort he can reasonably afford to spend on growing his business. Sound familiar? Are you a Mister or Misses Smith for your business? If so, than this guide is for you.

HOW MANY MARKETING BLUNDERS ARE YOU MAKING?



Every business owner knows that you need to market and advertise in order to survive and grow. But that's just about where correct, common knowledge ends and all-over-the-board application begins. Some businesses get it right, but the vast majority simply does not, and wastes tons of time, money and effort trying. Is that you?

You may be working very hard to attract new customers and grow your revenue, but if you're committing any of these common marketing blunders it's costing you a fortune in untold business:

Having No Strategy

If you don't have a strategy, how do you know *how* to market your business? A successful marketing plan contains two components: strategy and tactics. A marketing strategy means knowing what to say, how to say it, and who to say it to. Marketing tactics are the methods used to execute that strategy. Marketing that makes money means you need to develop a good strategy first, and then figure out how to roll-it out.

Not Testing

If you aren't testing and tracking your marketing and advertising efforts, than you are only really guessing as to what works (and you're guessing with your wallet!). The ONLY path to successful advertising is to test small, track the results, learn what works (and what doesn't), and ONLY increase your spending and efforts AFTER you know what the results will be.

Being Short-Sighted

A lot of business owners think that the role of advertising and marketing is to get people to open their wallets, and it is - eventually - but not necessarily right away. Only one to five percent of the people that see your ad are *now buyers*. All those other folks may be thinking about buying what you sell but they aren't ready to open their wallet today! If your efforts only focus on now buyers you'll be losing a huge chunk of future business.

Failing To Educate

It's not enough to tell folks what you sell, when you're open, and that you have the lowest prices in town. First, no one will believe you, and second ads like that don't work. The reason is simple. You need to give people a *reason* why they should spend money with you and not with your competitors. And in almost EVERY buying decision that means giving your prospects the information they need (and want) so that they know they are making the best buying decision possible. Think of it this way, you advertise to offer, you market to educate!

Saying What They All Say

Here's how a typical business puts together their ads and marketing pieces: They look at what everybody else is doing and saying, and figuring that if that's what their competition is doing, they better do it to. We've all done it... you might be doing it right now. The problem is that all the ads and marketing pieces look the same. How the heck can a prospect tell that you are any better, or any different, from your competitors?

Hopping Media

You tried print ads, and they failed. Next you tried direct mail and that cost a bundle and failed too. Then you tried cable TV and it didn't do any better. Sound familiar? Hopping from one media source to the next in search of advertising results for your business wastes time and money. Selecting the best media to drive results is based on having a good strategy, and then testing and comparing the results before you spend a lot of money.

Ignoring Your Customers

Every business needs new customers (duh!), but often a business will put so much effort and expense into new customer acquisition that they will ignore the goldmine right under their own feet: Their existing customers. It costs approximately ten times more money to attract a new customer as it does to sell to an existing one. If you think marketing is only for new customers you're wrong, and missing a lot of *low hanging fruit*.

Being Too Creative

How many of you have seen ads that just made you scratch your head wondering "what the heck were they thinking when they put that together"? How many might be thinking the same thing about your stuff right now? There's a huge difference between creative ways to market your business that are EFFECTIVE, and using humor, gimmicks, egoism, and just plain silly ideas that fail. Testing and tracking will quickly tell you which is which.

Separating Sales

This is classic in business: The marketing folks don't talk with the sales folks, and vice versa. Who made these rules? The fact is that marketing and sales are part of the same process. Remember what you want to do – find a lead, educate them so they buy from you, close the sale, ask them for more business, and repeat. That means that for sales and marketing to be effective they must be part of the same strategy, and say the same things.

Failing To Communicate

Most businesses recognize the importance of staying in front of their customers, but struggle mightily to do it effectively (or at all). Customers forget, loyalty wanes, competitors get aggressive, and before you know it your base of business crumbles and you're back to fighting for new leads. For most businesses, if you're not touching your customers AT LEAST once per month, you're losing ground.

Offering Nothing

What you want from your marketing is sales, but if you expect new leads to follow a direct path from your ad to your cash register you'll be disappointed most of the time. It does happen, but most of the time, even for now buyers, people are more likely to buy from you IF you give them a compelling, low risk way to take the next step in the buying process with you. Making great offers makes ALL the difference in marketing success.

Asking Nothing

If you think your business is doing great, there's a 99 percent chance you could be doing a lot better if you only asked (your customers that is). Asking your customers, on a regular basis, how you are doing, what they like and don't like, and how you could be even better, is a Fortune 50 strategy EVERY business should adopt if they want to beat out the competition. Asking builds loyalty, uncovers strengths, weakness, threats and opportunities, and shapes future marketing and innovation.

Ignoring the Problem

Are you just running ads and listening for the phone to ring? If you "seem busy" are you assuming that the marketing is "for the most part" working? Have you resigned yourself to the idea that if you want more leads and business you'll have to dump a ton more money into what you're already doing? Wow! Wake up! It could be worse... but it could also be a lot better. It sounds like you're underleveraged and just throwing money away. It's not that your marketing is bad – far from it. It's working OK. But can you really afford "OK" in this competitive market? The answer is NO. Pouring more money at it is not the real answer, but better results than what you are currently getting are!

So how are you doing in your business? How many of these costly marketing blunders are you making? If the answer is "too many" don't despair because the good news is that they are all *relatively* easy to fix. Yes, it's going to take some work, but the payback will be marketing, advertising, and business development activities that result in more revenue and profit than you are achieving now... a lot more!

“Because of the nature of business, it has just two functions, and only two: Marketing and innovation. Marketing and innovation make money. Everything else is a cost.”

Peter Drucker

What Every Business Wants



There are over 13.7 small and medium-sized businesses in the U.S., and they all want to make more money. You do too, don't you? Of course you do. But when it comes to marketing and growing your business you may be saying to yourself "these ideas and strategies are fine for others, BUT my business is different". Really... are you so sure about that?

The fact is that when it comes to marketing and business development methods and strategies, you have more in common with just about every other business out there than you realize. The bottom line is that regardless of whether you sell business-to-business or business-to-consumer, or offer a product or a service (or both), all businesses, at any point in their lifecycle, experience challenges, problems, and frustrations in one, two, or all three of these critical, common areas we like to call "buckets". See for yourself...



More Leads



More Sales



More Loyalty

In fact, all businesses would like to generate more leads for the time, money, and effort they spend marketing and advertising. And all businesses would like to convert more of those hard-earned leads into sales (increasing the closing ratio). And they would all like to keep their customers longer, generating more repeat business, up-selling opportunities, and referrals without losing them to competitors. Is that what you want in your business?

What you share with just about every other business on the face of the planet, when it comes to marketing and business development, is the need to ***integrate, manage, and maximize your efforts*** on ALL THREE of these “buckets”. If you only focus on one bucket in your business, you’ll be under leveraging the money and effort you’re spending trying to grow. The best growth results are achieved when your efforts in all three areas work together.

That’s common sense, and you know it. But the real challenge for ANY businesses is translating what you *want to be able to do* into *actual* results. A killer marketing campaign isn’t about an ad that’s better than what your competitors dreamed up, it’s about the ability to integrate, manage, and maximize all your efforts into significant, sustainable results. By doing so, you can take a carefully crafted marketing strategy and turn it into truly significant revenue and profit. Does that sound good to you?

The bottom line is that *modest* growth in each of these three areas of your business adds up to record-shattering results in overall growth and revenue.

What Is It Worth In Your Business?



What would it mean in your business if over the next six to twelve months you were able to achieve a modest increase in leads, closing ratio, and repeat business? For example, what would it do to your bottom line revenue if you had just a 10 percent increase in leads, a 10 percent increase in closes, and a similar 10 percent increase in repeat business? Would it surprise you to learn that with modest gains in these three “buckets” you would increase your overall revenue by as much as 33 percent!

By implementing a good marketing strategy, and integrating, managing, and maximizing your efforts, you can make a lot more money than what you are probably doing right now. To see the difference, complete the following worksheet and explore your “new revenue possibilities”.

New Revenue Possibilities Worksheet

What are you currently doing in your business?

No. of Leads per Month		Conversion Ratio		No. of Sales per Month.		Average \$ Amount per Sale		Monthly \$		Annual Revenue
	X	%	=		X	\$	=	\$	X 12 =	\$
Current status										

**What if you had a _____% increase in leads?
Recalculate your annual revenue.**

No. of Leads per Month		Conversion Ratio		No. of Clients per Month.		Average \$ Amount per Sale		Monthly \$		Annual Revenue	Revenue Increase
	X	%	=		X	\$	=	\$	X 12 =	\$	\$
Leads Increase											

**What if you had a _____% increase in your conversion ratio?
Recalculate your annual revenue.**

No. of Leads per Month		Conversion Ratio		No. of Clients per Month.		Average \$ Amount per Sale		Monthly \$		Annual Revenue	Revenue Increase
	X	%	X		X	\$	=	\$	X 12 =	\$	\$
CONVERSION INCREASE											

**What if you had a _____% increase in your repeat business?
Recalculate your annual revenue.**

No. of Clients per Year		% That Buy Again		No. of Repeat Clients		Average \$ Amount per Sale		Repeat Business \$	Revenue Increase
	X	%	=		X	\$	=	\$	\$
REPEAT SALES INCREASE									

What if you were able to do all three?

Total Increase In Revenue \$

Why Is Jane Smiling?



This is Jane. She also owns a business. For years she struggled to make a profit, acquire new customers, and grow her business. It seemed that ever year no matter how hard she tried, or what she did, the results were never what she wanted... or needed. As competition took off she found it harder and harder to bring new customers in, and to keep the ones she already had. In fact, at one point her business was about 90 days from closing for good if something didn't change. Well it did!

First, Jane realized that all the money she had poured into her marketing and advertising over the years was being wasted. She knew she needed to advertise, but she finally admitted that the ads she had been writing (or approving) weren't working. She decided to take a fresh look at what her competitors were saying in their ads. And she even called a few of them, pretending to be a customer, to get more information about each one. She learned that all the ads looked virtually the same. And when it came to calling, most of them sounded the same on the phone too. But she also found a couple of competitors who were do things different when it came to marketing their business and handling new customers. That gave Jane some new ideas for her own business.

Next, she attended an interesting webinar about customer service and loyalty which suggested that she should be asking her current and past customers what they think of her businesses. The idea made her a little nervous at first because she was

concerned people would just complain to her. But she ploughed ahead and made the calls. She asked some basic questions like why did they choose her business in the first place, what do they like about her business, what do they not like, what could she do better, and what could she do or offer to get new customers to get them interested in her business. The answers were very revealing. She realized that her customers had a different perspective on her strengths and weaknesses than she had had about her business.

With a better understanding of her strengths and weaknesses, and of those for her competitors, Jane took a second look at the ads she had been running and realized that they didn't stand out or communicate anything about what made her business unique. She also decided that she needed a better offer, one that would get more prospects interested in her business (and responding to her ads).

Jane also decided that this time she would actually track the results of the ads she going to run. In the past Jane relied on her staff to ask callers where they heard about her business. This was a good practice, but it provided a very incomplete picture of which ads and media were actually working. Jane could no longer afford to guess. Plus, she wanted to test some different ideas for ads that were a complete departure from what she had run in the past.

So Jane did just that. She found some creative ways to use her website to help her test and track all her marketing. No more guess work. The first couple of "different" ads really bombed, and Jane got a little frustrated. But it was do-or-die in her business so she kept on trying, and testing. Within 30 days she found two ads that really started pulling leads. In fact, the phone started ringing more than it had in the last six months. Jane was on to something.

In the process of tracking Jane also discovered something else that had been wasting a lot of her money. She discovered that one of the media that she had spent the most on in the past – mostly because the rep had convinced her that it was the best way to go for her *type* of business – was really underperforming. She was buying ads in three different media, and when she compared the new results, her old favorite was costing her a lot of money per lead compared to the other two media. So she shifted her ad budget away from the *old* favorite, and towards the better performing media with the result that her overall ad spending was producing a double digit increase in leads compared to anything she had ever done before.

This was a good start, and most businesses would have stopped right here and been satisfied with an up-tick in leads, but Jane wasn't finished. The closing ratio for her

sales had always been mediocre, and she had always attributed it to not being able to pay to get really good sales staff. But in her research she learned how she could get better information about her leads and prospects at first contact – BEFORE following up to sell them. So she again used her website to start getting some simple but key information from new leads and prospects about what they want and when they want it (as related to what she was selling) right when they responded to her ads. The information helped her sales people better handle each sales call by personalizing what they said to match the needs of the individual lead. They were also able to use the same information to prioritize the leads and focus exclusively on the “now buyers”. The results were a life saver. The closing ration shot up almost 17% with weeks of incorporating these new methods.

No longer 90-days from closing, Jane was on her way to expanding operations and opening a new location. But there was one more area to tackle in order to really maximize the time and money she was pouring into her marketing and business development. In the past she was always thankful when a customer gave her a referral, and she did get some repeat business from her customer base, but she never focused on growing this part of her business.

That too changed. Jane had always thought about starting a customer newsletter, but every time she looked at it she just couldn't justify the print and mailing cost. So she never really stayed in contact with her customers. She now realized that this had been a big mistake. So she finally implemented that newsletter program, but went for an email version instead to save money. She had emails for about a third of her customers, so going this route was going to take some time to fully put into place. That meant she couldn't waste any more time getting it started.

First, she put all her customers – old and new- into a different database so it would be easier for her to send email communication to them anytime she wanted. And she immediately instructed her staff to start asking all new customers for their email address. And whenever a new customer hesitated, she told her staff to say that they send out a newsletter by email to their customers with special offers not available to anyone else. This little line convinced just about every new customer to offer their email address and be included for the newsletter.

The next challenge was getting email from existing customers where they didn't have it already. Jane sent a postcard to her entire customer base making a special, limited time offer. When they responded for the offer she asked for their email.

That process filled in the gaps for about half the remaining customers in her database. So to get the remaining data, she assigned a couple of her staff people to call everyone else on the customer list, make the special offer, and ask for updated contact information. The process took several weeks, but in the end, she had updated contact information, and emails for over 85 percent of her database. And with that she launched her email newsletter program. With the newsletters she was able to tell her customers about new products and services, offer helpful information that was meaningful to her customers, announce specials, and create a referral program. She even included a way for her customers to give her feedback on how her business was doing anytime a customer wanted to speak-up.

So why is Jane smiling? Because in the six months she spent changing her approach to marketing, sales, and customer loyalty, she has earned a 37 percent increase in revenue and profit. Now, no longer 90-days from closing, Jane is looking to double her business in the next eighteen months. That's why Jane is smiling!

Where To Begin In Your Business



Jane's new marketing was so successful for several reasons. For one thing, by using her website in several creative ways, she was able to integrate and manage key aspects of her marketing, learn quickly what was working, use the information in real time to improve what she was doing, and ultimately maximize results. But for another, Jane finally implemented a true marketing strategy.

There are two aspects to any successful marketing program: strategic marketing, and tactical marketing. Strategic marketing is the message, and who it's delivered to. Tactical marketing is how it's delivered. To put it another way, strategic marketing is what to say, how to say it, and who to say it to. Tactical marketing is the methods used to get the strategic marketing out, like buying ads, distributing collateral, and having a website. Most businesses think of tactical marketing when they think of marketing. Big mistake if you don't have a strategy. The bottom line is that the message is MORE important, and should ALWAYS come first in any marketing program. Having a good strategic marketing plan will tell you the best tactical tools to use to deliver your message.

What Makes For a Successful Marketing Program?

The answer: Knowing the difference between strategic and tactical marketing, and ALWAYS developing your marketing strategy first BEFORE creating any marketing pieces or paying for advertising (including a website)!

Always Start Here

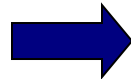


Strategic Marketing

1. What You Say
2. How You Say It
3. Who You Say It To

Basic Steps To Implement

1. Who is your target market?
2. What is important to them?
3. What do they really need to hear?
4. What are their “hot buttons”?
5. What information will help them make the best buying decision?
6. What offers will interest “now” and “later” buyers?



Tactical Marketing

1. Lead Generators
2. Marketing Tools
3. Drip System

Basic Steps To Implement

1. Incorporate the strategic message into EVERY touch point.
2. Write and distribute a regular newsletter.
3. Start a customer loyalty program.
4. Train your staff on the message.
5. Test and track ad results.
6. Test and compare media results.

What Is Your Marketing Strategy?



The biggest problem businesses owners have with developing and implementing a marketing strategy is that they are too close to their own businesses to have the perspective usually needed. An effective marketing strategy is all about your target market, and what will get their attention and motivate them to take action.

What you think is great about your businesses, may or may not be what your clients and customers think are your best attributes... the ones that motivate prospects to choose to buy from you and not your competitors.

So do you have a marketing strategy, or are you just hoping that the money you're spending on marketing will at least pay for itself. If that's the case – stop right now and use the worksheet below to get started on your strategy.

Marketing Strategy Worksheet

What To Say

1. What do prospects care about, BESIDES PRICE, when buying what you sell?
2. What should prospects know, but don't, when buying what you sell?
3. What information would help prospects make a BETTER buying decision for what you sell?
4. What advice would you give a family member if they were buying what you sell?
5. What industry secrets would people want to know about your business BEFORE buying?
6. What are the SPECIFIC benefits your customers get from you, and not from your competitors?
7. How are you SPECIFICALLY different AND better than your competitors?

How To Say It

1. List the specific "hot buttons" that are important to people when making a buying decision in your business?
2. Write down every generality and platitude you use in your marketing. After you make this list, AVOID using them again.
3. Write an attention getting headline for each hot button using plain English, and without using any platitudes or generalities?

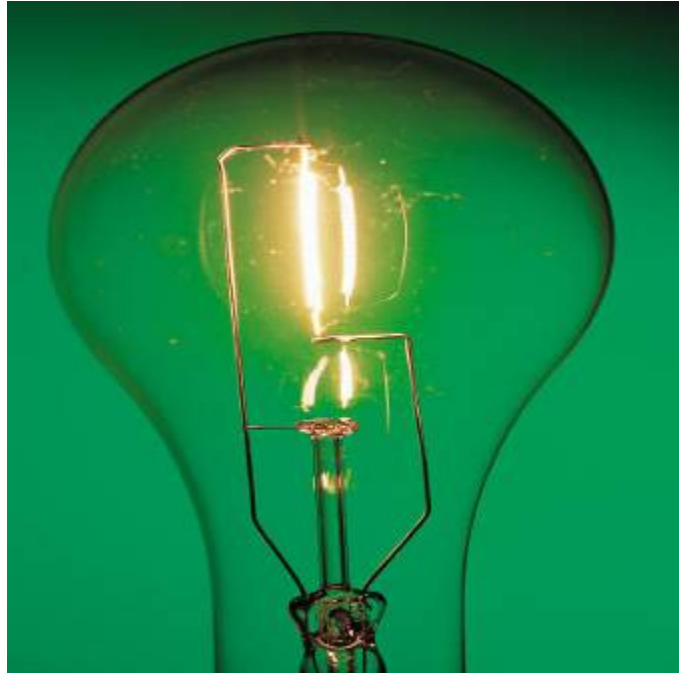
-
- | |
|--|
| 4. Identify every place in your marketing where you use the words “I” and “we”. Rewrite these sections to eliminate these words. |
| 5. Identify every place in your marketing where you could use the word “you”. Rewrite these sections using this word. |

Who To Say It To

- | |
|--|
| 1. Can you describe several defining characteristics (demographics) for your target market? |
| 2. If you sell more than one product or service, what are the differences in target markets for each product or services? |
| 3. Where does the average person go to get information about buying what you sell (while researching a purchase)? |
| 4. Who else could you market to besides buyers directly, that could generate referral sales (i.e. gatekeepers)? |
| 5. Which target market represents the shortest sales cycle, the most market growth opportunity, and/or the highest margin? |

Translating a well thought out marketing strategy into effective ad copy isn't necessarily easy. But with a good strategy, knowing what you want to say in your ads and marketing pieces becomes a lot easier, and more effective. It is beyond the scope of this guide to teach you how to write “good copy”, but if you take the time to complete the above worksheet you'll be armed with more and better information than most businesses have to use to develop better marketing materials, even if you do it yourself.

Now You Need Some Offers



There is an underlying misconception (or misplaced hope) that most business owners have about advertising, and that is that people will see their ad and come rushing into their business, wallet open, ready to fork over cash. Now that sounds pretty silly but the fact is that most business owners secretly hope that that's what should happen, especially given how ridiculously expensive it is to run ads. Does this sound familiar? Are you one of those owners?

Would it surprise you to learn that only about 1 to 5 percent of the people that see your ad are actually *now buyers*? Of the other 95 to 99 percent of folks that see or hear your ad, some portion of them may be thinking about buying what you sell, but they aren't ready to buy yet.

This fact presents you with a challenge, and an opportunity. You want the "now buyers" to respond to *your* ad, not your competitors', and come buy from you now. At the same time, you want all those folks that are thinking about buying what you sell to also respond to *your* ad so you can find out who they are and stay in contact with them so that when they are ready to buy, again, they will buy from you and not your competitors. Does that make sense?

All your ads need to have a "call to action" or a reason for people to respond NOW! A call to action is an offer. The challenge is to create offers that appeal to both "now"

and “later” buyers. The importance of using offers can not be overstated. Other than the headline, the offer is the most important part of ANY marketing piece. The opportunity you have is that most business owners ONLY think of offers that appeal to now buyers – “come buy from me now and I’ll give you a great deal”. But what if a prospect can’t buy now, does that mean they loose out on the great deal? If so, than it really means that when they are ready to buy they’ll go somewhere else and you loose!

So if you can create one or more offers to make in your advertising that appeal to both now and later buyers than you will “capture” more leads from the ads you run – that’s the bottom line. This is a critically important step in increasing the overall ROI from your ads.

Advertising Offer Ideas

1. Discount coupon (% off price)
2. Two-for-one offer
3. Free gift with purchase
4. Free gift for walk in
5. Premium upgrade with purchase
6. Free accessories with purchase
7. White paper (technical report)
8. Business report (industry information)
9. Consumer Report
10. Buyer’s guide
11. Consumer checklist
12. Free Service coupon
13. Invitation to customer club
14. Register for premium benefits
15. Pre-registration or pre-sale access
16. Free consultation

How To Get Them All



Of course you want lots of “now buyers” to see your ad, see your offer, and come buy from you now. And if you have a good ad, with one of more good offers, you’ll also get those “not ready to buy now” folks to also raise their hand. But how do you get them to buy from you later?

The first step is to understand the buying process that most people go through when making a purchase. This process is virtually the same for prospects regardless if you sell business-to-business (B2B) or business-to-consumer (B2C). Whether you’re buying a nice steak dinner or a million dollar piece of equipment, the stages in the buying process are just about the same. If you understand this premise you can create advertising and a follow-up marketing and sales process to capture not only the now buyers, but a significant portion of the later buyers who raised their hand initially by also responding to you ads.

The buying process is simple. It starts with a need. The need may be a desire for something like wanting to take a vacation or it may be real pain like the copier is completely broken and you need a replacement yesterday! The decision to buy always starts with a need, want, or desire for something that you can’t or won’t let go unfulfilled.

When that happens, what do you do? You start looking for a solution – meaning you start *collection information* on your options for making a buying decision that will satisfy the problem, fix the pain, or deliver on the need. How much money you'll be spending tracks with how much information you'd like to have in order to make your buying choice. Plus, how badly you need to "fix the pain" (or satisfy the need) will dictate how long you are willing to look (i.e. collect information), and how much (or how little) information you are willing to go with in order to make your buying decision. The more immediate or demanding the need, the less information you are willing to go with in order to make that buying decision. Look at it this way; if the toilet is overflowing do you really care about the educational background of the plumber, or whether they can get there in the next 30 minutes? If it's a big buying decision people tend to take longer and want more information. If it's an absolute need that must be satisfied quickly, people tend to search for and use less information in the buying decision.

Now understanding why prospects want information in a buying decision is the key to unlocking more sales. Here's the reason. When you spent money do you want the best deal? Of course! Well, what is meant by the "best deal"? Is it price only? No, it's a unique combination of what you are getting for the money you are paying. You want the best features, best services, best results, best support, best warranty, best guarantee... best EVERYTHING for the amount of money you are willing to part with to get it. Now here's the important part – to get the best deal you want (you need) MORE information about the purchase than JUST the price. Bottom line, effective marketing and sales is based on EDUCATING prospects on the buying decision they are getting ready to make. That means educating them also on why you – and not your competitors – are the best deal!

Here's how this all works together. When people see your ad they are somewhere on the educational spectrum: from just beginning to think about the need or desire they have (far left on the spectrum), to getting ready to open their wallet to fix the pain or satisfy the need (far right on the spectrum). As people think more about their buying decision they tend to seek more information. So make it available and give it to them in your marketing.

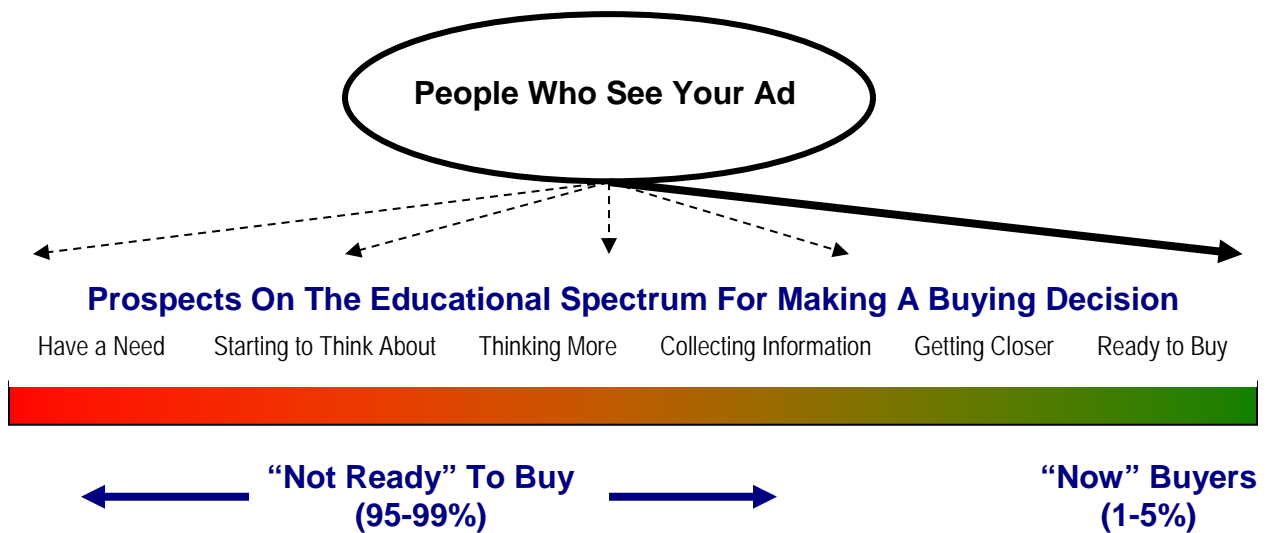
Obviously for the now buyers who see your ad they are pretty much ready to go and it won't take as much additional information to help them choose to buy from you. Don't misunderstand, you still need to make an offer and you still need to communicate that you are the best deal.

But what about those “later buyers”... the folks that are somewhere on the educational spectrum, still thinking, still collecting information, still researching... and still deciding? Well you already know that you need an offer that will appeal to them, something that has value even though they may not be ready to buy now. In many cases, that offer should be for some form of information that will help educate these folks on the buying decision they are contemplating. This is especially true in B2B situations, and also applies in many B2C situations as well.

Now here is where most businesses under-leverage the money they spend on marketing and advertising. They only focus on the now buyers and don't implement any process for capturing and educating all the other hand raisers. The solution to generating more sales (and revenue) from your marketing is simple in concept, but takes a little bit of effort to put together – but the benefits are enormous. First, make offers that also appeal to folks who are thinking about buying but aren't necessarily ready to buy now. Next, ask for and collect contact information from EVERYONE who responds to your ads. Then, implement an ongoing system of communication with all your contacts, continuing to educate them on what they should know about the buying decision, why you are the best deal, and how you are SPECIFICALLY different and better than your competitors.

By communicating with, and educating, all of your prospects on a regular basis you help move them across the educational spectrum (from left to right... from starting to collect buying information to ready to purchase). Some people call this a drip system, or hopper. The idea is to stay in front of your prospects on a regular basis. But remember, if you are going to spend the time, money and effort to do this, make sure that what you say in your communications is of value to your prospects. Avoid “hyping your business” and concentrate on helping them make the best buying decision possible – which of course is with you because you're the best deal, right?

Leveraging The Educational Spectrum



How To Leverage The Educational Spectrum In Your Marketing

1. Include offers in all your marketing
2. Make some offers appealing to “not ready to buy” prospects
3. Collect contact data from all responders (build a database)
4. Communicate regularly with all your contacts
5. Educate on the buying decision and why you are the “best deal/value”

Implementing a Customer Acquisition Strategy



Now it's time to start putting it all together. After all, new customers are the lifeblood of any business. If you think you have all the business you can handle, you've won the battle but lost the war. The issue isn't short-term ups and downs in your business cycle, but rather long-term sustainable growth based on a tested strategy that's working... and adaptable. Running some ads, getting the phone to ring, being real busy for a while, and then when sales start slacking running some more ads to repeat the cycle isn't necessarily a "strategy for sustainable growth".

Most businesses have trouble with acquiring new customers efficiently and cost effectively because they don't have a true marketing strategy, they struggle with targeting (of their marketing), they are not educating their prospects, they are using "high risk" offers in their advertising, and they are focusing primarily on a single approach. Does this sound

Putting It All Together Combining Marketing Strategy and Tactics

- Run ads the offer
- Collect hand raisers
- Build a database
- Educate on the buying decision
- Establish a drip system

familiar? Is this what you are doing in your business? Are you ready for change?

Sustainable revenue growth begins with cost effective marketing, and cost effective marketing begins with a crafted strategy. As mentioned earlier in this guide, strategic marketing means knowing what to say, how to say it, and who to say it to. Here are the steps to creating a strategic marketing plan:

Creating A Strategic Marketing Plan For New Customer Acquisition

Step One: Competitive Research

Understand why prospects buy from your competitors, and *not* from you. This means doing some basic competitive research. First, identify your primary competitors. Actually make a list. Next, look for their ads in the phone book, newspaper, trade journals, etc. ... where ever they advertise. Also, go on-line and carefully review each of their websites. Then shop them. That's right, call them up, or go into their stores and be a customer.

Your goal is to learn about their strengths and weaknesses. What are they doing better than you that is attracting customers. How many ideas can you "borrow" from them? At the same time, what are they doing poorly that you know you can do better. How many "bad" things are they doing (like ads that don't differentiate, phone skills that are lacking, customer services that's terrible, etc.). Bottom line: Incorporate all the strengths you can into your business to be that much more competitive while at the same time avoiding their same mistakes in your business.

Here's an interesting thought. By incorporating strengths and eliminating weaknesses in your business, how many more customers could you win over from your competitors? How much more business would you have if you acquired just one to two percent of customers from every other competitor?

Step Two: Customer Research

Now you want to understand why customers buy from you and *not* your competitors. Here's an idea – ASK THEM? Seriously, you need to ask your current and past customers why they selected your business in the first place. This is a very critical question. You need to understand what made them choose you and not one of your competitor's. You also need to ask what they like about your business and also what they don't like about your business. Ask them to be honest and tell you what they would like you to do differently or better. Also, for past customers ask them why they

left you... or why they haven't made a purchase in a while. And finally, ask your customers what information or offers you could make to attract new customers.

Again, what you are looking for is strengths and weakness, but now you are looking at your business. What you learn will tell you what to fix and do better, where to innovate to stay ahead of your competitors, and equally important, what message to start hammering in your marketing.

And by the way, doing customer research is a phenomenal way to reconnect with your clients and customers, and show them that you really do care about their patronage. It's also a way to repair damage and salvage the relationship if a customer has had a bad experience. By communicating with your customers, asking for their input, and responding to what you learn, you'll be taking a critical first step in establishing true customer loyalty – something probably most of your competitors aren't doing (and that's a reason by itself to do this).

Collecting all the information from steps one and two, and thinking critically about what it's all telling you is called a SWOT analysis: Strengths, Weaknesses, Opportunities, and Threats. You should update your SWOT analysis on a regular basis. Your goal is to innovate your business and make adjustments to your marketing strategy for maximum results!

Step Three: Understand The Buying Process

Earlier in this guide you learned about the behavior that involves the buying process. A person has a need or desire to solve a problem or satisfy a need. When this occurs they begin seeking information and solutions, as the need or desire intensifies they pick up the pace of information collection. Their goal is to have enough information so that when they make a buying decision they'll feel comfortable that it's the best buying decision they can make. While they are "researching" their buying decision,

Methods & Strategies For Better Results

- ☑ Test and track every ad
- ☑ Survey prospects and customers
- ☑ Build a segmented database
- ☑ Incorporate email marketing
- ☑ Automate some of the sales process
- ☑ Have a system or regular communication

These methods make money but are not used by most businesses because they either don't know how, or they don't have a simple, cost effective, and time efficient way of implementing them. What about you and your business?

they are on the educational spectrum. How long it takes them to make that decision is based on the importance and intensity of the pain or need they are trying to resolve.

Surveying your customers and asking them about why and when they made the decision to buy from you goes a long way towards you understanding this behavior. But another critical aspect is for you to understand what information your prospects need in order to make the best buying decision possible.

Your marketing should focus not only on differentiating you from your competitors, but also on educating your prospects on the buying decision they are preparing to make. And remember, your competitors probably aren't doing this, which by itself is a significant way for you to differentiate your business from theirs.

Step Four: Use What You Have Learned

This may be easier said than done, but basically look at everything you've learned so far and decide where the low hanging fruit is located. What product or service could you offer, or innovation could you employ, or educational materials could you develop, or lower risk offer could you use that will generate the most sales, the fastest? Pick your target, develop a strategy, choose a low risk offer, and start testing different messages to see what works and what doesn't.

This is the step where you start "putting pen to paper". Look at your past advertising and start re-writing based on your new strategy. Remember that in any ad or marketing piece you need to get people's attention with headlines that give people a reason to look at the rest of your ad. That reason is based on what is important to people when making a buying decision for what you sell. In other words headlines that give people a reason to look at the rest of your ad are based on hot buttons associated with the buying decision. Does that make sense?

The body of your ads should differentiate and educate. That doesn't mean a menu board of what you do or sell. It does mean that you should clearly communicate why and how you are SPECIFICALLY different and better. Educate, educate, educate! And when it comes to an offer, make it low risk. And while you're at it, give the "not yet ready to buy prospects" a reason to raise their hands too!

Step Five: Incorporate A Follow-Up System of Educating

If you have one or more offers that appeal to both now and not now buyers, and you collect and manage the contact information from all your leads, then you have the

opportunity to sell to now buyers NOW, and not now buyers later, when they *are* ready to buy.

But to do this without losing those later buyers to your competitors you have to do two very important things in your follow-up sales process. You have to stay in front of all your prospects on a regular basis. And what you say to them has to be of value to them in the buying process. This boils down to a drip system that continues to touch all your prospects with short, but high impact information – information that specifically educates them on their buying decision, and also specifically educates them on why and how you are different than all their other buying choices. This means that unless you're a restaurant or a caterer, you should probably forego recipes in your newsletter!

New Customer Sources

Active

- Traditional advertising
- Email campaigns
- Search engine optimization
- Referral programs
- Special events
- Outside sales
- Affiliate programs
- Joint ventures

Passive

- Web search
- Walk-ins
- Shopper “companions”
- Newsletter “share links”
- “Powered By” endorsements
- Gate keepers
- Word of mouth
- Reputation

Creating Accountability



You've heard the adage when it comes to buying real estate: location, location, location. Well when it comes to your marketing the adage is: Test, test, test!

Most business owners recognize the universal value of testing advertising, but most don't do it... or worse, think they are testing when they really are not.

The reason is that testing requires tracking. If you don't collect accurate information about the responses to your ads then you aren't really testing. Instead you're guessing. Can you really afford to guess about what's working and what's not when you spend money and time you can't afford to waste on ads? That's an obvious "no". So why don't more businesses test, track, and create accountability in their advertising – because often they don't know how.

Testing is not difficult if you know what to do and how to do it. First understand your goals and objectives. Your goal is to maximize the ROI from each marketing activity you're paying for. Bottom line – reduce the cost per lead generated. So your objectives are to discover what works and what doesn't. Next, you want to immediately stop pouring resources into what's NOT working. Then you want to *incrementally* test *incremental* changes in what is working to see if you can *incrementally* improve the ROI. Some times the changes that you test are derived by careful and exhaustive research, but most of the time it's by simple trial and error.

You rely on the direct information and feedback you are getting from customers, prospects, and the results of your testing.

What Should You Test?

Everything! Regardless of the type of marketing or advertising you are using to attract new leads and prospects, you want to test every component of that piece. That means testing headlines, ad copy, offers, message headers, media being used, time of placement, time of delivery... everything!

No. 1 Rule Of Testing

Always test by comparison. That means you always want a comparison piece to compare new test results against. Run your “current” ad and a “new” ad together, comparing the differences in results. For example, you might send two different post cards or direct mail pieces, or run two different ads in the same newspaper, or distribute two different door hangers in a neighborhood, each one to every other house. For some media, like radio and TV you might need to run one ad for a short period of time and then switch to the next ad for the same duration and broadcast cycle.

No. 2 Rule of Testing

Only test one variable at a time. This is extremely important. For example, let’s say you have an email piece you’ve been using and you want to see if you can increase the response rate. Change only ONE thing in the piece and then run a side-by-side test (original email piece and the revised email). For example, trying making one change in the headline but keep the copy and offer the same. Now remember, you can test multiple pieces together, but make sure you are testing the same variable. A good rule of thumb is to test headlines first, offers second and ad copy third. The variables of testing can get complicated when you look at the nuances of each media you could be using (direct mail, email, broadcast, print, etc), but sticking to the basics described here WILL generate results and a higher ROI for your marketing and advertising.

Example: What To Test In Direct Mail

- Post card vs. letter
- Banner message vs. no message on the outside of the envelop
- Long copy vs. short copy
- Headlines
- Body of the piece (copy)
- Offers
- Target lists
- Time of the year (think holidays, tax time, summer vacation, etc.)

Testing Requires Tracking

The only way you will know how each piece is working in a test is to accurately track the results. Some businesses try to track by asking prospects where they heard about the business, or which ad they saw. This is better than not asking but the information is very incomplete. If you think you're getting accurate data, you're not... sorry.

Another common way that some businesses track results is by using a different toll free telephone number in each ad being run, and then looking at the phone bill at the end of the month to count the calls coming in on each line. This is accurate, but the information is up to a month old by the time you get it, and it requires work on your part to extract it and compare what's going on. Better, but not best.

The best type of tracking is a system that gives you real time results for every ad you run, regardless of the media you are using. Is that possible - YES (more on that below). The reason relates directly to your wallet. If you know what's NOT working quickly then you can stop wasting money on that piece at the very next opportunity to kill it.

Don't ever let someone talking you into the idea that the reason an ad didn't work is that you did not run the piece long enough. There is some truth to this premise for some media, in some advertising situations, but it usually applies to larger businesses in more branding type advertising. This does not apply to small and medium-sized business where every ad must generate leads (and sales) otherwise it's not PAYING FOR ITSELF!

The other huge advantage of having real time tracking and results from your advertising is that it gives you the confidence to do what you know you need to be doing in the first place... and that's test, test, test.

Mortgage Company Saves The Bacon!

A large mortgage company was spending \$50,000 a month on direct mail. They were sending three different post cards every month to multiple consumer mailing lists. Things were working great – for a while. But over time the call volume started to drop... and so did revenue.

So they upped their spending on direct mail by another \$10,000, pushing post cards to more people in their service area. That bumped the calls back up some what for a month or so... and then the calls started tapering off again.

As call volume really dropped, so did revenue. The company executives figured that they didn't have more money to *divert* for more direct mail. Something had to be done and done quickly or downsizing was going to be the order of the day.

They had never really tested the post cards they were using. They just started mailing the first one and it made the phones ring. So they added the second and it seemed to work too. And eventually they added the third post card with what they thought were pretty good results.

But with declining results and revenue, they went back to basics by implementing a true tracking system. With the system in place they did a controlled test of all three post cards. The results were shocking. One card barely generated any leads at all, while another pulled three times the response rate. So they dropped the *loser* piece and spent that money on upping the distribution of the “winner” card.

Guess what? The calls picked up again... in days. With call volume on the rise, they were able to reduce direct mail spending back to their original budget of \$50,000 per month. This alone saved them \$120,000 in additional expenses.

But the company took this process one step further. They analyzed the card that was working the best, and started incrementally testing changes to its headline, copy and offer. That process took several months. But now they have a top performing post card that is out-pacing their best original piece. They've been able to reduce their direct mail spending another \$10,000 per month, and still get more leads per month than they did in the past.

They also realize that they will have to continue this process because at some point the *winner* may become a *loser* too!

Building Your Brand Loyalty



Brand loyalty is not brand recognition. Brand loyalty means the customer makes the preferred decision to buy from you, even if you are more expensive, because of the experience they have with you. Building brand loyalty is the process of turning customers into repeat customers.

Now think about it for a minute, if you're going to spend all that money getting a client or customer in the first place, doesn't it make sense to keep them as a one after they bought from you the first time? That means building repeat business... and that's loyalty. Remember, it cost ten times more money to acquire a new customer than it does to sell again to an existing one. Bottom line - to achieve the maximum ROI in your marketing and business development activities, you must focus some resources on programs and communication that build brand loyalty.

Big businesses like Harley Davidson and Apple build loyal followings of customers, and spend billions to distinguish themselves as the unique company above all others. That's great for them, but what if you don't have the billions to spend? Not to worry because any business, of any size can build effective brand loyalty. It has more to do with who you are as a business, what you do for your customers, how you communicate with them, and how you treat them.

Building customer loyalty is the most effective means of creating repeat business. And except for some very rare industry exceptions, current customers should make up about 80 percent of your sales (for sake of argument, we'll include referral business in that figure).

Turning prospects into customers and then turning those customers into repeat customers is the "end game" strategy for making your business rise above the rest. You create this type of loyalty by helping your customers make an emotional commitment to your brand, your product or service, and your company.

There are three levels of customer loyalty: uncommitted use of the brand, preference for the brand, and commitment to the brand. Your goal is to move your customers from uncommitted use to full commitment, from "I use your brand" to "I love your brand".

The Three Building Blocks to Creating Brand Loyalty

- Performance: Do you meet the needs of your customers? Do you do it better than your competitors?
- Treatment: Do you, in your business and operations, recognize individual customers and react/respond appropriately? Do you solicit your customers in a way that demonstrates you value them?
- Community: Do you make your customers feel like they are part of something special? Do you encourage this by helping them identify with other customers? Have you created exclusivity by belonging?

And one more thing; Customer loyalty can be fickle. Yes, if your customers are loyal you can make a mistake now and then and admit it and work to improve loyalty, and not lose them, but don't ever *assume* they are loyal. In other words, don't assume

Why Build Customer Loyalty

- ☑ It's roughly 10 times more expensive to acquire new customers
- ☑ You can command premium pricing
- ☑ You'll have significantly less customer defection
- ☑ You'll generate more repeat business
- ☑ You'll acquire more referrals
- ☑ Loyalty itself will differentiate you from competitors
- ☑ You'll be better able to introduce new products and services

that you are doing everything right and therefore you'll keep your customers. That's a very dangerous assumption.

Building brand loyalty takes a commitment on your part. It's not enough to be good, or even better than the most. You have to actively build that loyalty – and never let up.

So how do you do it? How do you create a company and an experience so different, so compelling, than that of your competitors that a significant number of your customers turn into repeat customers... and some of those repeat customers turn into raving fans? How is that done? Let's look:

How to Build Brand Loyalty

Focus on the Experience

It's the experience, not the message that's most important. Don't say you are great, be great. Focus on the core things that make you a better company for your customers and make sure you deliver with EVERY SINGLE customer interaction.

Improve on the Customer Experience

Is there room for improvement? Always. And the ONLY way you'll know is to ask. Remember, as the owner, you are too close to your business to have the same perspective as your customers. So you must ask them. You need to be surveying your clients and customers on a regular basis. You need to ask what they think. How was the experience? What did you do right and what did you do wrong? What could you do better or different? Then you have to act on what you learn to adapt and improve your business. This is an on-going process.

Communicate with Your Customers

You have to stay in front of your customers on a regular basis. This applies for both B2B and B2C. In most businesses if you are not "touching" your customers at least once per month then you're losing ground building loyalty. You also need to give them ways to communicate with you (surveys, preferred customer phone numbers, special website sections, etc.).

This is the genesis of newsletter programs. You should be sending all your customers a regular newsletter. And if you are doing this by direct mail, consider converting to email based newsletters, which will save you 90 percent of the cost of direct mail

newsletters, allow you to increase the frequency of “touches”, and create more interaction with you customers.

Build a Community

This means to create special programs, services, treatment, and preferences for your customers. You want to create more than just a transaction with your customers. Look for ways you can treat them in a special manner above and beyond just providing your product or service. Reward them for buying from you. And again, regardless if you sell B2B or B2C, you can build that loyalty through rewards based programs, preferred customer programs, promotional and exclusive offers, points systems, reward cards, membership and club programs, preferred services, etc. You are only limited by your imagination and creativity when it comes to developing special loyalty programs that reward patronage.

Create Sticky Services

Sticky means that it's hard to leave once you get started. Reward-based point programs are a good example. If you increase the rewards based on the points accumulated, then for those that are moving up in accumulating points, it's harder to leave because you'd be walking away from greater rewards. Another example is preferred services. Imagine a program that collects and manages valuable data or information for the client, and/or provides reporting and reminders for the customer. These conveniences become integrated with the customer, and harder to leave once the benefits are enjoyed.

What Are They Really Thinking?



What are your customers costing you in lost business? Do you really know what your customers think of your business, or do you only think you know? If you're like most business owners you are only guessing (or estimating at best) at what your clients or customers really think of your business and your operation. The difference could be costing you untold thousands in lost business. Can you afford that?

The problem is often that you are *too close* to the business to have the right "feel" for what your customers are thinking. In fact, business owners commonly rate their operation 20% – 30% higher than how their customers rate them on the same customer satisfaction surveys.

Customer satisfaction begins with understanding customer expectations. A good place to start is to find out what customers are complaining about. Identifying and fixing complaints is powerful because on average, only one person in ten will voice a concern or a complaint. That means that for every complaint you hear you, nine more people are thinking the same thing! Don't you want to know that?

But there is more to understanding customer expectations than just fixing complaints. Every interaction with your customers has a direct impact on their decision to choose your business, or to buy somewhere else. Everything about your

business - your product or service options, policies and procedures, operations, employees, pricing, handling of special orders and problems - determines what your customers will tell others, and if they'll come back. And even though customers are still "walking through the door" it would be misleading to assume that everything is satisfactory with your business. To get the idea, just ask yourself these questions:

- How often could your customers buy from you again but don't?
- How often could they recommend your business but don't?
- How many customers are dissatisfied but never tell you they're unhappy with your product, service, selection, and prices?

You probably believe that you know what your customers are thinking, and especially how satisfied they are with your business. And like most owners, you probably think that you only get a few complainers and that the vast majority of your customers are happy with you and will keep coming back. But what if these assumptions are wrong!

First, never assume that your average customers are all that "satisfied". Incredibly, 65 to 85 percent of customers that defect say they were "satisfied." In other words, your regular customers... the one's most businesses take for granted... are less satisfied than you think! In fact, repurchase rates can be as low as only 40 percent, even when up to 95 percent of your customers say they are satisfied with you. One reason is that they have a vast array of choices, so if your customers have second thoughts about your product or services, it's just too easy to choose a different business.

As discussed above, creating loyalty starts with the experience. If you offer a great product or service, and exceed the expectations your customers have, you'll start

Why Ask Your Customers?

- ☑ Because more than 90 percent of your unsatisfied customers don't complain.
- ☑ Because on average, only one person in ten will voice a concern or a complaint.
- ☑ Because for every complaint you hear, nine more people are thinking the same thing.
- ☑ Because customers with unresolved problems will tell up to ten other people about the problem.
- ☑ Because learning from your customers what they like and don't like will help you improve your operations and create an even better experience for them.
- ☑ Because resolving customer issues, and constantly improving the experience creates loyalty.

building loyalty. Creating and keeping loyal customers can have a huge impact to your bottom line. In fact, raising customer loyalty and retention by only 5 percent can return a 35 to 95 percent increase in profits? Bottom line: loyalty pays!

Going a step further, by building strong loyalty you will develop a few raving fans. These are the *evangelists* who become a volunteer sales force for your business because they are thrilled about what you've done for them. They truly love your brand. Raving fans bring as many people as they can through your doors because they want others to experience your business.

But then there are also the customers who are dissatisfied? Every business has dissatisfied customers, regardless of your efforts. Most business owners would prefer to ignore these folks because of the "headaches" they cause. Often the basic approach some owners take is to *placate* complainers just to get them out the door, and hope they never come back. Don't make this mistake. This small group of customers has a gigantic impact on your bottom line. The reason is that each problem a customer encounters with a business causes on average a 20 percent decline in long-term loyalty. In fact, about 81 percent of customers with unsatisfactorily resolved complaints of \$100 or more do not intend to repurchase. But that number drops to about 55 percent if you're able to resolve the complaint.

The real harm comes from how many people your complaining customers will tell about the problems they've had with you. If you are able to resolve the problem, the complaining customer will, on average, probably tell 4 - 5 people about the problem. But if you fail to resolve the problem, the disgruntled customer will likely tell 9 -16 other people about their unsatisfactory experience with your business. Can you afford this type of negative publicity?

Do You Survey?

The simple idea of surveying your customers to find out how satisfied they are, and what suggestions they may have for making your business better, is completely overlooked by most business owners.

Is that you in your business?

The problem is that you might be doing everything you think you should to provide a good product and service and still not be giving your customers all of what that they really want.

It's the difference between what you think, and what they think. And the only way to find out is to ask!

The other problem is that most business owners don't have a simple system in place to be able to quickly and cost effectively survey their customers and collect this vital data.

And it gets worse. With effective use of email and websites, *motivated* disgruntled customers can do vastly more public relations damage against your business. Even more troublesome is that the percentage of customers who will not come back is even *higher* for people who don't complain at all! Silent dissatisfied customers are devastating to your business. And by the way, did you know that when customer satisfaction goes down, employee satisfaction also decreases.

So why do customers become disgruntled in the first place? About one third become dissatisfied over unfulfilled expectations about the product or service. Another one third become dissatisfied due to differences they have with your policies and procedures. And a final one third of customers become unhappy because of customer service problems. Most of these areas can be minimized by focusing on the experience you give your customers, and by constantly surveying them. You need to be asking what they are thinking and how you are doing.

Obviously it makes sense to operate your business so that you reduce the number of complaints, and if you do get complaints, to respond to them quickly, to the customers' satisfaction. But if you only respond to verbal complaints, you're not being as proactive as you should be to build customer satisfaction. Routinely asking customers what they think, and then acting on the feedback is the best way to improve customer satisfaction and loyalty. That's because loyal customers tell other people about your business. In one study by a large manufacturer, they found that up to 86 percent of customers recommend their products to an average of seven other people. Increasing the number of loyal customers leads to new customers.

Another way to look at the importance of customer satisfaction is to consider the *lifetime value of your customers*. Most business owners calculate customer lifetime value by multiplying the average purchase amount by the average number of times a typical customer will re-purchase over a five to ten year period (or maybe longer). The problem is that this calculation *underestimates* the true lifetime value of loyal customers, who will tell others about your business, and bring you more customers. So the real customer lifetime value is several times more when you add in referrals. By the way, one element of brand loyalty is rewarding those who provide you with referrals.

So it's time to get started building better customer satisfaction and brand loyalty. And the best place to start is with a survey. The simple idea of surveying your customers to find out how satisfied they are, and what suggestions they may have for making your business better, is completely overlooked by many owners. Some owners are reluctant to survey customers about what they want because they fear

that their customers will have unrealistic expectations about their product or service. But customer expectations are basic: do what you say you'll do, and give them the best value for the money they're spending. If you know what's bothering your customers you have a better chance of correcting problems, retaining sales, and preventing further damage. But also remember that surveying customers about their expectations heightens the belief that you'll do something with the information. The worst mistake you can make is to survey and then not act.

Customer satisfaction surveys are a powerful tool to build brand loyalty. Find out what your customers want, give it to them, and then ask how well you are doing. It's a simple and extremely effective way to become better than your competition. No wonder some of the fastest growing companies and most successful companies (Southwest Airlines, Lexus, BMW, IBM, Xerox, and most major hotel chains) have made surveying an on-going part of their operations. If they can do it, so should you in your business.

10 Reasons to Survey Your Customers

1. If you don't ask you won't know what to improve, or how to improve it.
2. If you don't ask, you won't know if your improvement efforts are working.
3. Not all silent customers are satisfied. Don't mistake silence for satisfaction or loyalty.
4. More than 90% of unsatisfied customers don't complain to you in person but they will tell you in a survey.
5. Unhappy, complaining customers will tell 9 - 16 people about there problem with you.
6. It costs ten times more to get new customers than it does to keep your existing ones.
7. Loyal customers buy more and are less likely to switch to a different business.
8. Uncommitted customers can become loyal, long-term customers.
9. Loyal customers make referrals and bring you more business for you.
10. Achieving high levels of customer and brand loyalty raises the professionalism of your staff, and reduces turnover

Unlocking Opt-In Email Power



Email marketing is the most under-utilized, miss-understood, yet most efficient and cost effective method of marketing a business can use. The “big guys”... the Fortune 1,000s... know this and have been using it for years. Some companies have even established dedicated Email Marketing Manager staff positions. That’s how much this marketing niche field has evolved in recent years. So now it’s time for you to start using this highly effective tactic, because if you’re not using email marketing in your business, you’re loosing business.

Did you know that more than 228 million emails are sent every hour in the U.S.? Now you might think that with all that traffic, how can email marketing possible work? Well it does. It’s cost effective, it has higher responses rates than most business owners realize, and it’s manageable on any scale which means any business, using the right solution, can quickly and effectively employ this wonderful, profit making marketing tool.

Businesses are starting to figure this out. In fact 71 percent of on-line advertisers use email in their marketing programs. And the number one reason is that email drives results. In fact, according to a national survey completed in 2005, the average revenue per marketing related email is \$0.20. That’s truly incredible when you compare email marketing to more traditional methods of advertising and customer communication.

The reasons more small and medium-sized businesses have not started using email marketing include:

- Ignorance about the requirements
- Lack of knowledge about how to implement
- No infrastructure to execute effectively
- No technology solution to simplify campaign management
- False belief it doesn't work

Let's get started. First, the requirements are very direct. Make sure you have permission to send email to your recipients. If you've had any type of contact or response from a prospect, ask for their email, and if they voluntarily provide it to you with the knowledge that you may/will send them email, then you have permission to send them marketing email messages. Next, make sure you don't use misleading message headers in your email, include your full address and contact information in each message, have an automatic way for a person to unsubscribe at any time, and honor all unsubscribe requests immediately.

10 Reasons To Use Opt-In Email Marketing

1. You can market using email
2. Recipients will respond
3. Regulatory compliance is easy
4. Best practices are straightforward
5. It's inexpensive to implement
6. It gets results
7. It helps build loyalty
8. It save money
9. New solutions make it simple
10. Competitors are starting to use it

So why use email marketing? The answer is because it holds multiple advantages over other marketing methods.

The Advantages of Email Marketing

Rapid Testing and Results

With traditional advertising like print ads, or direct mail, you may have to wait days or weeks for the piece to "hit" before starting to get results. But with email, you'll see results literally within a few hours of the email going out. That gives you the

ability to do a lot of message testing (not necessarily to the same emails) in a VERY short period of time in order to learn what works and what doesn't.

High Response Rates

In the past email marketing received lower response rates than typical direct mail. But did you know that the average response rate for direct mail in general is around ¼ to ½ of a percent. Now some businesses that have worked hard on improving their direct mail campaigns get more than that, but most businesses don't. However, in the last couple of years email marketing, using best practices, has rivaled, and now beats direct mail. Average email marketing response rates now reach or exceed 1 percent, and can be as high as 25 percent.

Highly Cost Effective

What makes email attractive as a marketing tool is the higher response rates combined with the lower cost. In fact, a typical email marketing campaign costs about 90 percent LESS than a similar direct mail campaign. That's right: email costs about 1/10 that of direct mail and other traditional marketing methods.

Cost Comparison: 12 Month Direct Mail vs. Email Campaign		
Cost Item	Direct Mail	Email
1,000 Contact List Purchase	\$200	\$75
Graphic Art Production	\$500	\$250
Printing & Postage/Mailing	\$500	NA
Delivery/Mailing	NA	\$30
1 mailing/M X 12 Months	\$6,000	\$360
Estimated 12 Month Cost	\$7,300	\$685

Now to be fair, does that mean email should replace direct mail in your business? No. Direct mail can be highly effective. And touching prospects and customers using

different media is important in driving higher overall response. But email allows any business to stretch their marketing budget and communicate with their prospects and customers more frequently than what they could otherwise afford using direct mail exclusively.

Easily Repeatable

If you want to run another print ad, you have to send it to the paper or magazine, get the proof back, check it, approve it, send it back, and then wait for publication. If you want to run another direct mail piece, you have to send the new piece to the mailing house, schedule a print and postage run, wait for it to be delivered to the post office, and then wait for the mail to go out. Get the idea... steps and delays in repeating the process. But with email, using the right solution, you can simply schedule and send a new message – done in minutes!

Small Runs Are Practical

Email marketing lets you test quickly and effectively. You always want to test small to see what's working before you commit more money to a campaign. But you can't tell the newspaper to only print your ad in a few of the papers, or have a mailing house print and mail just a small number of pieces. The reason is obvious, they require minimum orders. But with email you can test small numbers. It may be prohibitively expensive to have the mailing house print and post a few hundred post cards to test the message – but not with email. Based on the solution you're using, for email the cost is about the same whether you send 100, 1,000, or 10,000 messages, so doing small test runs is very practical and affordable.

Scalability

Just as small runs are practical, so is scalability. And the primary reason relates back to cost and time. For example, if you did a direct mail campaign to 10,000 recipients and had good results, and now you want to scale that up to 100,000 contacts, it's going to cost you more and take longer to get out. The first campaign may have cost you \$5,000, but the big one is going to set you back \$50,000. And the mailing house may have to schedule that print run days or weeks into the future. But not with email because the cost difference between a small and large campaign is much smaller as

10 Uses For Opt-In Email

1. Lead generation
2. Newsletters
3. Surveys
4. Special offers
5. Announcements
6. Perpetual selling
7. Invitations
8. Registrations
9. Confirmations
10. Reminders

compared to other marketing methods, and again, using the right solution, you can get the bigger campaign out almost immediately. That's scalability!

Rich, Interactive Media

Other media have disadvantages as compared to email. For example, some media are one dimensional, like a print ad, where all you can do is read it, nothing else. Some media force one-way communication, like a radio spot. When it plays you either get it or you don't... you can't "rewind it" if you missed something. But email can incorporate printed information, photos, graphics, and color easily, making it rich in content. And more importantly it can include links to audio messages, websites, free reports, coupons, surveys, and even presentations, commercials, and other AV content. This rich, interactive content makes the media interesting, AND gives the recipient control over how they want to "interact" with the message and its content. It makes it fun, interesting, and personalized to how the recipient wants to receive and digest the message.

Easy to Target

Targeting is a one of the most important elements of all advertising. You really only want to pay to have your message delivered only to those people most likely to buy from you. Targeting is critical, but not always easy. What makes email so effective, is that by using the right solution, including using important information collected from your prospects and customers at the time they opted into your email system, you can literally target very specific, focused messages to highly specific groups of people in seconds. This eliminates communication clutter to your database of prospects and customers, allows you to focus and send individual marketing messages based on the best fit of the message (usually about specific products, services, or offerings that apply to just that group of individuals), and increases readership and response rates.

Easy to Personalize

It is not possible to personalize mass media messages (like broadcast media, newspaper, etc.). In fact, traditionally, the only marketing method you could personalize was direct mail. But it requires special software for this type of "variable print" runs. And making sure that each envelop and letter match (called "perfect match" in the industry) can cost more money to run. But with email marketing, again using the right solution, merging personal information like name, company, city, etc. is very simple, and guaranteed. Personalizing the message helps get the recipient's attention, and increases interest in the message – after all, it's has their name on it!

Email Marketing Success Factors

Test Everything

The variables you will want to test and track include the target list, subject line, headline, email copy (body of message), offer, HTML vs. plain text, personalization of the message, long vs. short copy, links, and any landing pages.

Measure Results

To improve your campaigns you should also be measuring bounce, non-bounce, open, response, click through, and click to order rates.

Manage Responses

You must have a system to receive and manage all unsubscribe requests, and a system to clean your database of non-deliverable emails. Plus, you want to be able to effectively track and appropriately respond to people who respond to your email.

Opt-In

Your campaigns should be sent to people who have opted-into your system. That means you want a system for asking for and collecting email from prospects and customers any time they have interaction with you business. These are called “touch points”.

Use Strategic Marketing

As with all other marketing activities, email messages should be used as part of your overall marketing strategy. That means focusing on what to say, how to say it, and who to say it to.

Relevancy

This is the new “watch word” in email marketing. It means targeting specific messages to groups of people in your database who share a common characteristic for which the message is intended. The more relevant the message to the recipients, the more interest, readership, and response you will receive.

Relevancy In Email

The most highly targeted email campaigns can produce up to nine times the revenue, and 18 times the profit of broadcast mailings.

Jupiter Research, 2005

Message Frequency

Avoid over saturation, which leads to the incredible shrinking list. In other words, if a campaign works good don't turn around and repeat sending it to the same list multiple times over a short duration. Once is good, too many times is bad. If you over saturate sending messages to the same list, you will have a greater percentage of people opting out of your list (unsubscribing), which will shrink the list.

If you are new to email marketing the temptation will be to repeat the campaign too frequently. Don't do this. Pacing your campaigns will actually driver better results.

Timing

You've heard the phrase "timing is everything"? Well it's very true in email marketing. First, unlike most other marketing methods, you have much greater control as to precisely when your message will be delivered. That makes timing a success factor in results.

Your goal is to have your message delivered on a day and time when the person is most likely to see it, the message will be competing with the fewest other messages in your recipients in box, and it is least likely to be deleted.

Email Marketing Trends

- 15-20% of all email is opened
- 93% of executives read their email
- 38% of email is opened within 3 hours
- 63% of people surveyed consider the "from" line as the most important factor in deciding to open the message*
- Shorter subject lines are more effective
- Short copy is more effective
- 95% of email is HTML
- Companies are seeking web-based solutions to manage email marketing
- Using best practices, and the latest solutions, you can outperform other emailers (i.e. your competitors) 9 to 1
- 54% of consumers say they would like email to replace telemarketing*
- 45% of consumers say they would like email to replace in-person sales calls*
- 40% of consumers say they would like email to replace direct mail*
- 33% of consumers say they would like email to replace retail offers & coupons

DoubleClick Survey

A general rule of thumb is for B2B messages to be received mid-week, and in the early afternoons, while B2C messages can have higher responses rates if delivered in the evenings or on weekends.

Ownership

Using the right solutions that are now available, small and medium-sized businesses can now use email marketing as effectively as much larger organizations. But even though the tools are available, you still must take ownership over your email campaigns. It's not enough just to broadcast a message once in a while. To really leverage the value of email marketing look at the results of every campaign you run and then think critically about what adjustments are appropriate to incrementally improve future results. And remember, as with all other marketing methods – test, test, test!

Now It's Up To You



Don't spend another dime, or waste another minute, on your current marketing and advertising until you take a fresh look at your business. Start first by developing a true marketing strategy (what to say, how to say it, and who to say it to). Take time to also do your competitive research and really think about how you are (or can be) better and different than your competition.

Then create one or more offers to test. Be creative about what will communicate true value for leads seeing your offers so that more of them bite!

Next, think about the educational spectrum for your leads, and the story you want to tell them about your business (why you're the best choice). Then look at how you can share that story one bite at a time. This will become your drip system.

Now you're moving forward, but don't stop. Get your database in order and fill in all the missing information gaps from your current and past customers (and don't forget past leads). It's a great reason to reach out to all of them and remind them who you are and why they should buy from you.

Now you're ready to create a few, tentative ads to test. Remember: ALWAYS start small, test, test, test, and only scale your advertising once you know what's working. Your goals are lead capture and lead communication. Create ads that work at lead capture, and then begin communicating with them on a regular basis. Once you start, don't stop. Some leads will convert right away, and others may not buy for years... but they will buy. And if you implement these concepts and methods, they will probably buy for you!



The **KLE** Group

Why Marketing Fails

An Insider's Guide
How to Fix the Marketing
in Your Business

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