

Special Report

Marketing:

Avoid These Nine Common Mistakes Which Depress Profits And Watch Your Business Take Off

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Almost every business with which I have consulted is guilty of many marketing mistakes. I have compiled a list of the top nine mistakes. You or your business are probably making the same mistakes.

Eliminating just one or two of these nine errors can catapult your business beyond everyone else's. Incorporate all the positive sides of these mistakes and the sky's the limit – literally.

1. Failing to measure the effectiveness of the key elements of your marketing plan.

It is amazing how few companies ever test any aspect of their marketing, and compare it to something else. They base their destiny on subjective decisions and conjecture. Every decision you take running your business creates a consumer/customer reaction, which affects your business and profits in a positive or negative way. Measuring the change will put you in control and lead to your next decision being more effective. The market place will tell you what it wants, the best price or approach if you put effort into measuring results.

If you have a team of telesales people measure their call rate, their ratio of sales per call, and their average revenue per sale. If a script is not working properly change some of the words. You can then measure the effect on the call to sale ratio. Measuring the results of different scripts will soon give you the information, which you can use to grow your business.

If you change your advertising program in any way it will have an effect on response. Different media will produce different results, which, if measured, will allow you to improve the response to your ads without spending any more money. Finding out what aspect of your product or service attracts people who buy from you will give you the information to promote the key benefits of your product or service and attract more customers.

If you do not measure your business you cannot manage it effectively. By measuring you can set quantifiable standards to be achieved in every area of your business. This will enable you to track your progress to your business growth targets.

2. Running “Tomb Stone” Ads and sending out “Tomb Stone” Sales Letters.

What do we mean by “Tomb Stone”? Advertising that tells you who the company is and the contact details. Just like a tombstone it just gives you a name. These ads will kill off your business. You must make sure that your ads are aimed specifically at the target market and are full of benefits. The ads should direct people to take action and it should compel readers, viewers or listeners to visit your establishment, call you, request special reports or send you money. Here are some key rules to follow to create advertising that sells.

- Speak the prospects language. Answer the questions “What’s in it for me?” What do I get out of it? What will it do for me and my family?
- Think and write benefits. People only spend money for no reason on earth other than to get benefits. A benefit is an advantage or satisfaction the prospect will gain or the loss avoided from the item, proposition or service you advertise.
- Use a potent headline. The five great ingredients of the proven headline are; Promise benefits; mention the product or service favourably; use “new” or “news”; mention the prospect and/or an interest of the prospect; appeal to curiosity pertinently.
- Carry selling forward in the body copy; sharpen desire; create conviction; bid for action
- Finally read your ad out loud. If it wouldn’t sell a live prospect standing in front of you it won’t sell them on responding favourably.

As far as sales letters go you should follow the same principles. Remember also that we do not speak as we write so reading the letter out loud will let you amend your letter to better effect.

3. Failing to identify and develop your unique selling proposition (USP).

What is it that sets you apart from your competitors? What is it that consumers can get from you alone? You probably have a good idea but have you done the research? Do you ask each customer why he or she bought from you? Information on why customers buy from you is gold dust in your hands. Whatever the appeal is, that you alone have, is your USP. You may be the only person able to offer that particular product or service. You may be the only company offering free extended guarantees. Your returns policy may be unique. If your business has any customers then as far as those customers are concerned you have a USP. All you have to do is to develop an easy, pain free, method for them to tell you. Your USP may not be unique but if you’re the only company promoting the USP then in your customer’s eyes you are unique.

Buying is an emotional process. Buyers bring props of reason to support a decision arrived at emotionally. Find out what has spurred that customer to buy from you. It may be a totally different reason than you think. There may be different motivators for different market segments. It comes back again to information. If you collect the key information you can sharpen your promotional programme. Your sales staff and administration people can emphasise it when they speak to people. It can feature on all communication you send out, not only on the material inside the envelope but also on the outside as a slogan or logo.

4. Failing to keep detailed information on your customer base.

Again we are back to the importance of capturing information. It costs a lot of time effort and skill to gain a customer. Once you have created one, he or she should be a customer for life. Of course some products or services may be one off purchases but there will always be the possible sale of accessories or ongoing service inspections. In addition satisfied customers can spend their lifetime referring you favourably or unfavourably to friends, family, and colleagues.

If your product or service is a consumable or something with a limited life span then ongoing sales can significantly speed up business growth.

So who are your customers? Does your database record the purchases they have made from your company? Do you communicate regularly with them keeping them up to date on new products or services you are offering? Does your database diary system remind you when to call to see if they need topping up? Does it also remind you to call them if they have not ordered after a certain number of weeks/months? Communication with customers is much easier than it used to be, as most people who buy from you will have email facilities.

If you fail to develop a satisfactory “back end system”. You will find that all you are doing is filling the bucket at the top with new customers whilst existing customers drop out of the bottom. Supporting such “customer churn” can be very expensive. Paying attention to developing a top class customer and prospective customer database and using it effectively will grow your return on sales percentage significantly.

5. Failing to identify the needs of your customers and your prospects.

Your ability to identify customer wants and needs, which your business can satisfy profitably, is central to the management of your marketing activity. All customers really want are better ways of solving their problems. Consequently you need to understand your customers and their problems in depth in order that you can work out ways of making life easier for them. So how do you do this? Extensive research may be carried out by big organisations to good effect. If you are a small concern then you need to develop a means of having your customers talk to you or perhaps fill out a short questionnaire with the incentive of a prize draw free meal if you are a restaurant or a free

trip if you are a coach firm etc. Regular and systematic contact by telephone to get answers to a few key questions is also a good way of obtaining the information. As we have said earlier, thinking you know what people want is not good enough you must have the hard information. You must remember that your business will serve different market segments, each of which may have different needs according to their age, sex, social class, etc. Therefore gathered information needs to record age, sex, marital status, income range, if possible, how many children etc., to be most effective

It is a good idea to get some professional assistance in creating such questionnaires. However you do it is important that you do do it, analyse it, and that you use the information. Remember that over time customer needs may change and your information needs to be updated on a regular basis if you are not to be left behind in the market place.

6. Failing to recognise that price-cutting is not the only answer to falling sales.

Identifying the right price to sell your product or service is a combination of many factors including business expenses, competitor pricing, the level of profit required. Once you have identified your sale price as best you can you must then utilise the steps outlined above to ensure that customers are aware of the value and benefits of your product or service. If satisfactory sales are not forthcoming then you first need to analyse sales performance by individual. You need to review your advertising program, and you need to do some research with people who have said no to your proposition to try and determine why people are not buying.

You need to be sure that price is the problem before you change it. You should also be aware that sometimes to lower a price can lead to lower sales. If your price is too low the “you only get what you pay for” syndrome could kick in with customers relating your cheap price to the quality of your product or service. Educate your customers to why your product / service is expensive. I will be sending you a free report on this subject soon.

7. Failing to make doing business with your company easy, satisfying and fun.

If you have avoided making mistakes 1-6 then you should not be having much of a problem in this area. However as we have said earlier the way your customers perceive you needs to be continually measured.

Make working for your company fun for your employees this will transmit itself to your customers very quickly. If it isn't fun it's what are we all doing here?

How well trained are your people? How helpful are your staff? How easy is it to select the right product? Is it easy to order? How do you keep customers informed on progress of an order?

8. Failing to sell the benefits of your product or service to customers and staff.

It is important that in every communication to customers, by whichever route that communication takes place, that the key USP of your product or service is promoted. In all communication with staff they should be continually reminded of the key benefits your company offers. These days with most employees working with PCs, screen savers can be set up to identify and remind staff of why they are selling the best product or best value service. This not only applies to sales staff but to administration staff as well. Every piece of literature needs to be reviewed to ensure it contains the key message. By making this a discipline you will strengthen your appeal to your customers.

9. Fixing things when they are not broken.

Let's make a distinction right away, making changes as the result of hard information to improve results is not what we are talking about. We are talking about meddling with marketing systems just for the sake of it, even though they are producing the required results. We are talking about changing the advertising campaign, just for the sake of it, even though it's working. Managers tire of the long running ad campaign long before the customer or the prospect. If you have a winning formula stick with it until it stops working. The most successful football teams have an 80% nucleus of players that are in the team week after week. Improve a winning formula but do not dump it

Whether you are working in retail, service or business-to-business environment the disciplined application of the above principles will grow your business.