



# How to get More Success from your Business

25 March 2008



# Value Take Away

- Know your ideal customer profile
- Provide reasons to come back (stickiness)
- Implement a referral program
- Develop a marketing system
- Track & measure results
- Use a one page marketing guide



# Marketing is Business Development

- More than advertising
- A process not a one-off event
- Builds a healthy sales prospect funnel
  - Sales Orders
  - Qualified Prospect Leads
  - Foot Traffic



# Top 6 Marketing Challenges

1. Defining Target Markets
2. Increasing Repeat Business
3. Getting Consistent Referrals
4. Increasing Sales Conversions
5. Finding Time & Resources for Marketing
6. Developing a Marketing Plan



# 1) Defining Target Markets

- Who are you targeting?
- Where can you find them?
- Develop an ideal customer profile/s
  - Allows your to personalise your message



# *Market Segmentation & Targeting*

- Marketing Segmentation
  - Markets that are different from one another
  - Better satisfy the needs of your customers
- Target Marketing
  - Recognizes diversity of customers with a different offering for a different segment



# *Requirements of Market Segments*

- **Identifiable**
  - Differentiating attributes must be measurable
- **Accessible**
  - Reach efficiently with communications & distribution channels
- **Substantial**
  - Sufficiently large and profitable enough to justify resources
- **Unique Needs**
  - Responds differently to different offerings & marketing mixes
- **Durable**
  - Relatively stable to minimize cost of frequent changes



# *Segmentation in Consumer Markets*

- **Geographic** – region, size of population, community density/distribution, climate
- **Demographic** – age, gender, family, generation, income, occupation, education
- **Psychographic** – lifestyle, activities, interests, opinions, attitudes, values
- **Behavior** – usage rate, brand loyalty, benefits sought, user status, readiness to buy, occasions/events



## *Segmentation in Business Markets*

- **Location** - Distance, shipping, clusters
- **Company Type** - Company size, industry, purchase criteria, decision making unit
- **Behavioral** - Usage rate, buying status, purchase procedure



# *Rules to Market Segmentation*

- Be clear and specific in the identified segment
- It must be as a result of hard facts
- Segment on factors that are relevant
- Aim for the largest most relevant segment
- Realistically be able to reach your segment
- Understand how you can make a profit from the segment



## 2) Increasing Repeat Business

- Create satisfied customers
  - Appreciate your customers
- Keep in touch to nurture relationships
  - Dialogue open and 2-way
  - Offer value with every contact
- Provide a reason to come back
  - Coupon or voucher
  - Loyalty program
  - VIP program
- Out-market your competition
  - Long-Term Value (LTV)
  - Recency Frequency Monetary (RFM)



## *RFM Value Model*

**R**ecency, **F**requency, **M**onetary is a technique to determine which customers are the best ones



# *RFM in Customer Engagement*

1. Customers who purchased **recently** are more likely to buy again versus customers who had not purchased in a while
2. Customers who purchase **frequently** are more likely to buy again versus customers who had made just one or two purchases
3. Customers who have **spent the most money** in total are more likely to buy again - your most valuable customers tend to continue to become even more valuable



## 3) Getting Consistent Referrals

- Ask for referrals
  - Let everyone know you are looking
- Track referrals & actions taken
  - Keep referee updated
- Show appreciation
  - Formal (incentives) or informal
- Host-Beneficiary Relationships / Affiliates
- Utilise viral marketing
  - Gift vouchers



## 4) Increasing Sales Conversions

- Prospects in your sales funnel
- Prospect qualification
- Conversion rate
- Customer spend per transaction



# *Prospects in Your Sales Funnel*

- Market appeal
  - Product packaging
- Differentiation
  - Unique Selling Proposition
- Direct response marketing
  - Offer with a limited time frame
- Expand your marketing reach
  - Achieve multiple touch points



# *Prospect Qualification*

- Marketing message
  - Recipient self qualification
- Use A-I-D-A content
  - Attract **A**ttention
  - Generate **I**nterest
  - Create **D**esire
  - Provide a Call to **A**ction



# *Sales Conversion Rate*

- Track & understand conversion rates
- Sales cycle process
  - Prospect > Rapport > Qualify > Close
    - W I I F M (Customer Benefits)
- Persuasion-Conversion scenarios
  - Test > Improve > Run > Measure > .....



# *Customer Spend Per Transaction*

- Packaging
  - Multiple items
- Up-Selling
  - Higher value
- Cross-Selling
  - Add-on options



## 5) Finding Time & Resources

- Develop a Marketing System
  - Online & traditional
  - Self funding & time involvement
  - Avoid the boom & bust cycle
- Focus on your expertise
- Retire your “D” grade customers



## 6) Developing a Marketing Plan

- Keep short & actionable
- Track KPIs to measure results vs goals
- Gather marketing intelligence
  - Effective marketing promotions & campaigns



# Rate Effectiveness

	Most Effective	Effective	Neutral	Ineffective	Very Ineffective	Never Used
<b>Post Mail</b>	<b>7%</b>	<b>29%</b>	26%	9%	5%	24%
<b>Email</b>	<b>8%</b>	<b>29%</b>	21%	6%	1%	35%
Fax	0%	6%	19%	9%	2%	64%
Letter Drop	4%	18%	16%	15%	7%	40%
Newsletters	1%	34%	20%	12%	1%	32%
Newspaper	7%	20%	15%	19%	8%	31%
Internet Ads	8%	12%	21%	2%	2%	55%
Online Lists	1%	26%	26%	2%	6%	39%
<b>Brochures</b>	<b>7%</b>	<b>53%</b>	15%	5%	2%	18%
SMS	0%	8%	13%	4%	2%	73%
<b>Website</b>	<b>21%</b>	<b>36%</b>	24%	4%	4%	11%
<b>Referrals</b>	<b>59%</b>	<b>34%</b>	2%	1%	0%	4%
<b>Yellow Page</b>	<b>6%</b>	<b>34%</b>	26%	4%	5%	25%
Radio Ads	8%	5%	13%	6%	4%	64%
Television	8%	7%	11%	2%	1%	71%



# Value Take Away

- Know your ideal customer profile
- Provide reasons to come back (stickiness)
- Implement a referral program
- Develop a marketing system
- Track & measure results
- Use a one page marketing guide



# Where to start from here?

- Perform a Marketing & Business Development Diagnostic
  - Analyse and rate your marketing
  - Identify & address any deficiencies
  - Replicate and ramp-up your successes



# Contact Details

## **Patrick Zuluaga**

Director, PMZ Marketing

M: 0403 436 889

F: 02 4388 9164

E: [patrick@pmzmarketing.com.au](mailto:patrick@pmzmarketing.com.au)

W: [www.pnzmarketing.com.au](http://www.pnzmarketing.com.au)