

PH Accountancy

9 Business Growth Laws



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Always Use Multiple Marketing Strategies

In order to grow your business successfully you should always use multiple marketing strategies. Each strategy is a crucial part of the jigsaw's success which determines the scale of your growth. Many business owners use one or two different strategies, however in doing so this creates a risk to obtaining new clients. If the strategies suddenly stop working it would slow or stop the growth development of the business whereas using multiple strategies, when one stops working, the others will carry on.

Each marketing strategy should be viewed as an income stream and, therefore, when you add another marketing strategy to the business you are creating another income. In effect, you will be creating a business with multiple income streams. You will also make the business immune to other outside forces beyond your control such as new competitors entering the market, the state of the economy etc.

People are creatures of habit and are happy to respond to certain marketing strategies, for example magazine adds, but not respond to email adds, even if the message is exactly the same. Therefore, the more strategies you use the greater effect they will have because you are offering multiple ways of responding or buying.



Always Use Direct Response Marketing

Most businesses' marketing techniques are where they do not ask for direct or instant response. They normally have:-

- The company name as a headline.
- Very little copy in the media piece.
- A list of products or services provided.
- Lots of white space.
- Picture or images with no direct relationship to the product or services.
- No incentive to call now.

This form of marketing is fine if all you want to do is promote the image of your company but the image itself doesn't generate sales.

What would you prefer, marketing that generates enquiries and sales almost immediately (known as direct response marketing) or marketing that builds name and awareness or the brand (known as institutionalised marketing) in the hope that sometime in the future someone who may want your products/services remembered the media piece and may decide to buy from you?

Creating direct response advertising is a skill which cannot be covered in the short booklet however clients of PH Accountancy have free unlimited access to the Business Vault which is an online business growth system. To find out more about this, please either contact us directly or download our other booklet 'The Vault User Guide'.



Consider Always Having An Offer Or Offers

When working on rule number 2 you are asking for a direct response and one of the easiest ways to obtain this, is an offer of what the prospects get when they respond to your media piece, combined with what they have to do to get it. This is your attempt to get the prospect to stop in their tracks and take action now and, therefore, the offer is an incentive to get this.

One of the greatest business mistakes is to base all the results on the first sale. For example, with the first sale a new customer pays you £1,000 and the gross profit after delivering the products is 50%, you would make £500 per new customer, however it costs you £600 to generate this one customer (the cost of advertising) so you feel you have actually made a loss of £100.

Based on these assumptions you would conclude that the approach was not profitable, however in most businesses the customer keeps returning and you should be getting future sales from the customer as well as receiving referrals. This means the customer is actually worth much more than the amount generated on the first transaction. This is, in effect, what is known as lifetime customer value and, quite simply, life time customer value is total profit an average customer generates during the lifetime relationship with the business.

Some offers which you should consider using for your business would be:-

- Free trials of the product/service.
- Free special reports/videos etc.
- Free additional products/services.

As business owners you may think this would not be seen as irresistible but this is because you are too attached to your business, however your potential customers will find these offers appealing.



Always Give A Reason To Respond Now

Look at all your existing marketing pieces and see if you give the prospect or client a reason to respond right now. If the answer is no, you need to modify the marketing piece. This can be done easily by using any of the following:-

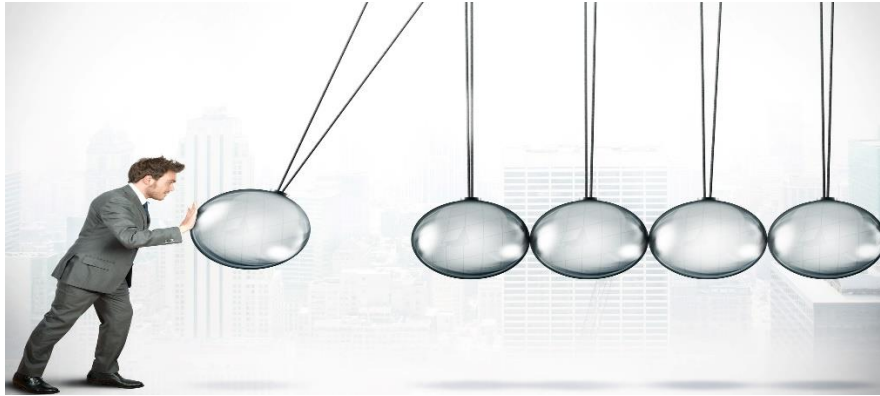
- Limited availability of your offer.
- Offer extra discounts for fast response/penalties for slow response.
- Having limited quantities on offer.
- Give a reward, premium or bonus for prompt reply.
- Mention what they will gain from acting now.
- State what they could lose through delay.



Never Focus On The Brand

Earlier in the booklet we discussed direct response marketing against institutionalised marketing. Remember the primary object for any of your marketing pieces is to get the sale now. This means your company name is almost never in lights at the top of an ad or sales letter.

The most important thing is to give your target market an offer to do something now. The more direct response marketing you do the more your brand will grow.



Always Test To Improve Results

Testing minimises your potential losses and increases the success across each of the business multipliers.

There is a little unknown quote from the advertising legend John Caples (Google him):-

"I have seen one advertisement sell 19 times as much goods as another".

This result was achieved through testing and by testing your own marketing you will see big improvements in the performance of all of your marketing pieces, providing you carry on testing.

John Caples has released a book called 'Tested Advertising Methods' which is well worth the read.



Always Track And Monitor Results

Monitoring and tracking results is essential as doing this will save wasting money on marketing in the wrong places. You will also be able to see what adverts have created the highest and lowest returns over a period of time as well as other helpful insights.

For example, with Google AdWords you should always run two campaigns and have the third one as a tester. As soon as the third campaign outperforms one of the other two then drop the underperforming one and then operate the remaining two. Then start another campaign to outperform the other two. This is to continuously improve the return on Google AdWords.

This is also applicable on mail campaigns. Each month different marketing pieces should go out and be sent to your prospect list. Some of these marketing pieces will have better results than others and at the end of your campaign you should remove the lowest performing mail campaign and replace it with new ones. This should be done continuously.

Always Follow Up

A sales conversion system is the process you use to keep in contact with your prospects and increase the likelihood of converting them into customers. In simple terms this is often referred to as prospect follow-up.

One of the best things about prospect follow-up is very few people do it. Research has shown that over 80% of sales are made on the 5th contact although with the majority of sales people give up before this.

You need to ensure that you make a positive impression at each point of contact and, by doing this you speed up the sales cycle resulting in more sales. You also have to ensure that you are not overzealous, as this can have the opposite effect, by putting pressure on the prospect who may, in turn, decide not to do business with you.



Never Forget Your Customer

Once a new customer has enquired this is your opportunity to provide them with more value, more services, more products and more benefits. This is known as back end selling and, when this is carried out successfully, you will be generating significantly more business.

Strategies such as upselling and cross selling, for example, enable you to increase your profitability of each customer but you should only upsell and cross sell for products/services that the customer would require. Otherwise, you will be alienating the customer who is more likely to buy from another supplier.

Summary

We hope you have found this useful. Being in business is one of the biggest challenges that you can take on and can also be one of the most rewarding and really can change your life for better.

Good luck with your business and, if you would like any help, please contact us on 01227 277667 or email us on admin@phaccountancy.co.uk.

You can always find out more about us by visiting our website at www.phaccountancy.co.uk where you will find additional information, other downloads and you can also view our testimonials.