

**Six great ideas to
Immediately grow sales**

Marketing is the key to unlock the sales vault!

There is only one way to increase your sales, and that is through increasing your marketing effectiveness. When sales are inconsistent or (worse) declining, **critically look at your marketing efforts.**

Marketing is nothing more than a tool used to bring in sales in the business world. It does it by showing customers the value for them to purchase your product, service or idea. Marketing is not sales, but sales is the result of doing marketing correctly. To successfully market, do only two things, which I call the 2Ms of marketing

1. Have a powerful and compelling Message (reason) to buy
2. Have the right Messenger to deliver it to the right person/persons

The message is the "reason why" someone should purchase your product, service or idea. It's what some marketing people call the value proposition and others call the USP (Unique Selling Proposition). How are you different from the rest of the crowd? What is your additional value?

A few simple words can have a profound effect on marketing. Federal Express and Domino's Pizza went from nothing to billion dollar organizations, once they clearly differentiated themselves in the crowded and highly competitive marketplace.

"When it absolutely has to be there by 10:00 a.m." Fed Ex
"Hot tasty pizza in one hour or your money back." Domino's Pizza

I worked with a small business owner who offered pest control, but his business card did not clearly identify the business.

“Got the bug? Give us a call.”

I told him to change his business card and flyer to read differently:

“If you have a problem with bugs in your house, give me a call for a FREE home inspection.”

He went down to Staples, made a thousand cards for \$39, and handed them out to as many people as possible. He had the right message and a cost effective messenger. His phone began to ring.

The use of words in the world of marketing is very powerful. The biggest mistake most people make is to skip the message part and focus on the messenger, or promotional vehicles. But go back to the beginning! What is your proposition? Clearly identify what you have that will excite and interest your customer, **then amplify and multiply it through the media.**

The message is true marketing, the messenger is the promotion or advertising, and the sale is the result.

Six great ideas to grow sales in any business enterprise

1. Find out what works, and do more of it. Find out what doesn't work and stop it!

In my marketing consulting work, the first thing I do with any organization is find out what is working best in the area of marketing. This is part of my marketing audit.

I once worked with an insurance broker who was spent nearly \$1,000 per month to get internet leads. But when I asked him where he got most of his business, he said it was from referrals. The internet only generated “cold leads” for him. Few actually turned into real sales.

So I asked him to use the same money as a referral bonus to give to people that gave him referrals. It was a more effective use of his time and money. Why waste money on something that is not working?

His business took off like crazy. Not because I am a genius, but **because it's common sense.** Find out where you currently spend your marketing dollars, and look at the sales each is generating. Cut out the ones that don't generate sales and amplify the ones that do.

Example of how a typical company may generate a sale

Revenue Mechanism % of total \$ revenue

Internet leads	2%
Ads	5%
Sales Force	50%
Telesales	3%
Direct Mailings	10%
Referrals	30 %

Total	100%
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In the above example, if we know that 80 percent of the business comes through two primary revenue generating vehicles, doesn't it make sense to spend more time and effort fine tuning and perfecting those versus other vehicles?

I've found in many businesses that nearly 80 percent of business comes through only two revenue generating vehicles:

1. Sales force
2. Referrals

But few businesses have formal, systematic, and defined procedures for selling or for getting referrals.

Each sales person is usually doing his or her own thing, and the knowledge is not shared between them. This is regrettable, since some people in your sales organization are great at getting appointments, some are great at presenting, others are best at closing. What if you combined the expertise of your entire sales force into a formal referral system, with procedures for each step of the sales process?

1. How to plan the day
2. How to get suspects
3. How to convert suspects into prospects
 - a. Items to send
 - b. Follow up procedures
4. How to convert prospects into paying customers
 - a. Presentations that work
 - b. Follow up procedures
5. How to get customers to give referrals
 - a. A system to get referrals in a systematic and logical fashion.

This would be a check list, much like a flight check list for a pilot. Can you imagine the impact it would have on your sales force's productivity?

In his book *Meaningful Marketing*, Doug Hall shows how a one percent increase in sales effectiveness will bring in a 6.5 percent increase in sales volume per sales person. Take advantage of the combined skills of your sales team and follow a standardized sales process. A 15 percent increase in your sales effectiveness will double your sales volume.

When I consult with companies, I sit down and interview all the sales people to find out which person is best at which part of the sales cycle. All the skills are then merged into a formal systematic sales process that everyone follows.

Basically, it takes full advantage of the skills and knowledge within the organization. The results are impressive, and it was one of the major reasons I was able to triple the sales of a division I ran in four months.

Most companies get a chunk of their business from referrals, but do not have a formal, systematic or disciplined referral system in place. If you know referrals account for a large percentage of your sales revenue, formalize the process. Control and manage the process instead of leaving it to luck. We will talk more about this in detail shortly.

Absolutely question the return you get on your marketing. Very few have ever sat down to generate the simple matrix I did above. They may guess, but they do not know with pinpoint accuracy. **Please sit down and look at where you spend your marketing dollars. If it generates sales, double it. If not, stop it!**

“Marketing is not about making you feel good, it is about bringing in the sales. Be logical when it comes to marketing.”

2. Make it easy for people to do business with you

Start-ups need to get new customers, while established businesses need to continue to get new customers. The customer generation process is on-going.

The way to get new customers is by making it easy for them to start a buying relationship with you. Make what marketing people call “irresistible offers.” Do it in the form of a quality value proposition. As we mentioned earlier, that’s the reason why someone wants to do business with you, or even meet you. What’s the advantage to them? That’s your Message, the first M of marketing.

Understand your customers’ objections to purchasing your product, service or idea, and then overcome them. In most cases, the biggest obstacle for anyone to do business is “trust.” In my book *Marketing is King!*, I identify the sales cycle as really nothing more than a trust building cycle.

The way to build trust is by offering something free up front. It could be a report or free evaluation. It's standard practice in the marketing world, and exactly what I am doing here. I am offering you a FREE report on how you can increase your sales. I am investing in you first, before you invest in me. Once people trust you, they will buy from you.

A service company can offer a free initial evaluation. If you have a re-usable product, do the first jobs free. If customers know and trust you, you'll continue to make money from what I call **Rolls Royce marketing (Repeat and Referrals)**. If you sell instruments, software, etc, be willing to place the equipment on site for a 30-60 day free evaluation period.

Marketing reveals the true value your product or service offers as quickly as possible. It's best done by making it easy for people to "test drive" your offer.

In sales letters to prospective customers, make it a "no-brainer" why they should buy from you. Your value proposition should be clear, apparent and transparent in the way you can help. **Don't just tell them what you do. Tell them what you can do for them, how you can improve their life style.**

Again, it's all marketing, showing people the value you can add to them. Once people see this, and once you allow them to get started with no risk on their side, then you control the amount of customers you want.

3. Master database marketing

Most companies are very poor in the area of database marketing. It's a tragedy, because **database marketing is one of the most powerful form of marketing available.**

Some simply don't have a database, which is usually the case for small business owners. Some have a poor database, perhaps business cards strewn around. Many large corporations simply don't use their database effectively. Let's look at these scenarios.

Don't have a database / Poor database

Many small business owners don't have a database of customers. Some have a simple Excel type spreadsheet. Some have scribbled on a piece of paper, and others have business cards all over the place.

Each potential name is a potential customer! It is critical to set up a formal database as soon as possible. There are companies that sell names of people who buy certain types of products and services. These entire "list managers" do all day is to rent lists of people to direct marketers. They make a handsome living doing this. It is not by chance that brochures you are interested in turn up in your mail box each night. These list managers can be found at what marketers call the Bible of direct marketing: the SRDS (www.srds.com).

I would suggest you purchase a CardScan. It's a machine to automatically scan and database all business cards. (You can view it online at no charge.) The main advantage is that you can start to set up automatic e-mails to customers. We will be talking about this in detail very shortly.

Poorly used databases

Most mid to large size corporations do have databases, but use them poorly. They simply keep it as data storage.

How to use a database effectively

In your database, you will find three types of customers.

Past: People that have bought from you in the past

Present: People that currently buy from you

Potential: People who may buy from you in the future

I call these the **three Customer P's**.

First, immediately segment or divide your database into these three areas, since each of **these customer types call for a different marketing strategy. Let's look at each one individually:**

Past Customers- Get them back!

This is a **list of inactive customers** - people that did buy from you, but no longer do. It could be they moved away, got busy, or went to your competitor because you did not manage the relationship well.

Reactivate those inactive customers – Get them to buy again!

Depending on your business, you define what inactive means. Usually, it is those people who have not bought in the last 60-90 days or more. Follow up with a phone call, e-mail, or personal visit if appropriate. It's a very minimal investment of time and effort.

Let's say you have one hundred inactive customers in your database, and you manage to reactivate just 25. If the average revenue each customer brings in a year is \$500, you make \$12,500 in additional profit!

Manage and grow using the IEI strategy

For customers already doing business with you, keep them constantly **I**nformed, **E**ducated and **I**nvolve. It's what I call the IEI strategy, and it calls for regular sequential mailings. The old saying "out of sight, out of mind" is true of customers!

You can keep loyal paying customers by keeping them informed about what is going on. It can be done easily with automated e-mail systems or direct mailings set up through a fulfillment house. If you offer a service or product consumed on a regular basis, get your existing customers into a regular buying cycle. Let me give you a real world example.

My gardener does his work and **then waits for the phone to ring.** I told him to call all his current customers and offer a once-a-month regular service with a good discount, if they would sign a yearly contract. His sales exploded

Potential Customers - Get them to buy

In your database, you also have a category of people who are what we call in the world of marketing "suspects or prospects." They're people with a level of interest in what you have to offer, but they need to be converted into paying customers. It's done by making irresistible offers, as we discussed earlier.

Your database is a goldmine of dollars. That's why Oracle has grown so much within a few short years.

3. Put in a formal referral system

Are you asking each and every one of your customers for referrals? Most business owners answer yes to this question. But I check with the sales force and usually find it's perhaps only about 65 percent. Why is this so important? Let me explain using a hypothetical company.

Company XYX

Number of customers	400
Average Size of Transaction	\$500

Assume that 65 percent of all customers give referrals, and 260 customers come through. Assume 100 percent of the referrals are converted to a sale at an average transaction size of \$500. That would be \$130,000 generated through referrals.

What about the remaining 35 percent? That's worth another \$70,000 ($0.35 \times 400 \times \500). This is how much money is left on the table by not asking the remaining 35 percent of customers for referrals. Don't make the mistake of assuming that people will give you referrals. You must manage and control the process.

It's critical to establish a formal and systematic referral system to be successful in your efforts to grow sales. All it takes is discipline and training. Getting referral revenue is a two step process.

1. Get referral leads from your existing customer
2. Convert these leads to paying customers.

It's best to focus on referred customers because they

- Don't haggle on price
- Buy fast
- Are already *super hot*, well qualified
- Are the most loyal
- Are the most profitable

- Buy more
- Buy more often
- Refer more—A never ending process
- Become your silent sales force.

BEST OF ALL, REFERRALS ARE FREE!!!

Simply turn existing customers into a 24/7 no-fee sales force. Allow them to introduce you to friends and business associates, based on the quality of work you've done for them. **You deserve it!**

Should you pay people if they give you a referral? The answer is only if you are not getting the referrals you need. Remember, it costs you to get a customer anyway. So allocate your advertising budget in a more cost effective way.

A repeatable service business can print up simple flyers to offer all existing customers 10-15 percent off the next scheduled payment if they refer friends who become paying customers. Then offer the friends a 10 percent discount on their first visit. Again, you have to pay anyway to get new customers - just decide how much you want to pay. Do the math.

Formal referral systems can double or even triple sales within a year.

5. Get trained in professional selling

Get trained in professional selling, no matter what business you are in. Most business owners have never had formal sales training, and most entrepreneurs simply learn on the job. But sales is a skill in itself. It is the art of showing people the value your product, service or idea adds to their life.

Remember, sales is not an event, it is a process. Several steps need to be taken before anyone will buy your product, service or idea. Sales are really about helping people solve their problems. All products are no more than solutions to another's problems. Once you understand this, you are miles ahead of the competition.

I recommend you read the sales chapter of my book *Marketing is King!* Listen to my audio CD on sales. Both can be found at my web site (www.marketingisking.com)

I promise you will see a huge difference in your sales effectiveness once you have taken some professional sales training. It is well worth the time and effort invested, **since you learn how to ask quality questions to find out what problems your customers have.** You'll learn how to manage relationships and to follow up in a professional manner and close a sale. You will learn simple tricks, like how handwritten notes can outperform other forms of communications by 300-500 percent!

The most important thing you will learn is that to double your sales, just double your time in front of customers.

6. Always up-sell and cross sell

When we buy a new car, we are sold the extended warranty, and many people buy it. McDonald's offers a "value meal" instead of selling items individually. We know that Subway offers chips and drinks with their subs. And we know that when we order from a TV infomercial, we are offered ancillary products when we call in.

The official marketing term for this is called up-selling or cross selling. It raises the size of the transaction. It works because the customer is **"already in a buying mood."** **The true marketer sells these ancillary or additional products and services for the customers' benefit in the long term, not to make a quick buck.** Marketing is always about the customer, putting their needs and desires first.

You owe it to your customer to offer the opportunity to purchase products you think will benefit him or her in the long run. If you don't have any, think what products are used before and after your product, and offer those. Some companies make more selling other people's products through their distribution channel than they do their own.

Summary

1. We limit the amount of customers that can do business with us when we do not make "irresistible offers." Make it easy for new customers to start a buying relationship with you.
2. We limit the amount of product or service people can buy when we don't sell a "value meal," a total package versus single or component items. At every sale point, offer complementary products and services. These are in the best interests of the customer.
3. We limit the amount of times we allow customers to come back for repeat business. If you have a product or service that can be re-used, you should control the number of times a customer comes back.
4. We limit the amount of referrals. There's a huge difference between an ad-hoc and a formal and systematic referral program. An ad-hoc referral program relies on luck. A formal referral program relies on a well-defined systematic process and procedure to generate referral sales.

As a trained scientist, I see marketing as systematic, disciplined and logical. To market effectively, simply follow logical steps.

- Attract
- Sell
- Re-sell
- Get Referrals

All these processes are very well defined and understood by any trained marketing professional. Don't try to re-invent the wheel. There are tools, systems and procedures to do this.