YOUR BUSINESS NEEDS MARKETING

HERE'S WHAT YOU'RE MISSING

MIKE MASTRO
BUSINESS MARKETING COACH

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Mike Mastro

About the Author

Born in Brooklyn, New York, Mike Mastro has been a small business owner since 1987. Moving to New Jersey at a young age, he's been a dedicated student of business and marketing for most of those years. After school he became the Strength and Conditioning Coach of the Men's Division 1 basketball program.

Mike was a self-admitted fan of personal development programs for over 10 years. He purchased or was part of programs in his 20's of leaders like Zig Ziglar, Denis Waitley, Tom Hopkins, Nido Qubein, Napoleon Hill, Steven Covey, Wayne Dyer, Brian Tracy, Dale Carnegie, Tony Robbins and more.

Moving further into the health and fitness industry, he was a beneficiary of extensive professional sales training programs. This led to his attaining upper management positions early in his career. He shifted his study from personal development to marketing back in the 1980's. After his first experience with it, he became addicted to the subject, reading everything he could.

Following a successful solo career as a sought-after trainer (with high-profile clients like busy CEO's, fashion models and even entertainers like Jon Bon Jovi), he opened the first Personal Fitness training studio in his state. Over the next several years he contracted with several large chain health centers wrapping up the rights to all the training rights at those locations.

Along with the fitness businesses, he simultaneously opened other entities like tanning salons, sales training programs, and writing, publishing, and selling business newsletters. Recognizing the huge need, Mike currently works with small business owners one-to-one as well as in groups, to grow their company's revenue and more importantly their profits in any economy. He does this by following a proven system utilizing his expertise and proprietary software 10 years in the making and over a million dollars to produce.

Now living in southwest Florida, in his free time Mike still enjoys exercising, sports, comedy clubs, traveling to mountain locations, reading, writing, and listening to his favorite music.

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"Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business."

Peter Drucker

Dedication

This book is dedicated to you, the hard-working small business owner. You’re the one who’s acted on your dreams and ambitions. You’ve taken the risks with loans or investing your own hard-earned money. You’ve put in the time for research and planning. You’ve given up your time to make things happen. You’ve chosen to get in the game rather than sit on the sidelines.

You are the backbone of the country. You’re the one who has given up time with your family or friends to make your dream of owning a business a reality. You’re not only a thinker but also a doer.

Like many other business owners, myself included, we ventured out to do our own thing. And while we were seasoned enough at our practice or profession, we weren’t schooled in marketing.

I happened to be fortunate and found marketing very early in my business career. When I did, that light bulb went on. And it hasn’t dimmed a bit. In fact, the more I learned about marketing, the more I wanted to learn.

Your story and experience might be the same. You’re in business, but now, you may be wondering, how can I make it grow? How can I get more customers to find me? And once they do, how can I serve them so well, they tell others about me? And while I do it all, how can I get and stay profitable enough to not just get by, but to make a great living?

Well my friend, you do deserve to WIN the game. My hope is that the information in this book expands your thinking about the possibilities that are available to you. My wish for you is amazing success. Read this book and take action.

Mike Mastro

How I Find $50K - $100K in 45 Minutes For Small Business Owners

The purpose of this book is to walk you through a process I've created where I find any business a minimum of $50,000 to $100,000 in just 45 minutes.

I'll go through several simple strategies which are proven revenue-generators for any small business. Most business owners know little about these strategies, and therefore, are failing to capitalize on their revenue-generating power.

For the purposes of this book, I'll cover each of these strategies in individual chapters for one main reason. I want you to be able to review these strategies and minimize the amount of time it will take you to implement them in their entirety.

But consider this, most business owners today are in the fight of their lives. Most of them have no additional revenue sources they can tap into for financial support during lean times – and their marketing and advertising aren't working as well as they used to. In fact, for many small business owners, marketing isn't producing any results for them at all, and their financial situation is growing more desperate by the day.

As a business owner or entrepreneur, if you're struggling right now to generate more leads and clients for your business, and you need to find immediate ways to dramatically increase your business' bottom-line revenue, then spend the next few minutes reading this and I'll show you how we can help you make all of these problems disappear forever.

Small business owners are desperate for proven and tested ways to generate more leads, attract more clients, and make more money. So, what if I told you that I can show you how to generate all the leads business owners need in order to completely dominate their market? What if I could prove to you right now we can find ANY small business owner more than $50,000 - $100,000 in additional revenue, and do it in just 45 minutes?

Over the next few chapters, I'm going to give you back door access to a few of the most powerful revenue-generating strategies ever created. So, let's get reading.

Chapter 1
Creating Your Market Dominating Position

To successfully execute the strategies presented in this book, it's imperative you have certain fundamentals in place. These fundamentals will separate your business from your competition and give you a competitive edge.

So, let's start by helping you establish a market dominating position for your business. Many businesses are established in response to market demand for a product or service. Many build their businesses by serving that demand and enjoy growing profits without putting much effort into long-term planning or marketing.

However, what happens when demand slows or stops? What happens when the competition sets up shop with a "new and improved" version of your product down the road? How do you keep your offering fresh while growing and maintaining your client base? The answer - innovate your business and offer extraordinary value by creating a "market dominating position."

Consider this. Every choice you make when buying a product or a service represents a point of differentiation between one company and their competitors. These differences, whether subtle or distinct, determine which customers will buy what they sell.

Take the well-documented case of Domino's Pizza as an example. Why did Dominos become a billion-dollar behemoth in an overcrowded market in just a few years? Did Dominos make the best pizza? No. Did they offer comfortable in-house dining? No. Did they offer the largest selection on their menu? No. They pretty much offered the SAME PIZZA as all of their competitors! Maybe not even as good!

They dominated by adopting and implementing one major strategy. They created a market dominating position in an area with lots of colleges, which was fast, hot pizza targeted specifically to hungry college kids.

Ask yourself what, if anything, makes your business different from your competitors as perceived by your targeted prospects and customers? For many businesses, the answer is price.

Many years ago, Nike offered the top-selling Air Jordan 3 for $150. At the exact same time, Target sold an excellent imitation of the Air Jordan for around $40, but Nike outsold them, ten to one.

Starbucks is a popular place to buy coffee in many parts of the world. According to the latest data, their typical customer spends four times more than they would at their competitors.

Obviously, low price isn’t the driving force here. So, what is? The answer - these companies staked out a specific and targeted market dominating position. Nike focused their position around being the best athlete, being hip and in style, along with the perception of quality. Starbucks focused on delicious hand-crafted beverages which they claimed is the secret to making life better. Avis is number 2 so they try harder. FedEx is for people who absolutely, positively have to have it there overnight. And the list goes on.

When you create your own market dominating position, you will consistently get businesses and individuals to choose your business over your competitors.

But what exactly is a “market dominating position”? It’s simply any value-added customer perceived benefit, or a combination of benefits, which differentiates you from your competitors, and does so in a strong enough manner it makes your business the logical choice in the minds of your prospects and customers.

As an example, a dry cleaner who offers pick-up and delivery would be the only logical choice for any prospect or customer who values convenience. This simple distinction represents a market dominating position.

The key is to create added value in everything you do. Prospects and customers DON’T buy based on price; they buy based on the value they receive for the price they pay. Creating added value is a marketing or customer relations strategy that can take the form of a product or service that’s added to your original offering for free or as part of a discounted package.

Like all other elements in your marketing toolkit, it’s designed to attract new customers and retain existing ones. Another simple example of added value is a gift shop owner offering complimentary gift wrapping with every purchase.

If you don’t revisit the value you offer, then over time your customers will be drawn to a competitor who consistently innovates their business, so they offer exceptional value you don't. Ultimately your customers will demand additional value for them to remain loyal – and they're the keystones for your business growth.

Everyone can add value to their business. And adding value doesn't have to blow your marketing budget or take up hours of your time. There are many ways to enhance your business.

The key to adding value is determining what your customers and target market perceive as valuable. You must understand their needs, wants, troubles, and inconveniences in order to entice them with solutions through added value products or services.

Adding value will also add to your profits. However, if you don't focus on genuinely helping your clients, you'll have a difficult time attracting them.

Added value works for both product and service-based businesses. If you offer a service like hairstyling, try treating your customers by offering them a latte while they wait, or complimentary shampoo samples, or a free conditioning treatment with every sixth visit.

If you sell a product, consider offering convenience services like free shipping or delivery to make the customer's experience a seamless one.

The customer will feel appreciated, and their needs will have been taken care of. The online retailer Zappos.com built a billion-dollar behemoth with this strategy.

DIFFERENTIATING YOUR BUSINESS FROM COMPETITORS

Differentiating your business from your competitors by creating a market dominating position (MDP) involves a five-step process.

Step 1: Determine your strategic position in the market.
What specific niche market or segment of the marketplace should your business focus on? Determining this involves combining the skills your business has with the unmet needs of your targeted prospects, and then designing your product or service to fulfill those needs.

Domino's strategic position was "fast, hot pizza for hungry college kids." For Starbucks, "delicious hand-crafted beverages that makes life better."

Step 2: Determine your primary MDP.
This is the most dominating advantage that separates you from your competitors. Domino's Pizza claimed it could deliver its pizza in 30 minutes or less, or they would give it to you for FREE! This was the primary advantage that met the needs of their newly defined market position - hungry college kids who wanted food fast.

Step 3: Determine your supporting business model.
How will you specifically deliver what your strategic position and primary market dominating position promises? What changes, if any, do you need to consider making to your business to ensure you deliver consistently on your position and your promise?

Domino's Pizza built a supporting business model enabling them to consistently provide their promised primary advantage – fresh, hot pizza delivered within 30 minutes.

To make good on this promise every time, they were forced to create a supporting business model where they built low-cost, plain-vanilla stores strategically located near college campuses.

And since college kids aren't the most reliable workers on the planet, they were forced to hire additional delivery staff and have additional drivers on a stand-by basis. Together, these innovations allowed them to consistently meet and often exceed their primary market dominating position.

Step 4: Determine a secondary MDP.
What additional competitive advantages does your business offer that your customers will perceive as being different from your competition? Domino's secondary benefits might include special pricing, assorted sizes, a much broader selection of toppings, or additional menu items.

Step 5: Create your MDP statement or elevator pitch.
This is a simple statement you can create by combining steps one through four. This helps you to state unequivocally what differentiates you from your competitors to your targeted prospects and customers.

Domino's market dominating position is neatly summed up in its slogan, "fresh, hot pizza delivered in 30 minutes or less or it's free."

Now we need to define your market dominating position, and then we can help create a powerful and compelling elevator pitch that will effectively communicate your value to your marketplace.

Chapter 2
Creating a Powerful Offer

I’m not going to beat around the bush on this one:

Your offer is the granite foundation of your marketing campaign.

Get it right, and everything else will fall into place. Your headline will grab readers, your copy will sing, your ad layout will hardly matter, and you will have customers running to your door or website.

Get it wrong, and even the best looking, best written campaign will sink like the Titanic.

A powerful offer is an irresistible offer. It’s an offer that gets your audience frothing at the mouth and clamoring over each other all the way to your door. An offer that makes your readers pick up the phone and open their wallets.

Irresistible offers make your potential customers think, “I’d be crazy not to take him up on that”, or “An offer like this doesn’t come around very often.” They instill a sense of emotion, of desire, and ultimately, urgency.

Make it easy for customers to purchase from you the first time and spend your time keeping them coming back.

I’ll say it again: **get it right, and everything else will fall into place.**

The Crux of Your Marketing Campaign

As you work your way through this program, you will find virtually every chapter discusses the importance of a powerful offer as related to your marketing strategy or promotional campaign.

There's a reason for this. The powerful offer is more often than not the reason a customer will open their wallets. It is how you generate leads, and then convert them into loyal customers. The more dramatic, unbelievable, and valuable the offer is the more dramatic and unbelievable the response will be.

Many companies spend thousands of dollars on impressive marketing campaigns on television and in social media ads. They send massive direct mail campaigns on a regular basis; yet don't receive an impressive or massive response rate.

These companies do not yet understand, simply providing information on their company and the benefit of their product is not enough to get prospects to act. There is no reason to visit the store or website *right now*.

Your powerful, irresistible offer can:

- Increase leads
- Drive traffic to your website or business
- Move old product
- Convert leads into customers
- Build your customer database

What Makes a Powerful Offer?

A powerful offer is one that makes the most people respond and take action. It gets people running to spend money on your product or service.

Powerful offers nearly always have an element of *urgency* and of *scarcity*. They give your audience a reason to act immediately, instead of putting it off until a later date.

Urgency relates to time. The offer is only available until a certain date, during a certain period of the day, or if you act within a few hours of seeing the ad. The customer needs to act now to take advantage of the offer. Think Amazon Prime Days as an example.

Scarcity related to quantity. There are only a certain number of customers who will be able to take advantage of the offer. There may be a limited number of spaces, a limited number of products, or simply a limited number of people the business will provide the offer to. Again, this requires customer to act immediately to reap the high value for low cost.

Powerful offers also:

Offer great value.
Customers perceive the offer as having great value – more than a single product on its own, or the product at its regular price. It is clear the offer takes the reader's needs and wants into consideration.

Make sense to the reader.
They are simple and easy to understand if read quickly. Avoid percentages – use half-off, or 2-for-1, or additional items of value included instead of 50% off. There are no “catches” or requirements, no fine print.

Seem logical.
The offer doesn’t come out of thin air. There is a logical reason behind it – a holiday, end of season, anniversary celebration, or new product. People can get suspicious of offers that seem “too good to be true” and have no apparent purpose.

Provide a premium.
The offer provides something extra to the customer, like a gift, or free product or service. They feel they are getting something extra for no extra cost. Premiums are perceived to have more value than discounts.

Remember when your target market reads your offer, they will be asking the following questions:

1. What are you offering me?
2. What’s in it for me?
3. What makes me sure I can believe you?
4. How much do I have to pay for it?

The Most Powerful Types of Offers

Decide what kind of offer will most effectively achieve your objectives. Are you trying to generate leads, convert customers, build a database, move old product off the shelves, or increase sales?

Consider what type of offer will be of most value to your ideal customers – what offer will make them act quickly.

Free Offer
This type of offer asks customers to act immediately in exchange for something free. This is a good strategy to use to build a customer database or mailing list. Offer a free consultation, free consumer report, or other item of low cost to you but of high perceived value.

You can also advertise the value of the item you are offering for free. For example, act now and you'll receive a free consultation worth $75. This will dramatically increase your lead generation and allow you to focus on conversion when the customer comes through the door or visits your website.

The Value-Added Offer
Add additional services or products that cost you very little and combine them with other items to increase their attractiveness. This increases the perception of value in the prospect's mind, which will justify increasing the price of a product or service without incurring extra hard costs to your business.

Package Offer
Package your products or services together in a logical way to increase the perceived value. Discount the value of the package by a small margin, and position it as a "start-up kit" or "special package." By packaging goods of mixed values, you will be able to close more high-value sales. For example:

including a free desk-jet printer with every computer purchase.

Premium Offer
Offer a bonus product or service with the purchase of another. This strategy will serve your bottom line much better than discounting. This includes 2 -for-1 offers, offers including free gifts, and in-store credit with purchases over a specific dollar amount.

Urgency Offer
As I mentioned above, offers including an element of urgency enjoy a better response rate, as there is a reason for your customers to act immediately. Give the offer a deadline or limit the number of spots available.

Guarantee Offer
Offer to take away the risk of making a purchase from your customers. Guarantee the performance or results of your product or service and offer to compensate the customer with their money back if they are not satisfied. This will help overcome any fear or reservations about your product and make it more likely for your leads to become customers.

Create Your Powerful Offer

Pick a single product or service.
Focus on only one product or service – or one product or service *type* – at a time. This will keep your offer clear, simple, and easy to understand. This can be an area of your business you wish to grow, or old product that you need to move off the shelves.

Decide what you want your customers to do.
What are you looking to achieve from your offer? If it is to generate more leads, then you'll need your customer to contact you. If it is to quickly sell old product, you'll need your customer to come into the store and buy it. Do you want them to visit your website? Sign up for your newsletter? How long do they have to act? Be clear about your call to action, and state it clearly in your offer.

Dream up the biggest, best offer.
First, think of the biggest, best things you could offer your customers – regardless of cost and ability. Don't limit yourself to a single type of offer, combine several types of offers to increase value. Offer a premium, plus a guarantee, with a package offer. Then take a look at what you've created and make the necessary changes, so it is realistic.

Run the numbers.
Finally, make sure the offer will leave you with some profit – or at least allow you to break even. You don't want to publish an outrageous offer that will generate a tremendous number of leads, but leave you broke. Remember that each customer has an acquisition cost, as well as a lifetime value. The amount of their first purchase may allow you to break even, but the amount of their subsequent purchases may make you a lovely profit. (More on customer value later).

Chapter 3
Marketing and Advertising

Let’s face it. The major hot button for most small businesses these days is the ability to generate leads. All small businesses want more leads, but few of them know how to successfully attract customers to their business.

As a coach, I have in-depth knowledge and skill when it comes to generating leads. So, here’s the process I use to do this.

If you’re like 99% of the business owners I speak with, you may often feel lost or overwhelmed as you try to navigate through all the various options available these days. Websites, social media, SEO, email marketing, Facebook, pay-per-click, and so on.

Let me do you a favor right now and completely remove that overwhelm from your life forever. Are you familiar with the 80/20 rule?

For business owners, it means 20% of what you do every day is generating 80% of your total annual revenue.

In other words, you’re only doing a few things daily to make most of your money. I can tell you specifically what makes up that 20%, and it’s all you really need to focus on after today.

Remember I told you I’m going to find you more than $100,000 in less than 45 minutes by reading this book?

I’m going to do that by focusing on just 2 or 3 areas, so you can imagine what you could generate revenue-wise if you implemented all the areas of your business.

Most business owners would KILL to almost double their revenue, wouldn’t you agree?

Your business could skyrocket from $62,500 to almost half a million dollars annually with small subtle changes in a small number of areas in your business.

When asked, most business owners tell me “Word of mouth”, or more often than not “referrals”, are how they generate leads. Referrals are obviously an excellent lead source. In fact, it may be the best one by far, but the problem is you never know when you will get them. They’re not reliable and you certainly can’t generate them whenever you want.

99% of businesses today do have a website. Do you know for sure how many leads your website generates every month? Do you know for sure how many sales your website produces every month?

Can I show you why your website isn’t generating leads or closing sales for you? In fact, would you like for me to give you the deeply hidden secrets that the marketing gurus DON’T want you to know?

Here’s the key to successful marketing. You MUST be able to enter the conversation taking place in the head of your prospects. Or another way to look at it is to be able to address the number one question on your prospect’s mind at just the right time. So how do you do this? It’s actually quite simple when you know and understand the fundamentals of marketing.

The conversation that's taking place in EVERY prospect's mind revolves around two major points. There's a problem they have and don't want, and there's a result they want but don't have.

Now, believe it or not, there is a marketing formula we follow that takes these two points into account and spits out a message so compelling it practically forces your prospects to buy what you sell.

It's called the Conversion Equation, and it looks like this – **Interrupt, Engage, Educate and Offer**. The Interrupt is your headline – which means it's the first thing someone sees when they visit your website, read any of your marketing collateral, or hear you speak.

When someone asks you what you do, it's the first words out of your mouth. That's your headline and it MUST address the problem your prospects have and don't want.

The Engage is your sub-headline – which is the second thing your prospects see or hear. It MUST address the result your prospect wants but doesn't have. The Educate is the information you provide - either verbally or in writing - that presents evidence to your prospects you and your product or service are superior in every way to your competition.

Unfortunately, MOST businesses aren't different from their competitors, and that's why you MUST innovate your business to create what we refer to as a market dominating position.

You MUST make your business unique. It MUST stand out from the crowd. It MUST make your prospects say to themselves they would be absolute idiots to buy from anyone else but you – regardless of price. And finally, the Offer. You MUST create a compelling offer that makes it so irresistible your prospects can't turn it down.

But here's another critical fundamental of marketing. Because of the saturation of marketing messages these days, most prospects have become numb to most marketing.

Following our Conversion Equation can dramatically overcome this, but even with this powerful tool in play, it will still take multiple "touch" points before your prospects will buy what you sell.

For most businesses today, it takes anywhere from 20 to more than 100 touch points before a prospect makes their buying decision. Following the Conversion Equation reduces the touch points to somewhere between 5 to 12 points of contact.

But here's the key, most businesses don't follow up with their prospects at all, and this provides a HUGE window of opportunity for ANY business that does follow up - to position themselves as the dominant force in their industry.

But, to have the opportunity to get your message in front of your prospects 5 to 12 times, you MUST find a way to collect their contact information, and that's the purpose of your Offer.

Most businesses offer something that only appeals to prospects we call NOW buyers – prospects ready to make an immediate purchase. Unfortunately, NOW buyers make up less than 1% of the total number of prospects who are in the market to buy what you sell.

These businesses typically offer prospects a free consultation, a discount, a coupon, a free assessment, a complimentary quote, or the biggest mistake of all… CALL US!

For most businesses, all their marketing material – website, digital ads, business card, etc. - all list their phone number as their sole offer which ONLY appeals to that 1% of NOW buyers. The remaining 99% of viable prospects are “investigating” and gathering information about what you sell.

They’re searching for information because they want to determine who is offering the best value. You see, prospects DON’T shop price – they shop VALUE!

The only reason prospects consider price is most businesses don’t give them any other value proposition to consider except price.

Remember what I said a moment ago about making your business unique – creating a market-dominating position?

Most businesses don’t do that, and since they and all their competitors look exactly the same, prospects are FORCED to shop price. So, with these fundamentals in mind, let’s see how your website stacks up to them.

Let me show you a website we just revised for a child psychologist so you can see what I mean, and then let’s take a look at your website as a comparison. Here is a child psychologist's original website.

This is typical for this industry, and 99% of his colleagues' websites look EXACTLY like this. Notice the generic headline – Parenting Advice and Resources from Dr. John Smith.

He must have a headline like that because he's attempting to be all things to all prospects. Basically, this doctor helps parents deal with adolescent problems. Look at the 9 areas he services – emotionally disturbed kids, behavioral problems, teen pregnancy, peer pressure and so on.

So, let's compare this site with the fundamentals we just discussed. First, you MUST create a market-dominating position. This doctor could actually create 9 of them by simply positioning his specialty in each of his 9 individual areas of treatment.

For example, let's say he decides to start with the top condition on his list… emotionally disturbed kids. These are kids that yell, scream and constantly have a highly belligerent attitude toward their parents. They scream at them and are known in some cases to threaten the parents. These kids can't be reasoned with, and these poor parents have NO clue how to deal with this situation.

So, here's what this doctor needs to do. Forget the website completely – this doctor needs what is known as a squeeze page. This is a single page online specifically addressing ONLY this one condition. So, what should this page look like and what should it say?

Remember the second fundamental – you MUST enter the conversation taking place in the head of your prospect. There's a problem they have and don't want and there's a result they want but don't have. This is where we implement the first two components of the Conversion Equation - Interrupt and Engage. The headline is the Interrupt, and it must address the problem they have and don't want.

Here's the squeeze page we created for this doctor that did that.

Notice the headline – “Are You Sick and Tired of The Yelling, Screaming and Belligerent Attitude of Your Child?” Does that address the problem these parents have and don’t want? Would you say that’s a 100% bullseye?

Now, for the Engage which is the sub-headline. It MUST address the result they want but don’t have. Notice it says – “Now You Can Discover the Secrets to Controlling Your Child and Instantly Restore Peace and Quiet in Your Home.” Would you say that’s bullseye number two?

Now, let’s look at the third Conversion Equation component, Educate. In the doctor’s original website, because he’s trying to appeal to all prospects, his video said this – “Greeting parents. I want to welcome you to remarkable parenting. You will find tons of great information here with hundreds of pages of articles.”

Think how ridiculous this sounds if I’m one of these parents with a kid who has a belligerent attitude. Do I want to read hundreds of pages of articles? Or am I searching for a specific solution to a specific problem? Do you see why most websites these days are basically a total and complete waste of money? They don’t address the things your prospects are truly looking for. Here’s the new script we created for this doctor.

“As a parent, are you struggling to gain control of your child's attitude and emotions? Is your child yelling and screaming at you, while often displaying a belligerent and sometimes threatening tone that no matter what you do or try you just can't seem to get under control?

“My name is Dr. John Smith, and I help parents like you every day learn the techniques that will solve these frustrating and destructive behavioral patterns once and for all. In fact, let me prove it to you. Enter your first name and email in the box to the right, and I'll send you a series of 60-second techniques that will immediately restore peace and quiet in your home.”

Think that just might get more prospects to respond to this message? And that brings us to the final component of the Conversion Equation… the Offer. Look at the doctor’s original offer. It was for a free consultation. The only prospects that will accept that type of offer are those NOW buyers. Remember, they make up less than 1% of the total number of prospects looking for this type of help.

When your offer is to “call me,” that basically says “let me sell you” to your prospects. We are so used to getting non-stop sales pitches these days we resist calling anyone with every fiber of our being. Most people won’t answer their phone unless they recognize the caller ID. This type of offer is called an incentive offer, and incentive offers only work for common purchases, emergency situations, and impulse purchases.

And remember, most prospects don’t buy until they have been exposed to your messaging somewhere between 5 to 12 times. If you tell prospects to “call you”, and most won’t, how do you keep marketing to them? Obviously, you can’t. The secret to effective marketing is to offer what most prospects truly want… INFORMATION!

Look at the last sentence in the child psychologist’s video script - “enter your first name and email in the box to the right, and I'll send you a series of 60 second techniques that will immediately restore peace and quiet in your home." That offer is ZERO risk to a prospect, and it offers them something they truly want… a solution to their problem.

They can receive it by simply providing their name and email address WITHOUT having to speak to anyone or be subjected to any type of sales pitch. That's why the offer on this doctor's squeeze page says, "Learn the Secrets to Gaining and Maintaining Complete Control of Your Child in Less than 60 Seconds." Is that a highly compelling offer that would appeal to a majority of the prospects directed to this page?

And do you now see why we call this a squeeze page? There are NO navigation buttons on this page to distract the prospect. In fact, there is only ONE action they can take - entering their contact information. Otherwise, they have to close the page completely… and if they do, THAT is when we can redirect them to the doctor's main website to see if there is something else that might grab their attention.

That informational offer provides them with proof that this doctor can actually get them the results they're looking for, and then within that information is an offer for them to schedule a consultation with the doctor, which they are now more likely to do.

But consider these numbers for this doctor's original website. He could easily generate 300 or more leads per month using a pay-per-click campaign using some Social Media for example. Those leads are then sent to his original website. He will then average around 10% of those leads. 30

prospects will see his offer for the free consultation and will call to inquire about it.

Notice I said INQUIRE about it, NOT request it. Out of that 10% who will call, only 10% of them will consent to the consultation, resulting in 3 prospects.

Fortunately, for most professionals like this doctor, they typically convert 100% of the prospects they get in front of, so those 3 prospects will more than likely become patients. Note that out of 300 leads, the doctor winds up with 3 new clients. That is the national average today – 1% of all leads generated will typically convert into a new client. That's pathetic!

But, now let's look at the doctor's new squeeze page. First of all, let's leave his number of leads at 300 per month. That squeeze page won't impact that number whatsoever. But let me ask you to think about this and give your open and honest opinion.

Do you think this new page will increase the number of prospects who will request this doctor's secrets to gaining and maintaining complete control of their child? The doctor was getting 10% with his old website. What percent do you think would request this new, more compelling offer?

Most responses I get average somewhere between 50% to 70%. Well, suppose we stay conservative and say just 20% request the new offer.

That would mean 60 prospects would receive those secrets and see for themselves this doctor's methods really work.

And once they do, what percent of those do you think might request the consultation with the doctor? Remember, originally it was just 10%.

Again, most responses I get average between 50% to 70%. I would tend to agree with those numbers, but we know he originally converted 10%, so to be really conservative, let’s just leave that conversion rate the same… 10%.

So, out of the 60 prospects requesting the doctor’s secrets, 6 of them now request the consultation. And let’s assume like we did originally the doctor converts all 6 of them into patients. That’s an additional 3 patients per month, isn’t it?

Now, let’s say this doctor only charges $800 for his services, even though in reality it’s typically 3 times that amount. $800 times 3 new patients is an additional $2,400 per month resulting in an annual increase of $28,800. That’s obviously a dramatic increase in revenue considering we’re being ridiculously conservative and all we did was make some slight changes to this doctor’s website.

So, let me ask you this. Do you think we could get similar results for your business? How many leads have you generated in the last 12 months?

How many leads would you estimate you’ve generated this month? How many of those leads requested your offer? If we could create a similar process for your business and offer compelling information to your prospects just like we did for the child psychologist, do you think more prospects would respond? By what percent?

Could we conservatively agree a 10% opt-in rate is easily a no-brainer? Do you realize just one change alone would double your current sales revenue?

And that's assuming we don't increase your number of leads or your final conversion rate, which we will. If you said your last month's revenue was $25,000, then just this one change alone adds an additional $25,000 to your bottom line.

In a recent case study I conducted, I found $58,000 in additional annual revenue just using this one simple strategy.

But consider this!

That additional revenue is NOT just a one-time increase. That's revenue the business will generate year after year after year.

$58,000 in additional annual revenue increases the valuation of that business somewhere in the range of $150,000 - $200,000.

Chapter 4
Joint Ventures

Do you currently have any established joint venture partnerships? These can also be referred to as marketing alliances.

JVs involve two or more businesses who decide to form a partnership to share markets or endorse a specific product or service to their customer base, not always but often under a revenue sharing arrangement. The key to creating successful joint ventures is to find partners who service the exact same type of clients who need or want what you sell.

Let me give you an example we're both familiar with - a florist. One of the most financially lucrative product lines for a florist is providing flowers for weddings. The average floral bill for a wedding often exceeds $3,000. But what we discovered about florists is they fall into what we refer to as an "event chain." An event chain simply refers to a series of businesses whose customers purchase in a specific sequence.

For example, a wedding will never take place until an engagement ring is purchased from a jeweler. So, jewelers are at the forefront of every wedding chain. Once the young lady accepts the engagement ring, this event chain kicks into high gear. First, this young lady knows EXACTLY where she wants to get married, so number one on her agenda is to book the church, chapel, or synagogue where she wants the ceremony held.

Second on her list is to line up her wedding planner. Weddings today are a really big deal, and often women like to use the services of a professional wedding planner. Next up, she wants to secure the venue for her reception.

She knows most venues book out months in advance, so locking in that venue is high on her priority list. After that comes the wedding dress, so she begins the search for the perfect dress at an affordable price.

Next is our florist. The bride-to-be will want to begin selecting her floral arrangements for both the wedding and the reception. Then, after the florist comes the wedding cake, the printer for the invitations and thank you cards, and depending on the financial ability of the bride to be, she may also be interested in hiring a limo, a DJ for the reception, a travel planner for the honeymoon, the hotel, catering and so on.

This event chain is typical of this industry. And for the florist, it specifically identifies a multitude of potential and very lucrative JV partners. But here's why this becomes so important.

Every business ABOVE the florist has the potential to ENDORSE and SEND prospects to the florist. Unfortunately, the florist has NO control over that flow of prospects. Every business above the florist controls the JV relationship, so it's critical the florist create such a compelling offer and relationship with these businesses they feel obligated to send prospects their way.

But here's what's even better. The florist controls the prospect flow to ALL the businesses BELOW them in the chain, and by establishing specific processes and procedures to make sure their customers use those businesses, the florist can negotiate compelling offers with those business owners as well. So, consider these numbers.

Let's say this florist cultivates a JV relationship with at least one of each business throughout this entire chain. Staying ultra-conservative with our estimates, would you agree this florist… since they have NO control over the flow of prospects from these businesses… is it likely they could obtain at least ONE referral each month from just one of the businesses above them?

OK, would you also agree conservatively since the florist controls the flow of prospects to the businesses BELOW them, they could easily send at least ONE referral to EACH one of them every month? Keep in mind these are VERY conservative estimates we're using here.

Since the average floral bill for a wedding is $3,000, ONE referral per month from the businesses ABOVE the florist increases their annual revenue by $36,000. Now let's consider the businesses BELOW the florist where the florist controls the referrals. Let's start with the wedding cake maker.

The average sales price for a wedding cake is also $3,000, and the florist could easily negotiate a 10% referral fee. So, just a single referral per month produces an additional annual increase of $3,600 for the florist.

Now consider the printer. The average sales price for printing is $1,000, and the florist again could receive a 10% referral fee, so that single referral per month produces an additional annual increase of $1,200.

If we stop there, this florist has just increased their annual revenue by more than $40,000, and that's using ridiculously conservative numbers. Imagine if you continued to add up the revenue produced by all the additional referral fees the florist would earn from all the other vendors in this chain.

This same process holds true for businesses that aren't in a chain. But just like the florist, they simply identify partners who service the exact same type of clients who need or want what they sell. Now I realize this looks easy, but it's not… and here's why.

You not only have to properly identify who would make an excellent joint venture partner for your business, but you also must determine the order to approach each one, how to approach them, and when to approach them. It's critical you do this properly or you wind up burning through all of your potential JV partners and come out with nothing in return.

Let me ask you a quick question. Just off the top of your head, how many potential JV partners would you estimate might be a fit for what you sell? Would you believe I could likely identify more than a dozen for your industry? So conservatively, how many referrals would you estimate might be possible if a dozen other businesses were compelled to refer their customers to you for additional purchases?

Conservatively, let's say you only get 3 referrals every month who buy from you. That's less than one per week. How much additional revenue would that add monthly? Now multiply that by 12 to see your annual revenue increase.

One more thing before we move on. Remember earlier we discussed the critical importance of creating a highly compelling informational offer promising so much value to prospects they would knock your door down to get it?

Suppose the florist offered this informational offer in their marketing, "5 Things Every Bride Should Know to Avoid Disaster on Their Wedding Day". This offer would place TONS of prospects into their drip campaign and result in a tremendous increase in sales. Those new sales can then be referred to their new JV partners and they collect multiple referral fees every month.

This would absolutely dwarf the revenue we just uncovered for the florist in this example. What I find really exciting about JVs is this is a strategy I help my clients implement immediately and it begins generating instant cash flow for them right out of the gate.

In a recent case study I conducted, I found $75,000 in additional annual revenue just using the JV strategy.

And again, that's revenue the business will generate year after year after year.

$75,000 in additional annual revenue increases the valuation of that business somewhere in the range of $225,000 - $300,000.

Chapter 5
Downselling

Now let's discuss another lead-conversion strategy. Let's look at downselling. Do you currently use a downsell strategy?

Downselling is nothing more than offering a prospect an alternative product or service at a lower price when they decline your original offer. The goal is to turn the prospect into a client, so you not only realize some short-term financial benefit, but you gain the opportunity to do business with them again in the future.

For example, some local health clubs try to sell new members a full one-year membership. If that fails, they will try to downsell them by offering a 90-day "health makeover" membership. If that fails, they may go to a 30-day or possibly a one-week "trial" membership. They know if they can just get them to buy something the odds of them staying with them long term goes up exponentially.

Consider the florist. Most guys show up at a florist to buy roses for their better half. Valentine's Day, her birthday, their anniversary, Mother's Day and so on. But suppose a dozen roses cost $50 and the guy doesn't have that much money to spend. Since he has flowers on his mind, do you think he would consider an alternative that was just as romantic?

Do you realize if the alternative costs only $25, and the florist only used that downsell once each day, which is highly conservative, that would add almost $8,000 in annual revenue for them? And that's just one possible downsell opportunity. Suppose they had floral alternatives for weddings, lower priced options for funerals and so on.

What’s your current price point for what you currently sell? Think you could come up with an alternative for half that price? How many of those would you conservatively estimate you could sell each week? Now multiply your reduced-price times your number of weekly sales, then multiply that number times 52 weeks to reveal your annual increase.

And that’s just one downsell. How many additional downsell opportunities would you conservatively estimate you could easily develop?

I recently found a business owner $65,000 in additional annual revenue through targeted downselling, and that additional revenue continues to grow year after year.

$65,000 in additional annual revenue increases the valuation of that business somewhere in the range of $200,000 - $230,000.

This concept is most important when it comes to a new prospect. Why let that prospect go somewhere else? Each and every new customer or client could mean thousands of dollars in additional revenue for you over the next coming months or years.

And remember, most people buy on “value” not only on price. Show the prospect the added value they’re getting with you. And if you have a downsell, that often gets them on board with you. And now you have a new customer!

Chapter 6
Drip Campaigns

When a prospect doesn't buy what you sell, how many times do you follow up with them?

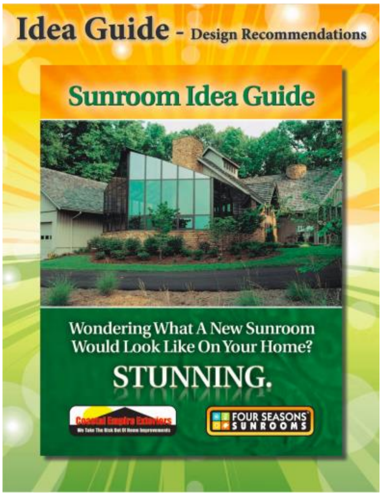
Small business owners focus primarily on generating leads. But remember that on average, less than 1% of prospects are NOW buyers. 99% are NOT ready to purchase that day, but many of them will buy sometime in the future IF you continue to nurture them by staying in touch on an ongoing basis.

Unfortunately, the vast majority of small business owners rarely if ever follow up with their prospects after their initial contact with them. So why is that important? Listen to this VERY carefully! 80% + of ALL sales occur between the 5th and the 12th point of contact between the business and the prospect. 80%!!! Are you starting to see an opportunity here? This is where you need to implement a "drip campaign".

A drip campaign can add significant revenue to your business. It automatically delivers a form of communication to customers or prospects on a predetermined and scheduled basis. But here's the really cool part about this. Once you create your compelling offer, all you have to do is take specific segments from that offer and send it to your prospects on a consistent basis.

Let me show you an example of how this was done for a client who owned a sunroom company. When homeowners consider any type of remodeling project, whether it's their kitchen, an updated bathroom, or in this case installing a sunroom, wouldn't they love to get their hands on what you might call an "Idea Guide" featuring various models or state-of-the-art concepts?

Let me show you the Idea Guide developed for this sunroom company.



Pretty impressive, wouldn't you agree? Well, would you like to hear the sad thing about this type of informational offer? Most prospects don't read it. They will request it with every intention of reading it, but only about 20% of them actually will. That's ok though, because it has already done its job, which was to compel the prospect to give us their contact information so we can begin our 5 to 12 touch points. And we simply use the information in the Idea Guide to do that quickly, efficiently, and inexpensively.

Here are a few examples for the sunroom company.

Idea Guide - Design Recommendations

7 Benefits

Of Owning A Sunroom

If I have heard it once, I have heard it a thousand times…"*what was I thinking, I should have added my sunroom years ago*". Almost every client we work with at Costal Empire Exteriors is absolutely amazed at the increase in the quality of life they experience after adding a sunroom. It may be hard to believe, so let me see if I can quantify for you the benefits of owning a sunroom and keep in mind – these benefit idea statements come directly from our clients.

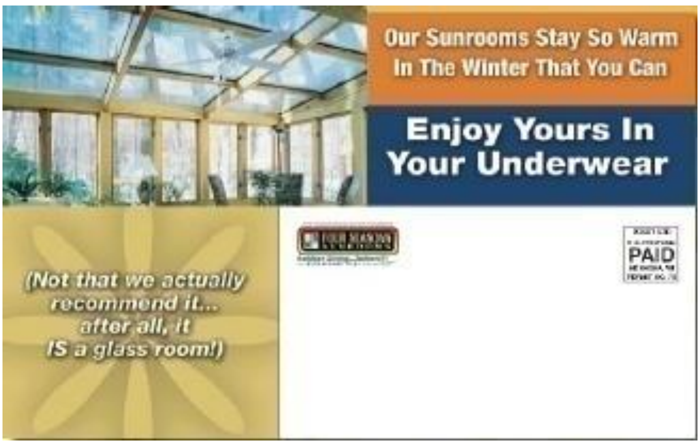
Benefit #1 –
Enjoy The Outdoors 365 Days A Year

Ever been stuck inside on a rainy day, wishing you could be sitting outside hearing the patter of the rain and watching the lighting without getting soaked? Ever see the snow fall and want to be in the middle of it without freezing or getting frostbite? How about sit outside on a sunny day and watch the birds, or the flowers blow in the wind without sweating or getting burned by the sun? A sunroom allows you to extend your home "into nature" in a safe and comfortable way. It allows you to move your backyard "into" your home without the insects, dirt, grime and other nuisances.

4

Notice in the Idea Guide it starts out listing the 7 benefits of owning a sunroom. Benefit number one – enjoy the outdoors 365 days a year. Obviously, that's a HUGE reason someone would buy a sunroom, but unfortunately, 80% of prospects won't read that. So, let's reintroduce that benefit in our drip campaign and drive it home to the prospect. This sunroom company did that using a 6 X 11 oversized postcard, but they could have also done it through email.

Here's the postcard they sent out that emphasized this benefit.



Notice benefit number 4 says owning a sunroom recharges your solar batteries.

Idea Guide - Design Recommendations

Benefit #4 –
Recharge Your Solar Batteries

More and more documented studies are beginning to prove what your mother and grandmother always knew… getting an appropriate amount of sunshine on your skin every few days provides vital nutrients, vitamins and minerals that the human body needs.

The problem has always been that to get sun meant you had to be outside – which means you are at the mercy of Mother Nature. Bugs, hot weather and even the occasional windy day all make recharging the batteries a pain sometimes.

With a sunroom, you get to control the temperature, you get to eliminate pests like ants, flies, mosquitoes and other nuisances – and wind is a non issue. You can sit in your sun room, at a comfortable 73 degrees while getting a full healthy exposure to the sun.

Benefit #5 –
Increase The Value Of Your Home

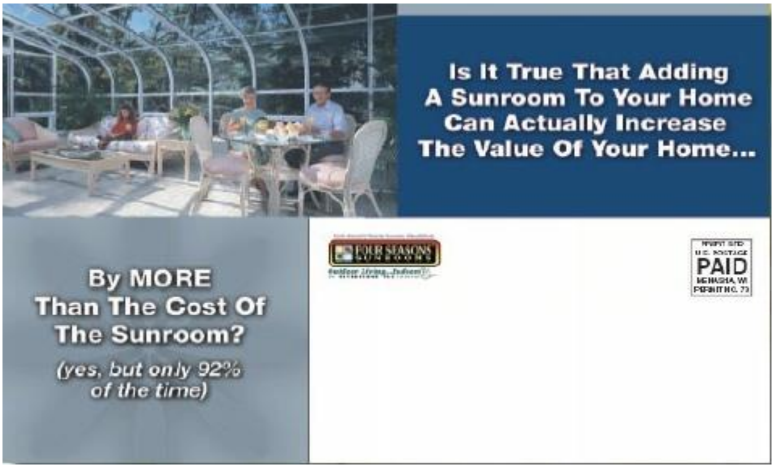
If you have plans to sell your home in the next 3-7 years and want to really see a huge return on investment, add a sunroom. Putting in even a small sunroom can increase the value of a home by %50-%120. I am sure you could agree that if you were looking for a home and found 2 options, one with a sunroom and one without – you would try and get the home with the sunroom.

Besides the added square feet to the home, it adds a uniqueness that is likely not found in your neighborhood currently. It also adds a general appeal that almost no one can turn down. Its rather amazing to dig into the statistics showing how fast and for how much more homes with sunrooms sell compared to homes without.

6

Here’s the postcard that emphasizes that benefit.

Benefit number 5 is major. It educates prospects on how a sunroom actually increases the value of their home. So, this postcard reinforces that fact.



But my point in showing you these is to emphasize that once you create your compelling informational offer, you pretty much have everything you need to implement your drip campaign. But look what begins to happen from the first day you start your drip campaign.

Let me go back to the child psychologist to show you the true impact of a drip campaign. If the child psychologist generated 300 leads per month, conservatively speaking we said he would average 60 prospects that would opt-in for his informational offer, and 6 of those 60 would become patients. So, that means 54 prospects did NOT buy his services.

Those are the prospects that now begin receiving the doctor’s drip campaign. Out of those 54 prospects, an additional 2 of them will typically buy in the next 30 days. This is a pattern that continues month after month for as long as the doctor continues to stay in touch with these prospects and continues to offer them value. Every month 54 new prospects go into the top of the doctor’s “funnel,” and 2 additional sales per 54 prospects continues to be delivered from the bottom of the funnel.

Here’s what the numbers look like over the first year.

54

54 + 52

54 + 52 + 50

54 + 52 + 50 + 48

54 + 52 + 50 + 48 + 46

54 + 52 + 50 + 48 + 46 + 44

54 + 52 + 50 + 48 + 46 + 44 + 42

54 + 52 + 50 + 48 + 46 + 44 + 42 + 40

54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38

54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36

54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36 + 34

54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36 + 34 + 32

At the end of year one, the doctor will have generated 3640 new prospects and 72 new clients through his squeeze page. But then the doctor produced a staggering <u>156</u> new clients through his drip campaign. And that’s just year one!

This growth pattern continues year after year for as long as the doctor maintains this sales process. But here’s the problem. By month 12 of year one, the doctor is generating 30 NEW patients every <u>month</u>. Is that a number this doctor can handle logistically? There’s a limit on the number of patients this doctor can reasonably handle. When that number is reached, this doctor can literally STOP ALL lead generation efforts and let his drip campaign continue to produce additional patients far into the future.

Now let’s calculate how this strategy will conservatively impact YOUR business. Remember, 80% of sales take place only AFTER 5 to 12 points of contact…and NONE of your competitors are doing anything like this whatsoever. Since you will be the only one in your market with this in place, you can logically expect to see a dramatic increase in both sales and conversions.

However, for the purpose of today’s exercise, let’s stay extremely conservative and calculate just a 10% conversion rate for your drip campaign. What were your total sales revenue last year? Whatever your number is, take 10% of that total. That’s an ultra-conservative estimate of what a drip campaign can easily produce for your business over the next 12 months. That conservative amount can easily double each year, year after year, for as long as you keep your drip campaign in place. That’s pretty exciting, isn’t it?

During a recent business assessment, I found $120,000 in additional annual revenue by implementing a simple drip campaign… and that grows exponentially year after year.

$120,000 in additional annual revenue increases the valuation of that business somewhere in the range of $350,000 - $500,000.

Chapter 7
Upsell / Cross-sell

Let's move on to another profit formula area. This involves increasing transactions with your prospects. In other words, getting them to buy from you more than they do now. There are 2 powerful revenue generating strategies that will work here.

Are you familiar with upselling and cross-selling? When you go to McDonald's and the kid behind the counter asks if you would like your meal "supersized," that's upselling. When that same kid then asks if you would like an apple pie to go with your supersized meal, that's cross-selling.

Upselling means offering a higher grade, quality, or size of the item the customer may be interested in at the point when the customer is ready to buy. Cross-selling means offering other products or services which <u>complement</u> the item the customer is interested in, at the point when the customer is ready to buy.

Now, here's what most business owners don't realize. 34% of prospects will buy additional products or services at the time of their original purchase IF they're asked to do so. Most businesses NEVER ask them, and they lose out on this lucrative opportunity to dramatically increase their revenue. Let me show you a brilliant example of this.

Up until about 3 years ago, most car owners on average paid around $29 to get their oil changed. Today, you can get your oil changed all day long for around $10. Take a look at this

Groupon recently offered for 3 oil changes plus 3 additional services of your choice per visit.

The price for these today averages around $18. That’s $6 per oil change, and then they add on an additional $4.50 for oil disposal, so the total for each oil change is less than $11. That’s obviously a bargain. So why do they offer this when they used to get $29?

Simple… they finally realized the power of upselling and cross-selling, and they can’t get the opportunity to upsell or cross-sell if they don’t get themselves in <u>front</u> of their prospects. This Groupon is designed for <u>one</u> purpose only - to get them in front of as many prospects as possible - and the best way to do that is to give them what are basically free services.

But here’s what most businesses don’t understand about this strategy. This Econo Lube is breaking even by offering this Groupon. That $11 covers their material and labor costs. And those 8 free services you see listed along the bottom… you can select any 3 of them per visit… because Econo Lube is going to perform all of those services anyway. They know they make most of their profit through their higher-dollar service offerings, like batteries, brakes, transmission services, and repairs.

So, after the technician changes your oil, they’re going to take all of your tires off so they can inspect your brakes… and cross-sell you a brake job. Since they have to remove all your tires to do that, why not offer you free tire rotation and a free brake inspection. Most of their patrons have no idea they’re going to do this anyway, so they have this perception they’re receiving all these services that they normally have to pay to have done… for free!

Notice Econo Lube offers to do a complete vehicle trip check where they do a complete inspection of your car before you take a long trip. A dealership would charge around $100 for that service, but Econo Lube includes 2 every 12 months. Well of course they want to do this. I guarantee you after checking over your entire vehicle, they WILL find SOMETHING wrong with your car. And since you’re leaving on an extended trip, you will naturally want them to fix everything wrong. Are you starting to see the brilliance of this strategy?

So, the key takeaway here for this strategy is to get yourself in front of your prospects as often as you can so you give yourself opportunities to sell them more. So let me show you how this exact same strategy will work for a dentist. Obviously, a dentist is about as far from an Econo Lube as you can get, but the principle is exactly the same… get in front of prospects and upsell / cross-sell them.

A dentist offers basic dental services like exams and teeth cleaning. That is NOT where they make their money. A dentist generates the vast majority of their revenue from cosmetic services, root canals, crowns, fillings, and braces. So obviously the more patients they can get in front of, the more of these services they sell. The problem for dentists is that most people already have a dentist, and 90% of them will never change unless their dentist either retires or dies.

So, what might convince someone to leave their current dentist? Consider these stats… 85% of the population have medical insurance, but only 50% have dental insurance. Among those without dental insurance, 44% said that was the main reason they didn't visit the dentist. See an opportunity here if you're a dentist?

What do you think might happen if a dentist specifically targeted families <u>without</u> dental insurance and offered them virtually the exact same services as those <u>with</u> dental insurance, but <u>without</u> paying the expensive monthly premiums? Here's a marketing campaign that was designed to do this for a dentist in Richardson, Texas.


NO PROBLEM
No Dental Insurance?
Don't WASTE Thousands Of Dollars On Dental Insurance Premiums...
Dental Care Is Now More Affordable WITHOUT Insurance
SMILES
DENTISTRY
800-757-1213
$25
Exam
$500


Think No Dental Insurance Means You Can't See The Dentist?
THINK AGAIN.
Our "Better Than Insurance" Program Makes Visiting The Dentist Affordable For Everybody
We're The Only Dentist In Richardson Who Offers "Co-Pay" Prices On Routine Exams... Even If You Don't Have Insurance. Just $25.
SMILES
DENTISTRY
800-757-1213
$25
Exam
$500

This obviously exploded this dentist's practice, but you might be thinking… how could he afford to offer this type of program? Same way the Econo Lube did!

The dentist basically offered patients routine services at his cost. That $25 covered the labor cost for the dental technician to take x-rays and clean the patient's teeth. But the dentist now had double the patients to upsell and cross-sell their more expensive and profitable services to. And of course, any business can always resort to the standard way to upsell and cross-sell customers - just make them more offers. A restaurant experiencing reduced revenue followed this advice.

They analyzed their profit margins on every one of their offerings, and determined their highest profit margin offerings were wine, appetizers, and desserts. They literally doubled their sales on all three of these by training the staff to offer them to every one of their patrons.

For example, they instructed their staff to bring an appetizer and wine cart to each table BEFORE the patrons ordered and offer free individual samples. Then, the staff repeated the same process at the end of each patron's meal by bringing the dessert cart around and giving a free sample of each dessert to everyone at the table as a way to entice patrons to order one of them. The taste and "reciprocity" instantly <u>doubled</u> their appetizer, wine, and dessert sales. But they didn't stop there.

The restaurant dramatically increased its <u>total</u> order revenue by implementing an <u>initial</u> order upsell strategy with the staff. They trained the servers to describe the more expensive entrées on the menu and give the patrons their personal recommendation. Most patrons have a tendency to go with the server's recommendations and this easily increased their total entree revenue by 15%.

So, let’s assign a revenue figure for this strategy to your business. Remember, even a mediocre business can expect to see a 34% revenue increase by implementing this strategy. But since we want to be extremely conservative in our estimates, let’s just factor in a 10% increase for your business. What’s 10% of your annual revenue? That’s what you could add to the bottom line of your business immediately using this strategy.

Just recently, I found $175,000 in additional annual revenue through a targeted upsell / cross-sell campaign.

$175,000 in additional annual revenue increases the valuation of that business somewhere in the range of $500,000 - $750,000.

Chapter 8
Expand Products or Service Offerings

Next, let's look at a strategy for increasing transactions, and discuss how you could expand the number of products and services you offer. If you already provide a quality product or service, your current customers will be open to a variety of items you introduce, recommend, or endorse to them. Look, your current customers trust you, don't they? Then they will DEMAND additional products and services from you because they do trust you.

Unfortunately, most businesses don't have additional products or services to offer their client base, so you want to ask yourself, "what other products or services could my customers find valuable?" Once you make up a list of those offerings, go out and contact the providers of those offerings and set yourself up as an affiliate and negotiate a referral fee.

Consider a landscaper. As they make their clients' lawns and homes into a showcase, those homeowners may also need tree trimming, decking, fencing, stonework, a sprinkler system, outdoor lighting, a patio or outdoor kitchen installed, and perhaps a swimming pool.

The landscaper doesn't perform any of these services, but they are in a prime position to make professional recommendations, and most homeowners will go with those recommendations. The landscaper could easily negotiate anywhere from a 10% to 25% affiliate fee from each of these various service providers, and in the process, double their annual revenue.

I do this myself as a marketing strategist. My top tier clients receive a wide array of additional services I created for them. First, they get complete online access to all of my proprietary marketing and advertising, business growth training, strategies, tactics and resources 24/7/365 through an online E-Learning System I set up.

They receive weekly strategic marketing webinars where we teach them one specific strategy designed to immediately increase their revenue and profits. They gain access to a weekly application workshop where I personally help them take the marketing strategy they just learned and show them how to implement it for their specific business. They also get a weekly Ask the Expert call with me where they can ask me ANY business-related question they need answered, and then we meet once a month for an exclusive mastermind session where we find the group dramatic breakthroughs in both their sales and marketing efforts.

I could also host for this group a monthly “lunch and learn”. I created all these additional services offerings myself, so these weren’t something I had to go out and purchase. In fact, NONE of these services cost me a cent to develop or implement, but they are extremely attractive to a LOT of small business owners. They also do an excellent job of separating me from all my competitors, because no one else I know offers anything even close to what I provide to my clients. My point being, we can do this for YOUR business as well.

How many additional offerings do you estimate you could be making right now? All you need to do is contact each service provider you identify and effectively negotiate a deal with them that’s win-win. I would conservatively estimate this strategy will add an additional 10% of your current total revenue to your bottom line.

In a recent case study, I found $18,000 in additional annual revenue by simply offering additional products and services to their customer base.

$18,000 in additional annual revenue increases the valuation of that business somewhere in the range of $50,000 - $75,000.

Chapter 9
Bundling

Now let’s check out a strategy for our next profit formula component - getting higher prices for what you sell. I like to use a “bundling” strategy here.

Bundling is simply the process of grouping together certain products to create packages which are then sold to clients. When you do this, you completely eliminate the biggest complaint small business owners have these days… competing on price.

Bundling removes price from the equation by creating an “apples to oranges” comparison. You have to remember customers today shop value - NOT PRICE! Unfortunately, small businesses are LOUSY at conveying their “value proposition”, so therefore, price becomes the only value proposition left to consumers.

The real key to success in marketing is to offer more value than your competition. Prospects will pay twice the price if they believe they're receiving four times more value. Unfortunately, most businesses in a vain attempt to increase their value begin to offer discounts, and that often destroys their margins. Did you know if some businesses discount their price by a mere 10%, they now have to sell 50% more just to break even?

For example, if you sell a widget for $100, and you have a 30% profit margin, you make $30 for every widget you sell. That means your cost basis for that widget is $70. If you discount that widget 10% and sell it for $90 instead of $100, your cost basis is still $70. Now you're only making $20 in profit instead of $30.

For this business to make $1000 in profit selling their widgets at $100 each, they would need to sell 33.3 widgets ($30 X 33.3 widgets = $1000). But by discounting their price 10%, now they need to sell 50 widgets ($20 X 50 widgets = $1000). They now have to sell 50% more widgets just to get back to their original profit margin. (33.3 X 1.5 = 50).

But consider this… when was the last time you saw a business offer a measly 10% discount? Most of the time they offer 20% to 40% discounts and then scratch their heads wondering why they're going broke. And to add worse news on top of this already bleak scenario, did you know the latest research shows discounting doesn't actually impact a prospect's buying decision unless that discount is for 40% or more?

Want to know the closely guarded secret successful businesses DON'T want you to know?

STOP discounting!!! Instead, innovate your business so you offer more value than your competition… even if that means increasing your price. When you discount your price, you lose the full value of every dollar you discount. Bundling increases the perceived value, so prospects buy more.

Consider a home builder or remodeling contractor. They typically contract with certain suppliers who offer them huge volume discounts, especially for electronics. One builder agreed to buy multiple packages of a whole house entertainment system including a 50-inch television, a complete high-quality surround sound system, a complete home security system including surveillance cameras at all entry points to the home, and a complete fire protection and monitoring system.

The retail price for this package was $22,800 installed, but the builder acquired them in volume for around $6500 since installation would not be part of their costs. Since the builder already has the home stripped to the studs, installation can be handled during the actual project by their crew for pennies on the dollar. Now imagine this builder competing with other builders in a moderately priced neighborhood. All the builders offered homes in the $250,000 price range.

Our builder offered their home for $256,500 which included the additional $6500 out of pocket expense to the builder, and their home comes standard with a $22,800 home entertainment and full security system for FREE! Which builder would you buy from? In fact, what if this builder offered that new home for $260,000? Do you really believe that additional $3500 would prevent anyone from buying this home?

And does it still look like a MUCH better deal than the $250,000 home without the system? If the additional $3500 increase did make a difference due to loan qualification standards for certain prospects, the builder always has the option of reducing the price back to $256,500. They could even maintain their original price of $250,000 and lower their profit margin on each home sold.

This would allow them to possibly double their normal sales volume and practically double their overall profits every year. After all, they're still making around a 30% profit at

$250,000. A home remodeler could use this same type of positioning for every remodeling job they bid on. Are you starting to see the potential here? Here's the marketing campaign developed for this builder.

But consider this fact. In the case of the builder, the home security and entertainment system weren't something they normally dealt with. It wasn't a product they typically carried.

They simply discovered this was something their prospects wanted to have included in the homes they were purchasing, so the builder went out and created an affiliate relationship with the home electronics provider and wound up doubling their sales and profits.

You just need to sit down and create a list of all the potential products and services you could bundle for YOUR business. This strategy can add substantial revenue for YOUR business. For the purposes of staying conservative in our estimates, let's do this. Bundling can easily increase any businesses revenue by 25% to 40%. Could we conservatively say you could easily expect to see a minor 10% revenue increase in your first year using this strategy? So, what does that translate to based on your current annual revenue?

In a recent case study, I found $26,000 in additional annual revenue through a coordinated bundling strategy.

$26,000 in additional annual revenue increases the valuation of that business somewhere in the range of $78,000 - $104,000.

Chapter 10
Increase Pricing

Now let’s discuss another very important profit formula component – more profit.

Obviously, there are 2 major ways to increase your overall profitability - increase revenue or decrease your cost of doing business. For now, let’s discuss increasing your profitability. How about a really simple strategy – raise your prices. Most small businesses have NEVER raised their prices. That’s because they don’t know the facts when it comes to increasing their pricing. They’re scared to death that ANY price increase, no matter how small, will lead to a mass exodus of all their customers. But is that really true?

Let's say you sell a widget for $100 and decide to increase that price 10% to $110. Will that small increase REALLY lead to a loss of customers? Honestly, I believe a few will leave, but they are most likely your biggest price shoppers that show NO loyalty or patronage to your business anyway. They will beat you down pricewise every chance they get, and the moment you begin to make a decent profit, they will leave you in a heartbeat for the next business willing to accept a financial beat down. But even though there will be some customer attrition, to what extent? Let’s look at the numbers.

The business selling this widget is now making an additional $10; ALL of which is pure profit. Right there, that's a 33% profit increase. For this business to make $1000 in profit selling their widgets at $100 each, they would need to sell

33.3 widgets. But by increasing their price 10%, they only need to sell 25 widgets.

This means just to BREAK EVEN this business would have to LOSE 25% of its customers over a measly 10% price increase and that simply ISN'T going to happen! Of course, we need to perform a thorough price analysis on your business and determine the most lucrative price increase for you, but this is definitely a strategy I strongly recommend to all of my small business clients to help them increase revenue. There simply is no FASTER or EASIER way to generate additional revenue.

Let me ask you a question. Do you think we might be able to increase your pricing by a meager 5% without running into any meaningful attrition? Let me put this into context for you.

Let's say you love to eat lunch at McDonald's, and your favorite meal is their Big Mac meal for $6.00. Today, you walk in at lunch to place that order, and the price has been increased to $6.25. Answer this honestly, would you even notice that price increase? And if you did notice, would it influence your decision to purchase that meal?

Of course not! That's less than a 5% increase – it's miniscule, and in most cases, it won't impact most businesses. You would have to be in an extremely price-sensitive market or industry for it to have any significant repercussions.

So, I strongly encourage you to 'test' a 5% price increase immediately. If it does have an impact, you can always revert back to your original price. Think about a business generating just $300,000 in revenue with a 40 gross profit margin.

A 5% price increase would generate an additional $15,000 in revenue and add $6,000 in gross profit. Total time invested – ZERO! Total effort required – ZERO! Risk factor for most businesses – NEGLIGIBLE!

Calculate what a 5% price increase would generate for your business and write it down. Now, add up all the revenue you've just identified throughout all of the strategies we have now covered. Keep in mind that number was decided on CONSERVATIVELY. And keep in mind this revenue ISN'T a one-time increase. This is revenue you will generate year after year after year as long as you diligently execute these strategies. But here's the REALLY exciting news. All of this additional revenue we've just discovered is a mere drop in the bucket.

When you execute each of these strategies, you've just created a SYSTEM for your business that will generate a CONSISTENT, large number of leads, conversions and sales on an on-going basis. This systemization of your business creates a self-sustaining model that runs on its own WITHOUT you having to be there yourself. This is where you start to gain not only economic freedom but also freedom of time.

Consider this. If someone owns a website design company, every time they deliver a website to a client they have to go out and find a new client. It's never-ending for them. But when you execute these strategies, you will always have new orders in your pipeline thanks to compelling and powerful advertising coupled with your drip campaign. You will have JVs sending you revenue.

You will have upsells, downsells, and cross-sells taking place DAILY, along with selling additional affiliate products and services to your customers. You will implement higher pricing that your customers will WILLINGLY pay you thanks to the higher perceived value you've created. And you will have lower costs that will add significant revenue to your bottom line.

Chapter 11

Test What You Can

Here's a subject you'll want to always remember. Testing.

This is where most ad agencies, advertising or marketing entities drop the ball. They'll create some type of advertising for you. It might be an ad, a coupon, a direct mail piece, a radio ad…whatever.

Or maybe it's you the owner creating the ad. The ad gets run and gets poor or no response. The owner concludes that particular "medium" doesn't work for their business.

It's most often not the medium. When you put together a great ad, it will usually produce using any medium. Print, radio, direct mail, TV, coupon mailer…they all work<u>. It's the ad itself that needs tweaking.</u>

All ads, no matter the medium should always have the basic ingredients to be successful. An attention getting headline, sub-headline, powerful copy, a great offer and a strong call to action.

If just one element is missing, or is weak, it may not produce positive results. **Testing** is the way to get ads and promotions to perform better. The best place to start is to test the headline. (And you wouldn't believe how many ads I see every week that either don't even have a headline or have a very weak one)!

Many mailers or advertisers will have the capability for “split” testing. That’s where half of the newspapers or mailers will run one headline, while the other half are run with another.

Or, if you do a direct mail campaign, you can use the same approach. You can mail half the list with one headline, and the other half with a different one.

For tracking purposes, a special code of some kind would be used so we can identify which headline each new prospect or inquiry came from. This way, we can now tell which headline performed the best.

You can test many things in your business and any element of an advertising piece. Test the headline, the sub-headline, the content you’re providing, the length of the copy, the offer, the price and the call to action.

You can take different elements of the ad and test them. But be sure to only test “one” element at a time. Testing any more than that wouldn’t make sense, since you wouldn’t know what change made the difference.

When it comes to running any type of ads or promotions, you should always be intent on continually improving the results with testing.

When you advertise using any media, you want to be sure to track the results. Many advertisers will not offer this type of service. So, it’s best YOU learn how to do this.

You may determine based on results, that one ad outperforms the other. Sometimes by a large margin. Once you determine the winning ad after each test, you now have an ad that can be used most anywhere.

Whether you use print ads, direct mail, TV, radio, social media, coupon mailers or whatever…you now have a proven winner. You also want to know the lifetime value (LTV) of your typical customer. I go into this more in depth on the chapter on Lifetime Value, but you need to know the LTV to really know for sure how much you can afford to spend to acquire a new customer.

You can also check out where your competitors are advertising, and what that looks like. What's their message? Where might it be lacking? What could you offer that they don't?

And by the way, never try to beat them on price. Instead, choose to add value, and charge more when possible.

You can learn a lot by researching your competitors. You may sometimes find specific instances where you can add more value and make a more compelling offer.

For example, let's take a home cleaning company. They're everywhere and they come in all sizes. But many of them tend to say the same thing.

They'll all come in and clean for a set price based on the size of your home and number of rooms. So often, we base our buying decision primarily on price.

But what if our cleaning company offered additional desirable services at no or little extra cost? Or a better guarantee? Or better hours of availability?

If we used one or more of those additional benefits, it would make our cleaning company stand out. What if we also offered a FREE cleaning audit beforehand? Our cleaning company would come in, do a complete assessment, and then list all the “extra” things we’d do that the others don’t. Do you think that might help win some extra new customers?

Cleaning companies are a repeat business. Meaning, consumers can hire and keep the same home cleaning company for years. That’s a great back-end repeat business.

So, it makes perfect sense to do what you can to win the account. This same type of example can be utilized by many businesses.

So, remember to test where you can. When I work with my clients, we carefully implement, and test things. Of course, it’s worth it in the end when you’re your revenue grows and becomes consistent as well as more predictable.

A few major things you can test: headlines, sub headlines, offers, subject lines in emails, prices, guarantees, using a PS at the end of a mailed or emailed message, pictures, captions under photographs. There are more, but if you do your work, you can bring a marketing piece that gets very little response to be a winner that produces for you.

Chapter 12

Lifetime Value

Let me share with you something of extreme importance. Before you ever spend a dime on advertising, you should have a good idea of what we call the “lifetime value” of your typical customer.

If you’re a brand-new start up, or have been in business less than a year, this won’t pertain to you…yet. But you should know about this and start tracking your numbers now.

What exactly is Lifetime Value? Lifetime Value refers to the amount of income you can expect to generate over the time you expect to do business with a customer or client, including referrals.

I have a question for you. How much can you afford to spend to acquire a new customer?

The goal is to determine with sufficient accuracy what your average customer will spend with you in dollars over their predictable lifetime with you. Once you know this number, you then have the answer to the question posed above.

This is a huge advantage for you. Because you now know how much you can afford to spend on the acquisition of a new customer.

The above illustration is a very basic formula that doesn't consider possible random costs, discounts, and other possible expenses.

But the idea is to get a relatively accurate snapshot of your average customer is worth to you over the course of their time with you.

What information do you need to know to determine lifetime value?

- The cost of acquiring your typical client
- The length of time the average client will buy from you
- The amount of money they'll spend over time with you
- The number of times they transact business with you

Let me give you an example. Let's say the average new customer brings you in an average profit of $80 on the first sale. Then, they repurchase 4 more times a year, with an average repurchase amount of $200, and on each repurchase, you make $100 in gross profit.

If your average customer lasts 3 years with you, each new customer is worth $1,280.

We arrive at that figure by adding the original profit of $80 to the $400 profit each year for the 3 years.

$400 x 3 years = $1200 + $80 = $1280.

Once you know these numbers, you simply use them to get your calculations. Now, you should understand the significance of the above example.

If it cost you $50, $100 or even $200 (cost per sale) to obtain a new customer, and you see an eventual predictable return of $1,280, then you probably realize you should be doing more of that.

In theory, you could spend the entire $1,280 to acquire a new customer, since that would be the break-even point.

As you can see, this is a way to reasonably determine what you can afford to spend to bring in a new customer. It can be a bit detailed and complicated to figure out, but it’s time well worth spending.

You could instantly step up the amount of this type of marketing and advertising to get that new first customer. Of course, only spend what you can afford, and always track your numbers.

This is basic math, but business is often about numbers. But you can see that in this case, for every ad spend, you’re acquiring $1,280 of gross profits over the next 3 years. It’s reasonably predictable.

Why else is this important?

This gives you an advantage over your competitors if they are not aware of their numbers. You can outspend them since YOU know yours. This certainly beats aimlessly spending money and not knowing what the outcome will be.

Knowing and utilizing this may be the most profitable and ethical way of increasing your customer base and business revenue.

In the chapter of Upselling and Cross-selling, you can hopefully now understand the true importance of increasing the “value” of your customers. You’ve just taken something that was very abstract and made it a bit more scientific.

Lifetime Customer Value is **the total worth of a customer/client to a business over the predictable lifetime of the relationship**.

It's an important metric as it costs less to keep existing customers than it does to acquire new ones, so increasing the value of your existing customers is a great way to increase growth.

Knowing the lifetime value of your customers can do the following for you?

- Increase your sales, revenue, and profit
- Get you clear on the cost of acquiring a new customer
- Help you determine the budget for new customer acquisition
- Better determine lead generation and marketing strategies
- Help you avoid major marketing mistakes and wasting time

I focus much of my time with my clients on increasing their customer value.

In the event your business is based on a “one-time” only purchase type (home builders, pool builders, large machinery sales, etc.), you can still build your customer base into a distribution type back end.

Meaning, you can suggest and refer other businesses to them for a share of the proceeds. That’s a topic for another conversation but understand your customer base is a major asset if not your most valuable one!

Chapter 13

There's Money in Your List

I'm literally mystified by the number of businesses that don't take advantage of email marketing. It probably seems like too much work. I frequent so many different types of businesses, yet rarely get any email communication from them. Many don't even capture my info. Sad. They're missing out on lots of potential revenue.

Sometimes when I'm working with a new client, I'll ask about their list. They'll say something like, "Oh, I tried that, and it didn't work."

I'll then ask how many emails did you send out and what was in them? For which they'd reply something like they sent out an email like once or twice and they didn't notice anything. And when I look at some of the actual emails they sent, I can see why they didn't have an impact. You always want to include information of value in an email. Plus, you need to include a way to 'track' if a new client came in from that email.

Give the recipient a reason for opening and reading the email. No one wants to waste their time. You know as well as I do, we go through our own emails and hit that delete button a lot. But there are always those few that we'll open and read or save for later when we can focus on them. So, if you include some helpful tips or hints, or some other information of value in the emails you send, they'd likely continue to open and read them. But let's move on.

I never assume that a business already has a house contact list created. I find many that don't, and if they do, it's not set up for optimal results. For the most part, we use email as a primary method of contacting clients and customers. But let me back up a step.

When I say I find some lists that aren't set up in an ideal way, here's what I mean. First off, you should capture as much contact information as you can from every single prospect. While every situation is different, it's great when you not only have the full name and email, but also the phone number and address. (Larger companies will expand even further on obtaining even more personal information).

That's because as you grow your business, you can afford to use alternate methods of contact, like direct mail or phone calls. Let's start with the list itself. In a perfect world, you first have a list of all your current customers. In addition, you'd have a list of all your past customers as well. Add to that, you should have a list of all those prospective customers, who for whatever reason, didn't buy from you or engage your services upon their first visit or inquiry.

As you can see, that's 3 different 'types' of customer. You have current, past and prospective. And that's the way your house list should be segmented, at least to start. If you're a multi-million-dollar operation, you likely already have this and more.

For businesses under that revenue threshold, that's where I find lists are not set up optimally. So, this should be something that's at the top of your to-do list. Update your list to get as much information on your customers as you can, and then segment the list into those 3 categories.

The reason for this is simple. We speak to each group a bit differently. Let me explain what that might look like.

Let's start with your current customers. For the purpose of this chapter, I'll be mostly speaking about using email to start. Why? It's quite cost effective, as in free. You can't beat free. Right now, as of this writing, email is the number one method of communication for that reason.

You'll want to commit to a number of emails that you'll be sending to your current customers. Whether it's several times a week, once a week, every other week or once a month. Depending on the business, I like to see at least every other week as a minimum. But again, it depends on the type of business you have.

(This is easily set up these days in advance with email automation. You can prepare in advance as many emails as you want and then schedule them to go out whenever you specify).

For example, a doctor might send out one monthly email in the form of a newsletter. It might contain a very informative article as well as current happenings at their practice. Maybe some new findings about their particular expertise. And that would suffice. For that business, this works quite well. It keeps the doctor’s practice top of mind to their patients. And the patient can possibly benefit from the information.

On the other end of the spectrum, I’ll use a luncheonette as an example. This might be a local business that runs weekly specials for breakfast and lunch. They might send out a weekly email talking about the special additions to the menu for that week. In addition, they could create some added value offers to lure their customers in more frequently.

But none of that happens unless you first have the list created. So, if you haven’t already, make setting up your email list a top priority.

Let’s now talk about your past customers. By the nature of some businesses, you can track your customer, client or patient visits. So, you can see who’s been in recently as well as those who haven’t been in for a while.

We speak to them a bit differently. We want to get them back in. Rather than leave that up to them only, it makes perfect sense to communicate with them with some different offers or some product or service updates. Think about what you might say to them if you met them in person on the street.

The conversation might go something like, “Hey John, we haven’t seen you in a bit. I hope everything is okay? All is great here and we miss you. I’d love to tell you about what’s going on here now.” And then proceed to let them know about anything new or exciting in your business. And of course, make a generous offer of some kind to entice them to come back and visit or repurchase something.

Finally, let me address the prospective customers. Those are the ones who came in or called but never purchased. That list, we tend to contact a little less frequently, but we still want to be on their radar. This is especially true if you're a high-ticket business. Like I mentioned in the chapter on the Drip campaign, this can lead to many more sales that would have never otherwise happened.

This is one of the ways I'm able to literally double the revenue in some businesses. Maybe they just were in the beginning of their search when they first contacted you. They were in the early stages of their research. Depending on what information they got from you, it's possibly put aside, misplaced, or lost.

By contacting them on a regular basis with some follow up, you're not only still in the game, but you're also likely to win their business with the right strategy.

I'll also mention here that most all email providers give you the ability to track and measure your emails with data. You can see how many were opened. Also, if there was a link attached, the data can show you how many clicked through.

These are all great tools that help you see what's working and why. If you already have an email list and you are using it as described above, congratulations. You're reaping the rewards of having this system set up.

This is one of the projects I work on with clients. We implement emails with great 'subject' lines, great copy, great offers, and a mechanism for tracking who responds. If you don’t have this set up yet, you have some work to do. Done correctly, it will payoff for you many times over.

By the way, at the time of this writing, the statistics of email are very promising. For every $1 spent it gives a $42 return. (DMA 2019) 81% of small business owners say it’s the number one method of customer or client acquisition. It’s also the number one retention tool. And 40% of all people surveyed like emails from their favorite brands. And adding video to an email can increase its opening rate up to 300%!

Add to that the following list of overall benefits:

- The content can be personalized
- You can build credibility
- Builds brand recognition
- Can bring in more sales
- Builds a stronger bond and relationships
- It can increase traffic to your website
- You can use it to establish authority
- Your list is an asset

In closing this chapter I’ll mention regarding that last point about your list being an asset, here’s something worth asking. When it comes time to sell your business, do you think your business would be worth more if you had a few thousand contacts on your list, as opposed to not having working list?

Referrals

What business are you in? Let me say first, you should be in the "marketing" business. And you should also be in the "making people happy" business. Human nature is immutable. Everyone likes to be acknowledged and appreciated. In business we have the opportunity to do that for our customers and clients.

I like to remind business owners that their goal should be to build relationships and add value to their customers. While they might not tell you, your clientele will appreciate being remembered, thought of, educated and entertained.

One of the biggest mistakes you can avoid is neglecting your current customers or clients. A *U.S. News and World Report* study found the average American business loses 15% of its customer base each year.

Here's the breakdown they gave:

- 68% of customers who stop buying from one business and go to another do so because of poor or indifferent service
- 14% leave because of an unsatisfactorily resolved dispute or complaint
- 9% leave because of price
- 5% go elsewhere based on a recommendation
- 1% die

So, to summarize, 82% leave because of customer service issues. This means there's plenty of retention within your control. If you're serious about keeping your current customers, getting them to buy more, and getting them to refer other new customers…you need to be serious about your customer service.

If you have any employees, then customer service needs to be consistently drilled into their being. When asked about their process for training staff on customer service, most owners know what it’s supposed to be like. However, they all admit to falling short in the training process.

You can tell your employees about the importance of providing great customer service. You can put it into their employee training manual. You can hold occasional meetings that include the topic. You can spend some time upon hiring them about it. But the best answer would be to have them go through a training program that emphasizes it. And then consistently talk about it at regularly scheduled meetings where statistics are shown.

Your staff should know your retention numbers as well as how many referrals have been obtained monthly. This way, they KNOW you’re paying attention and they should too. Your customers should receive the same service whether you’re around or not. Nothing should change just because you’re not on site or in the store.

I’ll share with you from experience that keeping your staff happy is a major factor in doing this. If you have a staff member that is unhappy, or just not motivated to being on board with your policies, they should be moved to a different position or terminated. That’s why I’ve learned over the years to hire slowly, but fire fast. I’m not going to jeopardize my business or subject my clients to less than the very best we have to offer. And neither should you.

What's the actual goal of customer service and what does that look like? In my opinion, you should strive to make your customers, clients and patients happy, if not thrilled! This is what Ken Blanchard called Raving Fans. You want them to talk about you to their friends. You want them to be evangelists for your business. That's the goal. If you can achieve that, you won't believe the change in your profitability.

The thing is, most business owners don't even know when a customer leaves. They don't raise a stink and storm out the door. They don't send you a letter telling your where you fell short. They just disappear. Poof, they're gone. And you don't even know about it. That's how most leave.

And along with them go lots of your future sales, referrals, and profitability.

Where do you think the best investments are? Real estate? Stocks? Futures? If you're a business owner I can tell you that I don't think there's any better place to invest your money than right back into your business.

I show business owners every day exactly how that's done. We routinely add 20%, 50% and 100% returns on their money invested into their business. And most, if not all of that money invested is deductible at the end of the year. Always check with your accountant. But you're not going to get returns like that as quickly anywhere else.

So, in my opinion, as well as tens of thousands of other owners, the marketing of your business is the best place to invest your money. Investing in running events, promotions, marketing strategies, producing content or videos, hiring a coach, exhibition shows, and special offers should be a part of your entire plan.

You should also be somehow surveying your current customers or clients. Every situation is different. For some businesses it can be done in person when they visit. It can be done by old fashioned mail. It can be done by phone call. Those are the best in my opinion. The last option would be email. Let me be clear. I love email for marketing purposes. But when it comes to asking clients some hard hitting questions about how satisfied they are, I like in person the best. And the personal phone call is a close second.

This gives me a very clear picture of what they think about my business. And when asked the right questions, most clients will be very up front and honest. That's what I want and what you should want too. We can't fix anything if we don't know about it. This is another huge mistake I find in many businesses. There's none of this going on.

I know something and you should too. It costs a lot more to generate a new lead or customer than it does to keep the current ones. Reread that last sentence and really let it sink it. This is the value of outstanding customer service. By making a few positive changes, if you can retain 20% of clients that may have wandered off. Well, that's the same as you adding an additional 20% of new ones. And it didn't cost you anything except providing better service.

Most business owners contact me because they want more clients or customers. Of course, that's a big part of what I do. But I often work with them on some other items as well. If I find they’re losing too many clients from attrition, I show them how to stop that bleeding.

Once they understand their internal parts are compromised or non-existent, they realize the money they’re losing. I’d be wrong not to help them with this. Then, while we’re getting those systems in place and humming, they can really benefit from all the new leads they’ll get.

Speaking of losing or replacing current customers or clients, do you know what it costs for you to acquire a new one? Most don’t and that’s okay for now. Once I start working with a client, we figure that out together. And then, it’s a brand-new ball game for you. If you already know how to calculate that acquisition cost, great. If you don’t, I’d suggest you calculate it sooner than later.

Once you know that number, you can then determine what you can spend to acquire a new customer as mentioned elsewhere in this book. You’ll also be able to figure out what your typical client spends with you every year. At that point, you’d realize how much it costs you to lose a client. This all helps you to make better informed decisions about your marketing investments.

If it costs a business $200 to acquire a new customer, but only $50 to retain them, you can see where the money is underinvested. This is just one way we add so much profitability to any business or practice.

A business can make $500,000 a year in revenue and net only $75,000. At the same time, that exact business can make $400,000 a year, but net $150,000. While many owners are over-spending chasing after the next new customer, they could take a much easier, less expensive route. They could spend less by retaining and making their current clients very happy and getting lots more referrals.

Let me give you a real-life example with me as the customer. This dry-cleaning business got me to tell several of my friends and business associates about them. I recently moved and had to find where the new businesses I was going to use were located. First, I went to the closest dry cleaners to me. I went in with my usual things. They never asked for my email, only my phone number in case I didn't come back to get my clothes, I guess.

Several days later I go to pick up my clothes. All is fine, but a bit pricey. Well, I don't mind paying extra for anything if I got some real value for it. But I didn't really see any additional value to warrant the higher pricing. What typically costs $75 came to about $95. I asked about it and the woman said that's just their regular prices.

I was okay with it at first. But a few weeks later I happened to see another dry cleaner that was on my typical driving route and decided to give them a shot. My first visit, they captured both my email and phone. Upon realizing I was a brand-new customer to their store, (I wasn't yet in their system) she gave me a huge discount on my first visit. What normally would've been around $75 for this bill, came to $55.

I was happy about that. When I returned to pick up those clothes, the attendant then gave me a 20% off coupon for my next visit, plus a $25 off coupon on any 1 large item. So, I of course went back to bring my next batch of clothes a few weeks later and brought my giant bed comforter with that 20% off coupon.

Now, at this point, I've been to this place 4 times already and spent a lot less than the previous store. Their prices are in line with most other places, but, in addition, I'm just treated better. They won me over initially, and I always get a big friendly greeting no matter who's working. In contrast, the first place was not rude or anything. They just were neutral. Like it didn't matter if I was there or not. Not unfriendly, but no warm or friendly greeting. Guess where I bring all my dry cleaning now? And guess where I send anyone when the topic comes up?

But that's not all. On that 2nd visit, the gal at the front seeing it was my 2nd visit, gave me two "New Customer" coupons for me to give to anyone I choose. This would give my referrals that same nice first discount that I got.

You see the difference? It's not very hard. Now some business owners might think that's a lot of work. Really? What else should they be doing if they own a business? Some really do believe the fantasy of "build it and they will come." Maybe that's partially true, but will they stay? That's why according to Forbes, 4 out of 5 businesses don't make it five years.

What you just saw was an actual referral system. At that dry cleaner, any new customer is made very happy, and then asked to refer anyone they choose to get the same treatment. Quite simple if you ask me. I have no doubt they'll be as busy as they want to be. While I haven't yet gotten any email from them, my guess is if they track their customers' activity, and if they don't see me for a while, they may send me an email. The owner "gets" what marketing is and how valuable it is to their bottom line.

Can you use events to generate referrals? I used to have a real estate attorney as a client. A great guy named Ray. He was a real estate and estate planning attorney who I used for several transactions over the course of a few years. Every year, he'd throw a big party at his building. He'd invite all his best clients and let us know to bring a friend or two.

It was always a fun event. Lots of great food and drink, and more importantly a great crowd of people. It was like this great networking event, without it being called that. This event for sure further endeared his client base to him and his practice. Equally as important, it introduced his practice to lots of new potential clients who came as guests.

He had a photographer go around during the event to take lots of pictures of him with each of the guests who were there. Everyone was having a great time, so the pictures were all smiles. A couple of weeks later, he then had his office send a picture of each guest who posed with him from that event. I remember getting mine. It was a great reminder to me of the great time I had. But more importantly, it let me know he took the time, energy, and cost to make that all happen.

Who do you think I refer to everyone I know who needs a real estate and trust attorney? He's great at what he does, but he also goes the extra mile. This is just another example of how to generate quality referrals. There are lots of ways. Ray chose to organize and put on a special event. He provided his clients and their guests a great time and become the talk of the town at the same time.

Ray did several things right. Of course, his service is always excellent. I might mention, he was a bit more expensive than other attorneys. But you always had the feeling and assurance that you were in great hands. When it comes to major transactions like real estate, or estate planning, you may not want to shop price.

But what he did on top of that for this event was strategic. First, he invited the right people. He invited his best clients. Many of his existing clients were originally referred to him by other clients. Since this was an exclusive event, all the attendees felt special. Not everyone gets an invitation. So, when you do get invited, it's like you're now in his special club.

Toward the end of the event, Ray gets up to say a few words. He has a short but effective message. He respectfully thanks everyone for being a part of his business family. He let us all know how much he and his staff really appreciate us. He points out that many of us were referred by other clients, and how much that meant to him. He acknowledges several of the guests as outstanding because they referred so many others throughout the year. It wasn't a salesy message. On the contrary, it was a heartfelt message that made everyone feel like they were part of something special.

At the end of the evening, everyone got a "parting gift" as they left. A bag full of "swag" items. A nice touch. Some pens, a coffee mug, a few other miscellaneous items, and a picture frame. That would be for the picture that would be soon sent to you.

By the way, that photographer who took all the pictures that evening, did some marketing of his own. As he took photographs of everyone, he handed out his business card, and thanked us for the big smiles. And when we received our picture(s) from the event, there was a brief note with the photographer's contact information in case we ever had the need for his service. I didn't ask, but that photographer might have done that venue gratis, or heavily discounted, just for the exposure he got. You see, once you get your marketing "senses" activated, many ideas will come to you.

The past two examples I just illustrated are ones that don't necessarily require you to "ask" directly for a referral. I did that purposely because after years of working with business owners, I often got the same response. When I ask if they had a system of getting referrals in place, they'd usually say something like, "I just don't know how to ask" or "I feel funny asking for them."

Sometimes it may feel like begging when asking for referrals. I can tell you there are many ways to get referrals, but you do need to implement at least 1 or 2 good systems for them. Job number one is to be sure to "wow" your clientele in as many ways as you can while providing your product or service. When you do, it's much easier to request referrals no matter what method you use. From referral cards to coupons, they all work. But you first must make and keep your customers happy.

I sometimes see little signs posted at various businesses and practices I frequent. The sign would read something like: "The best compliment you can give us is the referral of a friend or family member."

That's nice, but very passive. In today's fast-paced, busy world that's full of distractions, my advice is not to hope and wait for referrals. I'd much rather you take action and do something that really works to generate them much faster.

Common referral systems look something like this. "Refer us someone and we'll give you both $25 credit or cash, or some kind of reward item." This type of referral promotion is fine, but it leaves all the work to your current clients. You're relying on the current client to verbally sell your services.

I highly advise doing what you can to make it easy for clients or customers to refer you. For example, you could prepare a very in-depth report of some kind. It can contain some very insightful information about what to look for with regard to your product or service. Now, you can offer your current clients that book, report, webpage, etc., to share with anyone they know who might benefit from it.

That makes the process more natural. For example, if you're in the roofing business, you could prepare a very detailed report in the form of a nicely bound booklet. It can contain all the potential dangers of what could happen if the job isn't done properly. You could detail the importance of each of the recommended steps and processes necessary to get the new roof done right.

Now, if you're client has a friend who mentions they may need a new roof, they can immediately share your information with this prospect. While this prospect may look online or on Yelp, getting a detailed report from a friend who used your roofing company can be very advantageous. That report should also include your company's MDP.

The report you prepare, if it's done right, positions you as the expert in your field. This is done by you pointing out all the benefits of what you do and how you do it. It also reveals to the prospect some important information that they might not yet know. When you point out all the common mistakes or items that can be left out or can be done improperly.

The fact that YOU are the one sharing all these insights, leads the prospect to feel you're more of an expert. Your chances of getting the job go up dramatically. You're now much further ahead in the game. You can also choose to reward the current client any way you see fit if your industry allows it. *(In some industries like investments and real estate we reward with methods that are legally permissible).*

This process takes the burden off your client. Instead of them trying to remember all the details of "why" you're the best choice, the report does all that work for them. By the way, making this report into a book, or a very nicely bound booklet is money well spent. Again, it positions you as the local expert. And this concept can be adjusted and used by any business.

Referral systems when strategically planned, mapped out, and executed properly should be one of many methods implemented for your business.

What should you do now? First off, if you’ve gotten this far, let me congratulate you on finishing this book. I trust you've picked up on some insightful and powerful marketing concepts.

At this point, if you're serious about really building your business revenue and more importantly its profits, I'd suggest continuing to dig in. I'm betting that when you first decided to go into business for yourself, you didn't go through all you did, to just do okay. I'll bet you wanted to do very well. You didn't want to just buy yourself a job. You likely wanted all the things that come with business success, like financial gain and time freedom.

I can tell you that there are thousands of businesses who are coming to understand that they're not only in the business they're in. They're also in the business of marketing. Master that, and watch what can happen!

So now, go and implement something. I understand there are so many concepts to apply, it can be overwhelming. But just pick one thing and work on it. Test it. Make it produce the best results possible before proceeding to the next concept.

If you have a business, you can start to create wealth and systems that allow you to take time off, build a retirement account or pay for your children or grandchildren's college. These marketing principles work for many businesses, and they'll work for yours. I highly recommend finding someone who knows how to walk you through these methods and working with them. Then watch how your business and quality of life take a new shape.

The only thing standing in your way now is getting all of this implemented in a timely and efficient manner. If you'd like assistance with this, check my websites listed below.

There's plenty more valuable information there as well as the opportunity to get personal help from me.

Here's to your success!

Mike Mastro

Your Strategic Business Coach

Many more resources at:

www.ResultsMarketingTools.com

www.ResultsMarketingPlus.com

READY TO GET STARTED?

PLEASE CONTACT ME DIRECTLY
TO SCHEDULE AN APPOINTMENT.

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