



Simple steps to greater growth

You've got the right product, at the right price and at the right time. So why isn't your bottom line going through the ceiling?

You could have left one little word out of your business model: marketing.

It all sounds so easy: offer the right product at the right price at the right time and you have a successful business. However, there is an unexpressed fourth requirement: the right customer - and finding this can be as elusive as an honest politician.

Marketing is the compass that will help you locate the right customer. Marketing includes all the activities needed to produce, price, promote and distribute products and services required by an identified market - at a profit.

This implies that:

- No aspect of marketing should be seen in isolation; and
- Marketing is not limited to one individual or department - everyone in the company is responsible.

Are you top of mind?

When clients think of the products or services that you are producing, does your company automatically spring to mind? That's the best position to be in, and here are some ways to achieve it:

- Never stop finding out what is important to your most valued customers. Adjust your product/service offer accordingly.
- Get as much information as you can about customers so that you can determine what their growth areas are and whether they will best contribute to your long-term growth.
- Get the basics right! Exceed customer expectations, and never over-promise and under-deliver. 'Delighted' customers are much more likely to remain loyal to your company or brand.
- Be confident in your abilities and have faith in your company. Your customers will pick up on this self-assurance.
- Be seen as an innovator and always make it visible to your customers. This could take the form of awards, press articles or pre-launch briefings for special clients.

- Do a better job than your competitors in identifying and satisfying customer needs.
- Quality will always be important. As long as customers perceive there to be greater value in your product/service compared to that of a rival, you will always be in business.

Comparing cost to income

Instead of one-size-fits-all marketing to every user of your product, consider targeting heavy, light and occasional users slightly separately. That way, you can customise messages that are more likely to hit the right nerve and drive response.

Take the time to compare the cost of proposed marketing against the profit you expect from it – not sales, but actual profit. Monitor customer response so that you can understand what brought customers through the door, or onto your website. Once you acquired the lead, how much did it cost in time and money to nail the sale? Did customers return or move on? What would help to make them more loyal?

Use software like Microsoft Word, Excel or Publisher to set up a table or grid where you capture information about the campaign and evaluate results. You need the following information:

- The per-piece cost of your marketing material and distribution.
- A score for the buying action respondents take, such as high, medium or low.
- Some tracking code to categorise customer response via phone, direct mail, e-mail, online or in person.

Now you have a way of figuring out how much it costs to get a customer's attention. You can also put a price tag on what it takes to drive a response and close a deal.

Cardinal rules for business growth

Read these 'cardinal rules for business growth'. Write down examples of how your business is, or could be, implementing them:

- Seek ways of improving what you offer, and replace or update your products and services before someone else makes them obsolete.
- Ask your clients how you can improve and what more you can provide to meet their needs.
- Ask your clients how they perceive your business offering and what you should stop, start or do more of to keep them satisfied.
- Form partnerships with companies that offer goods and services that will help to deliver a one-stop service to your clients.
- Talk to your suppliers, they may have unique ideas to grow your business. Remember, their business will grow if your business grows.
- Don't box yourself in, think about markets outside of South Africa.
- Introduce e-commerce and educate your customers about its benefits.
- Don't get caught up with the herd mentality - just because everyone else is doing something doesn't mean it is right for your business.
- Record and measure all aspects of your business so as to assess what you should change.

Business growth is not easy. There could be mistakes, surprises and maybe unexpected opportunities. Use these to learn, adjust and innovate.

Struggling to stay ahead?

These are the top stumbling blocks to business growth:

- Improper cash flow management: Cash is king – never forget it!
- Fear and confusion: Plan, prioritise and stay focused.
- Lack of capital: Don't start with a bang (and large salary), grow slowly.
- Not learning from your mistakes: Assess what went wrong, then try again.

- Not targeting a particular market: Focus on a particular group, with a specific need.
- Choosing the wrong audience: Speak to a market that needs your product/service.
- Confusing message: Know who you are talking to and what you are talking about.
- Lack of planning: Choose the marketing route you want to take and stick with it.
- Laziness or greed: Your business exists to service your customers.
- Being incompetent or losing focus: Don't be sloppy in your delivery - one mistake could undermine client confidence, loyalty and trust.
- Not enough relationship building: Track your sales and client contacts with tools like Microsoft's customer relations management software.

Ten signs that you need a new marketing strategy:

- 1.** Customers' awareness levels are dropping.
- 2.** Customers believe that your products/services are no longer relevant to their needs.
- 3.** Customers tell you that your offerings are no longer unique.
- 4.** Your focus is internal (staff, operations) rather than external (customers).
- 5.** Your marketing strategy lacks action words: what you are going to do.
- 6.** You have nothing new to offer: no new product or model, service or approach.
- 7.** Your marketing strategy lacks depth: don't just sell petrol, sell the great performance it offers.
- 8.** Your personality does not come across: a marketing message needs to reflect your/your company's personality.
- 9.** Your message lacks the added value component: people buy if they perceive the value they receive to be worth the investment.
- 10.** You are following others instead of treading your own path. Be bold, be unique, be yourself.

When marketing to find new customers, one way to control costs and make them pay off is by running net present value (NPV) analyses of a customer's worth. Basically, NPV lets you calculate the value of money over time – that is, how much a project costs in today's rand versus how much it will net you in the future.

For example, if each new customer costs R1 000 to acquire, 15 will cost you R15 000. If attending a trade show costs you R15 000, you need to be sure that it will gain you at least 15 new, paying customers. Otherwise, find an alternative way of marketing.

Don't just acquire, retain

It is around 80 to 100% more profitable to retain an existing client than it is to acquire a new one. In fact, research shows that retaining just 5% more customers can boost profits by 25 to 120%. Your marketing budget should reflect this.

Split your marketing budget between acquisition campaigns and retention tools that will help build client loyalty and closer customer relationships. This should include frequent personal contacts, for example acknowledgement of seasonal holidays and personal milestones, invitations to special events and sneak previews of new products.

Never underestimate the power of personal touch, which – thanks to technology – has never been easier. Bulk messaging systems allow you to automate personalised e-mail communications that keep you in touch with your clients.

Keep on growing

A successful business owner not only offers an excellent product or service, but is also continually looking for ways to improve the business. Perhaps that means looking for new products or offering your services to a new group of customers. Be creative and always remain on the lookout for opportunities. You never know what may come your way! **M&J**