

WORK BOOK SEVEN



THE SEVEN GREATEST MARKETING MISTAKES

LEARN THE TOP 7 MARKETING MISTAKES THAT CAN

CRIPPLE YOUR BUSINESS AND HOW TO AVOID THEM!



COACHING ACADEMY SPECIALIST
Where Small Businesses Grow

The Seven Greatest Marketing Mistakes

“The critical ingredient is getting off your butt and doing something. It’s as simple as that. A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer not a dreamer.”

Nolan Bushnell, Founder Atari

The Marketing Mistakes That Can Cripple Your Business, And How To Avoid Them.

Common marketing mistakes are costing entrepreneurs literally millions of pounds in lost revenue and profit each and every day!

I see it every day. These mistakes are being made because people simply don't realise that what they're doing is having a detrimental effect on their businesses.

Call it ignorance. Call it lack of knowledge. Lack of marketing savvy. Call it what you like. The point is that almost every business is making many of these mistakes.

Statistics tell us that 80 percent of businesses go out of business the first year they're in business. And of those that remain, 80 percent of them will not be in business five years from now. That's a scary but true statistic!

The following is the list of The 7 greatest Marketing mistakes:

1. Not Having a Unique Selling Proposition (USP)
2. Not Using All '7 Growth Multipliers'
3. Only Using a Small Number of Marketing Tools
4. Failing to Use Testimonials
5. Not Having a Risk Reversal or Guarantee In Place
6. Not Charging The 'Perfect Price' for Your Product Or Service
7. Not Testing Your Marketing Tools.

Marketing MISTAKE Number 1

Not Having A Unique Selling Proposition (USP)

In the USP module we show you How and Why you should create a USP

“Probably the best larger in the world”.

I will frequently hear Business Owners suggest that surely Straplines and Taglines are just for the really big corporates.

Sadly the answer tends to be yes, it is the large successful companies that use Straplines and Taglines. But it doesn't have to be the case. It is true that as a small business we must not waste huge amounts of money trying to compete with the significant exposure our large competitors appear to enjoy.

Deciding on a strapline and printing it on your business cards and stationary will cost you nothing less than the time it takes you to decide. And the good news is that you can change it and you can have more than one. You can have a different strapline for your company and one for each of your products.

Why bother?

When you decide on a strapline, you are frequently making a bold statement and in so doing, it often forces you to live up to the “the brand, the claim or the promise you made in the strapline”.

Avis USP: “We're number two. We try harder”.

For many years, Avis was in the unfortunate position of being the second-largest car rental company, while Hertz claimed the 1 spot.

In addition to the above there is another major reason why you should have a Unique Selling Proposition. You are different, you have to be different and being different helps justify why your prices are different.

Marketing MISTAKE Number 2

Not Using All '7 Growth Multipliers'

How many ways do you think there are to grow a business? You may be surprised to learn there are just 7 ways. Each one of these is what we call a 'Growth Multiplier.'

You must use all 7 to successfully grow your business. If you do I guarantee your business will reach or at least get very close to its potential very quickly.

It is my estimation that you are only using one or possibly two of these Business Growth Multipliers (and these could be improved significantly). Here they are...

The 7 Growth Multipliers.

1. Number of Hot Prospects
2. Conversion Rate
3. Number of Transactions
4. Transaction Value
5. Profit Margin
6. Number of Referrals
7. Buying Lifetime

There are numerous proven strategies you can apply to massively improve each of these 7 key areas, and by combining the power of each multiplier you have the ability to grow your business to heights you never thought were possible.

Marketing MISTAKE Number 3

Only Using A Small Number of Marketing Tools

It amazes me that people come to me and say things like, ***“I’m just not able to grow my business. I’ve tried lots of things, but nothing seems to work.”***

The first question I ask is this, ***“How many marketing tools are you using at the moment?”***

I think you can see where I’m going with this. The reply often goes something like this...

“Well we do some pay per click and some general advertising and send some letters out.”

Now I’m not saying you can’t have enormous success just from using the likes of standard advertising and sales letters, but just think what you could do if you used 5, 10, 15, 20 or more marketing tools to grow your business? What effect would this have if each marketing tool was working and returning a profit for you?

This is how you create multiple streams of income. We’ve identified hundreds of proven marketing tools/strategies that can be applied to your business.

I wonder how many you’re using right now?

Marketing MISTAKE Number 4

Failing To Use Testimonials

Let's be honest - selling isn't easy. Unless you convince your prospect your product or service will give them the result they're seeking, you won't get the sale.

And what you say is often taken with a pinch of salt. After all we're all sceptics these days. So how can you almost instantly prove to the prospect you can deliver on your promises?

It's actually much easier than you may think. All you need to do is use client or customer testimonials.

Again I can't tell you how often I see businesses trying to sell and market their products or services without the use of testimonials. You make your life very, very difficult if you don't use testimonials. Testimonials have the power to get clients or customers by the handful.

You can't have enough testimonials. Place them in all your marketing communications. Place them in every place where your prospects will see them – in your offices, in your reception areas, on your walls. Blow them up and parade them.

You'll see an immediate and noticeable difference in your sales and profits once you start using testimonials.

Marketing MISTAKE Number 5

Not Having A Risk Reversal or Guarantee In Place

Listen to me carefully...

If you put in place a powerful risk reversal or guarantee tomorrow, you'll be staggered by the success it achieves for you in the coming days, weeks, months and years.

As you know, the benefit of your product or service is gained after the sale is made. Sometimes this can be days, weeks, months or even years after the first sale was made. This in itself places an enormous risk on the shoulders of would be clients or customers. It's this risk that often prevents them from buying.

However, if you lower or eliminate the risk, then the natural consequence is people will be more inclined to buy from you.

That's the secret of creating a powerful risk reversal.

Your risk reversal is nothing more than a simple method that takes the 'barriers' away from the prospect, and ensures they keep progressing towards the sale.

As soon as you add a risk reversal or guarantee to your business you...

- Remove the risks, gaining more clients or customers
- Automatically differentiate your business from your competition
- And, your prospects will value your products or services much more, because they'll automatically assume your product must live up to expectations or you must be excellent at delivering your service (why would you offer a guarantee if your product or service wasn't great?).

The result is a BIG increase in sales, and an avalanche of new clients or customers!

Marketing MISTAKE Number 6

Not Charging The 'Perfect Price' for Your Product Or Service

I can say quite confidently that you're not charging the right price for your product or service.

Pricing is the quickest and easiest way to grow your business with massively increased profits.

Now correct me if I'm wrong, but here's how most people go about pricing their products or services (I'm sure you're no different) ...

1. You look at what your competitors charge (many people don't even do this simple step!)
2. You decide 'where' you want your customers to view you – are you 'low priced,' 'middle of the road,' or 'high end'?
3. You then price your product or service based on the results of the two scenarios above

This is what's known as 'price positioning,' and to a certain extent it does serve a purpose, but what it means is you base your own prices on where you see yourself positioned in the market in relation to what your competitors charge. You might be saying to yourself, 'well that's fine – isn't that how I should be doing it?'

WRONG!

This is a huge fundamental mistake. People rarely buy on price. Sure there are a small percentage of people who buy the cheapest, but this is a minority. What people are buying is based on '**VALUE.**' And 'price' and 'value' are two very different things.

Let me explain...As a rule, people automatically value your product or service more if you charge higher (unless it's viewed as a commodity). The opposite is also true!

If you charge too low, your prospects will automatically think you can't be that good. On the other hand if you charge high prices you'd better make sure your clients receive excellent value from you – because that's what they'll expect.

Marketing MISTAKE Number 6/Continued....

Ultimately what I'm saying is that you cannot determine how much people are prepared to pay – you must let your clients or customers decide what the perfect price is. You could be lucky and get the price right, but the odds are stacked against you.

What you're looking for is a price point that gives you the biggest PROFIT (not revenue!), over the lifetime of the relationship.

The only way you can come to this 'perfect price' is by testing. In simple terms this means having one price for the first 10 customers, another price for the next 10 and another price for the next 10. You can then calculate which price generates the greatest profit. That doesn't mean the highest price automatically wins. What you may find is that more people buy at a lower price, which means you make more money because you get more clients or customers.

The Ultimate Principle On Value And Price

What I hope you've gained from this so far is that as long as you provide excellent value – people will flock to your business and pay you handsomely for the privilege.

Often many people make the mistake of thinking that price is the main issue in the mind of their prospects or clients or customers.

But what they're missing is that if everyone is viewed by the prospect as 'the same' – i.e. companies don't take the time or effort to differentiate from others and add considerable value, the only way they can choose is based on price.

But when you add so much value to your business – substantially more than your competitors, you leave the prospect with little choice. And often they'll pay you much more than anyone else. Why? Because you've added so much value!

Marketing MISTAKE Number 6/Continued....

Also when a client or customer decides to leave you and turn to one of your competitors, often they'll say, '***Your price/fees are too high.***' What they're really saying is this...

'Your products or services are not worth what you charge. I'm just not getting value for money!'

There's a big difference!

If you add so much value to what you offer, people are prepared to pay much more for your product or service. I appreciate some won't. Some people are only after the best and cheapest deal they can find.

But let me ask you these questions... "Are those people the sorts of clients or customers you want?" Are they likely to stay with you long?

Hopefully you answered "no" to both questions. You'll be amazed at what you can charge if you start adding value by offering things like risk reversal, bonuses, extra support and so on.

Marketing MISTAKE Number 7

Not Testing Your Marketing Tools

I have yet to come across a business that tests their marketing campaigns.

Here's what I mean...

Let's say you decided to send a sales letter to your target or niche market. You've bought a list that has 10,000 names on it. You're certain that out of 10,000 you're going to get many orders, so even though sending 10,000 letters costs you well over £10,000 to cover postage, the list, fulfilment with printing and packing, you have to do very badly to NOT make a profit.

You then sit back and wait for your windfall. Unfortunately the response was just 0.1%. You received just 10 orders at £500 each, and each order has a 50% gross profit.

That means based on this first order you made a loss of £7,500!

Now depending on the amount of profit you can extract from these new customers over the lifetime of their relationship with you (lifetime value) this could be either awful or very good for you.

However, I've seen several businesses go out of business using this approach because they were so sure their product or service would be sold by the bucket load, only to find that people simply weren't interested. This approach is very risky and will never yield the sort of results you can expect when you start **TESTING**.

This is where it gets interesting...

When you test you automatically apply what I call 'The Minimum Risk Formula.' That means you limit your financial exposure whilst maximising your return (isn't that what we all want?).

Marketing MISTAKE Number 7/Continued....

Using the same example, here's how it works...

Instead of mailing everyone on the list with one sales letter, you mail just 3,000 people. And instead of using one sales letter you send 1 version to 1,000 people (selected randomly), another version to the next 1,000 people, and a third version to the final 1,000 people.

You've now got 3 tests running against each other.

The key is this...

Since you know that a headline change can increase response by 500% or more, you keep the same letter except the headline is different on each version.

Here are the results...

- **Headline 1: 1,000 sent. Response 0.2% (2 sales at £500)**
- **Headline 2: 1,000 sent. Response 1% (10 sales at £500)**
- **Headline 3: 1,000 sent. Response 0.6% (6 sales at £500)**

Now that looks better. Headline 2 returned 10 sales. This headline and letter now become your 'control' so you mail the last 7,000 names on the list and now here's what you get...

Headline 2: 7,000 sent. Response 1% (70 sales at £500)

From the same list of 10,000 your testing enables you to generate 88 sales (2+10+6+70) generating a revenue of £44,000 and a profit of £22,000 against a loss of £7,500 (without testing).

Also let's say that even after testing your figures looked awful and you made a loss. At least you can cut your losses right now. You'll have saved 70% of the costs you would have spent if you'd mailed 10,000 people in the first place!

That's what testing can do for you – it maximises your return and minimises your losses!

Success Story and Positive Mental Attitude

Sir James Dyson

The Dyson Vacuum Cleaner is known around the world as the vacuum that doesn't lose suction. But the idea for it was born long ago. Dyson first had the idea in his early 30's when he became frustrated with his Hoover vacuum and its loss of suction. At the time, the disposable bag replacement market for vacuums was valued somewhere around the £100 million per year.

His big idea was to use the concept of cyclonic separation to create the world's first bag less vacuum cleaner. It took Dyson 5,126 failures to finally get it right.

When he did, at the age of 36, he was faced with more resistance when no distributor in the UK would take on the revolutionary product. No one wanted to buck the trend.

So, Dyson hit the Japanese market in 1983, with a hot pink version of his vacuum cleaner. It won an industrial award in Japan, and in 1986, three years after its first introduction, he was awarded his first US Patent for it.

However, manufacturers still didn't want to take it on in other companies, so Dyson formed his own company, in 1993 at the age of 46, to market the product.

Today, Dyson is worth more than £3 billion all because of his refusal to give up. He struggled through times of failure, sorrow, and regret, but he persevered.

DON'T FORGET TO WATCH THE "SEVEN GREATEST MARKETING MISTAKES" VIDEO.