

UNLEASH THE SILENT SALES MACHINE WITH...

# The Most Effective Marketing Strategy For Your Business

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*Apply this secret and you'll quickly and nearly effortlessly get more customers and make more money than you ever dreamed possible!*

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The Marketing JD



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## Every Small Business Owner's Goal

If you are in business, you're most likely in business to turn some coin, earn a decent living or simply make a profit. That's why a business exists in the first place.

While it sounds nice and is certainly admirable to say you're in business to help others or to provide some needed service, in the end, the real bottom line is that you want and need to realize a profit on your investment. If not, no matter how great your intentions, your business will fail.

Profits are what drive a business and allow it to provide more goods and services, create more jobs and expand the economy. Profits are what allow you to fulfill your altruistic goals.

But, there are many factors that affect profits, not the least of which is customers purchasing your goods and services.



**If you expect to remain in business for any length of time, or to grow, you must master the skill of getting customers to do business with you.** That includes:

- **New Customers** - those with whom you have never done business before;
- **Current Or Existing Customers** - those who patronize your business regularly;  
and
- **Past Customers** - those who have done business before, but may have taken their business elsewhere.

The process of getting people to do business with you is called "marketing." Unfortunately for many businesses, this process, as critical as it is to the success of the business, is one of the tools business owners least understand.



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## Getting New Business Is Not Something Most Business Owners Are Proficient In

The cold, hard fact is . . . most business owners . . . most professionals . . . most entrepreneurs . . . most salespeople . . . most people responsible for getting new customers for their business enterprise, simply don't know how to get new customers on an effective or cost-efficient basis.

So, they depend on ad agencies or sales reps from the Yellow Pages, magazines, newspapers, radio and TV stations to design their business-getting tools for them. But, most of those reps or sales people don't have a clue as to how to create marketing campaigns that produce measurable results on a cost-effective basis.

This is problematic because marketing . . . *effective* marketing . . . the kind that produces inquiries about your offer, adds customers and increases your profits, is not just a matter of placing a couple of ads in various media or sending out some mailings.



And it's not creating a beautiful brochure that describes the company, the president and the products and services offered by your business.

Results-producing marketing -- the kind you want for your business -- is a combined and coordinated effort of a number of factors. It can blow the socks off your competition.

*Why?*

Because your competition doesn't understand the difference between the marketing they've always used, and high-impact marketing that's accountable and that produces results. And if they keep on doing the kind of marketing they've always done, and you move on to more effective types of marketing, they don't stand a chance.





Effective Marketing can consist of many forms. Some involve money, some involve personnel and some involve a certain commitment of time. Some work well in good economic times, and others work better in a down economy.

But, regardless of your resources or the economic climate, this guide will provide you with the most effective marketing strategy you can be put to work in your business today. It will help move your business forward while leaving your competitors flailing in the wind.



## Why Small Business Owners Fail

Experts agree that it is more cost effective to retain customers than acquire them. But few small businesses have strong programs in place and those that do may be focusing on the wrong things.

In a landscape of similar products and global competition, customer retention can be a significant way to grow your business. The relationship between customer retention and profitable growth has been proven time and time again.

Those businesses who retain a loyal customer base tend to enjoy a substantial advantage in revenue growth and profitability.

*The reason?*

**Loyal customers stick around longer and buy more frequently.**

Loyal customers also refer others and cost less to serve. All too often, however, small business owners fail to nurture their customers after the initial sale.

It's a fact. Not a pretty one, but a fact, just as well. It's happened to me. It's happened to you. It's happened to my customers. And it's happened to yours.



In fact . . . it's happened to everyone who has ever made a purchase from someone else, or from some company, whether big or small.

What I'm referring to is the old, "*Love 'em and Leave 'em*" scenario. You know how it goes . . . companies spend tons of money advertising to Suspects with the hopes of finding a few Prospects . . . people who might be a candidate for what the company is offering.



Eventually, some of those Prospects become Shoppers, and order a free report or stop by the business to inquire further. Then, a few of those Shoppers hopefully end up as Customers or someone who buys from the company.

Then an amazing thing happens. The customer leaves with his or her purchase, and the company goes about trying to attract more Suspects, and begin the process all over again.

You see, the business "*Loved 'em*" enough to get them to purchase one time, then "*Left 'em*" never to contact that customer again. And if they did happen to contact them, it was most likely a lame, weak and ineffective attempt to sell them what the company wanted to sell . . . not what the customer might want.

Sound familiar? If so, you can easily shift your mindset, business practices and way of interacting with customers by implementing the most effective marketing strategy around. This strategy is designed to improve customer loyalty and retention which, if focused on the appropriate customers, will improve your profitability.

Just read on and learn how to incorporate this strategy into your business so that you can experience a swell in your bottom line.



## The Key To Small Business Prosperity

If you really want your business to be as successful as it can be, to thrive and not just survive, and to maximize the investment you've made in it, you've got to continually find ways to offer your customers unique advantages they can't get anywhere else.



And when you do, you'll gain your customers' loyalty, motivate them to do more business with you, keep them as customers for a long time, and inspire them to tell their other business associates and friends about you.

In other words, if you can give your current and past customers unique, compelling and profitable reasons to do business with you over and over again, they'll not only keep you in business, they'll make you incredibly wealthy and successful in the process.

Research shows that...

- **Companies on average lose 50 percent of their customers every five years** ([Harvard Business Review](#)).
- 66 percent of clients defect due to poor client care ([Yankee Group](#)).
- **It is five to ten times more costly to acquire a new client than retain a current one** ([PricewaterhouseCoopers](#)).
- A five percent increase in client retention can increase profits by nearly 100 percent (Harvard Business Review).
- **Cutting defections in half will more than double a company's growth rate** (Harvard Business Review).





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Because some or all these findings likely resonate with you, then it follows that you should spend a good deal of your time doing two things:

1. Cultivate customer retention among current clients; and
2. Refocus your business development efforts on reengaging past clients.

In fact, retaining and winning customers back is among the most productive steps you can take.

The case for focusing on current and past clients is further emphasized by the fact that studies have shown that **it's 16 times easier to sell to an existing customer than to a new one**. As noted above, acquiring new customers is costly, and in many cases, the money earned on the first sale doesn't even cover the acquisition costs.

That said, why would you even let the thought of spending a minute of time or a dime of your resources on attracting new customers before doing all you can to squeeze every last ounce of business out of your existing and past customers or clients?

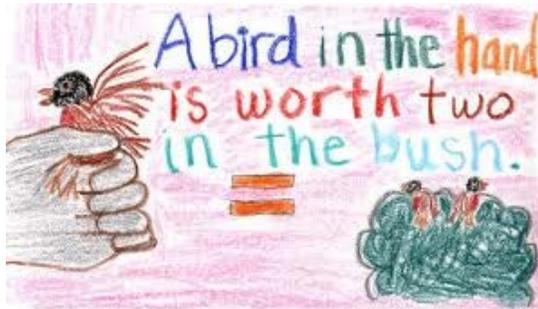
Your existing and past clients or customers have already had at least one buying experience with you, so they are familiar with you. And if you've done your job well, and made them feel special, the likelihood of them doing business with you again is greatly enhanced. Trust and credibility have already been established. Now all you need to do is make them an enticing offer.

On the other hand, new prospects . . . those who haven't had the same buying experience with you, require much more time, effort and money to bring them to the same point of trust as your current clients.

You first have to get your new prospect's attention. You do that with ads, sales letters, newsletters, postcards, telemarketing campaigns and a variety of other types of media. Then, you nurture them, hold their hand, and walk them step-by-step through the trust-building phase just to get them up to the beginning level of trust that your current customers were at when they began doing business with you.



You have to lead them up the Loyalty Ladder, from Suspect to Prospect, then on to Shopper, and eventually to Customer, Client, Advocate and finally, to Raging Fan. All this takes time and money.



When you compare the acquisition costs for getting new customers to like you, know you, trust you, and buy from you the first time, versus getting your existing customers to repurchase from you, the cost-to-sale difference is significantly different.

So, how do you increase your customer retention? How do you get them to buy from you again and again? How do you get your customers to continue doing business with you year after year, until they no longer have any need for your products or services?

And how do you get them to refer others to you so your acquisition costs come down below - way below the five to ten times figure? What are the most efficient and most cost-effective ways to do those things?

## The Most Effective Marketing Strategy

**The most effective . . . the most cost-efficient . . . the most profitable thing you can do in your business, is to create a database of your current and past customers and follow up with them.**

It doesn't have to be an elaborate system, plan or strategy. It doesn't have to be costly. It doesn't have to break the bank. But it does have to be well thought-out, planned and tailored to the unique needs of your customers, if you want it to be overwhelmingly successful. And the more you can automate the process, the better off you'll be.

Believe me when I say this . . . this one strategy is the most overlooked, yet most effective marketing tool you have in your arsenal for getting your customers to buy from you more often, extending their buying lifetime with you and getting them to refer others to you.





*In short...*

**This one strategy can do more for building  
your business than just about anything else you can do...  
And it can be done in record time!**

*And if you fail to do this?* It'll cost you thousands and thousands of dollars in lost business and profits!

A follow-up system will reap you economic rewards and serve as the medium to determine the needs of your customers. You see, most people stop buying from a company because they feel they're not treated well. **Poor customer service followed by poor quality products/services and price issues are the primary reasons why customers leave.**

Discovering the exact reasons why your customers don't "stick" can be tricky. But with a follow-up system in place, you can easily survey them to get their feedback and determine their needs.

Surveys can provide useful information on the following:

- Satisfaction Levels
- Products/Services They Don't Know About
- Future Spending Plans
- How You Can Get More Of That Spend
- How They Feel About Your Product vs. That Of The Competition



With this information, you can then make decisions about changes in product/service offerings, pricing or post-sales customer service. Also, issues that surface can be addressed before the customer reaches the "boiling point."

Surveys also provide a personal touch point that can generate a positive frame of mind with your customers. Just asking for feedback is, itself, a loyalty generating process, provided that you are committed to act on what you learn.





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The human touch goes a long way. Communication, by phone, email, direct mail or, if need be, in person, can keep a customer on the verge of defection from leaving.

People want to be engaged, not only on a functional or rational level, but they want to know that you care, and they want to hear from you. And when they do, you are primed to give them exactly what they want. Essentially, you will gain their loyalty and repeat business which translates into:

1. Reduced marketing costs (customer acquisition costs require more dollars).
2. Lower transaction costs such as contract negotiation and order processing.
3. Reduced customer turnover expenses (fewer lost customers to replace).
4. Increased cross selling success leading to larger customer spends.
5. More positive word of mouth.
6. Reduced failure costs.

## **An Action Plan For Success**

First things first...If you haven't already done so, you need to setup a system to capture leads as well as store information about your customers.

Next, take a good, analytical look at your past and existing customers.

- Determine what their buying habits are.
- See where they live or work.
- Look at what types of products or services they buy.
- Identify what their repeat purchase patterns are.
- Evaluate what types of ads they respond to.

You'll then need to FOLLOW-UP with your customers.



Consistent follow-up creates a predictable and profitable stream of prospects and customers that buy. Your ability to thrive with this strategy depends on capturing appropriate customer data from multiple points of customer contact: a Website click stream, email, telephone, fax, a call center, a kiosk or store, a reseller or a direct sales force. If you capture leads and follow-up with them, you'll enjoy higher conversion rates and a higher percentage of referrals than your competitors who don't employ this strategy.



A good follow up marketing system should have three attributes.

1. It should be systematic, meaning that the follow up process is done the same way every time.
2. It should generate consistent, predictable results.
3. It should require minimal physical interaction to make it run, meaning it should be able to run on autopilot.

**The secret to "follow-up marketing" is to make it automatic so that you don't have to lift a finger but the job still gets done.** With today's technology it's simpler than ever. Automating your follow-up processes gives you more time to work "on" your business rather than "in" your business.

### The Three Sources of Follow-Ups

An effective follow-up strategy is focused on three sources of customers:

1. Existing Customers - people who have purchased something from you within the past six months.





2. Past Customers – people who haven't purchased something from you within the past six months to two years.
3. Potential Customers or Prospects - people who have responded to your marketing but have not purchased.

**Each follow up message and offer will be different for each type of person. With existing customers, you want to cross-sell, up-sell or offer them complimentary products or services. With past customers, you want to convince them to come back and do more business with you and give you referrals. With prospects, you need to persuade them to make their first purchase.**

The advantage of follow up with your customers is that you not only know who they are, but you should already have their contact information. And if you follow up with them consistently, you'll find that they will help you turn your prospects into customers for you through referrals.

Below, you will find steps to follow-up with your three customer sources.

### ***Existing Customers... The Most Powerful Source Of Profits Any Business Has***

All things being equal, people will do business with people they like, they know and they trust. All things being unequal, people will still do business with people they like, they know and they trust.

And since it costs up to five to ten times more to get a new customer to like you, know you and trust you enough to buy from you, it just makes sense to spend most of your time, effort and money strengthening the relationships you already have with your existing customers.



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**The probability of selling something to a prospect is only about 5-20%, while the probability of selling something to an existing customer is 60-70% (Marketing Metrics).**

That's why it's important to maintain sufficient contact with them. As a result, they will:

- Make regular purchases.
- Purchase across product and service lines.
- Refer others.
- Demonstrate immunity to the pull of the competition.

Here are a few things to consider when developing a system for following up with your existing customers or clients:

1. **Determine the number of times you want to contact your clients, and over what period of time.** You might, for instance, decide that you want to contact them six times in the next 12 months. This will let them know that you're thinking of them, and that you have something of value to say to them. But the last thing you want to do is bug them to death.
2. **Determine the frequency of contacts.** In the example in step one, you decided on six contacts over a 12-month period. Now, you want to determine how often you'll contact them. Will it be every other month for the entire year? Or will it be once a month for the first three months, then once every three months thereafter? Or, if your customers have a product that expires or renews, such as an insurance policy, will you increase the number of contacts you make just prior to their renewal?
3. **Determine the method of contact.** There are a couple of considerations here. First, what is the method of contact that has the greatest chance of attracting their attention? Next, what method is the most cost-effective? And third, what method of contact would provide the greatest likelihood of them responding?



Are postcards the best? What about letters, faxes, newsletters or email? What if you were to send an audio or dvd, or make telephone calls or in-person visits? Each of these methods of contact has inherent costs and response-predictors, and should be weighed very carefully before cranking out any new contact campaign.



4. **Determine the purpose of the contact.** Why are you contacting them? Is it to thank them for buying from you? Is it to make them an offer on new merchandise or other services they may have a need for? Is it to ask for referrals?

Remember, you should know each of your customers and what their dominant buying motives are. You should know what they've purchased in the past and what they're likely to respond to in the future. No sense wasting your time trying to sell someone something they have no need for, don't want or can't use.

5. **Determine the offer you'll make them.** The offer you'll make depends a lot on who you're contacting and why you're contacting them.

If you have a new product or service, or have another product or service that your customer might be interested in, you'll want to make your offer such that it will be difficult for them to refuse. Now, that doesn't always mean that your prices will be lower than anyone else's. It could very well mean that this product or service will do more to help them solve or prevent a particular problem or situation better than any other alternative.





6. **Determine how you'll reduce or eliminate any risk on the part of the customer.** Whenever any product or service is sold or purchased, someone is being asked to assume part of the risk. Either the customer or the business owner. It stands to reason, that if your customer is asked to bear the bulk of the risk, it could have a negative impact on your chances of making a sale. On the other hand, if you, the business owner, are taking the lion's share of the risk, your chances of making a sale can be greatly enhanced. Determine what works out the best for the kind of product or service you're offering.
7. **Determine what (if any) backend products or services you can offer once a purchase is made.** You should always have a backend product. If what you sell is a one-time purchase and you don't have anything else you can sell your customers, then arrange with other companies who have products that are complimentary, but are non-competing with yours. Then build a joint-venture arrangement with them to offer their products to your customers, and you can split the profits.

There are many other things you can do to make the selling of additional products or services to your customers more effective. And they're not difficult. It just takes a little planning, a little thought, and a little creativity. Then, more than anything, it takes action. You've got to act on the plans you create.

### ***Past Customers...***

#### ***A Hidden, Forgotten And Untapped Source Of Profits!***

Your past customers are those who have done business with you in the past, but are no longer considered "active." That is, they haven't purchased from you recently.

Something happened. They've quit coming back. Maybe they've outgrown their need for your products or services. Maybe they've gone to another competitor. Maybe they moved out of your marketing area. Whatever the reason, they're no longer doing business with you.





Remember, these former customers at one time liked and trusted you enough to purchase from you. It may have been a certain sale or offer that you ran. It may be that they did business with you because you were conveniently located to them.

Or it may be that they were referred to you by a friend, a family member, a neighbor or a relative. Whatever the case, they, at one time, did indeed, buy from you.

Now, just because they haven't purchased from you again recently, doesn't mean all is lost.

While you may think that you have done something wrong if a customer doesn't make a repeat purchase, often the only thing you've done wrong is stopped the dialogue. Many lost customers are blown away when a business takes the initiative to re-connect with them, acknowledges past patronage, and invite them to return.

**Winning back lost customers is frequently  
the most overlooked source for incremental profit.**

Research studies tell us that a business is twice as likely to successfully sell to a lost customer as to a brand new prospect.



If you've run your business properly, they'll remember the way you did things, how you treated them, and the quality of products and services you sold them. And it won't take much to get them back to do business with you again.

Even if they had a bad experience with your business or a certain person that worked for you, an apology or an explanation of the circumstances and what you've done to correct the situation can do nothing but help re-solidify an old relationship. Just don't make the mistake of avoiding this valuable group of customers.





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Distinguish your business and stay at the forefront of your past customers' minds by delivering more than the benefits that the products or services you sell provide. In doing so, you'll find that this group of customers can turn out to be a real profit center for you.

Below are five suggestions for winning back the customers you may have lost:

1. **Grade and segment lost customers.** Uncover the reasons behind the customer's defection. Doing so will help you decide if you actually want a customer back, and if so, the best way to get them back. Lost clients usually fall into one of five categories:
  - **Customers who are intentionally pushed away.** This includes customers you've stopped serving because they've proved too hard to please or are too much of a credit risk. Obviously, this type of customer isn't one you want to win back.
  - **Customers who are unintentionally pushed away.** You've offended or angered a customer by failing to deliver goods or services as promised.
  - **Customers who are pulled away.** A competitor has offered a better value, such as friendlier service or a higher-quality product.
  - **Customers who are bought away.** A customer was lured by a competitor who offered lower prices on the same or similar services.
  - **Customers who moved away.** The customer either physically relocated or outgrew a need for your products or services.

Generally speaking, unintentionally pushed-away customers and pulled-away customers make the best candidates to target for reactivation.

2. **Research the lost customer's present needs.** Once you have completed Step 1, research the present needs of your best candidates. Use the normal methods you might with a new customer, e.g., send them a special offer, call them on the phone or invite them to a special event. Find out what you can do to make the relationship better.





3. **Create a communication plan that reinstates confidence.** Tailor a communication plan that specifically meets their particular circumstances, history, and current needs.
4. **Measure, understand, evaluate, and refine.** When designing a reactivation program, use this rule of thumb: Think big, but start small. Start with a smaller client and, as you get better at understanding the dynamics of reengaging clients, move to bigger more important clients. All along the way, measure the outcomes and carefully assess ways to improve.
5. **Be honest, sincere, and accountable.** Whether you've done something wrong or not, be honest and sincere in your efforts to win them back. And if you need to, apologize and make an effort to correct any past shortcomings in the delivery of your products or services.

All in all, nurturing your current clients is the best way to keep them from becoming former clients. So the next time you're ready to embark on a campaign to solicit new business, think about starting with the folks you already know. They represent your best chance of creating new business.

### ***Potential Customers Or Prospects...***

***Knowing Who They Are Can Make  
All The Difference In The World***



Here's one of the most critical questions to ask yourself...

Do you know who your best prospects are? I mean, *really* know?

Do you know who they are? Where they are? How to contact them? What kinds of needs or wants they have? What kinds of offers they respond to? What would prompt them to buy from you? What kinds of buying habits they have? And who they hang around with?





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If you don't know the answers to these critical questions, you're basically just shooting in the dark. The more clearly you can focus in on a tight target market, the more success you'll have.

Think about it for a minute. What is the difference between a Suspect . . . just a name, and a Prospect . . . someone who may be in the market for your product or service, and has the financial capacity to buy? The answer, of course, is all the difference in the world.

Why would you want to spend any time, effort or money trying to convince people who have no need, no want, no capacity to buy from you?

The real truth is, if you're trying to sell to everyone, you're really selling to no one. But when you focus on a tightly identified niche, you can more effectively address the needs of that market and make offers that they are predisposed to take advantage of.

If you can single out a certain market segment that is more likely to buy from you, you're way better off directing your ads and marketing efforts to them than you are to the general public.

Once you've identified who your best prospects are, use the same steps outlined for following up with your existing customers, to contact them.

## Conclusion

Your clients, your customers - current and existing, past and potential - are the greatest assets you have in your business. This group of contacts has the potential of driving your business right through the roof, if you approach them properly.

Lucky for you, most businesses are pathetically and shamefully inadequate in the area of follow-up with prospects and customers.



This is fortunate for you because it means that even becoming adequate at follow-up places you leagues ahead of your so-called competition. If you actually become good at follow-up, you can easily own the marketplace.

You've got to constantly keep in touch with your customer base, always offering them a "better deal" (which doesn't always mean "lower price," by the way), a better value, increased ways to further enhance the advantage, benefit, use or enjoyment they get from using your products and services, and from doing business with you.

Never Fail to  
**Follow Up**

Follow up with them. Don't harass or bug them. Develop a plan . . . an easy-to-administer system for systematically and continuously following up, always offering your help, expertise, and the value you bring to your relationship with them beyond what the actual products or services you sell offer.



If you do these things, you'll be putting into motion...

### **The Most Effective, Yet Most Overlooked Marketing Strategy For Your Business**

So, promise yourself that you will begin to follow-up with every prospect and every customer that comes in contact with you.





## Run A Proven Customer Activation Campaign



- ✓ Automatically Follow-Up With Current Customers
- ✓ Maximize Response Rates
- ✓ Generate An Instant Increase In Sales & Profits

**Get Started Today By Visiting:**

<http://themarketingjd.com/customer-activation>

