



THE MOST EFFECTIVE MARKETING STRATEGY IN EXISTENCE

OVERLOOKED SECRETS TO BUSINESS SUCCESS

Apply this strategy to your business and you will quickly
get more customers than you ever dreamed possible
— and make yourself a fortune in the process!

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Note on Inflation

The monetary examples in this e-book are based on Australian currency, except where noted. The effect of inflation was calculated using the Reserve Bank's 'Inflation Calculator', available at www.rba.gov.au/calculator/calc.go. To calculate the effect of inflation in American dollars or U. K. pounds visit Measuring Worth at www.measuringworth.com.

The Most Effective Marketing Strategy In Existence: Overlooked secrets to business success

Apply this strategy to your business and you will quickly get more customers than you ever dreamed possible, and make yourself a fortune in the process!

The immense popularity of the television game show *Who Wants to be a Millionaire* illustrates just how obsessed Australians are with becoming wealthy. Some commentators are even claiming that our fixation on becoming a millionaire has reached pandemic proportions.

However, a million dollars is not what it used to be. If you had one million dollars in nineteen eighty, it would be the same as having three million dollars today. In nineteen seventy, one million dollars was worth over eight times what it is now.¹ Moreover, people who win a million dollars through lotteries, casinos and the like, never take home the full amount thanks to state and federal taxes.

“Somehow people still think a seven digit figure is an extreme amount of money” –

Mark Alch, *How to Become a Millionaire: A Straightforward Approach to Accumulating Wealth*.

One million dollars is a lot of money to most people, there's no question about it. But how do you go about obtaining that kind of money? And what are the best, quickest and safest ways to do it?

¹ See the *Note on Inflation* at the beginning of this e-book.

What It Takes To Make A Million Dollars

American financial analyst Danny Sheridan has calculated the odds against making one million dollars. Sheridan's findings reveal a staggeringly simple truth:

Inheriting \$1 million	⇒	12 million to 1
Winning the lottery	⇒	12 million to 1
Winning at the casino	⇒	6 million to 1
Winning a game show	⇒	4 million to 1
Saving \$800 a month for 30 years	⇒	1.5 million to 1
Owning a small business	⇒	1000 to 1

Clearly the best way to make a significant amount of money is by investing in your own business. Besides the obvious tax write-offs and deductions a business affords its owners, there are other high leverage advantages.

It's true that businesses have expenses—operating costs such as rent, telephones, business supplies, internet connections, equipment, wages and commissions. In addition, your business may have expenses relating to production, manufacture or merchandise costs. Then there is the expense of promoting and marketing the products or services you sell.

Of all the costs incurred by the business, the only one that is truly not a cost (other than perhaps land or facility appreciation), is the cost incurred by marketing.

Marketing should not be viewed as a cost or an expense. It's really an investment.

Marketing: The Most Profitable Business Investment You Can Make

Let's suppose you invest in stocks, bonds or mutual funds. What kind of return can you reasonably expect to make? 5%? 10%? 15%? Maybe. If you're really lucky, you might make 20 or 25%. But along with those potential returns comes a certain amount of risk. You could very easily lose your initial investment in the process.

With an effective marketing campaign, your profits could increase by up to 5000% or more.

If you spend \$100 on an ad or a website and it returns \$1000 in profits, you've just earned ten times your ROI (Return On Investment). That's a 1000% return. If it were to return \$5000 in profits, you would have a 5000% return.

"But," you ask, "how realistic is it to invest \$100 and get \$1000 or \$5000 return? Does it ever happen? And if it does, is it the exception rather than the rule?"

These are all good questions. The answer is yes, it is realistic, yes it does happen, and yes it is the exception rather than the rule. But don't let this dissuade or discourage you. It doesn't have to be that way.

The reason it is the exception is because...

Most Business Owners Don't Know How To Construct An Effective Marketing Campaign

Newspapers, magazines, internet search engines, television and radio stations: they don't care what's in your ad, they're going to deliver the message to the intended recipient anyway. And if you get one new customer, one hundred new customers or even one thousand new customers, the ad costs are all the same.

It's not how much you spend on the ad that counts. It's not even the media you choose that solely determines your response rate (although media is important, especially taking advantage of new and emerging technologies).

More than anything it's what you do or say in your ad, the trust and credibility you build with the reader, and the offer you make that will determine the response you get.

Why not make the very best offer to those who you've already developed a high level of trust and credibility with, so that you can maximise the return on your investment?

Your existing customers and those who have a history with you have already experienced your way of doing business. Why not develop strong relationships with those who are familiar with how you operate and have enjoyed the benefits of the products or the services you sold them?

Research has shown that...

It Costs 6 Times More To Sell To A Prospect Than To An Existing Client

Acquiring new customers is costly. Many studies have shown that it costs six times more to get a new customer than it does to keep an existing one. Studies also show that it's sixteen times easier to sell to an existing customer than to a new one.²

So why would any astute business owner, manager, salesperson or entrepreneur spend a minute of their time or a dollar of their resources on attracting new customers before doing all they can to squeeze every last ounce of business out of their existing customers?

The truth is, the real money—your profits—come from the additional sales of the products and services that you make to your customers at the “back end.”

If you only sell a limited number of products or services to your customers, or sell to them on an infrequent basis, or if a competitor can duplicate what you sell, your business can only achieve a fraction of its potential.

The economy is getting more and more competitive all the time, and if you don't have additional sources of income, your business could head into financial disaster.

² For further information on repeat sales and customer loyalty, see *The Loyalty Effect*, Reichold, 1999 and *e-Business 2.0: A roadmap for success*, Kalakota & Robinson, 2000.

Why Should Your Customers Do Business With You?

If you really want your business to be as successful as it can be, you've got to continually offer your customers advantages they can't get elsewhere. When you do you'll gain your customer's loyalty, and inspire them to tell their associates about you.

If you've done your job well, your past customers have had a pleasant experience doing business with you. Trust and credibility have already been established. All you need to do is make them an enticing offer.

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 existing customers.

First, you have to get your new prospect's attention with ads, newsletters, emails, telemarketing campaigns, websites and so on. Then you nurture them, hold their hand and walk them step-by-step through the trust building phase. It takes time to get them to the point where they start to have faith in you.

You have to lead these individuals up the loyalty ladder, from suspect to prospect, then on to shopper, eventually to customer, client, advocate and finally, raging fan. All this takes time and money.

But you have to do it because...

The Average Business Loses 19% Of Its Client Base Each Year

This means that you must attract 10% more clients each year just to stay even.

This one simple statement explains why so many businesses are struggling today. Most business owners are good technicians. They know how to effectively produce or acquire the products they sell. And if they run their business efficiently, they manage to get by. But they do it at a level far below where they could be operating.

Gaining new clients is not something most business owners are proficient in.

The cold, hard fact is: most business owners, most professionals, most entrepreneurs, most managers, most sales people, the people responsible for getting new customers for their business enterprise simply don't know how to acquire those customers in an effective manner.

Most business owners depend on ad agencies, sales reps from the Yellow Pages, web designers, magazines, newspapers, radio and TV stations to design the tools to attract more customers.

The truth is reps and sales people don't have a clue as to how to create marketing campaigns that produce measurable results on a cost-effective basis.

Gaining New Customers: It's Critical

For Every 5% increase in customer retention, you can generate a 30 – 40% increase in profitability over 6 to 12 months.

If your business, like most businesses, loses nineteen percent of its customers each year, then that means eighty-one percent of your customers continue to do business with you. If you were to increase that number to eighty-six percent you could enjoy up to a forty percent increase in profitability.

Remember that it costs six times more to get a new customer than it does to keep an existing one, and it's sixteen times easier to sell to an existing customer than to a new one.

When you compare the cost of acquiring customers to the cost of getting your existing customers to repurchase from you, difference is considerable.

How do you increase your customer retention?

How do you get your customers to continue doing business with you until they no longer have any need for your products or services? How do you get them to refer others to you? What are the most efficient and cost-effective ways to do these things?

Cater To People's Differences: You'll Win Customers For Life

Everyone's different, but deep down we are all the same.

Dr Murry Banks, the popular New York psychologist, says that all buying springs from four basic motives:

1. The need to live a full life
2. The need to feel important
3. The need to be appreciated
4. The need for variety and change

Deep down we are all driven by these four motives, even though on the surface each of us may express them differently. For the second motive described above, Dr Banks gives the example of a little boy at the swimming pool who wants to impress his mother, "watch me," he shouts, "watch me!" Without an audience, the boy's achievement will go unnoticed.

While not all grown ups act in a childish manner to get attention and respect, they may try to gain it with big cars, big homes, expensive jewellery and so on. The difference between children and adults is in the methods they use to achieve their goals.

An understanding of human nature is critical if you're in business.

Once you understand what your customers want, you've set yourself up for unlimited success.

Knowing And Selling To A Customer's Needs: A Sure Way To Success

When someone does business with you for the first time, what happens during the transaction? Do you just sell them the product or service they came to buy? Or do you find out more about them?

Do you find out what their business is? How they intend using the item they purchased? What other products or services they might need or be interested in? How many associates they may have that might enjoy the same benefits those products or services provide?

What about other important information you can use to help create additional purchases from them? What about getting referrals from their associates?

The more complete and comprehensive the information in your customer database is, the more you can target individual needs.

A good place to begin, if you don't already have a system in place, is by looking over "The MacKay 66" found in Harvey McKay's great book, *Swim With the Sharks Without Being Eaten Alive*.

Once you have done your research, established your customer's motives, collated all this information and have it on your database, you've got to do something with it. There's no point in having all this information if you don't use it.

“Love ‘em and Leave ‘em” An All Too Familiar Scenario

It's an all too familiar scenario: Companies spend lots of money advertising to suspects with the hope of finding new prospects, people who might be a candidate for what the company is offering.

Eventually some of these prospects become shoppers, and send an email, make a phone call, or stop by the business to inquire further.

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

The business “loved ‘em” enough to get them to make one purchase, then “left ‘em”, never to contact that customer again.

If the company did happen to contact the customer 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 to buy.

The Follow Up: The Most Underused and Overlooked Marketing Tool

The most effective, most cost efficient, 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. 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 wants of your customers.

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.

This one strategy can do more for building your business than just about anything else—and in record time.

If you fail to implement this strategy it will cost you thousands and thousands of dollars in lost business and profits.

An effective follow up strategy is concerned with three sources of customers:

1. Existing Customers
2. Past Customers
3. Potential Customers or Prospects

Existing Customers: The Most Powerful Source Of Profits

People like to do business with people they trust. And since it costs much more to get a new customer to trust you enough to buy from you, it makes sense to spend most of your time, effort and money strengthening relationships with your existing customers.

Here are a few things to consider when developing a follow up system for your existing customers:

1. Determine the number of times you want to contact your clients, and over what period of time. You want them to know that you're thinking of them, and that you have something of value to say to them. The last thing you want is to harass them. You might decide that you want to contact them six times in the next twelve months.
2. Determine the frequency of contacts. In the example in step one, the number of contacts is six over a twelve-month period. Will you contact them every other month for the entire year? Or will it be once a month for the first three months, and then every three months after that? 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. Which method has the greatest chance of attracting attention? Which method is the most cost effective? Which method is most likely to get a response? Is it email? Or mail-outs, e-newsletters, faxes, CDs or DVDs? Each of these methods has an inherent cost, and response predictors. These should be weighed very carefully before launching a new follow up campaign.

4. Determine the purpose of the contact. Why are you contacting these people? Is it to thank them for buying from you? Is it to make them an offer? Is it to ask for referrals? You should know each of your customers and what their dominant motives are. You should know what they've purchased in the past and what they're likely to respond to in the future. Don't waste your time trying to sell someone something they don't need, don't want or can't use.
5. Determine the offer you'll make them. This will depend on who you're contacting, and why you're contacting them. If you have a new product or service your customer might be interested in, you'll want to make an offer that will be difficult to refuse. That doesn't always mean that your prices will be lower than everyone else's. It could mean that this product or service will do more to help them solve a particular problem.
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. If your customer is asked to bear the bulk of the risk, that could have a negative impact on the chances of making a sale. Find out what works the best for the 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 you don't have anything else you can sell your customers, look for other companies who have complimentary products that do not compete with your own. Build joint venture arrangements, and split the profits.

Past Customers: An Untapped Source Of Profits

Every business has customers who have stopped coming back. And there's always a reason. Maybe they've outgrown their need for your products or services. Maybe they've gone to your competitor. Maybe they've moved out of your marketing area. Maybe they can get what they need cheaper online.

At one time these people trusted you enough to purchase from you. It may have been a certain sale or offer that you ran. It may have been your convenient location, or a friend or relative may have referred them to you. Just because they haven't purchased from you again doesn't mean all is lost.

Failing to keep in touch with customers is one of the biggest mistakes you can make.

If you've run your business properly, past customers will remember the way you did things, and the quality of products and services you sold them. And it won't take much to get them back doing business with you again.

But what if you didn't do things the best way? These past customers may have had a bad experience with your business. In this situation, an apology can help mend the relationship, as can an explanation of what you've done to correct the problem.

You can use the same system listed previously on page xvii to determine how best to contact your past customers. You must not let this valuable resource slip through your fingers.

If these customers left you to go with a competitor, it won't be long before they have some kind of negative experience with that competitor. Most businesses are product oriented, not customer-focused.

Your Potential Customers: Knowing Who They Are Can Make All The Difference

Here's one of the most critical questions you need to ask yourself: Do you know who your best prospects are?

Knowing who your best prospects are is just the beginning. Do you know how to find them? 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? Who they spend time with?

If you don't know the answers to these critical questions, you're shooting in the dark. The more you focus on a specific market, the more success you'll have.

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

The truth is, if you're selling to everyone, you're really selling to no one. When you focus on a niche market, you can more effectively address the needs of that market.

If you can single out a certain market segment who is more likely to buy from you, target this segment with your ads, your website, and your marketing efforts.

Y o u ' v e G o t T o A c t

There are many things you can do to make your sales more effective. And they're not difficult. It just takes a little planning, a little thought, and a little creativity. But more than anything it takes action.

O n T h e P l a n s Y o u

C r e a t e

An Action Plan For Success

Once you've set up a database of your existing customers, you need to do some analysis.

- Find out where they live and work
- Look at what types of products or services they buy
- Discern their repeat purchase patterns
- Determine what type of ads they respond to
- Look at all the information that may be relevant to your business

Does the age of your customers, the car they drive, or where they live have anything to do with how or what they buy from you? What about the kind of work they do, or the sector that they work in?

Once you've carefully analysed your existing customers and categorised them according to buying patterns, habits or interests, research your marketplace to find similar individuals or businesses.

The tools for locating specific groups are numerous. Compiled lists can be helpful, as can directories and internet keyword research programs.

Once you've identified your best prospects, you need to use the same steps to follow up with a past customer (outlined previously on page xvii) to make contact.

You should always be testing different offers, different guarantees, different headlines, and be on the lookout for anything that increases your response rate, and be open to using different methods of contacting your prospects.

Clients: Your Greatest Asset

You have to treat your customers with love and respect. You have to let them know that you care about them.

Constantly keep in touch with your customers, and always offer them a better deal (which isn't the same as lowering your prices). Recommend ways to further enhance the advantages and benefits they get from your products and services. Do whatever it takes to make them enjoy doing business with you.

Follow up with your customers, but don't harass them. Develop a plan, an easy to administer follow up system. Always offer your help and expertise, and the value of your relationship with them will move beyond that of the products or services you sell.

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

The most effective marketing strategy in existence.

And if you apply this strategy to your business you will quickly get more customers than you ever dreamed possible, and make yourself a fortune in the process!

All The Tools You Need To Give Your Business A Formidable Advantage

Over the years, the principles at the foundation of iQuantum's business development systems have been used to make billions of dollars for small, medium and large businesses just like yours.

iQuantum has refined these principles into a series of dynamic scientific processes, implemented through the use of cutting edge technology, to meet the challenges facing all businesses today.

Find out how iQuantum can help you:

- **Quickly and effectively increase sales by up to 90%**
- **Craft powerful direct marketing strategies**
- **Counter competitor price-cutting without reducing your margins**
- **Keep customers coming back again and again**
- **Make use of the hidden assets to be found in your business**
- **Advertise for absolutely no cost**
- **Utilize the internet to its full potential**
- **Find, keep and motivate superstar employees**
- **Make your business 100% recession proof in 30 days**

And much, much more.