

MARC GORDON

# THE EDGE FACTOR

TEN PROVEN MARKETING TOOLS  
TO HELP YOUR BUSINESS GET IT  
AND KEEP IT

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available  
online!



# **THE EDGE FACTOR**

**Release 2**

**TEN PROVEN MARKETING TOOLS  
TO HELP YOUR BUSINESS  
GET IT AND KEEP IT.**

By Marc Gordon

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## **I dedicate this book to**

- My parents who gave me unconditional support and always had time to listen
- My wife, Natalie, who supported me when I chose to walk away from an established career and start a new one from scratch
- My kids, Allison and Blake, who remind me daily of what's really important

## About

Whether you're a hands-on business owner who does their own marketing or leaves it to the pros, having a clear understanding of how different marketing tools are used is crucial to your success.

This book presents ten powerful marketing tools that work in today's business world and can be applied to any business in any industry in any economy.

Used individually, these tools will help your business to build client relationships, strengthen market position, and increase profits. Used together, they will give your business the edge over competitors and allow you to become the preeminent source for knowledge, service and product in your industry.

Even if you're just thinking of starting a business, use the ideas in this book to outline a marketing plan that will let you break into the market place at full speed.



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# Contents

Why Your Business Needs the Marketing Edge .....	1
Are You Ready to Read This?.....	3
How to Use This Book.....	6
The 10 Ways.....	8
Unique Selling Proposition .....	9
Free Knowledge .....	16
Coupons .....	21
Bundling.....	28
Guarantees and Warranties.....	31
Email .....	36
Your Web Site .....	47
Testimonials .....	60
Networking .....	63
Referrals .....	68
The Last Word.....	73

# **Why Your Business Needs the Marketing Edge**

In many ways business is a reflection of everyday life. Success and happiness are built on relationships. Surrounding yourself with those you care about and who care about you, such as friends and family, is really no different than your business surrounding itself with valued clients and suppliers.

And while money is a necessary part of life, many people do not rank it as being the most important thing. Even in business, while making money is essential to being able to exist, many business owners make enough to pay the bills, feed their families, and enjoy life. And for them, that's all they would ever want.

But sometimes, in business and in life, we need to overcome hurdles. Whether for personal growth, a job promotion, or to make more money, there are external factors that act as potential obstacles to reaching our goals. In many cases these obstacles take the form of competition - others striving for the same objectives as you. The problem is that there may not be enough for everyone. Their gain may be your loss and vice versa. Sometimes there are limited opportunities available and not everyone vying for them can get them.

So the question is, why you? Why do you deserve to have more when it means others may have less, or even none?

By this point in your life you must know it's not about who deserves it, but rather who can get it. If you look around, you'll notice how, in many cases, the difference between those who succeed and those who fail has very little to do with actual smarts, talent, or skills.

It's about having the edge. The ability to see something others do not and the capability to act on it. This is what separates the successful from the failures. The happy from the miserable.

Every success, both personal and professional, I have ever experienced has been the result of seeing an opportunity and acting on it. But there have also been plenty of opportunities that have passed me by. Some I am glad I did not take advantage of. Others I wish I had jumped at. But that's life. I'm not worried because I know another opportunity is just around the corner.

You see, opportunity does not only knock once. It knocks constantly. People who understand this always have the greatest chance at success, because they are able to pick and choose which opportunities to go after and which to reject.

You can also create your own opportunities. You can do things in your everyday life that will attract the type of people and resources that will bring you whatever it is that you desire.

This is the importance of having the edge. Think of it as an ever renewable resource that can be used over and over to take advantage of opportunities or to create new ones. The more opportunities you create, the more opportunities will seem to appear on their own.

This book will show you how to create opportunities for your business - no matter how big or small your business is, how long it has been around, what industry you are in or whether you sell products or services.

I encourage you to take as many ideas as you can from this book and make them your own. Some you will find useful right away, others you will keep in the back of your mind for when (you guessed it) the opportunity arises.

## **Are You Ready to Read This?**

When I decided to write this book, the first thing I asked myself was “Who am I writing this for?”. Is it for the person pondering the idea of starting their own business with no actual experience or knowledge of marketing, sales, or even what it is they want to offer? Or is it for the seasoned entrepreneur who has been involved in numerous businesses and is just looking for something more to get that competitive edge.

The truth is I wrote this book for every person who understands that effective marketing is what gives one business the edge over another. With all things being equal such as price, quality, or service, effective marketing will elevate a business to levels beyond their competitors.

I like to think of marketing as the icing on a cake. The cake itself represents your business. The products you sell, the services you perform, your location, prices, even you. So if your business is a cake, what kind of cake is it? A rich chocolate fudge layer cake? A wholesome carrot cake? Regardless of what kind of “cake” your business may be it’s the icing that people see first. And that will determine, out of all of the cakes (or competitors) that they can choose from, if they will pick yours.

Some business people pride themselves on being the best “decorated cake”, while others believe the icing is unimportant and that the cake underneath will speak for itself. Whatever your view is, if that’s what’s been working, then stick to it. But for those who find themselves not seeing the results they want, are having trouble growing their business, or who just want to reach new heights, then the ideas presented here will help.

You will notice that none of the usual marketing topics will be covered here. I will not discuss logo design, how to write copy, building a web site, or designing stationery. There are plenty of books and information available on all that.

The fact is I do not encourage any of my clients or you to get in that stuff. After all, you have a business to run. How can a personal fitness trainer have time to train people when they're busy building a website? How can a restaurateur make sure his patrons are taken care of when he's busy designing ads?

There are people who are skilled in doing these things and who do them well. Will it cost you money to have them do it? Of course. But here's something to ask yourself: if you could have two hours added to your day to either perform your core business task, or to design a piece of advertising, what would get you the biggest return at the end of those two hours? Assuming you charge for your products and services and you design your own advertising for free, the answer seems pretty clear.

Some may argue that the time spent designing marketing campaigns and materials is an investment. Fair enough. But then you have to ask yourself 'what is the probable return on that investment?' After all, do you know how to design an effective advertisement, website, or brochure? Are you conveying the right message? Are you reaching the right audience? Is there a way for you to measure response?

There are some business people who have managed to create effective marketing programs in-house. But they are far and few. And in many cases have spent thousands of dollars on unsuccessful campaigns until they finally discovered what worked.

To get the most out of this book, we will make a few assumptions:

- You already have a business with a product or service. Although anyone can read this book at any time, it can be tough trying to market something that doesn't actually exist.
- You already have your logo, business cards, brochures, web site, and whatever else you consider important to being able to communicate what you're all about. While they may not be perfect, at least they exist. Keep in mind that it's never too late to create new marketing materials.

- You are open minded about how to promote your business. Why do what everyone else does? Maybe it's time to zig when everyone else zags.
- You are a people person. You aren't shy or annoying, and people enjoy talking to you. If that is the case, you already have a significant edge.
- You would rather have people come to you asking for your products and services instead of you having to convince them to buy from you.

If you fit these five criteria, then you are already half way there. All we need to do now is empower you with additional knowledge to enable you to make better, more informed decisions about your marketing program.

## **How to Use This Book**

This book is not a step-by-step how-to manual for marketing your business. The truth is no such manual could ever exist. Your business is like no other. Your goals, priorities, and dreams are like no other. So how could any book ever tell how to grow your business without actually knowing you?

Successful marketing is built on the understanding that people are looking for someone to help them satisfy a need. Some needs they know they have, others they may not. These needs may be able to be satisfied with a product, a service, information, time, or simply an answer to a question. Companies that can provide what is needed in an effective and presentable way will always experience the most success.

If you understand this, then everything else is academic. What's key is that you work hard at ensuring that your clients know how much you appreciate them. If you are sincere in this belief, and your marketing reflects that, you will have a huge edge over your competition.

The problem for many business owners is tying it all together. With so many ways of communicating, which one will work best for you? You probably already know. But you're so close to your business that it's difficult, if not impossible, to step back and see the big picture.

This book will open your eyes. Your vision of how you should communicate will become clearer. Your decisions will become more educated and less like guesswork. When working with outside marketing companies, you will be better able to explain to them what it is you want to accomplish. Your campaigns will be more insightful and planned with greater detail. You will be inspired to try new strategies. You will gain more confidence in who you are and how you can help your clients. And most importantly, you will spend more time doing what it is you truly love instead of working on web sites and newspaper ads.

Use this book as a source for ideas. Make these ideas a foundation to build your marketing program. Regardless of your industry, size or budget, you will be able to take what is here and apply it to your own unique situation. Let the examples described throughout this book become your inspiration.

## **The 10 Ways**

Every item that I will describe falls under the umbrella of marketing. After all, marketing is simply the process of informing people about your distinct qualities in a way that gets them excited about buying from you. It does not matter whether it's a sales meeting or a BBQ, the minute you meet someone and they ask you what you do, you are now marketing. Understand that the goal is to market, not to sell.

Now let's be clear about the difference between marketing and selling. Selling is the process of closing a transaction. It's more one-on-one and only deemed successful if the sale takes place. I for one have never been a fan of being a salesperson and avoid it whenever possible.

The 10 Ways to attract clients do not involve selling. Instead they are focused on helping, informing and adding value. These processes will result in people seeking you out to buy from you. They will ask for your products, your services and your knowledge, with payment in hand. In my opinion, this is far from selling and a much more enjoyable way to do business for all parties.

How will doing these things give you the edge? Believe it or not, most businesses do very few, if any, of these things. And many do them ineffectively. This presents a huge opportunity (the first of many you will discover) to satisfy a market that is hungry for knowledge, attention, and appreciation.

By this point you should have a clear understanding of what marketing is, how it can help both you and your clients, and what you can expect to get out of this book. So with that I present 10 secret marketing tools that will give your business the edge.

# I

## **Unique Selling Proposition**

*Regretfully for many companies, the best reason to do business with them is often a reason only they know.*

If you were to stand in line alongside all of your competitors, would you be more noticeable from the others? If you were asked by someone why they should give you their business instead of to someone else, what would you say?

It's surprising how many business owners have difficulty answering that question. In fact, in many industries, it seems businesses work hard to look just like each other. And this makes it almost impossible for most business owners to explain why they should get the business. If they look and act just like every other business, then what is the reason to choose one over the other.

For a business to define itself as something that is above and beyond the others, it must develop a unique selling proposition (USP). A USP is a trait that makes a business more appealing to a potential client relative to other businesses. It is a strength that other businesses don't have (or don't clearly say they have) and is a motivating factor for new clients when deciding where to buy.

An attractive USP can cover almost any facet of the business that impacts on its relationship with its clients. These are some common USPs and how a business might use them:

**Price:** Your business offers the lowest prices in town

**Quality:** You sell the highest quality line of products in your industry

**Selection:** You carry the widest range of products in the area

**Service:** Your business offers around the clock service when others only operate during regular business hours

## *The Edge Factor*

**Guarantee:** You offer a 100% satisfaction guarantee

**Location:** Your business is located in an area that offers free parking and easy access by public transportation

**Knowledge:** You and your staff are extremely knowledgeable and can better assist a client with their buying decisions

**Exclusivity:** A certain brand of product is only available from you

**Customization:** You create a unique product specific to each client

Free shipping: You will ship orders at no charge

One or more of these traits may apply to your business. It's also possible that none may apply. On the surface it may appear (to you) that you are no better or worse than any of your competitors. It may appear that you don't have a USP. But without knowing anything about your business, I'm willing to bet on at least one of three things: First, that you do in fact have a USP that perhaps you aren't giving yourself credit for. After all, you may have been offering something special for so long that to you it has become routine and has lost its distinctiveness. But to your clients, it is something they place a lot of importance on when making a buying decision.

Second, even if you don't have a USP that distinguishes you from your competitors, you probably have a quality trait that although common, may not be effectively marketed. For example, suppose you sell a product that is common amongst all your competitors. You all buy from the same supplier and sell the product for around the same price. The supplier offers a 1 year no hassle return policy on every product they manufacture. If anything goes wrong, your client can return it to you, even without a receipt, and the manufacturer will replace it at no cost to you or your client. Now even though you and all your competitors have this same guarantee, none of them use it as a marketing tool. That means if you were to build your marketing campaign around the fact that you offer a 100% satisfaction guarantee, no questions asked product warranty, you would in fact be positioning yourself above your competitors. You have now established a USP.

Third, you are determined enough to succeed that you can develop

## *Chapter 1: Unique Selling Proposition*

your own USP from scratch. It's not that hard. Start by making a list of every positive trait your competitors have. Cover everything from location, hours of operation, price, quality, service, staff, etc. Some of these you will be able to match or even beat; others you may not. But the goal here is to focus on your strengths and to bring those to the forefront of your marketing efforts. Use the positive traits of your competitors to inspire you to come up with your own list.

Now I'm not suggesting you hide your "average" qualities or even deny them. It's impossible for any business to be everything to everybody. What's important is that you build on your strengths. And it is those strengths that will draw clients to your business.

Developing or discovering your USP is an important process. Most successful businesses, both large and small have been able to promote themselves as having a trait that makes them unique, special, and thus better than the competition.

For a business to succeed, the USP must be genuine and sincere. It cannot be contrived for the purposes of advertising. Marketing a USP that is false or misleading will do more harm to a business in the long run than doing no marketing at all. A false USP will cause you to lose the trust of your clients, and they may tell others about their negative experience. Earning back a client's trust can be the most difficult and expensive task any business can do.

I am reminded of a new car dealer, not far from where I live, that claimed they provided an unmatched level of customer service. In all their advertising they would claim that every customer leaves happy, there are no hassles for warranty work, and their friendly staff. The reality was that their customer service was actually closer to lousy. They were often negatively written about in a consumer advice column in the local paper. So why did they choose that trait as their USP? Because they believed it was what people wanted to hear. The reality was that no one in the company actually bought into it. And, importantly, neither did the public.

## *The Edge Factor*

When choosing a trait that will be the foundation of your USP, you and all those representing your company must embrace it and live it. Obviously this is easier if the trait already exists. But even in this case, while you may be committed to supporting your USP, your staff may not even be aware of it.

As for developing a trait from “scratch”, it’s important to make sure that it is something you and your entire company can support through real actions, not just talk. Your clients will quickly see through any attempts to manufacture a unique trait that is not carried through.

Another thing to be aware of is to provide a USP the appeals to the market. A little market research will quickly tell you what your clients care most about. This is what your USP should be built around.

The best and most effective USPs are the ones that appeal to the needs of the market while reflecting the values of the business. A great example of this approach is Sam’s Club, the warehouse club division of Wal-Mart. At Sam’s Club, a customer can return anything at any time, no questions asked, for a full refund with a receipt. If you don’t have a receipt, they will give you a gift card equal to the value of the item. Every staff member knows the policy and gladly abides by it.

Here’s a great story that illustrates the importance of understanding and implementing a USP. A dentist called me to help him with his marketing. When I went to his office I was instantly impressed with the high level of luxury and attention to detail. Thick carpeting ran through the foyer and into the reception area. Each operatory looked like a living room. Fine wood cabinetry surrounded the patient chair and imported ceramic tile covered the floors. While waiting, patients relaxed in plush leather couches and enjoyed complimentary beverages.

The practice was located in a small plaza in the middle of an upscale residential area. He had been open for around three months and was having a challenging time attracting new patients.

## *Chapter 1: Unique Selling Proposition*

Soon after we started speaking, it was agreed that families were the ideal market to go after. The surrounding new housing developments combined with a low number of office buildings meant there would not be a lot of people coming in during the day. But late afternoons, evenings and weekends could be busy as families would come in after school and work.

I proposed that the practice should be tailored to families. While the interior design was not appealing to kids, there was still an opportunity to attract this market group. If it's one thing I've learned from working with other dental practices, if you can attract the kids, the parents will follow.

The dentist loved the idea. He believed that successfully attracting families would create long term success for his practice. Creating a practice that was appealing to both kids and their families was to become his unique selling proposition.

This is where things got interesting. While redecorating the entire office was not feasible or necessary, I suggested turning an unused operatory into a children's playroom. A television with a video game system, a kid's desk with chairs, and some toys would make a trip to the dentist almost fun for any child.

The idea was turned down. He wanted to keep the operatory available should the practice continue to grow. I mentioned that he already had three working operatories and only two of them were being used. That left him with lots of room for growth before needing a fourth. But there was no changing his mind.

Another idea was to have DVD players installed in each operatory. There were already LCD televisions that allowed patients to watch regular TV, but younger patients would want to watch movies that were appealing to them. Installing players in each operatory and keeping a small inventory of DVDs would allow kids to watch what they wanted.

## *The Edge Factor*

Again this idea was turned down. The dentist believed that since his children enjoyed watching adult shows, all kids would. That fact that his kids were in their early teens didn't seem to make a difference.

I strongly encouraged him to change his hours, staying open more evenings and Saturdays while reducing his daytime hours to help offset staff costs. He explained that this was not an option as he was involved in a number of activities with his kids and wanted to be there for them. While I embrace the importance of family time as well as anyone, I also had to wonder why he would enter a profession where being available to the market was a major key to success. Combined with the fact that his kids were older, it seemed to me he was just more interested in having his weekends and evenings free.

The only thing he agreed to was a “treasure chest” full of small, inexpensive toys. After each visit, a child could choose a toy to take home. As nice a concept as this was, I believed this would not be a contributing factor to his practice being labelled as kid friendly.

I ended up not working with this dentist. His belief in his ability to successfully market his USP on his own made my services, in his eyes, unnecessary.

About a month later I received a post card in the mail advertising this same practice. The card had pictures of families and smiling kids and described how it was a great dental practice for families. On the list of service and features he mentioned the TVs (no DVD players), a kid's play area (a photo showed a small table with some Lego in the corner of the reception area), and the ever-popular treasure chest.

Did all this add up to a family friendly dental practice? Was there a genuine Unique Selling Proposition that separated it from the competition? In my opinion the answer to both was no. But in the end only the market will decide if the message is authentic.

People are surprisingly good at spotting a fake. Even if they continue

## ***Chapter 1: Unique Selling Proposition***

purchasing from the same store or supplier, in many cases it may be more out of convenience than satisfaction. It's important not to allow yourself to get a false sense of security that your business is being everything it says it is. It's a valuable trait for a business owner to be able to objectively see how the business functions relative to its marketing message.

## 2

### **Free Knowledge**

*The selfless act of sharing knowledge and educating others will reap rewards far beyond what money can buy.*

Like the adage about teaching a man to fish, teaching your clients about something they can actually apply is key to getting their attention and earning their trust. In almost every industry, buyers can benefit from things that only their suppliers would know. The problem is that many companies are either nervous about sharing information, are unclear as to what information to share, or how to present the information in a way that comes across more like educating rather than selling.

No one is suggesting that you divulge secret information that could be used by your competition or that will lessen your ability to make a profit. Instead give your audience information they can apply in the way they use your products or operate their business.

Stay away from mentioning prices or promotions in the same paragraph as practical tips and ideas. Keep these things separate - as in totally separate pages. If you have a newsletter with a section called “Tips and Tricks”, just mention things that fall into this category. Leave the promotions for a separate section called “Monthly Specials”.

What’s important is that you give valuable, practical information that pertains to your marketplace. Keep it focused, clear and ideally, short. Depending on your industry, you may include photos, charts, or even a short anecdote illustrating your point.

Typically, there are two effective ways to share information in a way that is presentable and easy to read: print and electronic.

## *Chapter 2: Free Knowledge*

### **Print**

Print is pretty straight forward. A single or double page newsletter letter is considered acceptable. The amount of content you include will depend on the format and size of the letter. What wins out is quality, not quantity. If you don't have enough information to fill a double page newsletter (4 pages in total), then use a smaller format. Often one really useful tip or idea that people can use is all you need. Remember to always include your contact information, your logo, and keep the design and look of the piece consistent from one issue to the next to create a strong and immediately recognizable identity.

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A real-estate agent came to me wondering why she was getting such a poor response from her newsletters. Each month she sent out 50,000 double page colour newsletters on glossy paper through the post office. Not only did her newsletter not produce many calls from people looking to buy or sell a home, many people she spoke to mentioned seeing the newsletter but not reading it. "I was too busy." they would tell her. Or they would make some excuse like it got thrown out by accident before they got a chance to read it.

Together we looked over her newsletter. On the front page there was a big picture of her along with some small photos of homes she had listed. On the inside were five articles with photos. Each article was written in very small type and contained as many as 400 words. The topics covered vacation destinations, small business insurance, improving your golf swing, talking to your teenager and apple picking. On the back were some more listing photos and ads placed by local businesses. These were placed to help cover the cost of printing and mailing.

#### **We discovered these problems:**

The cover of the newsletter gives no indication that there is anything of value inside. If you are not in the market for a home, then there would be no reason to open it. The articles inside were too long and had

## *The Edge Factor*

noting to do with real-estate. The ads on the back were poorly designed and made the flyer look cheap. There was no information about the agent beyond her contact information.

### **Here's what we did:**

We gave the newsletter a name "Home Worth: Insider tips to making your home worth more". The agent's photo was made smaller and inserted to appear as if it was one of the articles on the front page. In addition to the contact information, the agent is described as the area's home worth expert and able to get you the most money for your home. The articles inside are smaller in length, printed in larger text, and reduced to three from five. They cover how-to topics people can follow to increase the value of their home. Listings are included inside with longer, more elegant descriptions.

On the back, there was an offer for a free "home worth assessment". The ads for the local businesses remained, but were now presented as "home worth approved" vendors.

### **This is the result over the following two issues:**

New listing enquiries went up 70%. The homes that were listed in the newsletter sold on average 2 weeks sooner. Visits to her web site increased 20%. The second newsletter directly resulted in 7 new listings.

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## **Electronic**

Electronic newsletters can be delivered in two ways: either entirely contained within an email, or in a web page that people can access through a link contained within an email.

While I personally prefer everything contained within a single email that can be scanned through quickly, having readers click on a link to get to your site gives you greater opportunity to introduce additional information through downloads and promotions. Emails will be

## *Chapter 2: Free Knowledge*

covered in greater detail in Chapter 6. For now we'll just discuss the content of an effective e-newsletter.

Because emails can be sent out for free as often as you want, there is no need to cram them full of information. While a printed newsletter may contain as many as 5 articles, an e-newsletter can contain just one. As with print, it's important to keep content clear, easy to read and to the point. This is especially true when all the information is contained within the email.

If you have a lot of material to cover, I recommend writing one or two sentences briefly describing each topic followed by a link to your site where the complete articles can be read. This will allow the reader to have access to the article that is of the greatest interest with just one click. If you go this route, make sure that each article is on its own page. Do not make your reader have to scroll through pages of text to get to the article. Also, be sure to include links to your main site as well as the other articles. This makes it easy for the visitor to find more information and spend more time on your site.

E-newsletters do not need to be fancy. In fact, the simpler the better. People receive lots of email and if they know yours will be informative and quick to read, they will be more likely to open it. Content is more important than appearance. However, to avoid having your email tossed into the spam folder, make sure your subject line is attention getting and accurate.

People will see your subject line before they actually see the contents of your email. If the subject line makes it look like you're selling something, it probably won't get opened. For example, if you are a carpet cleaning company sending out an e-newsletter showing how to remove stains, you would get a better open rate with a subject line that reads "Three ways to get crayon out of carpet" instead of "Remove stains quick and easy". The first one sounds informative and tells the reader exactly what they will get out of it. The second one sounds like a sales pitch.

## *The Edge Factor*

One of my clients, a new car salesman, decided that emailing his list of clients was an easy way to keep in touch with them. So he created an email that listed special promotions being offered by the dealer along with information about any new models. This email went out about twice a month. Through the email program he used (more on that in chapter 6), he was able to see how many people opened his email. At most he was getting an eight percent open rate. While this might be high for a bulk email, it was low in this case as everyone on his list knew him personally.

### **Here's what we discovered:**

People who received the email would open the first issue, see that it was basically a sales letter, then not open any more as they were not in the market for a vehicle.

### **Here's what we did:**

The newsletter became a single topic format with a maximum of 3 paragraphs.

The topics included how to sell a used vehicle, tips on leasing, insurance coverage, and fuel efficiency.

His contact information was at the bottom along with his photo and a link to the dealership's site.

### **This is the result:**

After seven issues his open rate jumped to over 60%.  
He received 5 new referrals directly from the email.

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# 3

## Coupons

*My dog is worried about the economy because Alpo is up to 99 cents a can. That's almost \$7.00 in dog money.*

*Joe Weinstein*

The job of any coupon is to either get someone to purchase something they would not otherwise buy or to encourage them to buy more than they normally would. This can be achieved by offering a discount on a single product, a discount on multiple products purchased together, or a free product either alone or when purchased with others.

When executed properly, a coupon campaign can bring in new business faster than almost any other type of campaign. Here are some of the reasons I am such a fan of coupons:

- **Control:** You have the ability to choose what the coupon is for, when it can be used, how it can be used, and who gets to use it. No other marketing tool give you this much control.
- **Event specific:** Coupons can be timed to coincide with holidays, sporting events, store openings or virtually anything that people can relate to. This allows you to create a “hook” that gets people’s attention.
- **Distribution:** Coupons can be mailed, delivered door to door, piggy backed with an outside marketing program or publication, given out in person, given out at events, emailed, or inserted in a newspaper or magazine. With so many options, it’s easy to find the right method of distribution to match your budget while reaching your target market.
- **A compound marketing tool:** Instead of giving out coupons directly to potential clients, use them as an incentive for people to visit your web site. Visitors can download a coupon while learning about your company at the same time. Best of all, this reduces your expenses by eliminating printing and distribution costs.

## *The Edge Factor*

- **Mass appeal:** Everyone likes to save money. And the idea of saving money on something they already need (like food for example) will often be enough of an incentive to get them to try something new.
- **Incentive or reward tool:** For many companies, coupons are given out to select clients based on their spending habits. A coupon may be given to a client to encourage them to purchase more than they might otherwise. This incentive is common among industrial or wholesale businesses. For retail, coupons can be used as a way of saying thank you to clients that have purchased a specific product or have spent a specific amount over a certain period of time.
- **Customer Service:** You will eventually be faced with a dissatisfied client at some time in your professional life. And while circumstances may not allow for immediate compensation, a coupon or voucher will show that you are serious about keeping them as clients.

Every industry is different and as such, so are their coupons. A coupon for an upgraded car wash will not have the same monetary value as a coupon for a free session at a tanning salon. However the intrinsic value may be higher. Someone who drives a nice car but doesn't like to tan will likely find the car wash coupon more useful than the free session.

Where most coupon programs fail is in the perceived value they offer. While 50 cents off a box of cereal may seem attractive, 50 cents off a steak dinner is virtually an insult. What's important is that any new coupon program be tailored to meet the needs of the business while appealing to the wants of the market.

Here are some things to think about when creating your own coupon program:

## *Chapter 3: Coupons*

### **Goals**

Ask yourself what you want to accomplish with your coupon program. Attracting new clients, introducing a new product and increasing overall sales are some of the more common goals. However, coupons are also used as a marketing tool to encourage clients to do more than just buy a product. A coupon can be used as an incentive to have clients send referrals, visit your website, or visit your booth at a trade show.

### **Cost**

Decide what you're willing to give up in order to accomplish your goal. For example, a pizzeria might send out coupons for \$5 large pizzas on any Tuesday, their slowest night of the week. Although they may actually lose \$1 on every pizza they sell, they will more than make that up by successfully up selling chicken wings and drinks as additional items.

### **Appeal**

People are hard to impress when it comes to marketing. So make sure your coupons are appealing enough to get their attention. I had a client who opened a new restaurant. Against my recommendations, he did a mass distribution of a coupon that entitled patrons to a free coffee with their meal. As I suspected, this was not enough of an incentive to get people to come in and the entire campaign was a total failure. An appealing offer has to be in line with the overall sales price of what you're selling combined with the perceived value. People have to feel that they're either getting more or saving more than someone without a coupon would.

### **Reason**

Why would someone receive a coupon from you? Would it be a reward? Perhaps as an incentive or a way to say thank you. It may even be a way of saying sorry. Each of these reasons requires special attention and they should not be treated as one and the same. Not only should each coupon be designed differently to suit the situation, but the

## *The Edge Factor*

offer may not be the same either. A dry cleaning shop may distribute promotional coupons offering 2-for-1 specials, but would also have “satisfaction” coupons for a free cleaning or a dollar amount that could be used towards a purchase. These coupons would only be given out as compensation to a dissatisfied client.

### **Distribution**

For a coupon campaign to work, the coupons actually have to get into the hands of the people you want to use them. There are many ways to distribute coupons, each having its own unique traits. What’s important to be aware of is who you’re aiming the coupons at. Different groups will be accessible in different ways.

For example, a hair salon my wife regularly visits decided that they were going to make coupons available on line through their web site. The goal was to have clients visit the site and print a coupon. While visiting, they would input their email address. The salon would use these addresses for future campaigns. On the surface this sounds like a well thought out plan to bring in clients, increase sales, and collect a contact list. But one thing they did not think about was the demographic of their clients. Most of their clients were women over the age of 50. Most of them did not have email addresses. Even fewer had access to the Internet.

From a usability standpoint, how a coupon will be distributed will influence its design. A coupon placed as an ad in a newspaper or magazine should be clear and easy to understand as there will not be much room for a sales pitch. Instead, make the entire ad the coupon and promote the savings first. Instead of the headline reading “Steve’s Fish and Chips”, make it read “FREE Fish and Chips”. This will better attract people’s attention. Under the headline you can then mention the business name, contact information, and any conditions. Coupons designed for personal distribution or as a newspaper insert can be more creative. Their size can be larger, contain more information, and be more effectively used as a self-sufficient marketing tool. Take the

## *Chapter 3: Coupons*

design one step further by making a portion of the coupon a tear-away, perhaps to give to a friend.

### **Conditions and Limitations**

Putting too many conditions on a coupon defeats the purpose of having it in the first place. People will see that coupon as a reflection of your business. If the coupon offer is inviting with few conditions, people will interpret this as a sign that your business is inviting and accommodating to their needs.

If your coupon can only be used on certain days with certain products, purchased in specific combinations and only for regularly priced merchandise, it will end up being a turn off and will in fact portray your business in a poor light.

Although people expect certain conditions on a coupon, such as expiration dates or when the coupon can be used, for instance a restaurant coupon for lunch only, it's vital that these conditions be mentioned on the coupon clearly and in plain English. The worst thing that can happen is when a client is ready to purchase your product or service and presents the coupon, only to be told that their specific purchase does not qualify for that coupon. There's a pretty good chance that you will lose that customer for life. And that will result in a loss far greater than the value of the coupon.

### **Use**

A coupon in its simplest form is a piece of paper that says your client will receive something when a purchase is made. This "something" can be a monetary discount, additional product, or access to an event like a movie or amusement park. The upside to this format is that it is easy for the client to use and that in itself makes it a strong marketing tool.

Coupons can also be used as sales and information tools. For example, Coca-Cola regularly runs promotions where purchasers can receive free music downloads, free products, concert tickets, and special discounts.

## *The Edge Factor*

These offers are available exclusively through Coke's web site, which is only accessible to those visitors who have a pass code. The pass code can be found on various Coke products like bottles and fountain cups. By running this type of program, Coke has turned their actual products into coupons. And by getting buyers to visit their site in order to get the free stuff, they are also creating ongoing opportunities to inform customers about new products and promotions.

Be cautious, however, when creating coupon programs that require multiple steps in order to take advantage of the offer. People are inherently lazy and will not go through a lot of effort to save themselves a couple of bucks.

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A restaurant that had been open for about a year approached me about helping them to increase their lunch-time business. They had no problem getting people in for dinners, but lunch was slow every weekday.

The owner really liked doing coupons. He created one that was visually appealing and had it distributed as bulk mail through the post office. The response was almost zero.

### **When I examined the coupon, here's what I saw:**

The coupons were for a \$5 discount applied to the bill when two entrées were purchased between the hours of 11 am and 2 pm, Monday to Friday, and could not be applied to select "premium" entrées. The typical entrée was \$9 plus any beverage. Although the coupon was professionally designed, the offer was presented in a way that stressed the limitations of the offer rather than the benefits.

### **Here's what we did:**

A new coupon program was created that was a buy-one-get-one-free deal. The headline announced "FREE LUNCH". The conditions were simple: Buy one, get one free of equal or lesser value, lunchtime Monday to Friday, for any entrée on the menu, including a soft drink.

### *Chapter 3: Coupons*

**This is the result:**

Lunch time revenue increased over 40% in the first week of the campaign. And the restaurant still made money because a number of people came in groups of 3 or more and ordered appetizers in addition to the entrées.

On a side note, appetizer sales also increased because we created a table top display with a selection of appetizers for just \$3.99 each.

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# 4

## **Bundling**

*Look at all the money I saved you by buying all these outfits on sale!  
Blondie Bumstead to her husband, Dagwood*

Everyone likes a deal. Even if it's for items they may not otherwise have purchased. If I can buy one item for \$5 and get a second one for just \$2 more, I would be a fool to refuse. Even if I didn't immediately see the need for a second one, with a deal like that I would just hold on to it figuring I will need it eventually.

This attitude is common amongst buyers from virtually any industry, retail or trade. Best of all, it's a win-win for both you and the buyer. For you it means additional sales. For the buyer it means additional savings.

Bundling is the simple act of taking a selection of products or services and grouping them together at a discount. Sometimes referred to as cross-selling, bundling is the easiest way to increase your average per transaction sale with no major effort. It can also be used as a powerful marketing tool to attract new or additional business.

Some business owners shudder at the thought of either giving away or discounting products. They believe that they will actually suffer a loss. The reality is that while they may make less per item, they will actually make more per sale. And that is the ultimate goal.

Let's look at the math to see how you can in fact make more profit per sale by bundling. We'll use hair care products as our example. Say you are selling shampoo and you buy it for \$2 and sell it for \$5, you get \$3 profit. Now let's add conditioner and styling gel. Each one sells for the same price as the shampoo and gives you the same \$3 profit. By selling each item separately, you have a total sale of \$15 with a profit of \$9.

## *Chapter 4: Bundling*

Now let's create a bundle where all three products are sold for a single price of \$12. That's a \$3 savings for the buyer. But now your profit is just \$6 instead of the original nine. Initially this does not look like much of a deal for the seller.

But we have to look at one very important aspect of this transaction. What are the chances of someone buying shampoo, conditioner and gel all at the same time? Most likely they would replace only what they've used up. So by bundling these products together, you have in fact sold more of all three items and made more profit on each transaction.

In addition to making more on each bundle sold, you can leverage your bundle pricing as a marketing tool. By using the bundled offer as a headline in your advertising, you now have "something to say". This means that instead of running an ad for the purpose of simply building awareness, now you can run an ad to encourage a specific transaction. Combine this concept with a coupon program and you have yourself a very strong marketing program.

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A carpet cleaning company approached me looking for something to give them an edge over other cleaners in the area. Upon reviewing local marketing trends, I discovered that every carpet cleaning company distributed their marketing materials door-to-door and essentially offered the same deal – a discounted price when multiple rooms were cleaned during the same visit. While this is a respectable strategy, the fact that every cleaner was offering this same deal reduced its overall effectiveness as it lacked distinction.

While the client wanted to keep the flyer campaign he had been doing for months, he wanted to offer a deal that would make him look more attractive than his competitors.

### **Here's what we discovered:**

Most of his residential clients were not home during the day as they worked. This meant that they wanted their carpets cleaned during

## *The Edge Factor*

evenings or on weekends. Based on some informal surveys, we knew that while clients wanted to be home to let the cleaner in, most of them found hanging around waiting for the job to be completed to be boring and a waste of time.

### **Here's what we did:**

We created a bundle that included a specific number of rooms being cleaned, movie tickets, and a \$20 gift card for a chain of local restaurants. All of this was offered at a single price under the package name of "The Clean Getaway". The idea was presented as an opportunity for a couple to have a night out while their carpets get cleaned.

### **This is the result:**

After just the first mailing, sales rose over 25% with people calling and actually saying "I want a clean getaway." Almost no one asked for the cleaning without the coupons. Even clients who chose to stay in the house during the cleaning loved the coupons and planned to use them later. What was most interesting is that not a single person who called mentioned price. Even though the price was competitive, it was not heavily discounted in order to cover the cost of the passes and gift card.

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# 5

## **Guarantees and Warranties**

*Making the decision to buy something is often hard enough without having to worry about it not actually working.*

Offering outstanding guarantees on your products or services is probably the most economical way to increase sales. Provided your products and services are really as good as you claim it will end up costing you nothing.

By making a strong guarantee and warranty, you are essentially saying that there is no risk to the client. If for any reason they are not satisfied, you will replace the product or give them a full refund. This type of offer is called risk reversal. Companies that offer risk reversal programs to their clients accomplish two important goals:

First, it allows them to separate themselves from their competitors. While everyone else will have small print listing terms and conditions, you will have a no-questions-asked approach. By leveraging your marketing message to emphasize this, you will instantly stand out from the rest.

Second, iron clad guarantees make you and your products appear more reliable. Even if in reality your products are no better or worse than your competitors, the fact that you unconditionally back them up gives the impression that they must be better, at least in the eyes of your clients.

When I mention guarantees and warranties, most of my clients shudder at the thought. Their first worry is that they will get hundreds of calls from people wanting their money back, even if there was nothing wrong with the product. The fact is that hundreds of studies have been conducted from numerous industries, both retail and trade, and the findings are conclusive: Sales will increase at a rate significantly higher

## *The Edge Factor*

than the rate of returns - even taking into account both legitimate and fraudulent warranty claims.

You see, companies that guarantee satisfaction virtually always see an increase in overall sales. And while there will also be an increase in returns, as a percentage of total sales, it will be less. So if you currently get two returns for every 100 products sold, if you're able to increase sales to 200 products, even if you get eight products returned, you have sold an additional 94 products. That's 94 additional products sold at no additional marketing cost to you.

For any program like this to work, it's important to understand the differences between a warranty and a guarantee. Each one is unique in how you use it in your marketing message.

A warranty deals with the workings and functions of a product as they pertain to a set of standards set by the manufacturer. If the product does not meet these standards over a specific period of time, the warranty will clearly state the manufacturer's responsibility regarding repair or replacement. Warranties do not have anything to do with performance, style, or ease of use. In fact it is easily argued that a warranty does not even have anything to do with a product's actual quality.

For example, most digital watch manufacturers offer a one year warranty. If the watch stops working within that time, they will replace or repair it at no charge. However that does not necessarily mean that any watch that works properly beyond the one year is of decent quality. The fact is that we expect to get many years of continuous use out of a watch. One that stops working within two years would be viewed as being of poor quality even though it lasted longer than the warranty period.

The reality is that every industry has its own standards for warranties. Home electronics tend to be one or two years while automobiles are usually three years or more. In fact some products, such as clothing, don't offer warranties at all.

## *Chapter 5: Guarantees and Warranties*

For you, this is an opportunity to create a new and effective marketing program that clearly separates you from your competitors. Can you imagine offering a five year warranty when everyone else only offers two? Or better yet, offering a warranty when others don't at all.

To make any warranty work from a marketing perspective, it must be like a new windshield: strong and clear. A warranty with too many conditions will just end up having a negative impact on how people view your company. For this reason, it's better not to offer any warranty than to offer one that is bound by an unreasonable number of limitations. An effective warranty should meet these criteria:

- **Length of time:** The longer the better. But be sure it is within boundaries you can practically work within. Offering a lifetime warranty may seem like a great idea, but if it results in products coming back years after being purchased, you may be setting yourself up for a lot of expensive repairs
- **Clarity:** Avoid using legal terms. In plain English, explain what is covered, the conditions of use, duration of coverage, and how to handle claims.
- **Claims:** Make it as easy as possible for a buyer to make a warranty claim. Claims that are difficult or time consuming to process will just result in the buyer being frustrated. And this will certainly have a negative impact on your business.

When you have developed a warranty that you are satisfied with and that meets the criteria mentioned above, show it around to current clients or to people who can offer an educated opinion. Can they understand it? Does it make the product more attractive? Does it cover the parts of the product that would most likely wear out first? Use the feedback you get to make the appropriate tweaks and changes.

A guarantee generally focuses on performance. For example, a carving knife that never needs to be sharpened. The guarantee is the "promise" that the knife will remain sharp for its lifetime. Whereas a warranty might cover the actual assembly.

## *The Edge Factor*

Guarantees can cover almost anything the seller wants. However, as guarantees tend to be more subjective, it can be more difficult to formally support any extreme claims. For this reason, most guarantees are based on general customer satisfaction rather than any specific traits. These types of guarantees also tend to be associated with high volume products. For example, most companies that produce pre-packaged foods offer an unconditional satisfaction guarantee. If the buyer is unhappy with the product for any reason, they can return it for a full refund. The manufacturers know a small percentage will always get returned. But since they sell thousands of products, they consider a few returns to be just the cost of doing business.

The same would not be true for an automotive company. No car company would dare sell each vehicle with a satisfaction guarantee as even a return rate of one percent could result in a huge inventory of used vehicles and millions of dollars in lost sales.

As with warranties, guarantees should be in writing and supplied with the product. Depending on the product, sometimes just providing a customer satisfaction phone number is enough. Just be sure to have the conditions of the guarantee available in writing to anyone who asks. This will also be useful to ensure that your staff provides the same level of service to anyone who calls regarding a claim.

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One of my clients is a company that manufactures quilts. They have over 75 different styles and patterns and sell them to the public directly through their web site or to select retailers at a wholesale price.

The problem was that they were having a difficult time getting the message out that their quilts were of higher quality as they were made domestically by hand. This was due to that fact that their larger competitors were making similar claims even though their products were being made overseas.

## *Chapter 5: Guarantees and Warranties*

### **Here's what we did:**

While every manufacturer offered a warranty against defects, none offered a guarantee regarding performance. So I suggested my client begin offering an unconditional money back guarantee stating that if the customer did not feel that the quilt was of the finest quality and softness, they could return it within 30 days for a full refund – no questions asked.

### **This is the result:**

While the client was extremely nervous making this kind of guarantee, they were willing to try it for a short time in an area-specific marketing program.

Within two months, web sales increased 10 percent. Within four months trade sales increased over 25 percent. During that time, returns increased from less than one percent to just over three percent. After six months, they went national with their “quality and softness guarantee”.

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## **6**

### **Email**

*I have always wondered, if email spam were to end on a Monday, would the makers of sexual performance enhancing drugs be out of business by Tuesday?*

Looking back, it's hard to believe it wasn't that long ago when people were excited to receive an email. AOL subscribers were even treated to a voice that said "You've got mail" every time an email was received. Can you imagine if your computer did that today? Chances are it would never stop.

For marketers, email has evolved into both a blessing and a curse. On the plus side, email can be sent to as many addresses as they choose as often as they want, at little or no cost. Email can be plain text or graphically rich and have links to selected pages or sites. Additional files can also be attached such as price lists or product information. And from an environmental perspective, there is no paper or materials used in the production or distribution.

On the down side, email is often viewed with disdain by those who receive it. Your emails, as "useful" and "relevant" as you may believe, may end up getting lumped together amongst the emails for discount drugs and hot stock tips. One click of the mouse can often result in your emails automatically ending up in a spam folder, never to be opened again.

So what happened to change people's attitudes towards receiving emails? Over time, two things started to impact on why and how emails were opened.

First, people began to get emails from people they didn't know. This was due in large part to list building and opt-ins. Simply put, you might receive an email from someone you know offering a special

## *Chapter 6: Email*

offer or free item. You would then forward this email to your friends encouraging them to take advantage of this great deal. They would then click on a link within the email to visit a site where they would have to input their email address to get the offer. The result was that now they were on an email list.

The second impact on email open rates is spam. Today, in addition to opt-ins, most spam comes from “bots” that roam the web for email addresses that are shown in directories, social networking sites, and blogs. In fact many spam lists are built from people who submit their email addresses in order to be removed from spam lists.

By 2000, spam was a fact of life and continues to grow in volume. If you're looking for continuously creative subject headings, just take a look at some of ones used by these guys. Many have evolved from the blatant sexual performance product offers and stock investment opportunities to more “legitimate” headings such as “Your sales report is due” or “Your account status has changed”. And while these may get opened initially, once the reader realizes that are in fact spam, they will quickly delete them. This makes it all the harder for marketers to send targeted, applicable information to their lists.

The good news is that there are ways of creating and distributing emails that will not only get opened, but actually result in action. This action could be a click through to your web site, the downloading of a file, the email being forwarded to another, a call made to your company, or even a sale.

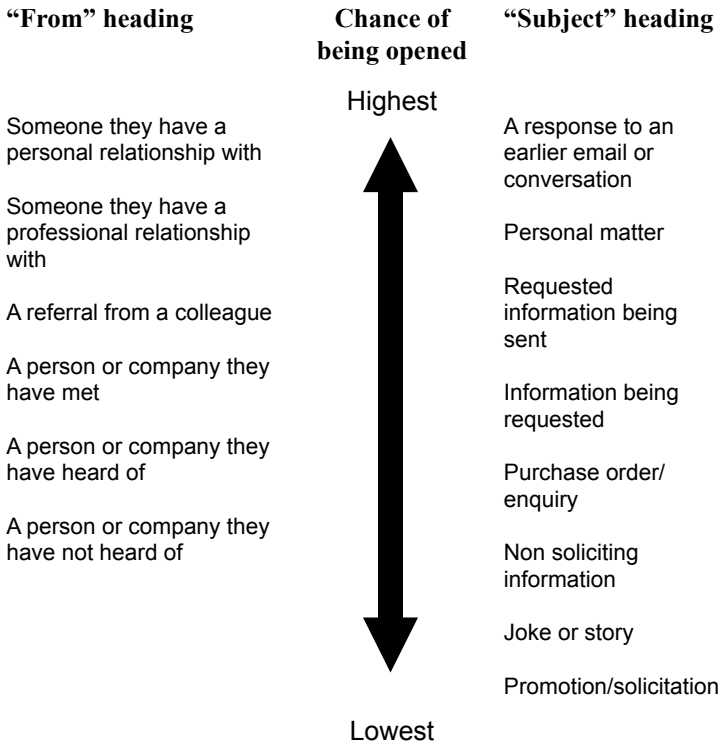
Effective email marketing programs consist of two components: the email itself and the action that takes place as the result of reading it.

For this chapter, I will thoroughly discuss how to develop a list of recipients, create an effective email, and how to distribute it. The details of tying an email to your site and what should be included on your site will be covered in Chapter 7.

## *The Edge Factor*

To understand how to create an effective email, we must first understand what mindset the recipient will be in when it arrives in their inbox. Most business people receive dozens of emails a day. And thus, even ones that are not considered spam may still get deleted or not immediately read due to time constraints. Initially, all a recipient will see is who the email is from and the subject. These headings are crucial to getting your emails opened.

This chart shows the relationship between the “from” and “subject” headings and the likelihood of having an email opened.



## *Chapter 6: Email*

As you can see, finding the right combination of “from” and “subject” is key to having your emails opened. That is a main reason why sending email is a numbers game. Current industry statistics say that the average open rate is between four to 20 percent. The open rate of my own emails sent to those that know me is around 60 percent. For those that do not know me, it’s around 15 percent. According to most statistics I have come across, these seem to be respectable numbers.

### **Developing your recipient list**

Compiling an email list can generally be done by at least one of five ways:

**1. Create a list from your own list of contacts**

This is the easiest way to create a list quickly. One advantage is that these are recipients who know you and will be more inclined to open your emails. However depending on how long you’ve been in business, your list may be relatively small. Although there is no standard as to how large an email list should be, it is not unusual for many quality email lists to be in excess of 10,000 addresses.

**2. Have someone share their list with you**

If you have a friend or business colleague who does not view you as a competitor, they may be willing to share their email list with you. Of course they may also want your list in return. Keep in mind though that quantity does not guarantee quality. See if you can find out some information about the list names such as industry, income, gender and geographic region.

**3. Purchase a list**

There are lots of companies that will sell you email lists. I did a quick search on Google for “email lists” which resulted in over 19 million listings. Some sites will sell you a list of industry specific email addresses. These lists may also include additional information such as names and companies. You can then import these names into an email program or email web site (More

## *The Edge Factor*

on that in the next section). Other email list sites will provide you with access to a list, rather than the list itself. These are commonly referred to as opt-in or permission-based lists. They are made up of emails of people who have agreed to receive additional emails covering topics or offers that are of interest to them. These could include special offers, product information, or sales. The owner of the list would send out your emails on your behalf. Fees are usually based on a per-use basis and are typically around \$1,500 for access to 10,000 addresses. The accuracy of either of these lists generally cannot be verified, so do your homework before purchasing a list.

#### **4. Build a list through your web site**

This is by far the most effective way to create a list of addresses belonging to people who actually want to receive your emails. Generally, it works by having a small form on your site that visitors fill out. The information inputted could include name, company, country, and of course email address. The speed that this list will grow will depend on the number of visitors to your site and the percentage of them that choose to submit their addresses.

#### **5. Manually build a list**

This method involves manually seeking out the email address of people you would like to add to your list. You can do this by calling them and asking for their email address, finding their email address on their web site, or even seeking them out through ads in the Yellow Pages. The advantage to this method is that you will be able to create a list that is specifically targeted to your market. For example, you could easily create a list of every renovation company in New York, restaurant in Toronto, or clothing store in Edmonton. A big disadvantage to this method is that it is extremely time consuming as each address is collected one at a time. And even after you have the list, there are no guarantees that the recipients will even open your email as they may not know who you are.

## ***Chapter 6: Email***

Keep in mind one very important point. Regardless of what method you use to build or acquire a list, any email that you send out to someone who has not given you permission to do so is considered to be spam. Over the last few years, numerous countries around the world have introduced anti-spam laws. These laws have been created in large part to protect people from emails that make fraudulent or misleading claims for the purpose of collecting personal information.

There are also numerous spam filtering software packages on the market that may prevent your emails from reaching the recipient. Finally, if your Internet provider notices emails going out to large numbers of addresses at one time, you risk being flagged as a spammer. This could result in email servers refusing any of your outgoing emails.

The best way to avoid these problems is to make sure that

1. recipients either know you or are from a permission-based list
2. all recipients have the option to opt-out, (remove their name from your list)

### **Creating an effective email**

As mentioned earlier, the “from” and “subject” headings are the first things a recipient will see prior to opening an email. And it is these headings that will often determine if your email gets opened or sent right to the trash folder. For this reason, let’s look at these components first.

First off, there are no proven formulas. Every industry has its own informal standards of salutations. For example, a subject that says “new products for spring” may get the attention of a landscaper, but get dismissed by an auto mechanic. And even within these groups there are always the personal likes and dislikes of the individual recipients. For these reasons, it is important to test different headings and monitor the number of openings and how many readers click a link to your site (referred to as the click rate).

## *The Edge Factor*

I have always believed that honesty is the best policy. Especially when it comes to emails. With all the spam emails written to fool us into thinking they're from an old friend, a bank, or notifying us of a contest we've won, it is more effective to say who you are and what you're about. Over time, this method will also result in more of your emails being opened as the recipients will come to trust the quality and sincerity of your content.

For the "from" heading, use your own name first. After all, that is how people know you. Regardless of whether the recipients know who you are, they will take notice of a person's name before a company's. The thought is that if you are using your full name, then there must at least be some degree of legitimacy to your emails.

Some people feel it is essential that their company absolutely be mentioned in the "from" heading. Perhaps their company is so well known, that mentioning its name will ensure the email gets opened. In that case, I would suggest you add your company's name after yours, separated by a hyphen.

What should be included in the subject line has always been a source of debate. Some claim that catchy phrases that capture attention will make the recipient want to read more, and therefore open the email. Others prefer a more direct approach, simply stating the content or subject matter.

A survey done by mailchimp.com found that simple (some would even say dull) subject lines received the highest open rates. "COMPANY NAME Sales and Marketing Newsletter" was ranked as number 1, receiving as high as an 87% open rate. This was followed by such headings as "May 2009 News Bulletin!", "COMPANY NAME Newsletter – February 2009" and "Attention COMPANY NAME Staff".

Some of the headings resulting in the lowest open rate were "COMPANY NAME Holiday Sales Event", "The Future of

## *Chapter 6: Email*

International Trade”, “COMPANY NAME - Spring into May Savings”, and “You Asked For More”.

Does this mean your subject headings need to be boring and dull? Not necessarily. As I mentioned earlier, every industry has its accepted norms for what renders an email worthy of being opened.

Speaking from my own experiences, I have sent out hundreds of emails over the years on behalf of companies I’ve owned or work for. This has allowed me the opportunity to test and retest many kinds of subject headings.

So what have I learned? What key piece of wisdom can I share with you to ensure that the majority of recipients will open your email? I wish it were that easy. The challenge is that the attitudes and mind-sets of readers changes so quickly, whatever I could possibly tell you today will be out of date by next week. And that does not even take into account the trends within your specific industry.

What I can pass on are some ideas and points to think about next time you’re working on your subject line for a mass email. And while I still regularly try new techniques, I often refer back to this list to make sure I stay on the straight and narrow.

1. Create your subject heading last, but spend just as much time on it as you did for the body of your email.
2. Avoid sounding like you’re offering a “great deal” as this will make your email appear to be spam.
3. Never use the word FREE.
4. Avoid using phrases like “Hey there”, “What’s up” and “Check this out”.
5. Make sure your subject line reflects the true content of your email.
6. Describe the content of your message in simple terms avoiding fancy jargon.
7. Don’t try to be funny.
8. Don’t send attachment files such a pictures or documents.

## *The Edge Factor*

9. Avoid embedding photos in the body of the email.
10. Give all your subscribers and opt-out option.

### **Email Content**

An email's content will vary depending on the type of email. Sales letters, newsletters, interoffice memos, personal letters, and informational letters will all be written differently and in different styles. So instead of telling you how to write an effective email (there are books that cover just that), I will lay out some guidelines that will increase the chance of your emails getting read.

- Get right to the point, people do not have a lot of time. Forget long anecdotes and examples. If you think there's too much information to fit in an email, write a few sentences letting people know what it covers, then provide a link to your site or blog page that will have the full content. I like to keep my emails that are newsletters around 400 words. My sales newsletters are around half that.
- Provide some knowledge to your readers. A piece of advice or some technical knowhow will go a long way towards adding value to your emails and making people interested in reading them.
- Include a call to action. If your emails are sales based or if you're just trying to increase click-throughs, make an offer. This can be in the form of a special price, a giveaway, or just a really valuable piece of downloadable information.
- Use a regular font like Arial or Times Roman in a single colour. Avoid using fancy fonts that may not load properly, multi-coloured text that is hard to read, and overuse of underlines, bolds, and italics.
- Unless you're writing a technical letter, use everyday, common

## ***Chapter 6: Email***

words. Emails with big words are visually harder to read and no one will be impressed with your mastery of the English language.

- Never send your email immediately after writing it. Wait at least a day, and then come back to it. Show it around to select people for proofreading and input.
- I strongly discourage any business owner from mass emailing jokes, funny stories, chain letters, requests for charitable donations, or anything else unrelated to their core business. In addition to some readers possibly finding what you sent to be offensive, the fact is that you are a business first and should operate at a level of professionalism beyond that of an individual.

### **Distributing your email**

As mentioned earlier, sending single emails to large numbers of recipients, be they permission-based or not, may get you flagged by the servers as being a spammer. How? Every Internet service provider has a team of administrators that monitor emails coming in and out of their servers. Large numbers of emails that originate from a single source on a regular basis will get noticed. If these administrators feel that the source of these emails is a spammer they will prevent any future emails from that source to enter their servers. Over time, you may not be able to successfully send out emails to anyone.

To avoid this potential problem, there are companies that will handle email distribution for you. Their servers are designed to send out emails in a legitimate way that does not alarm email administrators. In addition, these companies can also provide you with a number of tools that let you design professional looking emails, manage mailing lists, and view reports of who opened your emails and who clicked through to your site.

There are a number of companies that can provide this service including Constant Contact, iContact and Bronto. All of these

## *The Edge Factor*

companies charge a fee for using their services, so I encourage you to compare both features and pricing.

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A local auto body shop in my area has done a fantastic job of generating new business through emails campaigns. Best of all, it takes him almost no time or effort to maintain this kind of marketing program. Here's how he does it. In his conventional print campaigns that include some flyers and print ads, he says that new clients can get their oil changed for just twenty dollars. But to take advantage of this offer, people must visit his site. Once there, they are prompted to enter their email address to receive a coupon for the twenty dollar oil change. Using an email management company, the email addresses are automatically collected along with any additional information he wants from visitors such as the make of their vehicle and what city they live in. This information is contained in a database he can access and download anytime. Once a visitor enters their information, an email with the coupon is automatically emailed to them. They just print the coupon and bring it in.

He is then able to use this email list to send emails containing additional coupons, car care tips, or anything else he believes his subscribers would find interesting. This continuous form of communication has resulted in repeat sales, referrals, and greater trust and loyalty from his clients.

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# 7

## **Your Web Site**

*There are over 120,000,000 unique web sites. Each one owned by someone who feels they have something of value to offer.*

Can you believe there was a time when many business owners could not understand the value of having a web site? That's because they did not understand how to use it; therefore they could not understand how others would use it.

In some ways, not much has changed. While most would agree that every business needs a web site, there is still a lot of confusion about how to effectively use it as a marketing tool.

In this chapter I will cover two main areas of corporate websites: the purpose and goals of a site, and some design fundamentals to keep in mind. Although I will not be covering the technical aspects of web design, I will be sharing with you some key things to think about when developing a new site, or using your current one within your marketing program. This will make you more prepared when either building your own site or working with an outside company to design it.

Clients often ask me if they really need a web site to succeed. I believe that it depends on the type of business they're operating and the kind of marketing they want to do. The fact is, for most small businesses, a web site is not the deciding factor in whether or not they succeed. For example, word of mouth is far more influential than even the best designed site. With that, I tell anyone that it is better to have no site than a poor one.

## **What your web site should accomplish**

A web site is the most unique marketing tool ever created. While it has the ability to present a dynamic and ever changing message, people (or visitors) must actively seek out your site to receive that message. Unlike posters or billboards that are in open view of anyone in the area, web sites are “buried” amongst the millions of other sites all vying for attention.

Getting people to visit your company’s web site can be a job in itself. Being listed on search engines like Google, MSN and Yahoo is a start. There have been dozens of books written on generating web site traffic and the art of search engine optimization (SEO). I myself have written an article about SEO for a popular computer magazine. You can download this article titled *Appeasing the Search Engine Gods* for free from my own site at <http://marcgordon.ca/articles.htm>.

From my experience working with clients from many different industries, I would have to say that SEO is more important if you are a web-based business or a business that uses the web as the primary tool for generating new business.

But for most small businesses where products and services are delivered personally, many other marketing tools can be just as, or even more effective, than a web site at generating new business. For these kinds of businesses, a web site should be viewed as one of many tools in your marketing toolbox, rather than as the most important one.

A well thought out web site can help you inform, promote, and communicate with your market place. Current clients can use your site as a way of learning about new products and services, or finding out about special offers and promotions. Prospective clients can learn more about the advantages of buying from you over your competitors, what products and services you offer, and how to contact you.

Beyond the obvious information about you, your business, your

## *Chapter 7: Your Web Site*

products, and how to contact you, one very key component is appearance. Just as you would not want to shop in a messy store or eat in a dirty restaurant, a cluttered, confusing and visually unappealing web site can do more harm than good. For many visitors, your web site may be their first point of contact with you. What do you want them to see?

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I have a client who is a tire and wheel retailer. He knew the design of his site was rushed and poorly thought out. Very little information was offered and much of it was out of date. The graphics and layout made it challenging to navigate and visually unprofessional.

### **Here's what we did:**

We created a list of everything that he wanted his web site to accomplish. This included providing technical information, links to manufacturers' sites, an email capture form, a staff directory, and notice of upcoming promotions. We then developed a new design based on his market and the look of his store.

### **This is the result:**

The new web site is graphically rich and any page can be accessed with one mouse click. Small photos of all the staff along with their email addresses are organized on a single page. A Q&A page features a list of questions with each answer just one click away. There is also an email capture form for list building. A discount coupon is sent to each visitor that signs up.

Within three months, the number of visitors to his site grew by over 300%. A generic Google search for tires resulted in his store being listed in the top five. His email list went from 60 names to over 600. Best of all, through online only promotions, he was able to attribute a sales growth of over five percent.

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## *The Edge Factor*

Ask yourself these questions to see if your web site is doing all it can in helping your business succeed.

1. Is the information contained within your site the kind visitors are looking for?
2. What is the purpose of your site? (to sell, to educate, or to promote)
3. Are the messages contained in your site in sync with the rest of your business?

### **Things to think about when it comes to web design**

It has often been said that beauty is in the eye of the beholder. To an extent, this also holds true for web site design. However there are still a number of design fundamentals that should be adhered to in order to give your web visitors an enjoyable user experience. After all, every visitor is just one click away from leaving your site forever.

In this section, we will review some basic design principals. I will not cover the technical aspects of web design. Nor will I be suggesting whether you or someone else should design your site. Regardless of which route you choose to take, the more you understand about what makes a web site “work”, the greater your chances of creating your ideal site.

Let’s go back to the original concept about beauty. This can be a very touchy subject when it comes to web design. Colours, fonts, photos and layout are as personal and individual as the person choosing them. Anyway, who is anyone to tell you that a blue border is better than a green one? Well, what if I told you that every element of your web site is crucial to your site’s overall effectiveness as a marketing tool?

It’s true. Something as simple as a border colour can impact the entire web page and affect how your business is perceived. Of course this also applies to things such as the photos you choose, where you place them, the font and colour of your text, how much text you have, plus

## *Chapter 7: Your Web Site*

everything else like backgrounds images and tables.

For example, I once met the owner of a renovation company who chose to design his own web site. He explained to me that his company did very high end work and wanted to appear as such. For that reason he chose black as a background colour as he felt that black was sophisticated. He also had many of photos of himself and his staff working on projects, so visitors could see that he was a hands-on owner. All of this sounded like the ingredients of a well thought out site and I was eager to visit it once I got back to the office.

When I viewed his site, it did not seem to match the words “high end” or “sophisticated” that he used when describing his site to me. The background was solid black. The text was white with dark blue titles. Each photo was at least half the size of the page. The navigation bar was down the left side of the page and was grey text on dark grey buttons.

Regardless of whether I liked his choice of colours, the site was poorly laid out, hard to follow, difficult to read and visually unprofessional. The fact was, from a marketing standpoint, his site was anything but professional and did not effectively portray his company as the high end, sophisticated image he wanted.

Is this harsh assessment my personal opinion? Of course it is. But it is also based on a knowledge of how design and colour impacts on people’s perceptions.

Believe it or not, certain colours and layout formats say a lot about your business. While that does not mean that your choice of font will directly impact on someone’s decision to buy from you, it may say something to them on a subconscious level. Even worse, if your competition has selected a more effective font, it may directly make your site look relatively poor by comparison. And that will end up impacting your business, negatively.

## *The Edge Factor*

So where do you begin? There are countless different ways to design a web site. Beyond the obvious colour and layout choices, you can stick with basic html or use any number of multimedia tools such as flash or video. Unless you actually plan on making web design a key part of your business activities, I would suggest you enlist the help of a professional web designer. Any good designer will be able to work within your budget to create something that is visually appealing and easy to navigate.

But that does not mean that you cannot have some say in the design and layout. In fact most designers will welcome your input as it provides them with direction. The more you know and understand about web sites, the better you will be able to communicate what exactly you're looking for in a corporate site.

Here are some things to think about when planning the design (or redesign) of your next site:

### **Colours and layout**

For argument's sake, let's assume you already have a company logo, business cards, and stationery with a certain degree of continuity between them. They all have common design elements that let people know they all come from the same company. While this is both important and relatively straightforward when it comes to printed materials, much of it will not apply when it comes to your web site design.

For starters, do not try to recreate your letterhead or business card within your web site. In many situations, colours that look great as the background of a business card will be distracting when filling a computer screen.

It is not important that your site look exactly like your other materials. The Internet is a different medium and should be treated as such. Use colours that are easy on the eyes and complement your existing corporate colours. If you're not sure how to integrate these colours,

## *Chapter 7: Your Web Site*

using a white background with your own colours accenting the page will be effective. For example, if the colours used in your other materials are dark blue and dark grey, then you can make your site light grey with light blue trim such as borders or some table backgrounds. Another option would be a white site with dark blue and dark grey trim, such as the colours of text headings or borders.

Two key points are important: First, your logo should appear somewhere on each page exactly as it appears in your other materials. Second, your site must be visually clear and easy to read, regardless of colours you use.

There's nothing wrong with "white space". This is the space around text and images. Placing objects too close together can result in a cluttered page that is visually difficult to read, especially on a computer screen. White space allows the viewer to catch their breath by taking in the information at a slower rate.

Depending on the size and resolution of the visitor's computer screen, your site may take up the entire screen or just a portion. Since you will have no idea who is viewing your site, it is generally good practice to assume a lower resolution.

Many years ago, when everyone was using 14 or 15 inch monitors with an 800x600 resolution, web sites were designed to fit within these dimensions. If a site was any longer or wider, the visitor would have to scroll down or to the right to view more of the page. The result was web sites with limited space for content on each page.

Today most users are using at least a 17 or 19 inch monitor with a resolution of 1024x768. In fact, it's not uncommon for computer users to have wide screen monitors 22 inches and greater. For this reason, most designers have chosen to increase the typical page size to accommodate these newer monitors.

## *The Edge Factor*



*The monitor on the left is an example of what a web site might look like on a 22" screen with a resolution setting of 1024x768. Compare that to the 17" monitor on the right with the same settings. Well designed sites will appear correctly on virtually all sized monitors with minimal vertical scrolling and no horizontal scrolling.*

However, having been involved in the design of hundreds of sites, I still prefer designing a site within smaller dimensions. Unless the client asks for something specific, I will design a site with a maximum width of 900 pixels. Generally, I am not too concerned about the height as it will be influenced by the content, combined with the fact that most people do not mind scrolling down.

## **Content**

You are not required to include every piece of marketing material you've ever created into your web site. Unless you have a catalogue of goods or sell directly on-line, most of the time a few pages covering what you do, some company information, and how you can be contacted is enough.

What's key to giving people a reason to visit and explore your site is to offer something of value. In most cases, this can be in the form of knowledge; some useful, practical, and relevant piece of information that visitors can take with them. (Look back at Chapter 2)

Providing useful information accomplishes three key goals in strengthening your marketing position. First, it helps establish you as

## *Chapter 7: Your Web Site*

an expert. After all, experts are smart. And nothing makes you appear smart, even smarter than your competitors, than providing knowledge. Second, it adds validity to your company. While other companies may choose to tout their virtues, providing genuine, non-biased information makes you the real deal. And third, providing knowledge will allow you to find your way into people's minds and their hard drives. When people download your whitepaper, article, e-book or essay, not only will they read it, they will most likely keep it either in print form or on their computer. This type of "mental penetration" is invaluable and can never be purchased through conventional advertising.

### **Number of Pages**

How many pages should a website have? In theory you really only need one page to have a web presence. But of course you want more than just that. What's important to keep in mind is not how many pages your site has, but how easy it is to navigate through those pages.

A few years ago, the rules of web design said that visitors should be able to find anything on your site within two clicks of the mouse. While sites have gotten larger and visitors have become more experienced at browsing, this two-click limit is not as important as it once was. However two to three clicks is still a good goal to shoot for.

Minimizing the number of clicks needed to find a page accomplishes two things. First, it forces you to keep your site lean. Too many pages and sub-pages result in bloated sites that turn off visitors. Second, it makes for quick navigation. This allows visitors to find what they're looking for faster and keeps them on your site longer.

While needs are obviously different between small and large companies, some site pages tend to be common to both.

**Home Page:** this is the first thing people will see when arriving at your site. Keep a clean design, minimal text, and a clear descriptive navigation menu.

## *The Edge Factor*

**Products/Services:** a simple page listing your products and services. For complex products or services with lots of options, you may want to have a separate page for each. Another alternative is to have downloadable files containing additional information and specifications. Keep in mind that every product sub-page should have a quick link to get visitors back to the main product page.

**About Us:** this page is your opportunity to talk about you and your company. Talk about your company's history, your staff, service policies, etc. Keep things objective. Avoid using phrases like "the best in the industry".

**Contact Us:** all you need is your contact information. Address, staff directory, phone numbers and emails can all be included on this page.

### **Forms**

Forms are a great way to pull specific information from your visitors – providing they are willing to share it. By asking for specific pieces of information, you can learn a lot about those that are, or could potentially be, your clients. What's important is that your form be organized, not too long, and that you provide a reason for someone to fill it out. Registering for technical support, to receive a coupon, or for additional information are just some of the reasons a visitor might want to share some personal information through a form.

### **Flash**

Nothing brings a site to life more than Flash. On the flip side, nothing can turn off visitors more than Flash. Flash is a programming language that allows for a virtually unlimited combination of animation, sound, graphics, applications and video all wrapped in a user interface that can rival the coolest video games.

When executed properly, Flash can provide an exciting visitor experience and make a web site stand out from the competition. When done poorly, Flash can be a slow, boring experience that will drive

## ***Chapter 7: Your Web Site***

people away from your site, never to return.

Besides the technical knowledge needed to create a Flash-based site (or a regular site with Flash components), a sense of style is also needed to ensure that it adds to a visitor's experience rather than ruining it. From a financial perspective, Flash programming tends to be considerably more expensive than html.

Updating Flash based sites can also be more costly and time consuming as even the smallest change can require major editing of code, images, and various files.

### **Video**

Like Flash, video can bring a site to life or kill it. The choice of whether or not to have video depends on the overall content of your site. For example, someone who is a singer may want to show a sample of their performances. A video game company may want to show samples of the game screens. And, of course, the web site for a movie will want to show its trailer.

Problems start when people choose to post videos of themselves performing their given profession – no one wants to watch a plumber install a sink, unless it is an instructional video on a how-to site. The other thing to avoid is posting You Tube video on your site that you find interesting or relevant. Unless it's actually you in the video and it is directly relevant to your business offering, it's probably not a great idea. Filling a site with other people's content only weakens your own.

### **E-commerce**

If you have a product to sell, you may want to consider making it available for purchase on your site. Getting started with e-commerce is relatively easy. There are dozens of companies that can set up an on-line store for you, provide you with the tools to set up your own on-line store, or simply provide payment options that you can integrate with your own virtual catalogue.

## *The Edge Factor*

What's crucial to the success of your e-commerce goals is that you make it as easy as possible for people to purchase from you. Have a "buy now" button next to every product photo or listing. And make sure the shopping portion of your site is well organized and easy to navigate.

A successful e-commerce site will always be supported by off-line advertising. Mention your on-line store in your ads, on business cards, flyers, etc.

## **SEO**

Search Engine Optimization (SEO) is the process of integrating certain design and coding traits into a web site to make it more "attractive" to search engines. The belief is that if you have a site that meets the criteria of a search engine friendly site, you will appear higher on search results. The big question is, what are these coding traits? The fact is that no one really knows. The search engines keep this information to themselves to avoid having site designers employ tricks to get their sites artificially ranked higher.

What I can tell you is that all the search engines do say one common thing: sites that contain useful and relevant copy with active links to other sites and from other sites are viewed more favourably than those that do not. Simply put, if you ensure that within your copy there is mention of your business name, products and services, you will be more attractive to the search engines than those sites that do not.

Here is an example of some copy that was taken from a retailer's site that sells appliances:

*Visit our store, where you'll find over 6,000 sq. feet of quality appliances. Our knowledgeable sales people will help you find the right appliance that meets your needs and budget.*

While this copy reads well, it does not contain any key elements that would contribute to the site being more appealing to a search engine.

## *Chapter 7: Your Web Site*

Here is the revised copy keeping in mind what search engines look for: *At Graham's Appliances, located in downtown Calgary, AB you will find all makes and models of kitchen appliances from leading manufacturers such as General Electric, Panasonic, Whirlpool, and Bosch. Whether you need a stove, fridge, microwave, dishwasher, or a small counter top appliance like a toaster or kettle, we offer five star service, fantastic prices, and free delivery.*

As you can see, the second paragraph contains a number of “key words” that would be more attractive to search engines. Thus, when someone does a search for an appliance store in Calgary selling Bosch dishwashers, this site will come up higher in the search results than a site with text containing less specific descriptions.

### **Updating**

How often your site needs to be updated has a lot to do with the type of content and how often people visit it.

For example, if you have a site that sells replica uniforms of pro sports teams, you would probably want to keep it updated so that featured products coincide with the right season and perhaps with teams that are especially popular at a given time during the season. This could involve the site being updated as often as every few days.

On the other hand, if your web site is simply a source of technical information about the products you sell, then it stands to reason that you would only need to update it when the number of products you sell increases.

When it comes to site updates, there are generally two ways to go about it: doing it yourself or having a design firm or webmaster do it for you. If you have a relatively simple site and have some experience with html, you could easily do many updates yourself. However in the case of more complicated sites, or sites that require a number of regular

## *The Edge Factor*

updates, you may benefit from having an outside person do the job for you.

After all, you have better things to do with your time than updating a web site, don't you?

# 8

## **Testimonials**

*When you say good things about yourself, it's boasting. When others say good things about you, it's an endorsement.*

I have never met a business owner who did not think they were the best in their industry. After all, when was the last time you heard a business owner proudly declare that they were the third best place to buy from?

And while it's great to believe in yourself and have confidence in your business, the simple fact is that no one wants to hear about it. If your clients didn't think you were all that good, they wouldn't be buying from you in the first place. As for the people you are trying to reach, well they won't believe you anyway. Especially since your competitors are probably making the same claims themselves.

So whose word really matters? Whose opinion will carry the most weight in influencing the buying decisions of your market? Your current clients, that's who.

By using testimonials in your marketing materials, you accomplish two important things. First, you are letting people know that you are an established business because you are demonstrating that you actually have existing clients. Second, you are indirectly letting people know how great you are.

When other clients speak highly of you or your company, it adds legitimacy. It comes across as objective, unbiased, positive experiences that others are willing to share.

I have found asking for testimonials to be quite easy. Most clients that enjoy dealing with you will be more than happy to speak of their experiences. The problem seems to lie with them actually doing so.

## *The Edge Factor*

While some will take the time to write a lengthy and heartfelt testimonial, others will just never be able to find the time. For your time-challenged clients, you may want to offer to write the testimonial yourself and submit it for their approval. In most cases they will gladly allow it.

Whether someone has committed to writing a testimonial for you, or is willing to let you write one on their behalf, it's important to know what pieces of information a testimonial should contain in order for it to be effective.

- 1. The relationship they have with you or your business.**

The testimonial should open with the details of the client's relationship with you and your business. This would include what services or products you supply and the length of the relationship. Details of how the client first found out about you could also be mentioned.

- 2. Briefly mention a positive experience or a negative experience that you turned into a positive one.** This is the "short story" part of the testimonial. In a couple of sentences give a brief outline of a specific experience that emphasises you or the quality of your product or service.

- 3. Describe how they have benefited from dealing with your business.** Depending on the type of product or service you offer, you may not need to include this item in your testimonial. If you choose to, make sure it is objective. Provide numbers, dates, anything that adds validity to the claim.

- 4. Finish with a thoughtful and sincere statement.**

This is the feel good part of the testimonial; a personal statement basically saying what a swell person you are. Make sure it's brief and not over done or people will think your mother wrote the testimonial.

Here is an example of a great testimonial that was written for a client of mine that did on-site office equipment repairs:

## *Chapter 8: Testimonials*

*Atex Equipment has been making sure our office equipment works perfectly for the last three years. We knew they were the right company right from our first service call. Our colour copier went down the morning of a big presentation. We had to be up and running within an hour. Atex came right away with the parts and fixed it fast with no mess left behind. Since then, we have saved hundreds of dollars in repairs by taking advantage of Atex's service plan. It's nice to have found a dependable, professional repair company we can count on. Thanks Atex!*

## 9

# Networking

*The most boring word in the English language is “I”.*

Networking is defined as the exchange of information for the cultivation of productive relationships for employment or business. In other words, talking to people about what you do in hopes that one day they will send some business your way.

Believe it or not, there was a time when the term ‘networking’ did not exist. People just talked to each other about common interests, politics, sports, and, of course, careers and professions. The amount of business that was generated through these informal discussions was substantial enough to make people take notice.

Eventually, something that once came naturally to people was now being turned into a science. Networking “experts” started telling us how we could increase our business by changing the way we communicate with people. We were all told to come up with an “elevator pitch”, a 30-second rant about what you do and why people should buy from you.

Although business people had been networking for decades through such organizations as a local board of trade or chamber of commerce, networking specific events started to crop up in the 1990s. These events were either hosted by a specific group, such as BNI, or by just a gang of business people who wanted to expand their circle of contacts.

With the advent of the Internet, networking took on a whole new level. Hundreds of social and business networking sites now exist, each one aimed at a specific group or industry.

So where do you fit into all this? How do you know which meeting to

## *Chapter 9: Networking*

attend, web site to join, or even what to say when given a chance? As there are dozens of books written on the “art” of networking, I will only cover some specific networking environments and how best to use them to help you grow your business.

### **Social Networking**

This is by far the easiest and most common type of networking. You may have done this already. It’s as simple as having a conversation with someone new. It can be at a convention, a social event, on the bus, anywhere. A couple of years ago I started chatting with the guy sitting next to me on an airplane. While I did not get any business from him, he referred two others to me.

The trick to successful social networking is not to sell. So many business owners will answer the question “so what do you do?” with an entire sales presentation. This is a major turnoff and a quick way to end any conversation.

Dale Carnegie once said that the best way to make friends is to take a genuine interest in others and get them talking about themselves. And this is exactly what I would encourage you to do.

By listening to others you will learn more about them. From this you will have a better understanding of whether or not they could even benefit from your products or services and if so, what beliefs or attitudes they might have that would impact on how you present ideas to them.

As an example, I once met a dentist at an industry convention. We started chatting and he asked what I did. When he learned that one of the services I offered was web design, he started to go on at great length about how he did the web site for his practice himself. “I would never pay someone to do something I can do myself,” he said. He had bought a book on web design and spent a few evenings creating his site. I listened intently, knowing any question I asked regarding his design

## *The Edge Factor*

skills would be taken as an offence to his overall intelligence.

After his rant, I told him that his site sounded really great and I would be very excited to see his work. The truth is that his site sounded awful, but I was very curious to see it nonetheless. He gave me his site address and we continued to talk about a number of non-business related subjects. At the end of the conversation I gave him my card and told him that if he ever had a question that his book couldn't answer, I would be more than happy to help him out the best I could.

Two weeks later he called me wanting to discuss some changes to his site. I ended up redoing his entire site and he has since referred many of his colleagues to me.

### **Networking Events**

Networking events attract a special kind of crowd. Those that attend know what the event is about. There is no confusion as to its agenda or purpose. These events have the potential to be great sources of contacts both socially and for business. I have personally met many individuals who have become suppliers, clients, colleagues and friends. But networking events can also be challenging for some people.

If the event is industry specific, say an event for home renovation companies, there's a good chance that you will not find any new clients. After all, everyone in the room does exactly what you do. While these types of events are great for making new industry contacts, if you're looking for new business, I would suggest you attend events that take place outside of your chosen industry.

Don't count on anyone leading you by the hand and introducing you to key decision makers. It's generally every person for themselves. So if you are shy or have trouble striking up conversations, you may find yourself spending the event surrounded by people, yet still alone.

Be prepared to encounter people who try to aggressively sell you their

## ***Chapter 9: Networking***

products and services. Even worse, you may find yourself doing the same. This is the fastest way to ruin whatever benefits may come out of attending a networking event. If you only take one piece of advice from this chapter, it is do not treat networking events as sales conventions.

The fact is that even if people want to buy what you're selling, they don't want to do it there. And neither should you. Even if someone wants to do business with you at an event and is ready to sign on the dotted line, do not close the sale right then. It will only cause you headaches afterwards. A room full of people, many with a drink in their hand, is no place to be closing business deals.

If someone is interested in doing business with you, simply take their business card and call them the next day. I guarantee that if they are no longer interested in buying, then they were never that serious in the first place.

### **Networking Websites**

Sometimes referred to as Web 2.0, networking web sites are a great place to spread your name. However I would encourage you not to get your hopes up too quickly as to what the return will be.

There are hundreds of social networking sites. Some are more socially based, such as Facebook or MySpace; others are more focused on business, such as LinkedIn and Plaxo. All of these sites are free to join and allow you to post information about you and your company. They also allow you to join groups of colleagues, friends, or anyone else that you think you may have something in common with.

Does being listed in a networking site bring you business? Rarely will you get an email from someone who came across your profile and based on that has decided to buy from you. However depending on your business, you may benefit from having more people see you and learning more about you. And this could potentially lead to enquiries. In addition, if you have a blog or website, having yourself listed in

## *The Edge Factor*

various networking sites will tend to draw more traffic. It's also an easy way to communicate with your groups letting them know of new products, services, blog entries, or just to share relevant information.

While the lure of the Internet as a networking source may be exciting, you should not allow it to become your main networking tool. The fact is that almost three quarters of all word of mouth interaction takes place face-to-face.

The effectiveness of networking is also dependant on your ability to build relationships. And this is best done in person and through continuous contact beyond mere emails. Getting out and meeting new people is your key to networking success. This will lead to growth in business. I encourage you to attend as many networking events as possible in the beginning. Attend with the goal of just meeting new people, not making sales. If you start to bump into the same people from one event to the next, all the better. Remember their names, their interests and their careers. There's nothing wrong with walking into a crowded room and having a large number of people know you. It adds to your value as an expert source and will lead to others wanting to seek you out.

# 10

## **Referrals**

*A compliment paid to you deserves a thank you. A compliment about you made to others deserves your attention.*

Word of mouth (WOM) is by far the most effective form of marketing. To have people voluntarily refer others to you is far more effective than any paid campaign could ever be.

The problem for many business owners is how to get more referral business. Many experts have come up with unique ways of asking for referrals. “Would you happen to know anyone who could benefit from the services I provide?” is a common line many owners are encouraged to use.

How effective this method is, is open to debate. I for one have never felt comfortable asking clients to rhyme off names of people who would be ideal clients. In my opinion, it puts your clients on the spot and makes you look desperate for business.

Another method is to encourage existing clients to send you referrals by offering rewards. Health clubs often make prizes available to those members that send in referrals. One referral gets you a gym bag. Three referrals may get you a bicycle.

I have never been a fan of soliciting my clients for referrals or trying to buy them. I believe clients that have had a genuine positive experience dealing with your company will share that experience with others, on their own terms. This holds true regardless of any incentives or rewards that are offered.

So does this mean you should not show appreciation for people who have sent you new business? Absolutely not! There’s a big difference

## *The Edge Factor*

between asking for a favour and saying thank you. In fact I encourage you to create a complete and systematic referral program. Let me explain.

Let's say you own a company that is heavily dependant on referrals, such as a hair salon or dental practice. When new clients come to you, what information about them do you get? Depending on your business, you may have a standard set of questions you ask each new client such as name, address, or insurance information. But are you asking how they found out about you? This question should be asked to all new clients, regardless of what business you're in.

Depending on the contact software you use, you may be able to track referrals. If not, there are a number of referral tracker programs available online. These will allow you to not only monitor where new clients are coming from, but also which clients are bringing you the most referrals.

With this information, you can now implement a referral thank you program. Simply put, this is a formal process of saying thank you to those who have referred others to you.

So how do you thank someone for sending you business? It really depends on the kind of business you're in. For example, a salon may send out a thank you card with a coupon for a free manicure. Since an average sale may be around \$50, giving a manicure worth \$15 is not unreasonable. Especially if you factor in how much you will make off of the lifespan of the new client.

On the other hand if you sell manufacturing equipment where an average sale could exceed a million dollars, you may want to spend considerably more as a way of showing your appreciation for the referral.

That's not to say that the amount you spend on a thank you gift should be tied directly to the value of the sale. Keep in mind that these are

## *Chapter 10: Referrals*

tokens of appreciation, not commission payments. In most cases, the person referring others to you is doing it as a selfless act. This makes the gift all the more sincere, regardless of its monetary value.

Knowing how much to spend on a referral gift can be challenging. Although it would be impossible to give specific dollar amounts, there are a few things to keep in mind.

1. **Do not overspend on a gift.** Not only will this cost you more, it will actually devalue the gift as it will start to take on the form of payment, rather than appreciation.
2. **Never send cash.** Again, this will make the gift appear more as a commission or kickback and could lead to some legal issue depending on the industry or policies of the company you are sending it to. In fact some industry groups, such as real-estate agents, do not allow referral gifts in any form to be given out.
3. **Do not give promotional items.** These are any products with your company name on them such as hats, shirts, golf balls, coffee mugs, etc. These are marketing tools and should only be used as such. Save them for promotions, trade shows, and incentive programs. When you give someone who has referred you business a promotional item as a thank you, what you are in fact saying is “thanks for using word of mouth marketing to help me get more business. Now I’m going to use you in additional ways to get me more business.”
4. **Do not send conditional coupons or offers.** Someone I referred business to was thoughtful enough to send me a coupon for a local restaurant. The problem was that the coupon had a bunch of conditions attached to it. I could only use it Monday to Thursday, I had to purchase another meal to get a free meal, and it was only up to a certain value. This is not the way to say thank you. If you really want to show your appreciation for a referral, do it in a genuine way. Give a gift that does not come with restrictions.

Gift cards to local restaurants, movie theatres and attractions are a great gift. I personally like them because they have no restrictions, are easy

## *The Edge Factor*

to mail, and are usually available in varying amounts.

Sometimes you will have a client who continuously sends you new business. At first you may send them something based on the value of the referral. But how do you follow that when there is a second, third and fourth referral?

While there are many schools of thought on this, I am going to share two approaches with you that I have found work well both for me and for many of my clients.

The first is what I like to call small and often. This is ideal for businesses where referrals are many and frequent. Salons, landscaping companies, house painters, and auto mechanics are just a few of the types of businesses that fall into this category. These referral thank you gifts would be small, maybe around \$5-\$20 in value. Gift cards and movie tickets work well. What's important to note is that the amount of the referral card should always remain about the same, regardless of the number or types of referrals. While a gift would not be sent out for every referral, these low value gifts should be sent out on a semi-regular basis. Again, every industry is unique and the amount and frequency are different.

The second approach is pyramiding. This is a cycle of having the referral thank you gift start at a specific value, and then increase in value each time a new gift is given. At a specific point, the gift returns to its original value and the cycle starts again.

This approach is more suited to referrals that are less frequent but usually result in a higher sale. New car dealers, industrial equipment companies, building contractors and accountants are just some of the types of companies and professions that may use this referral appreciation process.

For example, a building contractor might only take on five or six jobs per year. Each job could last a few months and be worth over a million

## *Chapter 10: Referrals*

dollars in sales. A referral that leads to a sale is worth a lot to the company and they are eager to show their appreciation. Choosing to give a gift instead of cash (see point number 2 from the previous page), they give the client who provided the referral a voucher for a meal for two at the best restaurant in town. The total value of this gift is \$200.

A few months later, they get another referral from the same person for another million dollar sale. This time they arrange for a couple's day at the spa. The total value of this gift is \$500.

Not long after, a third referral from the same person brings in another million dollar sale. This time the referral gift is theatre tickets and an all expenses paid weekend at a fancy downtown hotel. The total value of this gift is \$1,500.

The next referral received from this same person will be rewarded with a gift of approximate equal value to the original \$200 voucher. Then the cycle will begin again.

Although the value of the gifts will be about the same, they do not have to be identical each time. The reason this is done is two-fold. While the person referring you the business will appreciate the increased value of each gift, they will also come to understand that the value of a referral gift does not continuously increase forever. After all, these gifts are simply ways of saying thank you, not a form of compensation.

The length of the cycle for this type of program should be between three and four levels of value. As with the previous method, the value of the gifts will depend on the industry and the amount of the sale the referral leads to. While the final referral gift in our example was valued at \$1,500, which may sound like a lot, it represents less than two tenths of a percent of the value of the sale that resulted from it.

## **The Last Word**

No single marketing tool will bring you success if it is not used correctly. In many cases using a marketing tool correctly means using it in cooperation with another. Like the ingredients in a recipe, they work together to create something special.

While many people may encourage you to “think outside the box”, do not dismiss what is inside that box. Do not close your mind to traditional marketing. Remember the importance of a business card. The impact of professional letterhead. The effectiveness of a catalogue or brochure.

Today so many business owners look to new trends as the key to their success. They would much rather spend time and money developing a web site or writing a blog with the belief that people will line up in front of their store ready to buy. Regretfully that is never the case.

The most successful marketing campaigns are created with an understanding of what the market wants and how best to explain that you’ve got it. This may be as simple as an effectively worded ad in the yellow pages or a well-designed flyer in the mail.

I have seen many companies prosper with no web presence. I have also seen others fail because they concentrated all their marketing efforts on only having a web presence.

Regardless of what industry you’re in, effectively marketing yourself is an important part of your success. Assuming your product and price are in line with your competitors, marketing may be the only way you can define yourself as being unique.

One of my clients owns a company that transports exotic vehicles all over North America. When I first met him, he believed that having a strong on line presence was key to his success. He poured lots of

## *The Last Word*

money into his site. He had a blog and had joined a number of business networking sites. And yet he was unable to grow his business.

Why? What was he doing wrong?

He did not understand the importance of combining different types of marketing tools that work together. He was so focused on using new methods that he passed on traditional approaches that have proven to work for so many different industries, time and time again. In fact, most new marketing methods work even better when used in combination with established, traditional ones.

The problem for this business owner was that people had no reason to seek out his site or read his blogs. He believed that having a web site was enough. I suggested that he use his site as a tool to support other forms of marketing. Together we found a number of exotic car clubs in the area. We also put together a promotional package aimed at exotic car dealers. Personal selling and speaking engagements combined with his site and blog helped him to reinforce his unique selling proposition (see Chapter 1). As a result he was able to increase his business by over 30% in just a few months.

Avoid being swept up in the excitement of new marketing methods to the point that you forget about the established, reliable ones. They are simply tools like any other. And knowing what tools to use and how to use them together will always produce the greatest results.

*Download the bonus chapter*

## **Congratulations!**

You now possess a level of knowledge that few business owners have.

You know how to identify your unique strengths and qualities, understand the elements of an effective web site, create an interest generating email campaign, offer creative promotions, and most importantly, be able to tie all these things together.

But we're not done yet! As promised, I have one more chapter for you. This chapter, titled Alliances, covers the importance of creating relationships with other non-competitive companies and industry associations. This type of business model has benefited companies of all sizes from countless industries. And it can do the same for you.

Visit this address to download it:

<http://marcgordon.ca/bonus/bonuschapter.pdf>

In addition to this bonus chapter, I will regularly be sending you notice of new articles, marketing ideas, and best of all, new posts on marctv.

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Thank you again for purchasing The Edge Factor. I hope it becomes a dependable source for marketing ideas that will help your business thrive.

Marc