

31. Your Marketing Plan

Putting it all together!

This Course has provided you with a wealth of information on marketing, advertising and sales. Now what you need to do is use this knowledge to develop your own personal Marketing Program.

Before starting this course, you were likely wondering what tools and methods might be available to market your business. Now, after going through this far, you might be feeling somewhat overwhelmed by everything that can be done to help you market your business. It's a lot to take in. You were probably intimidated the very first time you glanced through your first schedule, too.

This chapter will give you guidance on using the information that you have learned in developing a workable, market-effective marketing and advertising strategy to get you started on your business and keep it growing as you progress.

Establishing Objectives

- In establishing your long-term goals, four elements are required:

1. A written statement of what you want to accomplish.

A written statement of your goal.

A specific time frame in which you plan to get there.

It must be yours, not anyone else's.

Let's say for example that your long-term goal is to build your business to a \$2,000,000-per-year enterprise. \$2,000,000? More? There are many services that do that kind of sales volume.

Is that really your long term goal or is that target based on someone else's established criteria. Is that target something you feel is personally attainable and something you believe is a measurement of success? Or is it based on a latitude of accomplishment established by someone else? While it's true that it helps to have some measurement as a bench mark, what someone else has done or thinks can be done isn't necessarily the epitome of what we can (or can't) accomplish as individuals.

- Assuming, for a moment, that \$1,000,000 is the long-term goal you have set for your business, the next thing you need to establish is a specific time frame in which you intend to achieve this goal. If we use the figure of \$3,000 per year per regular client as an average, this translates to needing 333 regular customers in order to achieve this goal. The question now becomes, how quickly can you build that 330-client base?
- If, for example, you successfully executed a plan to attract and retain an average of 8 new regular customers every year, and at the end of your first year you would have a base of 800 clients. At an average annual value of \$3,000 per client, your sales would be generating an average of over \$5,700 per week. By following this growth pattern, depending on your client retention, you could be generating over \$10,000 per week in a few years. In other words, you could be entering your second year with a customer base which could translate into sales of over \$1,000,000 in sales in your third year.
- Is \$1,000,000 a realistic objective for a cleaning business? Well, there are household cleaning businesses that do more than that. We're aware of household cleaning companies that do more than \$40,000 per week. No, that is not the average sales of a cleaning business; not per month, not per year, that is the goal of a business of \$1,000,000. What is your goal? What is the goal you set for yourself? What is the goal you need to attain and that you truly believe you can accomplish if you need to write a marketing plan?
- If you have been working at attaining your long-term objective, your first step is to determine your break-even point in your business. In other words, you need to build your business to at least break-even as soon as possible. This needs to be your immediate, short-term goal.
- If indeed your regular client has an annual value of \$3,000 and your break-even is attained when your sales reach \$4,000 per week, if your average advertising cost is \$120 you will need to attract and retain about 133 new regular clients to achieve this first objective.
- While your own client acquisition cost has yet to be determined, you should budget about \$150 as your client acquisition cost. If it turns out to be lower than that, great.
- You now have the basic elements required to plot your written marketing plan for attaining your short and long term goals. Just like any game plan, it is subject to change from time to time and adjustments need to be made accordingly.

- To help you attain your long-term objectives, your written plan will contain short-term objectives. A short-term objective, for example, will be to enact a program that will, in the above illustration, generate and retain those all-important 3 new biweekly customers per week.

Before You Develop Your Marketing Game Plan

- Before attempting to develop your personal marketing plan, it is absolutely necessary that you first set your financial goals and the time frame in which you intend to accomplish them. Even if your goals are not clearly defined, you need to outline them and be prepared to modify them in order to develop an appropriate and effective marketing plan. The more clearly defined your goals are, the easier it will be to develop and alter your written marketing plan as you follow through.
- Failure to adhere to these essential foundations will result in wasted marketing efforts, inconsistent results, poor return on investment, and a complete loss of time and disappointment.
- Embarking on an advertising campaign, for example, is foolish if you are not properly prepared to handle the consequences. If there is no one to answer phone calls, you have not defined the steps we recommend, and you do not have a budget, you are only be throwing away money.
- Break your work year into four quarters. Break your year into 4 quarters, each consisting of 3 months. That's exactly how the "big boys" do it. Then, break each quarter into advertising and promotional activities. Some activities, such as direct mail campaigns and other forms of advertising, may require more advance planning than others. Set aside a little time every week reviewing the advertising from the past week and planning and implementing activities for the following week and the coming month.

The Objective of Your Advertising

The primary objective of your advertising is to generate inquiries, or leads. Just like the objective of advertising headlines is to raise interest to get the prospect to read the advertising copy in the ad, so is **the purpose of advertising to get the potential client to call you to find out more about your service.**

- The effectiveness of your advertising, then, should be rated on the number of inquiries you receive, not on the amount of sales you make. If you get inquiries, your advertising has done the job it was intended to do; if you fail to convert those inquiries to bookings for quotes, and/or fail to convert in-home quotes to customers, that is not the fault of your advertising.
- When planning your advertising strategy, keep in mind that what you are initiating is a "lead-generating" campaign. An advertiser's job is to sell the customer on calling you; it's job is not to make a sale for you.

Advertising Response Expectations

- More often than not, new advertisers are extremely disappointed in the results. Just because you have posed and set up a campaign on a newspaper ad doesn't mean you're going to get a response. The hook or that people will be looking for you at the door with money ready to take from you.
- If you think that you can get 1,000 door hangers or mail out 1,000 *FREE* or *HOME* brochures and that you can now go and get a lot of people, you're apt to be sorely disappointed. While you may have had response rates as high as 2% or 3% with the much higher than normal rate of response. The average response ratio of between 1% to 1.5% for door hangers; even less for mailings.

By the time you have one regular customer for every \$150 of advertising, you will have a realistic bench mark from which to measure the effectiveness of your advertising. If your actual cost per regular customer comes in at less than that, great; you're ahead. If it works out to be \$200 per regular client, that could still be a 33% over the coming year; still an acceptable advantage during your early development stage.

Advertising Effectiveness

To determine how effective your advertising is, you need to know

1. The Inquiries-to-Appointments Made Ratio.
2. The Appointments-to-Sales ratio.

- Obviously, the more proficient you become at converting inquiries into appointments, and appointments into sales, the better return you are bound to get for your advertising effort.
- The goal you should strive for when planning your advertising strategy is to:
 - a) Convert 80% of inquiries into quotation appointments.
 - b) Convert 75% of quotation appointments into sales.
- Overall, this would translate to converting 60% of all inquiries into sales, or about 6 customers for every 100 inquiries.

Lead Cost vs. Sales Cost

- As an illustration, let's say you invest \$900 in advertising in a given week. This could have been a proportion of used in direct mail, hangers, newspaper, direct mail, mail only, or a combination of these methods.
- Let's assume that as a result of your advertising investment, you receive 100 telephone inquiries. Your "lead cost" would, in this example, be \$9 per inquiry.
- If you convert 80% of inquiries into "bookings", your "cost-per-appointment" would be \$11.25 per booking.
- If you convert 75% of your 80 bookings into clients (*sales*), you would have 60 sales with a sales cost of \$150 each.
- If you increase your attention to your effectiveness rate, and as a result, you book 4 appointments out of those same 100 leads, your lead cost is still \$90 per inquiry but your cost-per-appointment has now jumped to \$225. If you closed 25% of those 4 appointments, your cost-per-sale would now be \$900.
- Obviously, in both examples your advertising did the same job. What halved your effectiveness was the ensuing difference in booking and sales.
- The examples also highlight the value of a "referred" lead. It should also point out the importance of treating each incoming telephone inquiry with the reverence you should. Missing a call because you forgot to turn the answering machine on when you're away from the

phone, or not having an answering machine at all, are very costly mistakes

- *NOTE: It is critically important that you track your source of inquiries using the Telephone Inquiry Log. Over a period of time, you can determine how many leads and customers resulted from each source and also determine your cost of leads and customers from each source.*

Your Initial Advertising

- From the standpoint of accounting and tax purposes, all of your advertising expenses are considered a "operating expense" for your business. When launching your new endeavor, you must view all of your initial advertising efforts as a necessary investment because advertising will assist the business in getting off on a longer term path.
- For example, we would advise that you should consider making a capital investment in advertising during your initial launch period. There are many dollars to be made to create awareness and as a result, you should invest in advertising.

Launching Your Advertising

You will need to invest in advertising for an initial 13-week campaign, that you should determine to invest in Initial Advertising (approximately \$10,000) to get your new business up and running.

It is important to implement some form of advertising each and every day. In the implementation, it is important to begin tracking results for each media as accurately as possible. If one media appears to be more fruitful than another, you can adjust your advertising needs. However, it's important to give each media a fair chance to accurately measure the results. Always remember that each media supports the other. Your direct mail works better when supported by newspaper advertising, and vice versa.

To determine a higher rate of return from a particular part of your area, don't be afraid to repeat your marketing effort periodically within that district. There is a saying in direct-mail circles that, for maximum impact, a minimum of 7 impressions is required to achieve optimum results. Of course, we have already discussed the

need for frequency of “impressions” in our various discussions on media advertising.

- The important thing to remember is to advertise consistently. Have something going every week and attempt to plan periodic supplemental campaigns.
- It’s going to take a little experimentation on your part to learn which methods work best, and in what combinations in your market. Just remember that advertising and marketing activities are important to the growth of your business. You can have the finest service in the world but...if nobody knows you exist...you are not going to do very much business. It’s as simple as that!

SAMPLE