

## Test the Market and Measure the Results

If you're operating in a competitive market, your best bet is probably a marketing plan which includes some kind of advertising. But dropping an ad in the local paper every few months is unlikely to bring the hoards to your doorstep.

To advertise in small business you need to keep ahead of the competition and be flexible. You have to be prepared to continuously change and evaluate how you advertise.

There is no correct form of advertising. There is no rule that says this type of advertising works best for this type of business. Different types of advertising suit different businesses, and even if it worked well one time it might not work the next time.

This means it's up to you to test the market and evaluate the response to see which is the most suitable means of conveying your message to customers and potential customers.

## Who is your target audience?

By all means try out different forms of advertising - ads in papers or industry magazines, ads on radio, direct mail drops or newsletters to customers. But work out who are the people most likely to buy your products or services. What magazines or newspapers would they read and what radio stations would they listen to? You're not going to advertise baby gear in a car magazine, but would you advertise cars on a teenage radio station? They might be interested in the cars, but is that your target audience?

Test the market by choosing one medium at a time rather than everywhere at once. If you include a promotional offer that is unique to a particular advertisement, then it's easy to measure the effectiveness of the ad. Customers will call you or come to see you because of what they have seen or heard on the ad. You can then record the number of enquiries about that particular offer.

Next time try another medium - magazine, newspaper or newsletter - and see how that goes. You'll quickly get an idea of the best advertising medium for your target audience. But that's not the end of it. You have to be flexible to change tack the next time if a particularly successful campaign suddenly bombs.



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## Change the words

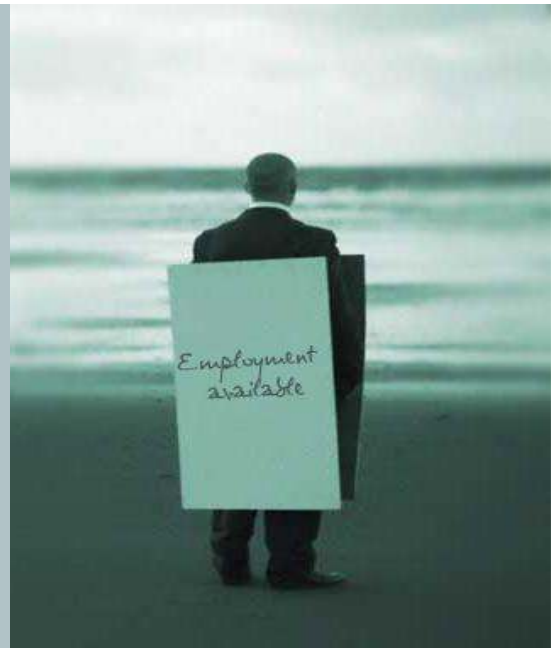
If you've tried different media and you're still not getting a great response, look at what the ad is saying. It might only need three or four words changed or a change in the headline. Different headlines can go a long way to making the advertisement more effective.

Try using words such as 'money', 'save', 'easy', 'love', 'free', 'new', and 'proven' - some of the magic words of advertising.

## What's in it for me?

There must be a strong 'What's in it for me?' component in the advertisement to make the person act. People are not going to act on an ad, a newsletter or a mail drop if you're just telling them about your company. There's got to be something beneficial to them, something that's going to make them take action.

Don't forget you can attach a special promotion to all sorts of events during the year, such as the business' birthday, Valentine's Day, Easter, Mothers' and Fathers' Day, major sporting events and so on.



## Next Steps - Plan Your Advertising

Good advertising can do wonders for your business, but don't rely on just one strategy. Be flexible and try out a variety of methods - test the market and then measure the results.

- Work out your advertising budget.
- Decide what you want to achieve i.e., increase customer base, promote a new product.
- Determine your target market.
- Research the ideal medium to suit the audience - eg, newspapers, radio, TV, magazines, customer newsletter, direct mail etc.
- Create a punchy and targeted ad including an offer or some benefit to prompt the customer to take action.
- Evaluate the results of this campaign. Perhaps try something different next time and compare results.

## Attention, Interest, Desire, Action - AIDA

If you can:

Grab **Attention**

Spark **Interest**

Generate **Desire**

And promote **Action**

...you've got the makings of a great advertisement.

**Attention** - you need a headline that grabs people, especially your target market. Consider naming the targeted group in your headline.

**Interest** - include information that explains the offer or benefit.

**Desire** - what's in it for me? Think about your product or service from the customer's point of view and explain why your product or service will appeal to them.

**Action** - make it easy for people to take action, eg, include: a coupon which can be faxed or mailed free of charge; a free call 0800 number; a map showing the location of your business and details of the closest carpark.

*Be sure to read each article with the mindset "How this could apply to our business". Thinking of it that way will guarantee that you get value. Also make copies for each team member. To really make sure something positive happens, work with your business development specialists to talk your team through ideas.*



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## Getting Pricing Right

Price setting is complex and just as important as market awareness, product development and advertising. You could do all of these things excellently and then undo it all on the price.

How do you know how much to charge for your products or services? You have to be careful not to undersell, as this will reduce profits, and not overprice as you may risk losing customers.

It's a difficult task and needs regular review, but one thing's for certain - price is not the only reason customers buy.

## Customers don't buy on price alone

Obviously price is a big issue for customers but don't fall into the trap of thinking that prices have to be the lowest in the market to attract customers. Astute customers tend to choose suppliers primarily for reliability. Other factors which enter into the buying decision include:

- Quality
- Technical and backup services
- Reputation
- Brand associations
- Location
- Guarantees
- Refund policy.

In the market place there are businesses charging 5%, 10% and 20% higher than their competitors, yet still run very profitable businesses. In many cases those charging the higher prices are the most successful businesses because they achieve excellence in those other areas which affect the customer's buying decisions.

The customer will ultimately decide what they are prepared to pay to purchase the product but in so doing they have taken into account issues such as the product's features and quality, guarantees and back-up service.

These factors are hugely important in price setting and it would be a big help to know your customers and understand the reasons they are choosing to buy from you and not someone else. This information can be valuable in working out your pricing strategy.

Price setting, however, is not based on customer perceptions alone. There are other factors that must be taken into account. You need a sound grasp of your business overheads so you know what it costs you to operate your business. You need to ask yourself fundamental questions on profitability, such as what your net profit target is for the year, and you need to find out what your competitors are doing.

The more information you have on which to base your decisions, the more likely you are to get the price right for your business' success as well as the customer.



*“Ask your customers how they heard about you. It sounds simple but it works, and people will usually remember and will be happy to tell you. This is the easiest way to find out which promotions or advertising are working for you.”*

*500 Award-Winning Small Business Secrets, Geoff Grist*

## Customer Perception on Prices

Many business operators underestimate the effect pricing has on customers' perceptions. As a general rule:

- High quality product sold at a high price - “premium goods”
- High quality product sold at a low price - “a superb value”
- Medium quality product sold at a high price - “over charging”
- Medium quality product sold at a low price - “good value”
- Low quality product sold at a high price - “a rip off”
- Low quality product sold at a low price - “cheap price”

There are obviously grey areas between these categories, but they give an indication of what customers expect and what they perceive in a business pricing policy.

## When a New Employee Starts Work

Can you remember starting out in a new job? It's often a daunting and lonely experience for new employees, and can be made far worse if nobody takes the time to introduce you to the team and show you around.

If you've put all that time and effort into finding the right person to join your team, you've got to now follow through in a professional manner. You have to make the person feel very welcome and fully induct them into their new surroundings.

Remember too that by accepting your offer this person is probably fairly impressed with your organisation and as keen as mustard to get stuck in. This is a great attitude for a new employee to bring to a business, so you don't want to give them any reason to lose faith in it.

First impressions count so make sure the first day is a positive experience. Whoever conducted the interview should be available to greet the new person and introduce him or her to the rest of the team.

If appropriate allocate a 'buddy' who can answer any queries and generally advise the new employee on what happens around the organisation.

Many organisations provide an orientation or induction programme to help the new employee understand what goes on and who does what. For larger organisations this can be quite elaborate with various people taking turns to speak about what goes on in their area. For smaller organisations it might include:

- A welcome to the organisation
- Introductions to the other members of the team and eventually other members of the work force
- Completion of paper work required to establish the employee's file, including taxation matters
- Information in relation to how the business functions, staff amenities and benefits
- An explanation on the management structure within the organisation
- 'On the job' orientation showing the employee where everything is
- Explaining fire drills
- Safety procedures
- Amenities areas
- Breaks
- Time recording
- Location of administration personnel
- Introduction to key customers, suppliers etc
- Answering questions from the new employee.

A considerable amount of cost and time has been spent in attracting the new employee to your organisation. It is essential that the professionalism shown in the interviewing process is now continued during orientation.

*"Ask your customers how they heard about you. It sounds simple but it works, and people will usually remember and will be happy to tell you. This is the easiest way to find out which promotions or advertising are working for you."*

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### An important Message

*While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within you own particular circumstances, as they are intended as general information only.*



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