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HUNTER LEONARD

GET YOUR MARKETING COOKING



FREE
Tools & Resources
to create YOUR
own successful
marketing plan

A recipe for handling the key marketing challenges that keep business owners awake at night

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About the Author

Hunter Leonard is the Founder and CEO of Blue Frog Marketing Pty Ltd. Founded in 2001, Blue Frog Marketing has worked with over fifty organisations in twenty different industries, helping the owners of these businesses understand their value in their respective markets and then planning marketing strategies to achieve significant growth. In fact, Blue Frog has contributed to over two billion dollars of growth with their clients.

With six major marketing awards for marketing effectiveness, Blue Frog has a proven 5-step model – R.A.P.I.D – for planning, implementing and measuring better marketing marketing plans.

Hunter has written five books on marketing and communication and has a passion for making great marketing strategy and advice available to every business owner, no matter what size or industry.

Speaking of passions, he also loves cooking and has combined these two loves to deliver some much needed advice on marketing to business owners in Australia.

The Marketing Chef®

The word **Chef** is of course French and means Chief or Head. It comes from the Middle English and Anglo French words from the 1250-1300 time period and originally derived from the latin word 'capum'.

So my role when helping clients is as Head of Marketing or Chief Marketing Officer.

I love cooking and although I'm not a formally trained chef, I can and do enjoy preparing interesting and tasty food and I like to do it competently and professionally.

I thought it would be fun to call myself The Marketing Chef® as a way of explaining the subject of marketing using analogies from the world of cooking.

Both cooking and marketing are passions of mine and I hope you enjoy this book and that it gives you some tools and information to improve your marketing strategy.

Sincerely
Hunter Leonard
The Marketing Chef®
January 2017



Get Your Marketing Cooking with The Marketing Chef®

Testimonials

"Hunter is an exceptional person who has had significant impact on our organization. From the way we communicate internally and externally to the the way we position our brand for optimal return over time. Hunter has gathered such a clear understanding of my business that I not only discuss marketing imperatives with him but also other strategic and community matters. Thanks Hunter"

David Lundberg
Chairman Altus Traffic

"We first briefed Hunter in early 2010 to implement a formalised, measurable and strategic marketing platform into our organisation. Our expectations were very high and it is no overstatement to say they have been utterly exceeded! Using a combination of smart technology overlaid with a thorough understanding of our business strategy and also process, Hunter has been instrumental in assisting us to embed key marketing concepts into the minds of our contracted sales force together with an active embracing of the processes necessary to grow the business.

We remain impressed with the dedication of Hunter and his team and look forward to our continued business association. I have no hesitation in recommending Hunter Leonard."

Adrian Kitchin
Managing Director of Insurance Advisernet

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“Hunter is a consummate professional who is highly adaptable to various market sectors, he intently listens to your desired marketing outcomes and then delivers. It has been a pleasure knowing Hunter and his refreshing outlook that also entwines a community and social spirit.”

Damian Seabrook

Altus Traffic

“I have known Hunter for nearly ten years. We first worked together on the Council of the Australian Marketing Institute in Victoria. Hunter held a number of positions on the Council and was at one time the President of the Victorian Chapter of the AMI. Hunter is an outstanding marketing professional. He has a wealth of knowledge across a vast range of industries and business sectors. I have called upon on his expertise many times and always found him to be very helpful, creative and insightful when considering the development of a marketing strategy or trying to deal with a complex business-marketing problem. I love discussing marketing problems with Hunter, because he always brings a surprise to the discussion in the form of a new of a new angle or direction others haven't considered. This is what makes Hunter special in the marketing community. At the next opportunity, I recommend that you meet Hunter, I would be happy to introduce you - just ask me.”

John Thompson

**Senior Manager Road Safety Policy & Marketing–
Transport Accident Commission**

“When at Australian Vinyls I engaged BlueFrog Marketing to conduct a survey of our major customers. Hunter was able to explore and identify the key issues that should be canvassed, and produce valuable insights in his analysis of the results. In addition the process was conducted so professionally that it increased our standing with the customers. Hunter is a pleasure to work with and I look forward to engaging him again.”

Andrew Tulloch

National Sales & Marketing Manager

Australian Vinyls Corporation – A Wesfarmers Company

“Hunter is a true marketing professional. Hunter has broad ranging skill sets and knowledge which can greatly assist an organisations marketing needs. He scopes marketing problems in detail and takes time to think deeply about strategic marketing options. Hunter's style engenders trust and he is great to work with.”

Michael Dawson

General Manager, Marketing – Bluescope Steel

"I publicised Hunter and his Rapid Marketing book to Australian media in 2010. What impresses me most is his ability to talk about marketing in a language everyone understands – he's jargon free. He makes marketing mainstream and media responded very well to him. One leading business journalist was so impressed after interviewing him, she attended his event – and ended up writing two articles. Hunter is very generous with his knowledge and able to apply it to a huge variety of businesses."

Katie McMurray – Katie Mac Publicity

Melbourne Brick & I engaged Hunter & Bluefrog Marketing back in 2004...where has 13 years gone!! It has been a fantastic partnership & that's exactly what having Hunter & his team engaged is like - it is a partnership & one we are very thankful for & don't take for granted.

Hunter & his team understand the business's they are working with and even after 12 years we are still learning from the past & trying new initiatives & responding to the changes and challenges around us without losing focus on our core business ethos.

We are looking forward to "cooking up a storm" with Hunter & his team for many more years to come as we continue on our business journey. Keep achieving,

Matt Curtain - Managing Director

Melbourne Brick Group.

"Hunter is one of the most creative and passionate marketers I have ever had the pleasure of knowing and working with. I first worked alongside Hunter some 20+ years ago when we were junior marketers in the pharmaceutical industry and it was clear then that he would go on to be a shining light within the Marketing profession. When Hunter offered me the opportunity to set up a Sydney office for BlueFrog Marketing, I jumped at the chance. He was so generous with his time, advice and expertise proving to be a great mentor and coach. BlueFrog Marketing itself is a highly successful Marketing Consultancy and this is, without doubt, due to Hunter's vision, strategic mind, dedication to working for small-medium business and good old fashioned hard work. Hunter makes quality marketing accessible for organisations who thought it was beyond their reach. Hunter also invests in developing new marketers by employing students and through his many roles at the Australian Marketing Institute. If you need marketing services with exceptional outcomes, then Hunter and BlueFrog Marketing must be the first call that you make."

Russell Powter

Principal Consultant Cello Health Consulting Inc.

Get Your Marketing Cooking

A recipe for handling the key marketing challenges that keep business owners awake at night!

by

Hunter Leonard

The Marketing Chef®

“To my mum - Jean - who taught me to cook”

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“I apply behavioural economics to your business, and human, challenges”

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Get Your Marketing Cooking with The Marketing Chef ®

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Get Your Marketing Cooking with The Marketing Chef ®



Cooking and Marketing?

The Marketing Chef[®]

Cooking and Marketing?

What do marketing and cooking have in common? Way more than you might think. Both need a recipe, both need ingredients and both need a process to get it right.

For more than fifteen years, in our marketing consultancy – Blue Frog Marketing – we’ve been helping small, medium and large businesses get their marketing right.

I have a passion for both cooking and marketing and in this book I want to combine these two passions to give you a recipe to solve the major marketing challenges that keep business owners awake at night.

We’ve surveyed more than 10000 business owners around Australia over the past 10 years, so we understand their needs when it comes to marketing. For more than 1200 of these businesses, we’ve had them complete an in-depth benchmark on marketing attitudes and behaviours.

Most business owners are not trained in marketing, yet in close to 90% of businesses they are the ones responsible for the marketing strategy. Particularly in small to medium sized enterprises (or SME’s) – which are those businesses that employ less than 200 people.



I've written this book for the business owners of Small to Medium sized businesses they are more likely to be searching for answers to their marketing challenges. Bigger businesses can generally afford to employ a full time trained marketer to handle these issues for them.

In addition, according to the latest research SME's are indeed the backbone of our economy:

- They employ over 68% of all workers
- Only 59% survive more than four years

We found that only a few businesses survey their customers regularly, only a few have written marketing plans and less than 30% measure to understand what marketing is working. 75% of all SME businesses are on social media and yet their average confidence level in their marketing is just 4.36 out of 10. An ingredient is missing from their marketing. They are confused about how to get new customers and what marketing to choose.

I encourage you to have a go and try the exercises, and suggestions.

Once you know the way, it isn't difficult. The missing ingredient, recipe and process is what this book is all about. Along the journey, I'm also going to serve up some of my favourite, simple recipes for great tasting food. There's a banquet of books on marketing, thanks for selecting my book from the menu.





Lying awake at night? No, it's not the curry!

The Marketing Chef[®]

Lying awake at night? No, It's not the curry!

In surveys of over 10000 business owners around Australia and New Zealand, we found that marketing is always at the top of the list in terms of major challenges and things that keep business owners awake at night. They worry about marketing because it's often a mystery to them.

If you're anything like those business owners there are really only two things that matter most to you when it comes to marketing.

The first is 'how do I get more customers?' and the second is 'what marketing do I choose?'

Let's examine the second question first.

Like recipes, there are thousands of different types of marketing to choose from in today's marketplace. Over the last fifty years, the choices have exploded. Not so long ago it was a few alternative advertising channels – TV, Radio, Print and maybe Outdoor.

Then along came direct marketing and later email marketing. It may seem a long time ago but the World Wide Web was only born on 30th April 1993. Google only really got going in the early 2000's. Facebook in 2004, LinkedIn around the same time.



Content marketing has become the most talked about type of marketing in the last few years, even though arguably content marketing has been going on since the inception of marketing itself. And then let's not forget sponsorship, and product placement and point of sale and outdoor advertising.

Given how busy many small business owners are, it is not surprising that the choice has become incredibly confusing - and with only limited budget to go round – stressful, difficult and scary for many business owners. **However marketing only remains confusing when you focus on the tactics and channels – which is what these different alternatives such as advertising, or social media or sponsorship really are - tactics!**

Once you begin to have a strategic focus on marketing, the confusion will start to dissipate and the choices will become clearer on how you can market your business to your target audience. This is because your focus turns to answering a series of critical strategic questions that every business owner needs to ask:

- Who is my customer?
- What are their preferences or tastes/needs and wants?
- Where is my market?
- Who are my competitors?
- What are my strengths and weaknesses?
- What value do I offer?



Once you start on the process of answering these questions, you will find that confusion drops away and over a period of time, you will begin to understand your value proposition and you will find out what marketing works for your business, in your market. Now back to the first question – “How do I get more customers?”

A lot of business owners focus on where to get the next new customer, when they are sitting on a gold mine in their existing database. It is estimated that 90% of the future value of your business is locked up in your existing database. Business Owners can often be too focused on ‘hunting’ new customers when they should be ‘farming’ existing customers as well.



Like ingredients in your cupboard, people like to add new customers to the mix. But what of the existing ingredients. You can get more out of your business and grow income in more ways than just new customers. Like using ingredients in different ways.

In fact, you can grow your business in three major ways:

- Find new customers
- Sell more to existing customers and
- Reduce the loss of customers - what is generally called "churn rate" so that any new customers actually do grow the business.

If you are losing too many customers, it is hard to keeping growing as you are always behind the eight ball. For instance, if you're churn rate is 5%, then you have to gain 10% new customers to grow by 5%.

Your marketing plan should have elements that are designed to focus on each one of these areas – existing clients, keeping existing clients and new prospects. Depending on the current situation of your business, each of these may have a different priority or focus, but each is important.

We highly recommend to our clients that they plan and implement campaigns to promote more often to their database as all too often this is underdone in many businesses.



In fact, in our marketing benchmark less than 15% of businesses had promoted to their existing customers in the last twelve months.

That means that 85% of businesses had not in fact done ANY promotion to their existing clients at all. Talking about leaving money on the dinner table!

This would be like being served up a juicy roast dinner by your mum and walking away from the table without eating, or deciding to go on a diet of bread and water when the food is right there in front of you.

We also recommend to clients that they survey existing clients and find out their current needs, wants and attitudes to your business, service or product. As a minimum, some questions you can ask include:

1. How would you rate our product or service overall?
2. On specific areas like product quality, customer service, handling of issues, how do you rate us?
3. What do we do well?
4. What could we do better?
5. Is there anything else we can help you with?
6. Would you refer us?

There is a measure for how likely a customer is to refer you. It's called the Nett Promoter Score (NPS). The NPS is calculated by asking all clients how likely they would be to refer you to family or friends.

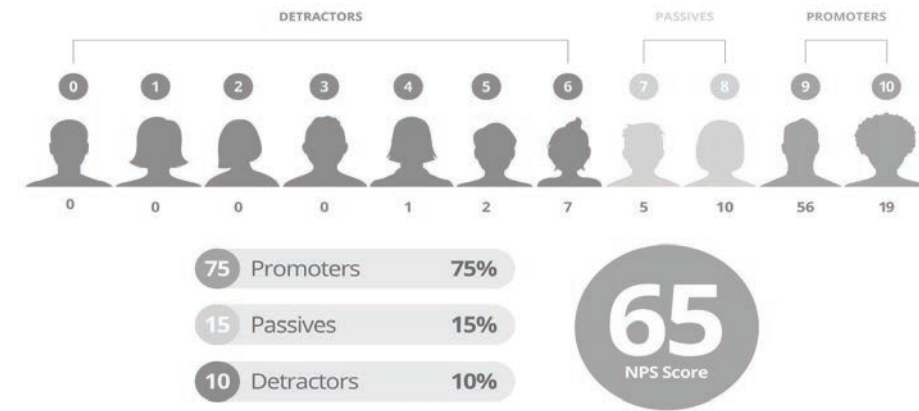


If you take the percentage of clients that scored you a 9 or 10 out of 10 and subtract the percentage of those clients that rated you 6 or less, you'll end up with a score (positive or negative) which is called your Net Promoter Score. People rating you 9 or 10 are called promoters, and people rating you 6 or less are called detractors which those in the middle being passives.

If you get a highly positive score or if your customer satisfaction is high on some other rating score, you should definitely activate a marketing program to existing clients and ask for referrals.

Word of Mouth is the most valuable marketing you can do in any business. But it only comes from delivering on your promises to existing clients. The only way you can find out how you are going is to ask your customers.

Just like when someone asks you what you thought about a meal you just ate. Would you recommend it, change it a little, never eat it again?



Surveying clients has so many other benefits. It can uncover reasons as to why you are losing clients or why you are no longer the flavour of the month. It can uncover quality issues. It can identify new areas of products or services you can develop to grow your business and serve on a plate to your customers requests.

In your customer survey, you should find out if there are any major issues with your existing customer group that you need to handle.

There is no way you can activate referral marketing programs if you have a high churn rate due to client dissatisfaction or lack of competitiveness with your existing products and services.

At Blue Frog Marketing, we have surveyed tens of thousands of business owners on their marketing issues, and have found that very few business owners are focused on getting answers to these questions. They operate their marketing in an ad-hoc fashion, and have limited success and confidence as a result





The Recipe, Ingredients and Process

The Marketing Chef[®]



The Recipe, Ingredients and Process

We've wrapped up all of the important steps in marketing into one elegant and simple to follow model of marketing – summarized by the acronym R.A.P.I.D.

This represents the 5 steps you must take in developing an effective marketing strategy for your business. The five steps are:

1. RESEARCH
2. ANALYSE
3. PLAN
4. IMPLEMENT
5. DETECT

I have a favourite and very simple recipe for Beer Bread that provides a good analogy to our marketing model, and one which I'd like to use to demonstrate the connections between cooking and marketing.

The Beer Bread recipe is made up of 5 ingredients:

1. Self Raising Flour
2. Olive Oil
3. Salt
4. Sugar
5. And finally, not surprisingly – Beer



In order to make the beer bread correctly, you have to know the recipe which details in what order to mix the ingredients and once combined how to cook the bread.

If I was to miss out one of these ingredients – say Beer, or use the incorrect type of ingredient – say Plain Flour – then the recipe will not turn out the way it is supposed to.

It is the same with your marketing strategy. We have found over long experience that trying to start a marketing plan at step number 4 – IMPLEMENT – is wasteful of time and money and very often ineffective in the long term.



Sure there are companies who can succeed doing this, but these are in the minority, and it is a risky business strategy. Imagine serving up food in your restaurant that was not eaten by the local community due to cultural or social reasons. Or not knowing that 80% of your local customer group were gluten free!

And yet in our benchmarks – we have found up to 85% of all businesses in Australia – are doing just that.

Their first action is not to ask a question like “what do my customers think?” or “who is my target audience?” – it is much more likely to be an ad-hoc or knee jerk reaction such as ‘I need an advert’ or ‘I need a brochure’ or ‘I need a social media page’.

Starting at the 4th step is a little like taking a packet of flour, and without any preparation – sticking it in the oven and cooking it for 40 minutes at 180 degrees Celsius. All you get is a burnt packet of flour – no Beer Bread for you!

Likewise, if I miss something out – like for instance not putting in the sugar – then once again the recipe won’t quite work out, as it should.

Let’s consider yet another example – if I took the flour and salt and say combined it with water instead of beer – I’d get damper or glue – depending on the quantity of each ingredient used – but it wouldn’t be Beer Bread.



When we consult to our clients and help them develop a marketing strategy, we ALWAYS start with RESEARCH, then move onto ANALYSE, and then step by step work through the plan and strategy.

At Blue Frog we’ve developed successful marketing strategies in over 50 companies in 20 different industries. And we’ve done this in businesses that range from start up to organisations with over \$2 billion in turnover.

The model works in any size business and in any industry. Why?

Because it is a strategic process that enables you to plan, implement and measure your marketing to find out what is effective and will help you reach your goals in your market and with your customers, against your competition.

BUT you have to follow the recipe, use the right ingredients, and do the process in the right order.

You could also think of R.A.P.I.D as a risk reduction strategy for your business. You have to invest time and money into a business, and the same investment can have very different returns depending on HOW you invest it.



In the last fifteen years our marketing strategies have won 6 major awards for marketing effectiveness – awarded to marketing programs that work to deliver superior results.

It's not because we are geniuses – it's because we insist on following a process that will get results if done properly.



Much like a chef who knows how to cook an amazing Polish Cheesecake – from a recipe that has been in the family for five generations – the recipe gets followed and the result is dependable, predictable, and very very tasty.

It might seem boring but don't think for a minute this means we don't try new ingredients in our recipe – particularly in the IMPLEMENT stage – but we never mess with the process – 5 steps, in the right order.



Like a kid in
a lolly shop!

The Marketing Chef®

Like a kid in a lolly shop!

The old saying in this chapter's heading is related to being happy, but remember that child would never be able to eat every single chocolate and sweet – so which would they choose?

Most likely their favourites of course! However, when it comes to choosing which marketing channels to use – how do you work out which one is your favourite? Surprisingly it comes down to similar motivations. A child wants sugar and taste. A business owner usually wants money and growth. They are both returns on investment.



The child invests some time in choosing a lolly, their return is 'sweet' flavour. The business owner invests in a marketing activity – their return is customers, which leads to profit - hopefully!



But if you choose the wrong channel and it doesn't give you customers – there is no return – and this is where the problem begins for most business owners. Why do 40% or more of business owners in Australia say they are confused about marketing?

As stated early, it's easy to be confused when there are thousands of different marketing tactics or channels to select from in the market place.

But the problem behind the confusion goes a lot deeper than this. The problem is that 'advice' on marketing is more accessible than ever to all business owners, and unfortunately 99% of this advice is delivered by vendors of the actual products they recommend.

Some of these are small consulting businesses – offering SEO services or social media strategies. But if someone makes money from delivering say services related to SOCIAL MEDIA – would it be wise to ask them if you should be on SOCIAL MEDIA?

No, this would be like putting a vampire in charge of the blood bank.

Much like it would have been unwise to ask a media booking company if you should advertise. You don't ask those making income from a channel if that is the right channel to use. It doesn't make sense.



You first need to decide if that channel is for you through surveys and testing, and then and only then ask the consultant or channel owner how best to invest your budget in that channel to get the results you want.

Also remember, there is not always an overlap between your objective – new customers or prospects – and those of the media channel – ‘amount of banner ad space sold on a website’.

What I’m saying is that the business owner should drive the choice of channel, then use the channel’s expertise to make best use of it.

Don’t ask the channel to choose the channel!

Unfortunately it isn’t just the channel consultants who are biasing small business – it’s the massive corporations like Facebook and Google who are gateways to a lot of the tactically focused advice being pushed at business every single moment of every single day of every single week. No wonder they’re confused!

Huge stats are thrown about like confetti – 5 billion people search every day (or whatever the stat is) – 300 million people purchase on our channel every minute and so on and so forth. The point of this is that none of this advice is either free or independent.



The correct strategy for a business owner isn’t to let the tail wag the dog. The correct strategy for the business owner isn’t to operate off the assumption that any one marketing channel is right for their business.

They should PROVE it to themselves. And the way to do this is through marketing strategy. By understanding your market, your target audience, your competition and yourself through research and analysis. Take this information and craft it into a value proposition for your business. I’ll give examples of value propositions later in the book.

Select a range of appropriate marketing channels to reach your target audience with the right messages. Finally measure your selected channels for return on investment on your marketing spend.

Following this approach, you will come up with a strategy and program that is right for your business and proven for your business.

Stop listening to service providers, and start listening to yourself and your customers. It’s much safer – trust me!

In that way, you’ll make this terribly confusing problem and the conflicted ‘advice’ from the media and the channels disappear from your business.





Recipe for Beer Bread

The Marketing Chef®

Recipe for Beer Bread

This is a great recipe my mum taught me. You can use any type of beer that you like personally from ale, to a lager, to a stout. Even Guinness works really well.

Just make sure you have at least 375ml of it to use in the recipe. That may be one can of VB, but it could be two bottles of a craft beer.

Ingredients

- 3 ½ to 4 cups of self-raising flour
- 1 teaspoon of salt
- 1 tablespoon of raw sugar
- 1 tablespoon of olive oil
- 1 375ml can of beer (or equivalent)

Procedure

Combine the flour, salt and sugar in a mixing bowl until well mixed. Add the oil and then gradually pour in the can of beer, mixing as you go to combine into a sticky but very firm dough.

Add a little flour to your hands and finish off by kneading in the bowl until all ingredients are mixed well.



Grease a 20cm by 10cm bread or cake tin and then place the dough into the tin and push out till it's even into all the corners. Top can be left rough.

Put in a pre-heated oven at 180 degrees celcius and cook for 35-40 minutes until golden brown on the top.

Check with a skewer in the centre to make sure no dough remains wet inside. Turn out onto a rack and let cool, then serve.

Slice into thick slices and serve with butter and condiments or on a cheese board as part of a ploughmans lunch. Like this picture you can also add cheddar and jalopenos into the dough mix for a slightly different style. Or apricots or pistachios or walnuts. Have fun with it!



**Set a goal, don't just
look in the Pantry!**

The Marketing Chef®

Set a goal, don't just look in the Pantry!

When I cook, I always have a goal in mind. Particularly if I'm cooking for a party with friends or family. I don't just look and see what's in the pantry and decide what to cook from that.

In the same way, you can't look at your existing business and find goals in the filing cabinet, or stockroom. Goals and Aspirations don't exist in the present - they are by definition - in the future.

But to bring that future into reality, you need to set and then track progress against your goals. Otherwise they remain as 'wishes' or 'hopes' not goals.

When cooking, often my goal centres on a specific theme or cuisine for the night. The first thing I'll do after choosing a theme is find recipes that will match my theme. Not so long ago, I chose to do a Texas BBQ themed dinner for friends. I selected a dry rub recipe for ribs and a range of Texan style salads and side dishes such as corn bread.

It's the same process when you decide on your goals and aspirations for your business. You have to start by knowing where you are heading, what type of business you want, or where you see the business developing in the next 12 months.



Unless you do this, you don't have a guidepost on which to build a marketing strategy. Your goal might be as simple as grow by 10% doing the same thing you do now – great you can then focus on what 10% more means in that context.

But your goal might be more complex – you may want to launch two new products this year and expand into three more states. This would dictate different research needs, different analysis requirements (like understanding your prospects in the three new states) for example. One of the very first things we do with clients before even starting the marketing process is to define goals and aspirations for the business.

1. Where are we now?
2. Where are we going?

Without these two questions answered, you can't even start on answering the 'how do we get there?' part of the equation.





What's in this dish?

The Marketing Chef[®]

What's in this dish?

If you are a fussy eater, or have special dietary needs, you would never eat a dish without asking – what's in this? You might not like crabmeat for example, or you might eat gluten free, or you may have a peanut allergy.

When it comes to tastes and or allergies – you are careful – right? What if I told you that less than 20% of all businesses had surveyed their customers in the last twelve months, would you believe me?

Well, it's a statistic that is indeed true. And it's incredibly scary at the same time. It is based on the responses of more than 1200 business owners. So it isn't an isolated issue.

If these businesses were individuals with an allergy, they'd be reaching for the allergy remedy about ten seconds later.

If you want to develop a strong marketing strategy that works, it's not a good idea to ignore your customers or base marketing on assumptions instead of known needs and wants of your customers.

Sometimes a client will say to us they are worried about surveying their customers – “what if they don't like me?” – is a common thought process they go through.



Our view is that it is always better to know than not know. The consequences can be dramatic if you don't understand your customers.

Another objection we get from business owners is – “There are too many surveys out there. I get them all the time!” Again, there may be “lots” of surveys out there, but this should not be an excuse for you to not survey your customers. If they are happy doing business with you, they'll also be happy enough to answer a few short questions – especially if you position the survey as important information that will help you service their needs better!

Ignore customers at your peril. You know what they say about assumptions! If you operate in a market that is highly competitive – and who doesn't these days - then a deep understanding of the needs and wants of customers, or an appreciation of the behaviour and attitudes of your target audience can become a very strong competitive advantage.



In the first step of our R.A.P.I.D model – RESEARCH – there are many important things you can do to increase your understanding of your customers, of your target audience, of your market, and of your competitors.

Beyond surveying your customers, you should find out all you can about your competitors. There are many resources you can use here including:

- Competitor websites
- Competitor marketing materials
- The layout of their shops if they have them
- Talking to their customers if you know who they are
- Reading their social media pages to find out customer feedback or issues they are facing
- Mystery shopping the business or getting a friend to do this for you. This could be as simple as calling them and go through the process of enquiring about their product or service.

First quoted by Sun Tzu, the Chinese general and author of The Art of War and popularised by Michael Corleone in the Godfather Part II - “keep your friends close and your enemies closer.”



If you want to understand more about the market you operate in, you can again access some great resources online including:

- Market reports
- Industry Groups
- Local business associations
- Media articles about your market segment
- Australian Bureau of Statistics reports on purchasing behaviour – for example – there are great statistics on how many people buy investment properties on this site. If you happen to sell products or services for property investors this would be useful to you
- IBIS World produce excellent market specific research reports

As for your target market, it's also very easy to find out data about any specific age group or demographic on the Internet these days. You can find out information on the buying behaviours or attitudes or media consumption habits of retirees, or teenagers, or single parents.

As a final word on markets, competitors and customers - please don't forget about potential collaborators in your market too.

In today's marketplace there is a lot of talk about business ecosystems - when you operate a business, particularly a small to medium enterprise - you never operate on your own. You have advisers, and suppliers, and mentors and partners.



If you find another company who services or wants to service the same group of customers as you do, then this can be a match made in heaven. It is like finding your favourite fish supplier or butcher. You'll regularly purchase from them, recommend others and in return get good quality produce time and time again.

An accountant who services property owners would collaborate with a real estate agent who offers property management. A community group who has a lot of tradies as members might set up a fundraising deal with the local hardware store to refer members or have a members deal in place. A physiotherapist who does injury rehabilitation may set up a relationship with the local gymnasium.

Who is in your ecosystem? Who can refer you clients? Who can help you service your clients better?



The point we hope is well made by now, is that as a business owner you need to have an in-depth understanding of your market, your customers, your target audience and your competitors in order to run a competitive business in today's economy.

And this need for insight and understanding is only going to grow over time as markets become more competitive, and as the variety of marketing channels increases.

But why?

At the end of the day, running a business is about investing an amount of time, people and money into something in order to get a return. The return has to be higher than what you put in to make a profit.

And an intimate understanding of a market, customers and competitors is the only sure way to improve the amount of return you get, or similarly reduce the amount of money you have to invest to get that return.

It saves you money and it makes you money. Two wins for the price of one.

And it will come as no surprise that this theme will continue throughout this book.



Case Study - Landscaping Industry

Some time ago we ran a survey of the trade customers for our client in the landscaping industry.

In this survey, we asked the tradies a number of questions including one seemingly innocent and simple question – How do you like to receive communication from us?

Simple yes, but the impact on the return on investment in our marketing to these trade customers could not have been more dramatic.

At the time, we were producing and sending a printed newsletter to these clients. It was costing around \$5000 at the time for artwork, content and printing plus postage costs.

We used to get a reasonable return, with probably 5-10% of the recipients taking up promotional offers in the newsletter.

In the survey, we found that 87% of the tradies preferred to receive communication via their mobile phone. This was prior to smart phones, so we decided to start trialling SMS messages to the tradies instead of the printed newsletter.

The result surprised even us.



As the mobile phone was the one communication tool that the tradies carried with them during the work day, we found that the response rate in regards to promotional purchases went up 400%

Because costs were reduced, our Return on Investment went up 1600%

Now, our other electronic alternative to printing was an email, but interestingly we found in the survey, that much like printed letters, the tradies were not interested in sitting down at their computer and reading emails after a long day working either.



Case Study - Hardware Retailing

On another occasion, a hardware retailing client that operated on a low profit margin on high volume sales of a product, agreed to research clients on our insistence that we needed to know more about their buying behaviour and satisfaction with their current delivery approach.

In this survey we asked both customers and the clients staff the same questions in regards to pricing and found very different behaviours and beliefs. All staff thought that all customers wanted a discount or that price was the most important thing.

In fact only 20% of customers said price was their most important buying decision. And more than 50% said they would pay a premium if they could get a more predictable delivery time from the business.

Now this survey underpinned some behaviour from staff that was shredding profit. They were giving automatic discounts to all their clients, often without even being asked to by the client.

These discounts were basically wiping all profit from that transaction. At the same time, the staff were making promises on delivery times that were impossible for their drivers to meet.



In one very memorable example, the customer said they had 4 staff waiting to install a bullnose verandah roof at a property and were kept waiting for two hours after the promised delivery time.

This delay cost the customer over \$400 in lost wages, on about \$1000 worth of steel being delivered. He was understandably furious but gave us the insight that he would have happily paid more to get on time delivery. The staff was missing the value proposition desired by the customer.

This one question in a simple survey uncovered an opportunity, which meant literally millions in additional profits for this hardware retailer across their entire business.

The value of customer surveys, and market understanding cannot be underestimated nor overstated!



When do you conclude the research step and move on?

The answer to this will be very personal to your business. However, in general it will be when you feel confident you know enough about your market, your competition and customers to take the next step.

But don't shortchange yourself or be lazy in this first step. Marketing is also like cooking for that fact that much of the effort is in the preparation.

Don't ever be too quick to finish. If you're not confident you know enough, keep researching.

In reality, our R.A.P.I.D process isn't about being time bound into one step or the other. Yes, write a plan with all the sections in it; and first time through do it in order. but in reality you should be researching all the time, you should be Analysing all the time.

It's a working document and a live model for running effective marketing and just because it isn't time to write your annual marketing plan wouldn't stop you from responding to a change in the market in which you operate.

In cooking, research can take the form of searching for recipes you like, then finding all the ingredients. **Give it a try for yourself and see how you go. Do a survey of your clients this week.**



Some recipes call for ingredients that aren't commonly available, so you might have to do a bit of searching around to find what you want. But the search is definitely worth it. The white truffle is a great example of this.



Know Yourself

The Marketing Chef®

Know Yourself



Now you've found a recipe you enjoy cooking, and you have all the ingredients. You might find after cooking it a few times that it doesn't always turn out right. The flavour isn't right, or you can't get the consistency of texture you're looking for.

Of course, it could be the recipe, or it could be your oven or it might be that you have one of the measurements slightly incorrect.

It could also be you!



Often when working with clients to write their marketing plan we identify something within the business that isn't quite gelling with the outcome we need.

Perhaps clients are dissatisfied because the business always falls down on delivery. Or the customer service team isn't trying hard enough to solve customer issues quickly.

Or that little annoying widget which connects to the doohickey always seems to be breaking off the thingo that they sell.

How do we identify these things, and handle them in a marketing plan?

We use what is called a **SWOT Analysis**. This is a tool that allows you to ANALYSE your company and yourself and staff for Strengths and Weaknesses and also the environment around you for Opportunities and Threats.

It is from these four factors that the S.W.O.T acronym arose.

It can be harder to identify your weaknesses sometimes; it can be hard to see threats in the environment.

But time spent on this analysis is time well spent in a marketing plan.



It can save you money, and make you money if you get the analysis right, and then of course do something about optimizing the opportunities, and handling weaknesses so you can meet market threats from a strong position.

The Ostrich approach to this – sticking your head in the sand – is a very risky way to run business – and yet fewer than 20% of businesses in our benchmark have ever even done a SWOT.

Returning to another cooking analogy, let's imagine you are a cook and consider you may never be able to make that perfect French soufflé. But you can and do make the most beautiful Lasagna and satisfy your friends and family with that.

For my part, I'm not a cook who likes fiddly preparation. I don't want to make things that require incredibly time consuming and patient work. Like leaving dough to rise for hours or layering hundreds of pieces of pastry to make croissants!

I like good tasting food, with simple ingredients that is relatively straightforward to make. And I follow the same approach with my practical and pragmatic solutions to marketing for business owners.

Make sure you know what your strengths and weaknesses. Make sure you understand what opportunities and threats are in your external environment. And you'll be a more successful business owner.



And one more thing on the SWOT Analysis. Make sure you do the process of matching up the boxes.

If you have strengths take advantage of them. If you have weaknesses, put in place a program to fix them. This is a critical step in doing a SWOT – have an action plan to improve it!

In the appendices we detail a checklist for completing a SWOT Analysis.

Exercise: Why not give it a go right now. Write a SWOT for your business!

There's another tool we use in the ANALYSE step. It's called the PESTLE Analysis. And no, I don't mean a mortar and pestle used in cooking to grind up spices and other ingredients, but it's an interesting coincidence!

P.E.S.T.L.E. is an acronym standing for the six (6) major sub categories of trends in any market. Political, Economic, Social, Technological, Legal and Environmental.

In any market, there will be trends occurring that can influence the structure, growth, competitive situation and other elements in any market.



Let's look at an example. Around a decade ago, there was an explosion in the number of home insulation businesses in Australia. The reason was the Australian Government was providing subsidies to home owners to insulate their homes in order to reduce heating and cooling costs and as a method of reducing energy consumption and greenhouse gas emissions.

As an owner of one of these insulation businesses you would have been wise to put in the political trend section of your PESTLE Analysis that the government had previously stopped funding other 'green' initiatives like water tanks with very little notice.

If you examined this market closely, you'd also realise in this situation as the owner of an insulation business you effectively have only one client – the Government – even though you were servicing thousands of home owners.



We know in hindsight that very few of these business owners in this industry were planning for this, because when the government announced they were stopping funding for home insulation, most of these business owners were on the lawns of Parliament House in Canberra complaining about the lack of notice.

If you want to look for a current day example of this, you don't have to look much further than the education sector and particularly 'VOCATIONAL TRAINING'. This is a similar situation in that there are thousands of 'customers' of the education courses. And now an explosion in the number of suppliers in this market. Some good, some not so good.

But in the end there is only one 'payer' - the government and when they decide to cut or cease funding of these course - and they will - then a lot of the suppliers are going to go out of business.

The other problem that this has created is a supply issue in the market. A vocational education provider selling a course is motivated by how many people they can train as 'massage therapists' for example, but no one is telling the students about the demand for massage therapists.

And at some point in all these markets, supply exceeds demand, and the government has paid for someone to get trained in a skill that the market doesn't need or want, or where supply is far too high and



the graduate will never be able to build a sustainable business out of their training.

Every market, no matter how big or small will be the subject of various trends. The PESTLE Analysis is a good technique for having a disciplined review of the possible trends and taking them into account when running your business.



In the appendices we include a **PESTLE Analysis checklist**. The Analyse step in your marketing plan is all about understanding yourself, the market, your competition, so you can make decisions about what game you want to play in the market in which you operate.

Exercise: Why not give it a go right now. Write a PESTLE for your business!



What Game Do You Want To Play?

The Marketing Chef®

What game do you want to play?



There are hundreds of different games you can play, and choosing one is a fairly important step in any business owner's life. In fact some would say it is critical.

You probably can't be all things to all people in a business. You may have to adopt a 'niche' or a segment of the market you operate in and then focus on being very successful within that niche.

The reason for this is as business owners we rarely have unlimited resources. Like games, and business, there are many choices as to what type of cook or chef you'd like to be.



Many great chefs focus on a cuisine type, or even a particular course in a meal. Some focus their entire lives on being the best pastry chef. Some focus their energies on designing and then cooking the most innovative dishes and use interesting cooking methods.



In business, it is the same. In any market there are the high volume low price companies, and then the niche, higher quality, higher price competitors. Think hotels for example – you can stay in the Formule 1 budget hotel for \$90 or pay \$1000+ to stay in the Sheraton on the Park.

Anyone who knows the hotel market will think they've pointed out a flaw in my logic since the hotel group that owns Formule 1 also has premium end accommodation.

But wait; did you notice they don't use the same brand name for all of their hotels?



Why?

Because they know that each brand can only stand for one market position – to risk losing the gloss off the high end they use a different brand for the low end and then probably have shared back office functions like accounting and purchasing.



Particularly for SME businesses, this becomes an even more important strategy – targeting – because SME's usually have less resources in terms of time and money than larger organisations.

Thus you have to find a business model and a route to market that works for your business.



Example: Woolworths (the big low cost competitor) versus Simon Johnson – The Grocer. The latter is a high quality, high price provider of fine foods and their stores are naturally located in more affluent areas where people can afford their products. Now, both these organisations have a place in the same market. There are customers for both.

What you'll see in most markets - either at a local or national or global level is that there is a natural limit the number of suppliers servicing any one market. Like in most small country towns you only see one pub or one supermarket. The market has a certain number of consumers or purchasers.

If you're starting a new business, or reinvigorating an existing business you'll need to take into account both the number of competitors in your sphere of operation (might be one street, might be national) and also their position in the market.



If you think of a market that you are familiar with, and examine it closely you'll see this differentiation of 'market positions' in most markets.

Example: PURPLE BRICKS is a new low cost supplier in the real estate market, competing against the traditional high commission real estate agent model.



Example: UBER offers privately owned clean cars at a lower cost and with easier booking technology to compete with the traditional taxi market. But it wasn't just technology that helped UBER grow so fast, it was also an inherent and unmet dissatisfaction with taxis.



The local organic butcher and fruit and veggie stores are taking a position against the non-organic less expensive competitor.



In fact, just to push this positioning point little further. A part of a good marketing strategy is to take a market position against something else.

You are faster, cheaper, friendlier, more helpful, higher value, better service as against (x competitor). Customers will always compare you to something, so take the lead and confirm the market position you want them to consider you in.

You do need to know if the customers in the market you want to operate will want or demand that market position. And your research from earlier work should be giving you confidence to choose your market position.

Of course it is also possible to create a new niche in a market for a previously unserved need or want, but this is usually still based on smart insights from research into potential customers.

If it isn't clear to you, then you should be doing more research to find out. If you're thinking about offering no-drill dentistry in your local shopping strip – make sure the locals want it.

We've noticed over many years in one of our local strip shopping areas, that certain types of stores seem to come and go on a regular basis – they don't last.



The reason behind this is that few of the business owners that have opened these stores have properly researched and understood the sustainability of that location for their particular business. Is there a need?

Sure, times change and so do customer needs and wants. You don't see many candlestick makers in the high street today. But I'm talking about stores opening and then closing within six months – that's just poor research and market understanding.



What is Your Value?

The Marketing Chef®

What is your value?

When you've worked out your market position, you need to clarify this into a short statement that is often called the **Positioning Statement** or Value Proposition.

When we talk about a positioning statement or positioning, we mean the impression or image or words you want your target audience to think about when they hear your name or brand. It is positioning in the 'mind' of the customer not a position in space such as the location of your store, or the region you operate in.

It is also a description of the value you offer. In any business you are trying to maximise the value you offer (profitably of course) since higher valued businesses always get more customers. Value is what the customer thinks it is, not what you think it is.



A positioning statement is usually a short paragraph or a couple of sentences that includes three key elements.

The first is **who are you talking to?** – this could be stated as saying we are targeting 45-60 year old men in our local area who like making stuff...

The second thing you state in your positioning statement is **what you want to communicate to them** about your business – this is the single key factor that would make them want to choose you.

For example: A business sells high quality tools and also has a fully kitted out workshop where you can join and access all their equipment to learn how to use it before buying, or take courses to improve your home maintenance skills.

The final thing is **why they should believe you?** – why they would buy from you on the basis of what you are promising. For example: Our customers will believe us when they see the full range of tools, and high quality workshop that we have set up...

When combined these three factors make a short summary of your business position. In this example we could be talking about the hardware industry and potentially referring to a small, local hardware shop offering a different value proposition to Bunnings.



You don't have to be as big as Bunnings to compete with them in one segment of their market. You don't have to play the same game. Here's the full positioning statement and some other examples for you:

Example: Hardware X is targeting 45-60 year old men in Werribee who like making stuff. We sell high quality tools and have a fully kitted out workshop where members can join and access all our equipment to learn how to use it before buying. They can also take courses to improve their home maintenance skills. Our customers will believe us when they see the full range of tools, and high quality workshop that we have set up which is better than the competitors as they don't offer a try before you buy service.

Example: Fresh as a Daisy is a local florist that offers fresh flower arrangements for gifts. Our flowers are high quality, premium and guaranteed to last at least a week or your money back. Our customers will believe this when our flowers do last, which is better than the low quality option from Coles that die in a day or two.

Example: Pets on Your Phone is a local pet minding service that give owners all day access to their pet on the phone so they can check up on them whilst at work. Our pet minding service is preferred because our customers like to know how their dog is doing during the day. They will believe us and use when they can access a stream of their pet.



What positioning statement would you write for your business based on this as an example?

Exercise: Why not give it a go and write a draft positioning statement for your business now.

Goals and Objectives

The other critical item you need to include in the Plan section of your marketing plan is your goals and objectives. This is a little different from the goals and aspirations we discussed in the beginning of the book.

Here we are talking about quite specific objectives or goals for the planning period of the marketing plan you are writing. Whereas your overall goals and aspirations might be a little general, there are very specific and definite objectives related to your marketing plan.

In our R.A.P.I.D model we use the well known process of objective setting called S.M.A.R.T. objectives which stands for SPECIFIC, MEASURABLE, ACHIEVABLE, REALISTIC AND TIMELY.

In other words – what do you want to achieve, by when, and how are you going to measure it. With the added factor of is it real. Can you actually do it.



Setting an objective for WORLD PEACE by June 2020 might be a little far fetched. But identifying you want to grow customers by 10% in the next 12 months may be more within the reach of your plans. Let's put this into the world of cooking.

If you were wanting to host a dinner party on the weekend with your friends and family, you would need more than one recipe assuming you are going to cook a full 3 course meal.

You would have to set some objectives in doing this such as:

- Choose recipes by Friday evening.
- Buy ingredients by midday on Saturday.
- Have dessert prepared and in the fridge by 3pm.
- Ensure BBQ is on by 5pm.
- Cook meat and vegetables and serve entrée by 7.30pm

Exercise: What are some objectives you can set for your business right now? Have a go, write some down.



Resources

The last of the three key elements you want in your PLAN stage of your marketing plan is resources.

Again, thinking in terms of cooking – this would be how many steaks you need to serve a family of four. And how many vegetables as a side dish.

You'd may also consider in this planning how long is it going to take to cook the meal? How much gas do you have in the BBQ bottle? How many bottles of beer or wine will you need available so everyone can enjoy a drink?

In a business, this translates into how much marketing budget you need, how many staff do you have to execute the plan, how many products and services you'll need to deliver to get your sales targets.

The more work and thinking you do in estimating resources, the easier the implementation of your plan is going to be in the long run, so take the time to work it out.

Why do we recommend putting objectives and resources into a marketing plan?

The objectives are important for two reasons – first of all you need to know where you are heading. Well thought out objectives also keep your focussed when other business distractions come knocking.



Finally you'll be able to track your progress against targets over the course of the year.

If you get to halfway through the year, and you're only 25% complete on your objective, you can then assess whether you set the wrong target or if you have to work harder to achieve it.

Likewise for resources – once you've started implementing your plan, you'll be able to see how much return on investment you are getting for the resources you've put towards your marketing program.

And you'll be able to see if you are getting the bang for your buck that you expected.

If not you might have to invest more resources, or tweak the type of marketing you're doing in search of something that works better.

In our benchmark of more than 1200 business owners, we've found that they are not very confident about the marketing they are choosing. And they are confused about what the alternatives are.

With this method of setting objectives and resources, you give yourself an objective method of measuring results and progress towards goals.



Recipe for Lamb Cutlets with Saganaki

The Marketing Chef®

Recipe for Lamb Cutlets with Saganaki

I learned this awesome main course recipe at the Queen Vic markets a while ago at their cooking demonstration kitchen. I can't remember who shared it, otherwise I would credit them. So here it is.

Ingredients (serves 4)

12 Frenched Lamb Cutlets

2 Eggplant

4 Zucchini

One quarter of a Pumpkin

300g Sheep's Milk Yoghurt per person

2 slices Saganaki Cheese/Haloumi Cheese

Mint

Lemon Juice



Lamb Cutlets with Grilled Vegetables and Saganaki



Preparation

Slice the eggplant, zucchini and pumpkin into thin slices and grill on a hot BBQ, seasoning with pepper and salt and olive oil as needed – turning so both sides have nicely charcoaled grill marks on them.

Keep warm whilst you prepare the meat.

Mix sheep's milk yoghurt with loosely chopped mint. Set aside a little of the mint for serving.

BBQ the cutlets on a hotplate for 3 mins each side – you want them medium rare inside, unless someone objects to this in which case you can cook until well done.

Slice saganaki cheese into 0.5cm slices and put in a pan with olive oil and a little lemon juice and pepper and salt – cook until well done on both sides but still soft inside.

Place Lamb Cutlets in a stack with the 'handles' pointing out to different angles on the plate.

Heap slices of eggplant, pumpkin and zucchini on the plate and top with a generous piece of saganaki cheese and then a big dollop of sheep's milk yoghurt with the mint mixed in. Sprinkle a few chopped mint leaves on top of yoghurt and serve.





Let's Get Going Already!

The Marketing Chef[®]

Let's get going already!

I keep referring back to our benchmark of business owners – and there is a very good reason why.

We found that over 80% of business owners start at the 4th step of our marketing model. They are not doing enough RESEARCH and ANALYSIS.

And they are certainly not working out their Market Position, or estimating their resources or setting objectives well enough.

How do we know this?

It is one thing to say that a business isn't doing these things. Certainly it is true that only a minority of business owners have marketing plans or surveys of customers. But what difference does that make?

We can only speak from our experience of course and we have found that executing a marketing strategy in this order – R.A.P.I.D – more often than not results in strong growth and objectively measured marketing outcomes.



But beyond our own opinion, there is a strong and undeniable fact of what business owners tell us in these benchmarks:

- 40% say their number one challenge in their business is getting new customers
- 41% say they are confused about what marketing to choose
- And on average business owner rate their confidence in their marketing efforts at 4.36 out of 10.

So we know that business owners believe they are not getting their marketing right. And in this book, we're offering a solution to that. Follow the process, follow it diligently and you will solve the problems identified in our benchmarks.

The title of this chapter is 'let get going already!' – for good reason. We find that many business owners are starting with tactics not just because they aren't trained in marketing, but because they are impatient and want action.

It is often our job to point out that impatience in marketing isn't a good thing – because if you're impatient you are likely to miss insights into a market that will help you be successful.

If you were an impatient cook, you might rush through the preparation of your scone mix and fail to rub in the butter well enough to get a consistent fluffy result in your scones.



Or you may set the oven temperature too high thinking that the cake will be cooked quickly. In the case of cakes and heat, the result is often an overcooked outside and an undercooked inside!

Patience to go through the right process is a very important thing in marketing. Otherwise you could be impatiently going out of business like the 41% of businesses who fail to survive beyond their first four years.

You'll get things done quick, but they'll be the wrong things that don't result in a successful marketing strategy, and therefore no new customers, or loss of existing customers or a failure to fully realise the lifetime value of existing clients.

If you've been patient to this point, you are in the minority of business owners, and as a result much more likely to be successful with your marketing program.

You've done the research, analysed your business, and decided on a market position. You've set objectives and put aside resources to get it done.



What's Next?

The Marketing Chef®

What's next?

Well now you can start cooking! And by cooking I mean running your marketing programs – whether these be social media or referral marketing or sponsorship of a local football club, or point of sale promotions in your gym.

But hang on a second. I'm still going to ask you to be patient for a little while longer and do this in two steps.

When you are cooking meat, you generally have a two step process. First you do the actual cooking, and then recipes will often ask you to 'rest' the meat.



Why is this done?

Chefs give you two reasons. One is to let moisture redistribute through the meat. Another is to let tightened fibres 'relax'. Whilst debates rages, many chefs like to let meat rest and then serve.

In our 'two-step' implementation, we always recommend you pilot a few marketing campaigns and then test them for results, before spending your entire market budget. In effect we say, spend a little, rest and test, then spend the remaining budget where you know it will work.

Once again in our benchmark, we've found that less than 5% of all business owners are testing their marketing for results. This is downright strange - and if you like money - a very wasteful approach.

There is nothing more satisfying than knowing what marketing works for your business. So few businesses actually know this with certainty, that achieving it in your business will set you apart as one of the smart and happy business owners.

It can take time to find out, but be patient and I guarantee this will save you a lot of stress and money over time. Much like the rested meat, if you're patient, you can relax a little too!



Describing Your Dish



The Marketing Chef®

Describing your dish

Have you ever read or listened to your favourite chef describe a dish that they have prepared.

It's never just 'green salad' - perhaps it might sound a little like this:

"Well that's my Rocket and Pear Salad drizzled with the lightest of Italian Olive Oil, topped with a few shavings of the finest Parmesano Cheese and sprinkled with oven roasted Pistachio nuts."

Here's how well known Australian Chef - Curtis Stone describes summer recipes on his website:

"Summer is also a time to share dishes – barbecued chilli-rubbed steaks with summer succotash popping with juicy freshness, tropical fruit salad with tangy pineapple and passionfruit, and who says soup is just for winter? Chilled gazpacho flavoured with ripe tomatoes is an impressive and elegant starter to serve to friends."

The best descriptions by chefs will have your mouth watering waiting to try the dish. In other words they are creating 'want' or 'desire' to consume their product.

It is exactly the same in business communication. All your communication messages and images and promotion should reflect the Value Proposition or Market Position that you have chosen.

Of course focussing on and emphasising your strengths. You can see then that the source of your messages - whether this be headlines, or web content, or emails or social media posts - all comes from the following sources:

- Your Value Proposition or Market Position - who you are talking to and their age, gender, demographic will define the style of your messages and communication
- Your strengths - the things you do well or are good at should be communicated in your promotion
- Your style - if your business is fairly casual and laid back then your communication should reflect that. Some markets require formal language, some less so.



What do people value?

It is also important to discuss here, the concept of value. What do consumers or customers value? Well ask yourself that question - what do you value? There are so many factors that contribute to value, but here are just a few ideas to help you get started on where you can add value to your clients in your business.

1. People like to get at least what they have been promised and respond even better when they get a little extra.
2. They value products that operate as expected or promised.
3. They value you when you contact them when you said you would
4. They value companies who respond or communicate quickly
5. They value companies that are easy to deal with
6. They value service

Exercise: What else do you think your customers might value from you?

Before you create one single piece of marketing material, or design a logo, or decide on the colours in your store, you need to be thinking about these messages and how you want your brand perceived.

In many cases, you'll be getting a graphic designer or a copywriter to do this work for you. In some cases you may have these skills yourself.

When we work with our clients, we follow this same process. When we're ready to get the designer or copywriter working on the business or marketing, we write a brief for them that includes information on a range of questions. All meant to guide them on creating the marketing that will best reflect the individual and the brand we're working on.

And writing something down, allows you to confirm if they have responded as you requested. Verbal briefs are prone to interpretation.



Here is what our tactical brief contains:

1. Who wrote it
2. Who it was written for (designer etc)
3. When is a response due?
4. What are we expecting from them as a response? eg: logo design, key messages, advert, social media posts, SEO etc
5. Market Information - what market are we operating in
6. Competitor Information - who do we compete against?
7. Customer Information - who are we targeting
8. Company Information - who are we
9. Product/Brand Information - specific positioning and message information on the product.
10. Key Issues
11. Mandatories - what must be included in the response - things like colours, no go areas, industry codes that must be met
12. Expected response from target audience i.e. number of competition entries, number of leads or inbound calls.



Marketing Campaign The Menu

The Marketing Chef[®]

Marketing Campaign - the Menu

Imagine for a moment you are now ready to run your first marketing campaign. And just for arguments sake, let's say you've chosen to do three things in the initial pilot. A campaign in the local paper; An email to current clients; and A social media campaign on Facebook.

I'm not going to get into the nitty gritty detail of each specific channel, however I do want to share with you the process of IMPLEMENTING a marketing campaign so it will be successful for you. Here are the key steps to a successful campaign:

1. Set yourself up a 'WORK IN PROGRESS' document with each marketing activity listed down the first column, and then other columns with the last action you did, the next action required, who is doing it and when the activity is due including resources needed.
2. Set up a marketing calendar which shows when each campaign starts and finishes. Working out when is the best time to run that campaign. For instance during school holidays for kids promotions.
3. Write any briefs you need to copywriters or designers and go through process of completing those materials with any changes required - get someone else to check as well!
4. Place or use final materials like ads or social media posts, letterbox drops, referral emails or SEO campaigns.
5. Track responses to each campaign and measure as per next section of this book - DETECT

In the Resources Section, we've given you detailed versions of the work in progress documents, campaign checklists and tactical briefs that we use everyday in our consulting practice. You are welcome to use these as needed.





When Do I Get To Taste It?

The Marketing Chef[®]

When do I get to taste it?

When you've cooked a great meal (decided on your product or service) and described the meal well (marketed it), and sold it to your target audience - at some stage you need to get a taste of success for yourself.

Once you've begun implementing your marketing campaign, you also need to taste it along the way. In this case we don't mean tasting the meal itself, we mean doing a taste test on the marketing of the meal.

The final stage in our marketing model is the DETECT stage of R.A.P.I.D. Detect is just another word for measure, but it fitted better in our acronym.

There are hundreds of ways you can measure the success of your marketing program. But only a few that really matter in simple terms. We use ROI or return on investment as a major measurement tool. This is broadly the number of dollars returned for the number of dollar spent.

So if you spend \$1000 on an advertisement, and get \$5000 in sales. Then your return on investment is \$5 to 1.



ROI is a different thing for each type of business. If you make a high margin on your sales – say 50%, then you might only need to make \$2 for every dollar you invest in marketing to break even. If your profit is lower – say 20% then your ROI needs to be at least \$5 for every dollar you spend. Whilst we're using this ROI to describe marketing campaigns, it's equally important as a whole of business measure.

After all, owning and running a business is all about profit. You invest x amount in running it, and hopefully you're getting more than x out of it after all costs. Otherwise you might be better putting it in a bank – even at low interest rates, it's better than losing money.

There are other measures we use like **LIFETIME VALUE OF CUSTOMER** (LVC) which is a measure of how much a customer is worth to you over the entire time they purchase from your business.

For example: Imagine your product cost \$10 and a customer bought it every month for 5 years. Then the Lifetime Value would be calculated as $\$10 \times 12(\text{months}) \times 5(\text{years}) = \600 .

Exercise: Give it a go and do the calculation for your product

Cost of Product _____ X How often bought _____ X how many years _____ = \$ _____



Instead of thinking about the customer as being valued at \$30 which was what they spent on the last meal they had at your restaurant. Instead you value them at \$3000 because they've been coming every Friday evening for the last two years.

As a cook, the DETECT stage is when you taste the results of the dish you've made. The dish being your marketing campaign. It's when you find out what works about the dish - what communication sells it best, what do clients think of it. Is it too sweet, too salty, too dry or just about right. Or in other words what marketing is working.

In the RESEARCH stage, you surveyed needs and wants of customers. In the DETECT stage you are measuring that the marketing worked. Good research will have made it more likely your marketing will work, but it doesn't guarantee which is why you must measure as well.

A cook who is wanting to produce the perfect Lime Tart may cook it dozens of times before they find the exact recipe and process. The same goes for a marketing plan. A business owner may test several different campaigns, before landing on a mix that delivers the required result.



Recipe for Twice Baked Polish Cheesecake

Here's a recipe you might like to taste test for yourself. It's pretty simple to make and the end result is very tasty. You can also play with the recipe adding your own touches to taste, like testing and measuring your own marketing plans in your business.

Recipe for Twice Baked Polish Cheesecake

The Marketing Chef®



Ingredients

CRUST

- 2 packets of malt biscuits

CHEESECAKE

- 4cups dry curd cottage cheese
- 1tablespoon unbleached flour
- 1/2teaspoon salt
- 1 1/2cups sugar, Granulated
- 4large eggs, Lightly Beaten
- 1/2cup butter, Melted
- 1teaspoon vanilla extract
- CRUMB TOPPING
- 1cup unbleached flour
- 1/2cup confectioners' sugar
- 1/2teaspoon cinnamon, Ground
- 1/4cup brown sugar, Packed
- 1/4cup butter, Melted

Preparation

Preheat the oven to 180 degrees Celcius.

Place the cottage cheese in a sieve and drain.

In a small bowl, mix the flour, salt, and sugar.

Set aside.

In a large bowl, combine the cottage cheese with the eggs, butter, and vanilla.

Mix until well blended and smooth. Add the dry mixture and blend well. For the crust, I blend the two packets of malt biscuits into a fine dust, and then blend in some butter until the dust is buttery enough to stick together in a round greased cake tin. You should be able to press this up against the rim of the tin, and on the base and have a fairly firm, but still a little crumbly edge and base.

Make sure all the base and sides are covered.

Pour in your prepared cottage cheese, egg and vanilla mix until you have filled the base up to about 1 cm from the top.

Prepare the topping by sifting the flour, sugar, and cinnamon together. Add the brown sugar and blend well.

Pour the melted butter over the topping mix and immediately stir with a fork to form small crumbs.

Sprinkle the topping mix over the surface of the cake and bake the cake for 50 minutes, or until done.

The way I do this, is bake for about 35 minutes, then take out of the oven for 10-15 mins to cool.



What will happen is the top will lower, flatten and even get a small depression in the centre.

I then put in the oven for another 15 mins and 'bake again'. It seems to give a more solid feel to the cheesecake at the end compared to continuing baking for the full 50 mins in one hit.

Cool to room temperature and then chill in the fridge.

Cut into wedges and put a dollop of double cream on the pointy tip and sprinkle with some nutmeg for indulgence.

Add fresh berries to the plate as a refresher for the palate if desired.



Resources

The Marketing Chef®

Resources

In this section, we've compiled some of the tools and checklists and guides that we use everyday in our own consulting practice.

From how to brief suppliers, to how to conduct research. How to complete SWOT and PESTLE Analyses to what should be in your marketing plan. We trust you'll find these useful in preparing your own marketing plan.

Just like a good chef, you need the right tools to get the job done.



Tactical Brief

Prepared by:

Prepared for:

Date:

Project Description:

Introduction

What are you expecting back from the copy writer, graphic artist or SEO supplier or Radio Station?

Market Background

What factors in your market would the supplier need to know about in preparing your communication. Government change in legislation, new technology, any other market dynamic that you are responding to.

Competitor Information

What are your main competitors communicating to the market? If you include any web site addresses, brochures, PDF's, social media sites it will help them respond better to your brief

Product Situation

What is happening with your product or service right now. Are you launching a new product, seeking new business, communicating a new service. Are your sales declining. What is happening to your business specifically.



Key Issues

Also called key success factors. These would be the top 4 or 5 issues you must address to ensure success in the market.

Communication Objectives

What do you want to achieve in terms of communication (for this project, overall – may be awareness, product trial, switch business, solve negative perceptions)

Key Messages

What do you want to say? The key messages should be the approved strategic communication messages (you should attach references and anything else we need to write the words or create artwork for the communication in question - this will save you and your colleagues substantial time in the approval process)

Target Audience

Who do you want to communicate to (the audience will influence the tone of the message, the choice of marketing tool and many other factors?)

Campaign Requirements

Any budget, timing, events, quantities or other specifics. It is important to provide detail here.

Work in Progress Template

In our work in progress reports we have the following columns:

1. Project Name
2. Short description of project
3. Last Action
4. Next Action
5. Who is responsible?
6. Date Due



Checklist for Running a Marketing Program

Sign off and date when each step completed for individual marketing tactic:

1. Write tactical brief for the program
2. Discuss this brief with a colleague or manager
3. Get approval of the brief as needed
4. Brief the agency, designer or other person responsible for preparing materials
5. Get quotes for the project
6. Get quotes approved
7. Get draft copy written and approved
8. Get draft artwork done and approved
9. Get internal sign off by at least two people on the final artwork checking copy, art (fresh eyes will pick up mistakes)
10. Produce the marketing program and implement it
11. Include the project on the weekly work in progress and advise whoever needs to know about schedules. For instance customer service might need to know first if you're running a promotion!
12. Ensure you are measuring the results of the marketing in either direct or indirect metrics such as leads, sales, web visitors etc.

Researching Available Information on your Market

Secondary Research Checklist

The first type of research we usually do for a brand is to research existing information about the market - whilst we call this available or secondary or desktop research there is nothing second hand or desk bound about it. It simply means we aren't directly talking to current or past customers about that business.

This is the process we use for secondary research - this list is not meant to be all inclusive but it will guide you on how we go about secondary research. I might add this process is for Australian based customers only and would require adaptation to international markets.

ABS - you should always review the ABS for any data on your market or customers in Australia. The Australian Bureau of Statistics has an enormous amount of information on various markets in Australia and aside from census information there are often very good behavioural survey information as well.

IBIS - If available access a copy of the IBIS World market report on your market.



Often this is quite high level but provides useful information on the demographics of clients, key national players and the size of the overall market

Street walk - you should visit shops locally to collect information. This may include mystery shopping both your brand and a competitor.

Web Search - you will also review all key competitors websites and review information on the clients market - both locally and overseas

Secondary research is that which already exists and is available for you to locate and utilize in the assessment of the marketplace in which you want to operate. It can come from many sources, and be in many different forms. It is usually the first type of research you do, in advance of compiling questions and running your own 'primary' research project with your target audience.

Secondary research can help you:

- quantify the potential size of your market
- identify the strategies of your competition
- determine the best niche or target audience to focus on
- help you identify the various segments you could operate in
- decide on your distribution strategy – “where to sell”
- identify the different marketing communication channels of which you can avail yourself

Here is a list, not all inclusive of various types of secondary research:

- Demographic data from the ABS (Australian Bureau of Statistics)
- Existing research on different demographics and their consumption habits
- IBIS world market reports
- Competitor websites
- Google keyword opportunity tools
- Visiting retailers where competitors are sold
- Newspapers and articles on competitors - print and online
- Industry events
- Linked in searches for employees of the company against which you are competing
- Sales reports for your product in other international markets
- Clinical paper searches online
- Google searches for competitors
- Industry magazines, review of articles and or ads
- Customer complaints reports from Choice
- Social media searches including blogs

Secondary research can be cost effective and very valuable in helping you determine the gaps in your knowledge before engaging in the more expensive PRIMARY research.



Competitor Analysis

Competitor's Current Strategy

The two main sources of information about a competitor's strategy is what the competitor says and what it does. What a competitor is saying about its strategy can be revealed in:

- annual shareholder reports
- interviews with analysts
- statements by managers
- press releases
- industry events
- profile of small businesses in trade or SME online and print publications
- business associations print and online

However, this stated strategy often differs from what the competitor actually is doing. What the competitor is doing is evident in where its cash flow is directed, such as in the following tangible actions:

- hiring activity including ads on SEEK
- capital investments
- promotional campaigns
- strategic partnerships



Competitor's Objectives

Knowledge of a competitor's objectives facilitates a better prediction of the competitor's reaction to different competitive moves. For example, a competitor that is focused on reaching short-term financial goals might not be willing to spend much money responding to a competitive attack. Rather, such a competitor might favour focusing on the products that hold positions that better can be defended.

On the other hand, a company that has no short-term profitability objectives might be willing to participate in destructive price competition in which neither firm earns a profit.

Competitor objectives may be financial or other types. Some examples include growth rate, market share, and technology leadership. Goals may be associated with each hierarchical level of strategy - corporate, business unit, and functional level.

The competitor's organizational structure provides clues as to which functions of the company are deemed to be the more important.



Analysis

Other aspects of the competitor that serve as indicators of its objectives include risk tolerance, management incentives, backgrounds of the executives, composition of the board of directors, legal or contractual restrictions, and any additional corporate-level goals that may influence the competing business unit.

Whether the competitor is meeting its objectives provides an indication of how likely it is to change its strategy.

Competitor's Assumptions

The assumptions that a competitor's managers hold about their firm and their industry help to define the moves that they will consider. For example, if in the past the industry introduced a new type of product that failed, the industry executives may assume that there is no market for the product.

Such assumptions are not always accurate and if incorrect may present opportunities. For example, new entrants may have the opportunity to introduce a product similar to a previously unsuccessful one without retaliation because incumbent firms may not take their threat seriously. Honda was able to enter the U.S. motorcycle market with a small motorbike because U.S. manufacturers had assumed that there was no market for small bikes based on their past experience.



A competitor's assumptions may be based on a number of factors, including any of the following:

- beliefs about its competitive position
- past experience with a product
- regional factors
- industry trends
- rules of thumb

A thorough competitor analysis also would include assumptions that a competitor makes about its own competitors, and whether that assessment is accurate.

Competitor's Resources and Capabilities

Knowledge of the competitor's assumptions, objectives, and current strategy is useful in understanding how the competitor might want to respond to a competitive attack. However, its resources and capabilities determine its ability to respond effectively.

A competitor's capabilities can be analysed according to its strengths and weaknesses in various functional areas, as is done in a SWOT analysis. The competitor's strengths define its capabilities. The analysis can be taken further to evaluate the competitor's ability to increase its capabilities in certain areas.



A financial analysis can be performed to reveal its sustainable growth rate. Finally, since the competitive environment is dynamic, the competitor's ability to react swiftly to change should be evaluated.

Some firms have heavy momentum and may continue for many years in the same direction before adapting. Others are able to mobilize and adapt very quickly. Factors that slow a company down include low cash reserves, large investments in fixed assets, and an organizational structure that hinders quick action.

SWOT Analysis

According to Wikipedia "The technique is credited to Albert Humphrey, who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies".

The S.W.O.T. Acronym stands for the four quadrants – strengths, weaknesses, opportunities and threats.

You can use SWOT for a company wide analysis, a department or plan specific analysis, or a product based analysis. You can even use it to analyse your own skills and abilities. A few words on using SWOT analysis in your marketing:

Strengths and Weaknesses are internal factors within your business. Threats and Opportunities are items external to your business that could influence you.

Strengths and Opportunities are obviously positive items in the list whilst Weaknesses and Threats are negative issues you need to be aware of and plan to handle to ensure your continued prosperity in your market.



Here are a few tips when conducting a SWOT Analysis for your business:

1. Be specific when you write items in each quadrant – don't just say 'we have a good team' – write down why you have a good team and how this then translates as a strength. Spend time reviewing every part of your business and look for very specific items you can list. For example you may have one customer service manager who is an absolute gun at what they do – very proficient and loved by clients – this can be a strength for your business.

2. Opportunities are hard to come by – finding a true opportunity in a market should be like getting blood out of a stone. Look for meaningful items in this quadrant which have a major impact on your whole business. For example – a government grant that halves the cost of a product for your consumers might be a major opportunity – but launching the 10th red pen into a stationery line is not.

3. When you've written a SWOT for your business, you need to ensure you have strategies and plans for dealing with every weakness and threat you identify as well as making the most of your strengths. Usually, companies focus on the opportunities but forget to plan for dealing with weaknesses and threats.

Strengths (internal to your company)

Weaknesses (internal to your company)

Opportunities (external environment)

Threats (external environment)

Strategic Matching

The key to an effective SWOT is matching strengths and weaknesses with opportunities and threats. Strengths/Opportunities; Strengths/Threats; Weaknesses/Opportunities; Weaknesses/Threats.

Most people forget to do this step.

S/O means matching one of your strengths to exploit an opportunity in the market. S/T means using one of your strengths to overcome a market threat. A W/O means that there are opportunities in the market that you can't exploit because of a weakness in your business. W/T means there is a threat to your business that you can't defend against.

It is not enough to simply list strengths, weaknesses, threats and opportunities in a table - you have to do the matching step to figure out where your competitive advantages lie and what risks your business faces. If your analysis generates just one S/O match you are in good shape and you don't really need a list! And it only takes one W/T that you can't overcome for your business to be at significant risk!



These four segments could be called:

S/O - competitive advantage

S/T - solid defence

W/O - lost opportunity

W/T - deep trouble or oh s**t!



PESTLE Analysis

This strategic analysis tool was developed in the 1960's by Francis Aguilar as ETPS but the acronym was refined by Michael Porter in 1985 to PEST and is designed to help a business owner analyse the big picture or macro environment in which they operate. It is used to examine trends in your market that have relevance to your customers or your product/service.

The acronym stands for Political, Economic, Social and Technology.

Once again this tool allows you to focus your efforts on identifying trends in specific categories so you can prepare your marketing plan with a better understanding of the influences on your product or service. More recently, several other authors in business strategy and marketing have added letters to PEST to make it PESTLE including legal and environmental factors.

Writing a PESTLE Analysis is quite simple. There may be some work in collecting the information and keeping an eye on what is going on in the market over time. The important element is that you don't write a PESTLE Analysis once and then forget it. It should be a flexible and constantly updated analytical tool in your business.

Some markets move faster than others, but what all markets share, even at a local level is the fact that all business changes over time.



It might seem a strange thing to say but change is a constant.
What trends fit into each category and how do you find this information?

Political – information on government at local, state or federal level will be accessible through council and government websites, in the general media and on various general and industry websites. The HIA (Housing Industry Association) for example does a lot of work in keeping builder members up to date with government and legislative information. They do the work in analyzing changes so individual members don't have to do it. Many industries have a peak body like the HIA. Some other sources of political trends include the Australian Bureau of Statistics and specialized government department websites from ministers responsible for your market.

Here are some other examples of Political Trends to watch for in your business:

- Government grants come and go depending on the government of the time and the priorities they have.
- Local government may change regulation affecting retail stores
- Changes in policy can impact exchange rates which is also an economic trend
- Government tax incentives or schemes may temporarily increase sales – for example the immediate tax write off currently given by the government for capital purchases of \$20,000 will have increased expenditure on cars, computers and other equipment



- Legislative changes on carbon pricing or alternative energy sources for example could markedly impact industries that use a lot of carbon – fruit and vegetable shops could have to pay more for their electricity or stock
- Terrorism is a political trend that may seriously impact your small travel agency should Bali or the USA be off limits again – conversely if you sell home theatres or operate local tourism destinations you're in for a boom

Economic – economic information is usually very easy to find since it is reported widely in the media when interest rates change, what is happening with banks, the stock market, imports and exports. At a local level, economic units in councils and government often have their own dedicated websites. Companies like Access Economics and bank websites often have good information.

Here are some examples of economic trends to watch for in your business:

- cost of goods changing with exchange rate – are your sale or contract rates fixed – is there a currency risk to your business
- interest rate changes often push first home owners into and out of the new home market and change renovation markets – is your painting business ready for the influx of renovation work when interest rates climb and people can't afford to move
- the price of petrol skyrockets, and your business is supplying goods to petrol stations – how will you be impacted



Social – one of the best places for social information is the abs (Australian bureau of statistics) website. Social commentators like Bernard Salt and other futurists and analysts are useful sources of information. General media is often very good as the media is interested in trends. Online communities, forums and groups including group facebook pages can be useful places to see what people are doing and talking about. Here are some other examples of social trends to watch for in your business:

- change in eating habits
- people watching TV
- changes in movie streaming services
- people getting married later, and moving out of home later
- more technology – how is your book shop going these days
- people living longer – how will society cope with more and more of the older generation and less workers to support them
- increased online shopping – how do you compete if you only have a small, local retail shop
- smaller homes, less grass – how is your lawn mowing business going lately
- food trends including paleo, gluten free, high protein

Technology – the media is interested in technology. Depending on the specialization of your industry, your industry association magazines, websites and conferences and trade displays can be good ways of keeping up with the technology trends that will influence your market.

Some years ago, a fire door manufacturer began installing microchips in their fire doors to be able to track when it was installed, and to arrange maintenance if damaged. This is an interesting example of using technology in a fairly basic product.

Here are some examples of Technology Trends to watch for in your business:

- 3-D printing - how could you use it to enhance your business
- the cost of website development has dropped markedly – your small business can now be online and compete with the big guys
- paint that absorbs smells from your kitchen – how can you differentiate your business by offering this option in your painting quotes
- barcodes in mobile phones – how can you help your regular customers shop more easily for their favourite products in your store
- fuel cells for your home – how could you build a business helping regional or rural customers get off the electricity grid



Legal – usually referring to legislation your industry body as well as general media are the best places to find this information. Legal really refers to any law or legislation that affects how you might deliver your product or service such as having to have insurance, or food safety training, or needing a license to practice as a real estate agent.

Here are some other examples of legal trends to watch for in your business:

- any changes to workplace laws – are you up with these for your staff
- promotions – changes in the rules on legislation for competitions
- does your business need any new types of insurance or contract to cover what you do

Environmental – probably one of the biggest influences on many businesses in the next few decades. It is estimated that alternative energy production will have a billion dollar impact on the Australian economy. As coal powered providers close down and wind, solar and tidal energy sources increase.

Anything of this magnitude will influence all businesses – large and small – in any industry.

Here are some other examples of environmental trends to watch for in your business:

- in home recycling – watch for inventions that make us self sufficient on handling our own rubbish
- fuel cells - homes will be off the electricity grid in 10 years
- water recycling – will we be given a lifetime quota for water and constantly recycle it in our own home – how will this influence your business
- packaging – will we go back to the old days of bulk stores and bring your own container – how will this influence your food packaging business

TEMPLATE - PESTLE ANALYSIS

Company Name:

Date Completed:

Completed by:

Trend Category(for each category list trends relevant to your business)

Political

Economic

Social

Technology

Legal

Environmental



TEMPLATE - Marketing Plan

A good marketing plan should include all the sections we've described in this book - in other words R.A.P.I.D. Here is a detailed list of all the headings you'll need in your plan:

1. Introduction or Executive Summary (you would do this last once rest of plan is complete - usually a 2 page summary of the plan)
2. Research
 - Information about market
 - Information about competitors
 - Information about target audience
 - Surveys of your customers
3. Analysis
 - SWOT Analysis
 - PESTLE Analysis
 - Competitor Analysis
4. Plan
 - Positioning Statement - Value Proposition
 - Objectives - both financial and non-financial
 - Resources
5. Implement
 - Marketing Budget
 - A summary and detail of all the marketing programs chosen
6. Detect

A list of all the metrics you are going to measure - ROI, LCV



Detect Overview

It's important not to think in a linear fashion with respect to this marketing model. Don't slavishly do measurement after implement.

In fact, as you pilot your communication program, you'll be switching back and forth between implement and detect (measure).

There are many ways to pilot a communications program – here's some no fail methods you must employ.

1. ROI – for any major campaign, you need to set objectives for sell in, sell out or other sales measures, and then report on direct and indirect results. For example, running an email campaign to customers, and report on number of orders, total sales, new distribution points and the ROI of the program and you may find this to be an effective tool for your brand.

2. SKU mix – track the sales of different SKU's and look for patterns, if one seems to be growing more than the other – ask yourself why? – do we need two, do we need to reinforce the promotion of one sku and so forth – be interested not only in the trend, but the why behind the trend



3. Distribution and volume – review how distribution affects sales volume – look at target stores within your network and see patterns as to why some stores sell more – look at like stores and examine targeting strategies –rather than viewing all distribution points as equal

Return on Investment Analysis

Our return on investment analysis is a simple reporting tool that allows you to set objectives and then measure the direct and indirect return on your campaign or marketing program.

The definition of insanity is doing the same thing and expecting a different result, so we do an ROI analysis to continue what works, and cancel what doesn't.

PROGRAM:

DATE IMPLEMENTED:

DIRECT COSTS:

INDIRECT COSTS:

OBJECTIVES:

RESULTS:

DIRECT SALES RETURN:

INDIRECT RETURN:

OVERALL COMMENTS:

Calculating various Metrics

Keywords: Metrics, Measurement, ROI, LCV, ACV, Value

There are a variety of metrics. In fact the Australian Marketing Institute has identified some 160 or more of them. However, any individual business may only have 5 or 6 that they measure regularly. Most businesses(82.4%) only measure sales and profit. Most therefore do not measure other very useful indicators.

In this section we show you how to calculate a range of these metrics for your ownbrand.

80/20 (Pareto's Rule)

For most businesses, a small number of customers contribute the majority of revenue or profit. You can calculate the 80/20 rule for yourself. List all clients by sales in a descending order of value in excel.

Find the % of clients that deliver 80% of your sales (it might be 10%, it might be 30%). This ratio is important because it shows how exposed your business is to just a few customers. If you lose a few of these big clients you could be in a lot of trouble. It will also show you where to put your effort into client service.



Sometimes smaller clients can take up a lot of time but don't contribute much to your profit. Maybe servicing these clients is impacting the level of service you can give bigger clients.

LCV – Lifetime Customer Value

This calculation is simply the total amount or value one client has bought from you from the first transaction to today. If a client buys one cup of coffee from your café over 5 years, they may in fact have a Lifetime Value of several thousand dollars. This calculation is useful to know as it gives you a different perception on the true value of customers rather than valuing them on the amount of their last transaction.

It also proves how important loyal customers can be to your business.

ACV – Average Customer Value

Average customer value is another simple calculation. Take your overall turnover and divide it by the total number of customers. If you have sales of \$1 million and 10 customers – they are worth on average \$100,000.

This is a useful calculation as you can make a rough estimate of the return of marketing campaigns if you pick up another 5 clients for example since over time on average they will probably buy at similar levels to your existing database if you have targeted correctly.



ACV is also useful over time. If you see a slide in the average value of customers you can look deeper to see what is happening in your business.

Increasing average value of existing customers (getting them to buy more) is a great strategy in markets where getting new customers or getting customers to switch from competitors is difficult.

ROI – Return on Investment

ROI is one of the most important metrics in any business. Whether you are measuring marketing or some other investment in your business you should be aware of what return you are getting on the money and time you invest. ROI is usually expressed as a ratio.

If you spend \$1000 on a marketing campaign and get \$10,000 in return then the ROI ratio is \$10:1 It is important to know your margin or profit level for calculating ROI since if you only make 10% net profit you need to get a \$10:1 ROI just to break even.

Don't forget to include indirect costs in your calculation such as labour along with direct costs like printing, prizes, postage etc. And don't underestimate the value of indirect returns like new prospects (who can turn into purchasing customers in the future) or an increase in visitors to your website, as these can be important to understand in the overall assessment of your ROI.



Other Resources

As a business owner, now you've read this book, you are well prepared to develop more effective marketing strategies for your business. In the event that you need a little bit more help or advice, Blue Frog Marketing has developed a range of other products and services to help the business owner.

Books

Our founder - Hunter Leonard - has written 4 other books on marketing and communication. You can find those on iTunes at the following links:

ART OF COMMUNICATION

<https://itunes.apple.com/au/book/the-art-of-communication/id1092428063?mt=11>

HOW TO GET MORE CUSTOMERS

<https://itunes.apple.com/au/book/how-to-get-more-customers/id1104728526?mt=11>

RAISING DOUGH

<https://itunes.apple.com/au/book/raising-dough/id1092421345?mt=11>

MARKETING HAS NO OFF SWITCH

<https://itunes.apple.com/au/book/marketing-has-no-off-switch/id1018575160?mt=11>



Other Resources

The Marketing Chef[®]

R.A.P.I.D Marketing Centre

The R.A.P.I.D Marketing Centre is an online portal where we've developed dozens of detailed videos, podcasts and checklists to provide a more in-depth resource for business owners. There are several D.I.Y and Coaching Packages available which will suit any business owner who needs a little more help.

bluefrog.rapidmarketingcentre.com.au

Strategic Advisors

Blue Frog is now developing a national network of strategic marketing advisers who have been trained in the R.A.P.I.D Marketing Model and who are experienced at helping business owners develop marketing plans and strategies. If you want to outsource your marketing to one of our advisers, simply send an email to **hunter@bluefrogmarketing.com.au** and we'll put you in touch with the closest available adviser.



Glossary of Terms

The Marketing Chef®

Glossary of Terms

DM – Short for direct marketing. Usually direct marketing means communicating with a specific individual or customer. This can be via SMS, E-mail, Phone or Mail.

LCV – Acronym for an important metric or measurement Lifetime Customer Value – or how much an average or single customer buys from you over the entire period that they are a customer as distinct from a single average transaction value.

Media – a term used to describe one of more advertising methods – the plural of the word medium meaning ‘channel’ to somewhere or someone. Media in this sense means Social Media, Google, Radio, TV, newspaper or other channel.

P.E.S.T.L.E – An acronym for a strategic analysis tool comprises a review of political, economic, social, technology legal and environment trends. Trends are added to the list of those being analysed.

ROI – Short for return on investment – a measurement of the ratio of dollars returned compared to dollars invested in something. In marketing it is used to show the \$ of business generated compared to the dollars invested in a particular marketing program or marketing plan as a whole.



ROCE – Return on capital employed – A general corporate business term similar to ROI but more specifically related to the measure of return on monies invested in an entire business.

Strategy – the word means a long term action plan and comes from the greek and latin words meaning to 'lead an army'

S.W.O.T – Acronym standing for strengths, weaknesses, opportunities and threats. A four quadrant analysis of a company and the factors which will help or prevent success.

Value Proposition - a short statement which communicates to the customer what value the business is offering in the marketplace. The statement also often includes the specific target audience a business is aiming their value proposition at, and reasons why the customer can believe the statement.



GET YOUR MARKETING COOKING

What do good marketing and cooking have in common? More than you might realise. They both need a recipe, ingredients and a process. How do you get more customers? It's the number one challenge for business owners, with 41% saying they don't have the answer.

Why do business owners in Australia rate their confidence in their marketing at only 4.36 out of 10 on average? Why are over 40% of business owners so confused about where to market their products and services?

The answers to these questions and many more await you in this new book from one of Australia's most experienced and awarded marketers. You can also enjoy the recipes for great food from the author as well. It's a tasty journey to better marketing for your business.

Hunter Leonard is the Founder and CEO of Blue Frog Marketing Pty Ltd. Founded in 2001, Blue Frog Marketing has worked with over fifty organisations in twenty different industries, helping the owners of these businesses understand their value in their respective markets and then planning marketing strategies to achieve significant growth. In fact, Blue Frog has contributed to over two billion dollars of growth with their clients.

Hunter is on a mission to help one million business owners find their Sweet Spot and this book has been written just for them.

What the Critics are saying.

"It was very easy to read and more importantly understand and MOST importantly, sets out a clear path for me to follow so I can action what you have written" Karen Austin, Owner Skin & Laser - Richmond & Melbourne

"Your RAPID methodology did give me, as a small business owner, a lot to think about with my own strategies" Chris Winfield-Blum

"Opinions are a dime a dozen. Instructions (or in this case recipes) are priceless"
- Steve Cockrane, Message Stick Media

SELF HELP/BUSINESS

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