

# Defining Your Ideal Customer

## Step 1 - List All

Group	Problem We Can Solve	Profitable	Easy to Reach

## Step 2 - Choose 1

# Is Your Price Right?

## Starting Points

<p>What is your cost per unit?                  Include both:                  Fixed costs (Cost in the business whether you sell something or not)                  Variable costs (Cost to provide one unit like production inputs, labour, etc.)</p>	
<p>What can the market afford to pay?</p>	
<p>What is the price of the customer's current solution?                  (The current solution could be free)</p>	
<p>What are the prices of competitors?</p>	
<p>What is the value that a customer receives from your product/service?                  (example: price of groceries from your store vs. going to the city and paying for gas, meals, etc.)</p>	
<p>Is there something about your product/service that customers will pay more for (convenience, location, brand, reliability, support etc.)?</p>	
<p>What's the right price?</p>	

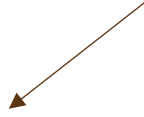
## Pricing Tactics

- Increase price – and show that you deserve it:
  - Add services
  - Redecorate the office/store
  - Upgrade the web site/packaging
  - Upgrade the logo
- Increase perceived value
- Decrease cost
- Decrease portion/package size
- Increase package size – Bonus!
- Add value through packaging
- Increase convenience of purchase
- Whip it!
- Add value through processing (bagged lettuce)
- “Price match” to the competition

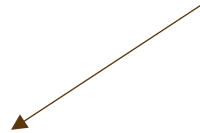
This worksheet is to be used in conjunction with the video entitled “How to Make More Sales”

## Demand Creation Strategy

$$\text{Profit} = \text{Sales} - \text{Expenses}$$



$$\text{Sales} = \text{Units Sold} \times \text{Price}$$



$$\text{Units Sold} = \# \text{ Customers} \times \text{Frequency of Purchase} \times \text{Amount of Purchase}$$

## Customers & Buying Habits

How many customers do you have now? (by product or service line)	
How often do they buy from you? Can they use your product more often?	
Do they buy everything they need from you? Why or why not? Where do they get the rest of what they need?	
How much do they purchase each time they buy? Could they buy more each time?	

## Finding New Customers

- Increase market share (Increase **Your Piece** of the Pie)
  - Conversion from Direct Competition
    - Head to head comparisons
    - Add value to product/service
    - Increase convenience of purchase
    - Add value not related directly to product or service
    - Invest heavily in Brand
  - Conversion from Indirect Competition
    - Educate customers
      - Seminars/Webinars
      - Sampling
      - Present at conferences
      - Write articles
      - Blog
      - Connect with industry thought leaders
      - Go to trade shows:
        - Exhibit
        - Work the show
    - Demonstrate risk of status quo
    - Uncover barriers to conversion
    - Sampling
    - Trial
- Enter a new market (Create a **Whole New Pie**)
  - Geographic
    - First vs. Third World
    - Early adopters vs. Late Majority (New York vs. Regina)
  - Demographic
    - Generational differences
    - Male vs. Female
    - Business vs. Personal
  - Psychographic
    - Different reasons for buying:
      - Convenience
      - Saves time
      - Saves money
      - Decreases risk
- Increase the size of the market (Increase the **Size** of the Pie)
  - Educate customers (see above)
  - Find new uses for the product/service
    - New benefits to current customers
    - Learn how customers use your product/services
  - Connect with researchers
  - Convert generations
    - Look at your product from a new generation's perspective
    - Small, incremental changes can meet the needs of a new generation (granite countertops)

## Increasing Frequency of Purchase

- What is the potential for repeat business?
  - Parts/Service/Upgrades
  - Planned Obsolescence
  - Fashion value
  - Trend durability
- Can we shorten the purchasing process?
  - Need recognition
    - Demonstrate the need
    - Affinity marketing
    - Influence thought leaders
  - Criteria Development
    - Early intervention in process
    - Requires durable competitive advantage
  - Search for information
    - Provide information before customers need it and follow up
    - Provide information in places that customers do not expect
  - Comparing alternatives
    - Provide comparative information (Progressive Insurance)
  - Purchase
    - Make the process as simple as possible
      - Online payment
      - Monthly payment
      - Financing
      - Minimize paperwork
      - Minimize warranty red tape
  - Use
    - Check in with customers to reduce post-purchase dissonance
    - Satisfaction surveys
    - New product development
      - Focus groups
      - Show appreciation
- Are they buying everything that we can sell them?
  - Identify customer needs before they do
  - Look for opportunities to cross sell or upsell
- Do they buy everything they need from us or from a competitor (direct or indirect)?
  - Do they “spread their business around”?
  - Why??
  - Combat that mentality
    - Offer more value with higher volume (services, on-site assistance)
    - Volume discounts
    - Trials of new products
    - Involve them in research & development
    - Help them become engaged with the company
    - Increase their “investment” in your success and yours in theirs

## Increasing Amount Purchased

- May have to start small
  - Remember that initial sale is start not end of process
  - Create relationships with customers
- Reduce to the Ridiculous for Customers*
  - “In a budget of \$4.2million, spending \$100K is a small portion”
- Build Up the Value for Customers*
  - “You can save 2 hours/week in administration for one salesperson”
  - “For 40 salespeople, that’s 80 hours/week”
  - “You just gained 2 new salespeople!”
- Volume discounts
- Cross sell

My demand creation focus is:

My tactics include:

I’ll measure success by:

## Asking For & Using Reviews

When & how will you ask?

### When?

When they're paying for the product or service

After the purchase:

Hours

Days

When they're

experiencing your product or service

When they're considering buying again

Other:

### How?

Where the customer pays

Where the customer uses the product or service (a table, a hotel room, etc.)

In a card

In the package

A link in an email signature

In a social media post

In your business

On a receipt

Email with a link

Other:

How will you use reviews?

Review the reviews	
Look for words that you can use later in your own marketing	<input type="checkbox"/>
Find comments that will help you improve your product or service	<input type="checkbox"/>
Share comments in reviews on social media feeds, website & other marketing	<input type="checkbox"/>
Look for statistics in the reviews	<input type="checkbox"/>
Address concerns	
Thank people for their comments	<input type="checkbox"/>
Ask to connect with them offline	<input type="checkbox"/>
Ask reviewers to join your community	<input type="checkbox"/>

## Testimonials

Do I need testimonials?

Do you sell complex products or services that require an explanation to potential customers?	<input type="checkbox"/>
Can you offer a sample of your product without a high cost?	<input type="checkbox"/>
Do people like to know someone who has purchased your products or services before they will buy?	<input type="checkbox"/>
Do your products or services cost more than something similar in the marketplace?	<input type="checkbox"/>
Do your products or services require a lot of customer effort or commitment to start using?	<input type="checkbox"/>

If you checked even one box, you could probably use testimonials in your marketing.

If you didn't check one box, learn more about Reviews.

Who should I ask?

- Customers who love you
- Customers who had a big problem that you helped them solve
- Customers who never ask you the price of your products or services
- Customers who didn't have a good experience with you at first but you worked with them to make things better
- Customers who tell others how great you are

**I am going to ask these three customers:**

Name	Email	Phone

This worksheet is to be used in conjunction with the video entitled "How to Ask for Testimonials"



## How will I use Testimonials?

- On my website
- In social media posts
- In email signatures
- As references in proposals
- Quotes in brochures, websites or other promotions
- In ads
- Video testimonials
- Other \_\_\_\_\_