Finding and keeping customers



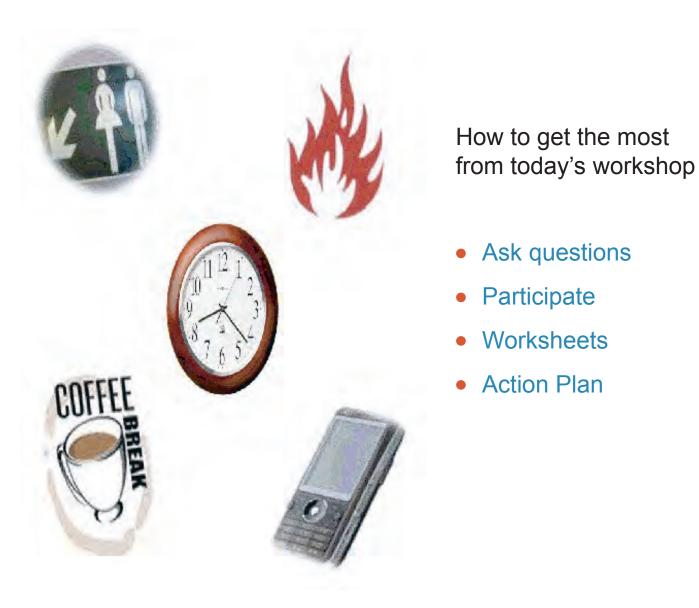


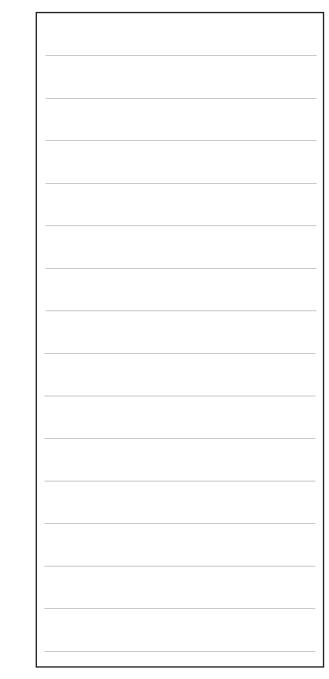




Department for Work and Pensions

For your information

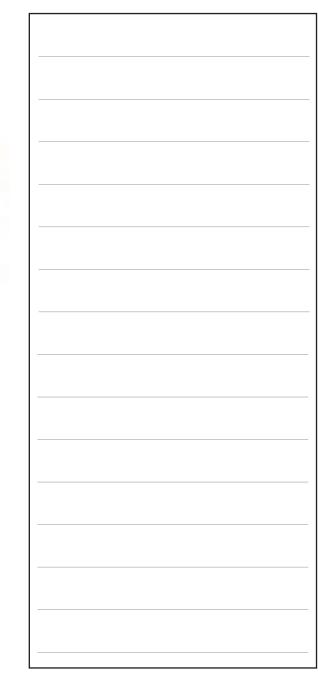




Today's objectives

- To help you identify who your customers are, what's important to them and how to position yourself to win their business
- To explore how to reach your customers and keep them coming back



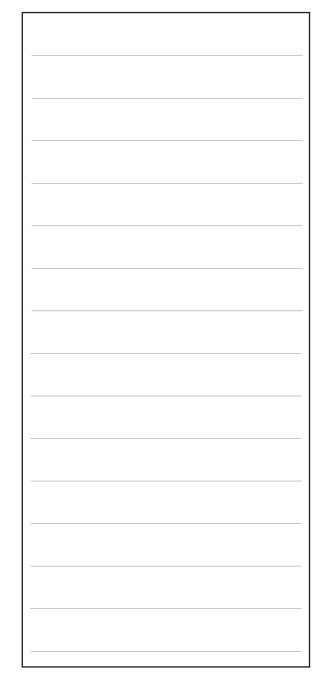


Key learning points

- Understand your target market
- Profile your customers
- Find your USPs
- Plan and carry out your research
- Decide on a pricing strategy
- Understand features, and benefits

- Decide on the best way to reach customers
- Promote your products or service
- Work out how to keep them coming back for more





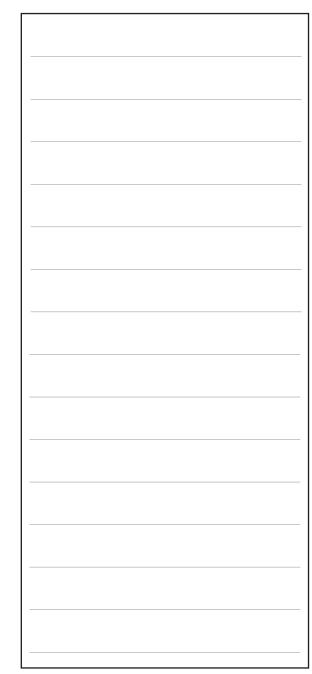
Introductions

- About Youth Enterprise
- 'Starting a Business' journey

Over to you

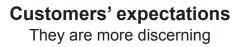
- Your name
- Nature of your business idea
- Your expectations of today

introduce yourself



Things are changing







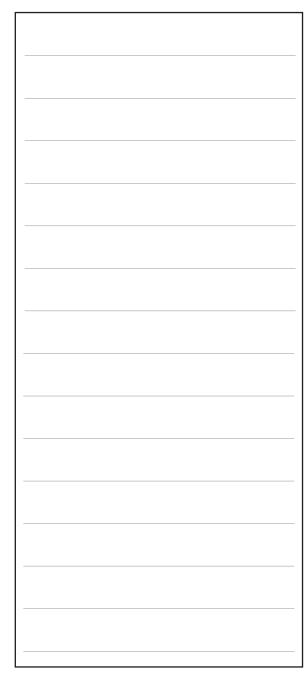
Competition Gift vouchers for several big retailers are sold at this service station



Technology You can download street maps on this phone



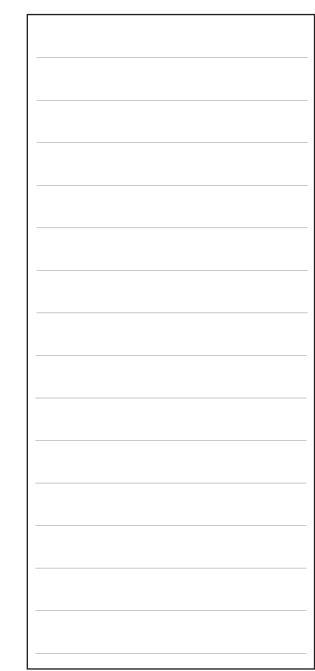
Ways of selling This is a supermarket

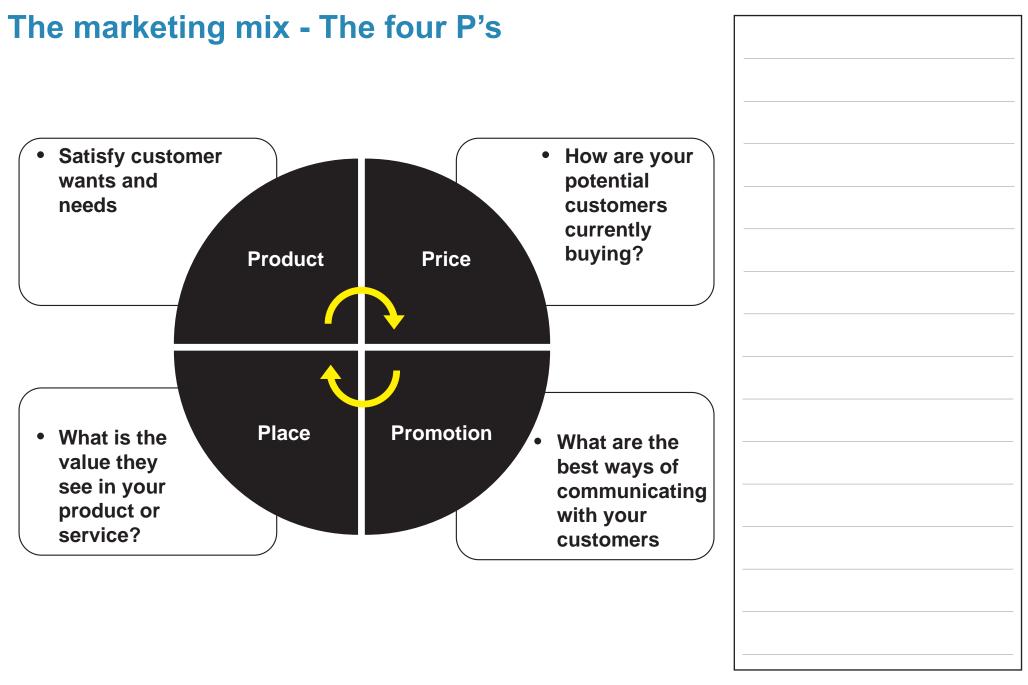


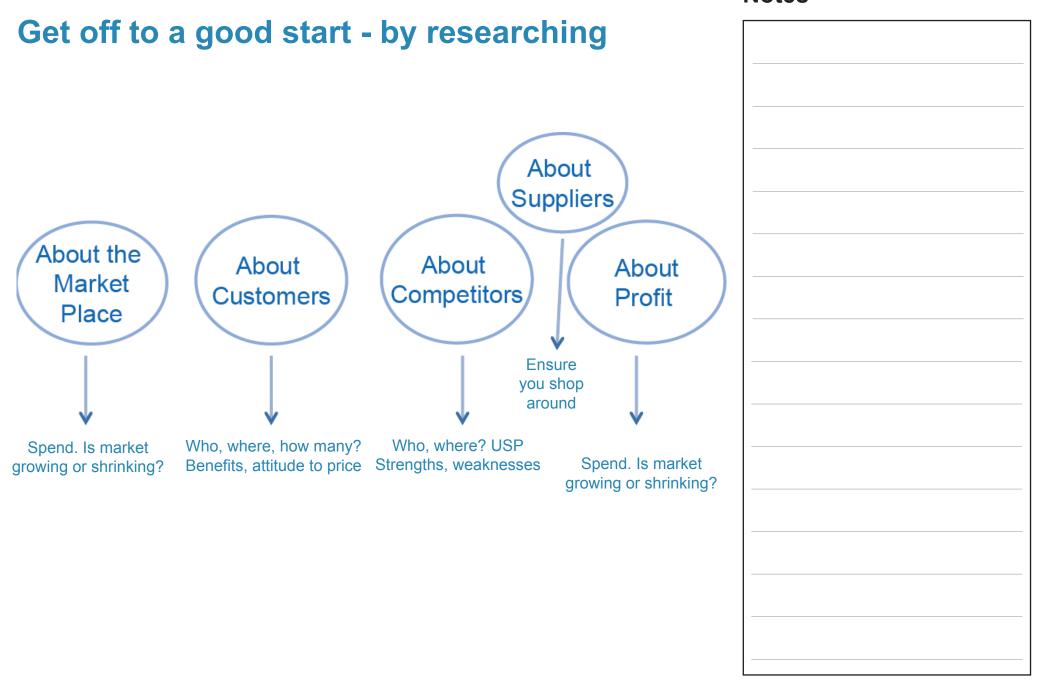
Marketing plan

- Why is a marketing plan important?
- How would you go about developing your marketing plan?
- How will you measure the results?





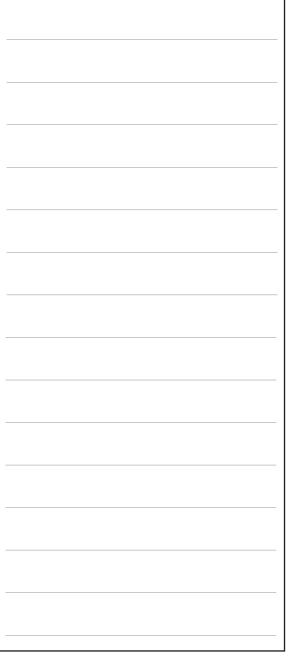




Planning your market research

- Objectives
- Planning
- Data collection
- Data analysis
- Decision





Your customers

What will you research about your customers?





Customer research

Primary Research

- Customer surveys
- Focus groups
- What other ways can you think of?

Secondary Research

- Secondary Research
- Government reports and statistics
- Free data off internet, articles, You Tube
- Government resources
 www.statistics.gov.uk

1		

Create customer profile

Demographics

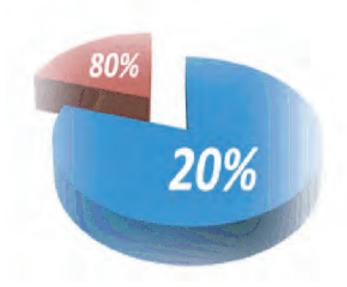
eg – professional women, with teenage children based within 100 mile radius, aged between 35 to 55

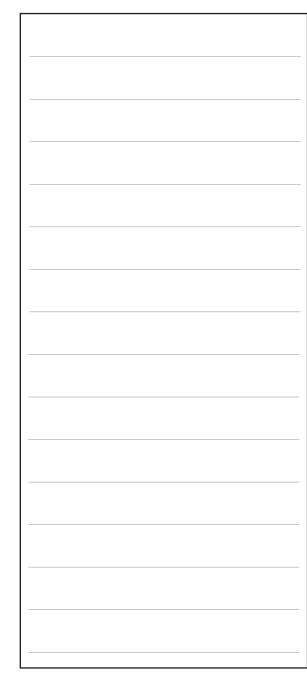
Psychographics

eg – busy life, happy ordering on line, checks website and 'about us' page before deciding to purchase

Your customers

- Who are your BEST customers ie your 'A' customers
- What about other groups of customers, your 'B, C and D' groups?
- Pareto 80% of your income will come from 20% of your customers





Notes **Competitor analysis** Key personnel Financial Who are the managers and how Company many employees do they have? Who owns it? Do they have spending How does the market perceive it power or is it struggling? What were and its key product? its sales in the last 2 years? Product/service analysis Sales and pricing Marketing What are the strengths and What does it sell the most of? What is the quality of it's packaging, weaknesses of its products At what price? advertisements, PR? What do customers like /dislike? To which type of customers? How does it advertise and promote What is it's discount/pricing structure? itself? What is its market share? Differentiation How does it stand out from the crowd, what's different, better?

Competitor reseach

- Be a mystery shopper
- Visit their website
- Survey their customers
- Speak to their employees
- Read their PR, articles, newsletters

- What are their plans?
- What would make their customers switch to you?
- How do you compare with them?
- How can you use this information?

1	

Features and benefits

• Feature : an attribute, part of the product or service

Which means that:

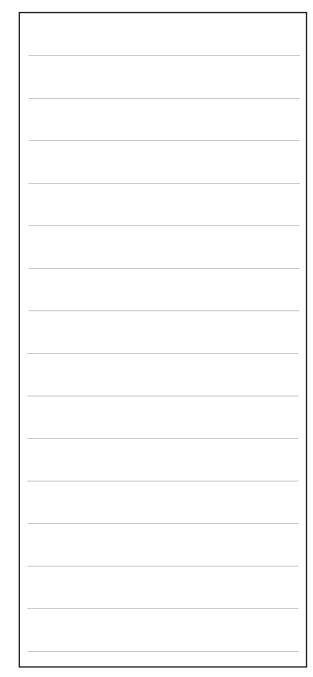
 Benefit: the difference it makes - what it does for the customer



The product The feature

The benefit

Capacity to record huge volumes

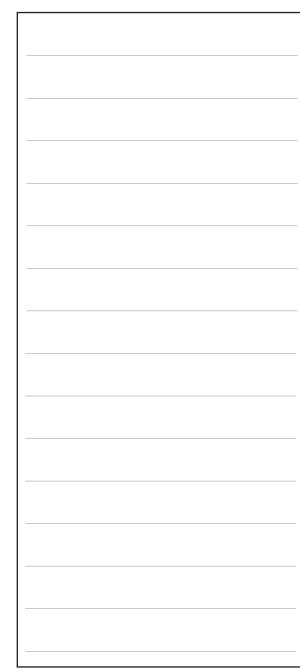


The reasons we buy things

- 1. Basic needs
- 2. Convenience
- 3. Peace of mind
- 4. Image or ego
- 5. Entertainment
- 6. Increase wealth



Which ones apply to your idea?



What is your Unique Selling Proposition?

- Are you faster, more efficient, cleaner, healthier, carbon free?
- Do you specialise in something or do you have unique skills?

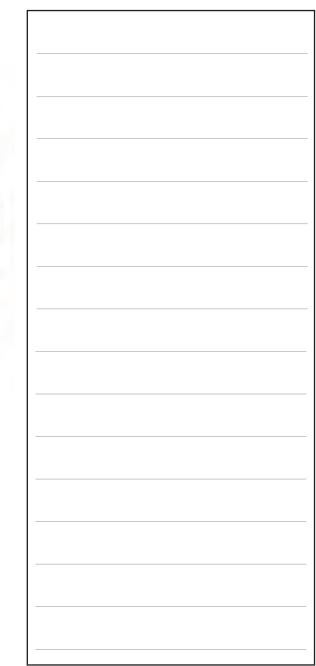




Pricing your product or service

Discuss the things you need to consider when deciding what to charge

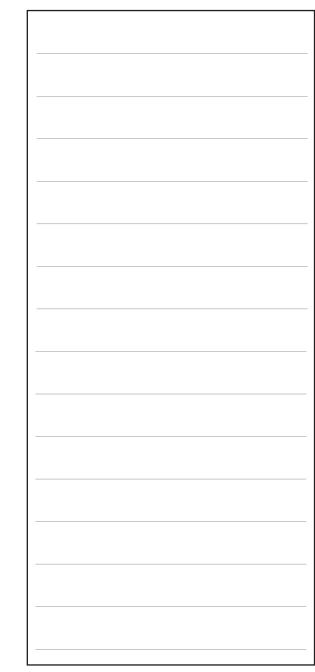




What influences price?

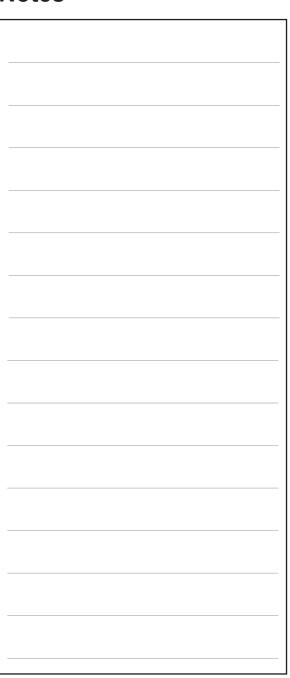
- Your perceived expertise
 - Off the peg suit £150
 - Bespoke tailor making you look several sizes slimmer £350
- Snob value
 - Economy class ticket on train £45.00
 - Next carriage along with white tablecloths and free coffee £150.00
- Speed
 - Hardback Harry Potter £15.00 now
 Paperback £8.00 six months later
- Demand
 - No-one else can supply means high prices





Work out your costs

- Know that your price covers all your costs including desired profit
- Don't forget to set your price at what the market will stand
- Most business 'start ups' set their price too low – lack of confidence ?

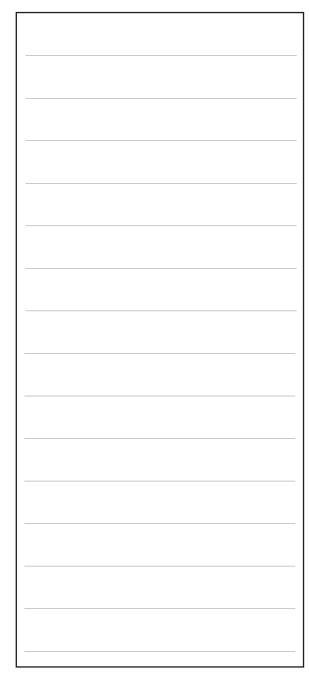


Working out costs - product based

A jewellery maker plans to sell 1,500 items over 12 months. Research shows:

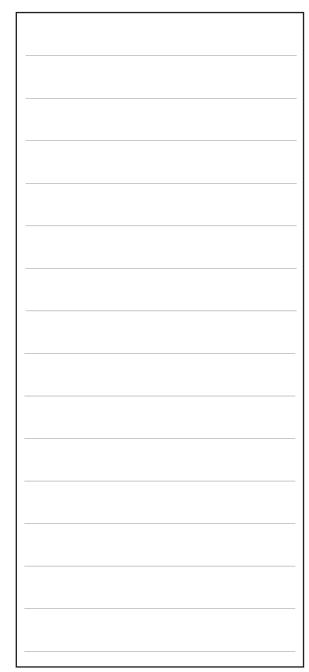
Direct cost per item £1.76	£2,640	
Overheads	£2,500	
Personal survival budget	£20,000	(including tax and NI)
Revenue needed to Break even	£25,140	

£25,140 divided by 1,500 items = £16.76 minimum per item BUT Break even is only a starting point – further research may point to charging a higher price



Working out costs - service based

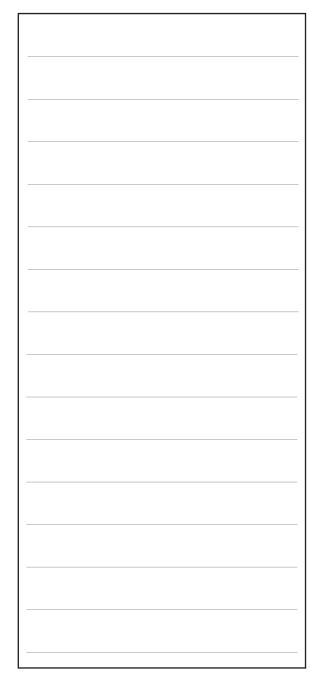
A Web Designer plans to earn (gross)	£34,000
Overheads (equipment and running home office)	£ 2,000
Total Turnover needs to be	£36,000
Working 5 days a week, daily rate would be	
£36,000 divided by 240 working days =	£150
BUT	
Can you sell 5 days every week?	
If you sell 2 days per week the daily rate is	£375
What are competitors charging?	



Your branding

- What is branding?
- How can you use logos, images, strap lines etc to create an understanding of your core brand?
 - 'Simples'
 - 'Every little helps'
 - 'Because you're worth it'





The promotional mix



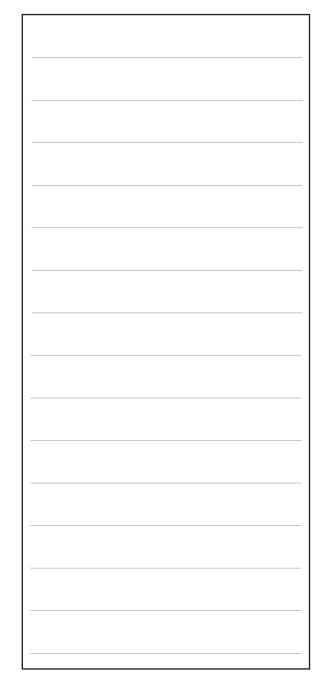
Exercise

Think of as many ways as possible to reach your target market

Which of these will be the most appropriate for your market/s?

Internet marketing

There are many different ways you can promote your business on the internet.



Promotion tips

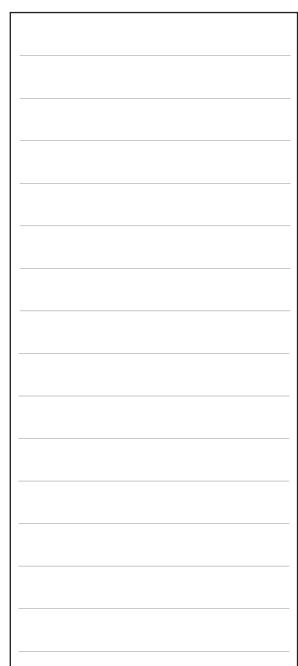
Networking

"It's not always about what you know but *who* you know"

Do you know about the 6 degrees of separation?

Public Speaking

- Positions you as an expert
- Gives people a chance to get to know you
- Raises credibility

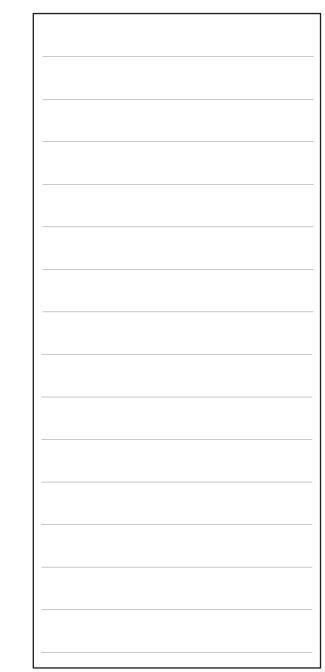


Advertising

- What type of advertising will be best for you?
- What do you need to consider?





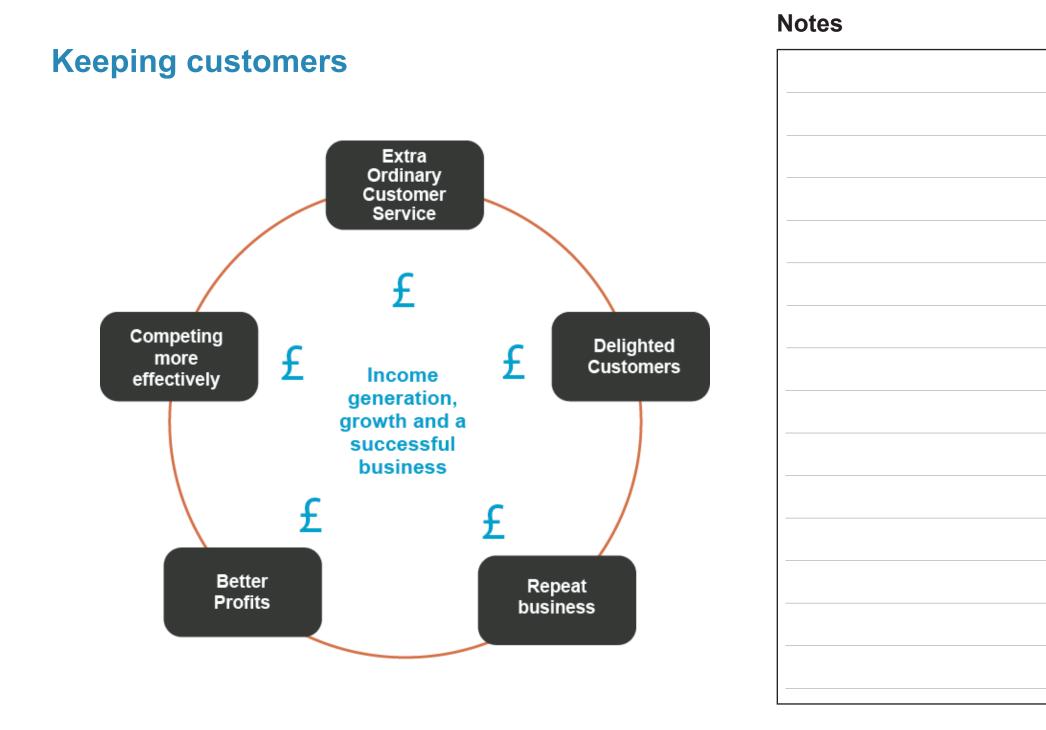


Winning sales

At the simplest level - 6 stages in selling:

- 1. Establish a relationship with your potential buyer
- 2. Ask questions and listen to answers
- 3. Check your understanding is correct

- 4. Match the benefits of your product to the needs your buyer has told you they have
- 5. Handle objections before you ask for the sale
- 6. Ask for the sale and close it



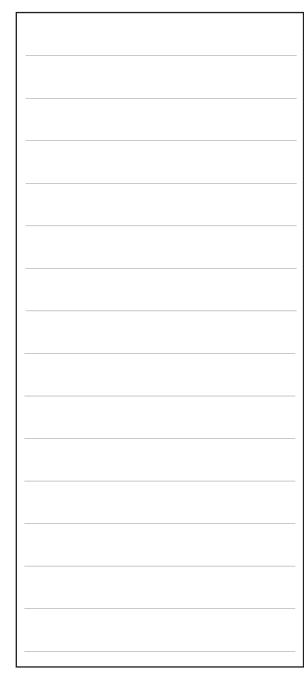
Customer service

Exercise

- Think of a time when you received exceptional customer service
- Describe what was so good about it?
 - Who, what, where when, why, how?



5 Star Rating

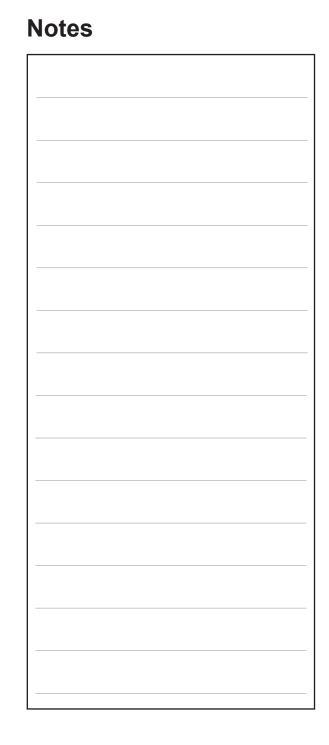


Key learning points

- Understand your target market
- Profile your customers
- Find your USPs
- Plan and carry out your research
- Decide on a pricing strategy
- Understand features, and benefits

- Decide on the best way to reach customers
- Promote your products or service
- Work out how to keep them coming back for more





Your action plan

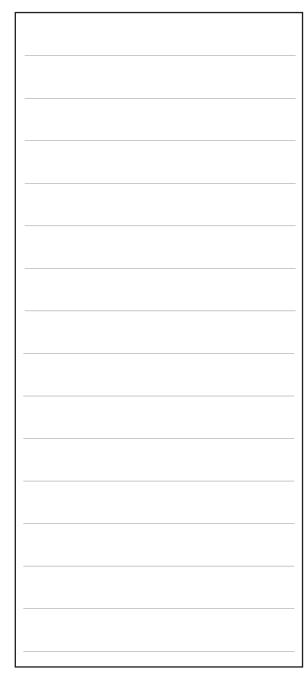
What do you need to do next to help you complete unfinished sections of your business plan?

To do By with • • • • • • • • • • • • • • • •

•

By when?

- •
- •
- •
- •
- •



Let Hull Training help you

- FREE Information
- FREE Expertise and advice
- FREE Workshops and seminars

Call 01482 612 983

www.youthenterprise.co.uk

