

Hamilton  
Opportunity Knocks

Business  
Marketing  
Toolkit

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# 1. Research Your Market

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In business we need to make strategic decisions on a regular basis. Research and understanding what makes our business tick can help us make better decisions and respond to market changes faster than our competitors. Use your accounting software to keep up to date with how the money is moving or not moving through your business. Don't just look at your Profit and Loss or Balance Sheet; start to dig down into the data to analyse your monthly performance. Look at:

- ▶ Revenue by month and season
- ▶ Revenue, gross profit and net profit
- ▶ Revenue and profit per market segment
- ▶ Revenue and profit per product or service
- ▶ Average spend overall
- ▶ Average spend by market segment or customer group
- ▶ Average spend per product or service

This information will give you clues about the best markets to target or where you should spend your sales and marketing dollar.

Set up a trend register to help you collect information on your industry and marketplace. In simple terms a trend register is a personal reading or watching program that helps you spot trends and issues that could be important for product development or marketing. A Trend Register is the brainchild of US trend forecaster Faith Popcorn. Her books *The Popcorn Report* and *Clicking* are great reading for anyone interested in trends. Your Trend Register could include:

- ▶ Subscribe to industry publications and consider subscribing to related industry publications.
- ▶ Organisations and industry associations.
- ▶ Set up a reading list of local and international magazines, newsletters, trade journals, metropolitan and trade press which will provide you with industry or marketplace information.
- ▶ Seminars and workshops to attend
- ▶ Companies or colleagues to keep in touch with
- ▶ Internet sites to bookmark including those of your competitors
- ▶ Areas to monitor eg another retail shopping strip or a local industrial park.

This immersion in information can seem like overkill but it will give you lots of different ideas and opinions which you can research and test.

Last but not least, start a business diary where you record what happens on a daily basis. This can include everything from the weather to a bumper day in sales or a rash of customers looking for something you don't stock. This diary will become particularly useful once you pass the twelve month mark. Whenever it has been quiet for a few days and you are panicking that the market is slowing down you will be able to check the diary to see if last year showed a similar trend or whether this is simply a one off occurrence.

## In store research

The primary aim of this research is to identify where your customers/clients are coming from and what is the average spend for each of the various destination groups. This information can help you decide whether you should advertise or promote in specific areas.

Until you have enough data to evaluate, you won't be able to decide what the various groups may be but we could perhaps assume that they may include:

- ▶ Local postcode
- ▶ Surrounding postcodes
- ▶ Newcastle area
- ▶ Intrastate visitors
- ▶ Interstate visitors
- ▶ International visitors

This in store research can also be effective when it is used to identify other useful information such as

- ▶ Age or sex of customers/clients
- ▶ Volume of customers from specific market segments

## Suggested Methodology

You need to collect the information across the week but you don't want to run this research day in/ day out as it can be tiresome for you, your staff and your customers.

It is suggested you do the research two or three half days a week until you have covered all the operating hours. Alternatively you can run the research every day for 1 – 2 hours e.g. day one 9 – 11, day two 11 – 1 etc. This should take you almost a month. At the end of the first week do a preliminary breakdown of the figures. At the end of the month you should have enough data to start drawing conclusions about the information you have gathered.

After the initial run, the research can continue on a regular basis, perhaps two half days a week for another month. Once you are sure your conclusions are correct you can stop the research and only repeat it when we feel spending patterns are changing. You may end up running this kind of research twice a year.

On the days you are doing research you will need to:

- ▶ Ask every customer for their postcode.
  - You needn't ask people you know are local residents but you must record their post code
- ▶ Record the post code and total amount of the sale on a clip board or in a notebook.
  - It is critical that you record every sale and don't miss out people when you are busy.

All you need to say is. "Could I have your postcode please?" If you feel more comfortable you can add an explanation eg "We're doing some research into where our customers come from, could I have your postcode please?" It is unlikely you will meet any customer resistance to this request but if you do, let it go, leaving the customer feeling happy is more important than getting their postcode!!

If you are researching age please don't ask the customer just guess. The same goes for target markets, in most cases you won't need to ask as you can guess the category.

# Client Discussion Groups

You can find out what customers think about you and your business with a simple "Client Discussion Group". The ideal size for this discussion is 8 to 12 people so you will probably need to identify and invite up to twenty clients who represent your client base. The mix should include new clients, old clients, happy clients, clients who have had a negative experience, large and small clients. If you sell very different services you may want to run separate groups for each service.

Once you've identified possible candidates give them a call or send them a letter inviting them to "Have their say". You'll be surprised how many people jump at the opportunity to provide you with some feedback.

Of course, the quality of this feedback will depend on whether you are sitting in the room or not. Ideally, business owners or staff shouldn't facilitate the session or be present in the room. In fact, this is usually a job for an experienced facilitator. Marketing consultants, community consultation experts, some business advisers, accountants or even teachers are often able to facilitate these sessions.

The session itself should take less than two hours. During the session the facilitator asks a range of questions and lets the participants explore each of the areas in general discussion. The role of the facilitator is to gently guide the group not control the input. These sessions are usually recorded and the tape is used by the facilitator to prepare a report. The tape is generally not given to the business owner as customers need to feel that they can make comments in confidence. The quality of the feedback will depend on the questions you ask, so prior to the session you need to have a good idea of what you want to find out or test. This could range from customer service to the acceptance of your product.

Although the business owner and staff shouldn't participate in the discussion group they should be on hand to meet and greet clients when they arrive and host drinks and refreshments afterwards. It is often a nice idea to give participants a small thank you such as double passes to the cinema or a bottle of wine. It is also important to let the group know their input has been valued. This can be done with a follow up letter detailing a change or new initiative that has resulted from the discussion group.

It can be scary to ask your clients to sit in judgement on your business. But if you're willing to take the risk, the rewards can have a significant impact on the development of your business.

## Sample format for a discussion group

### Phase One.....Fact Finding (30 minutes)

- ▶ The facilitator explains how the session will work
- ▶ General fact finding re names, businesses
- ▶ What is their role or title in their business?
- ▶ What are their main business worries and concerns?

### Phase Two.....Test Attitudes/Opinions (30 minutes)

- ▶ Do they feel that companies in the industry understand their needs in general?
- ▶ How do they view individual services, companies in their industry?
- ▶ Which services do they use?
- ▶ What led them to use the business?
- ▶ How did they physically find the business? e.g. Referral, Yellow Pages
- ▶ What were they looking for/what were their buying criteria?
- ▶ What have been their experiences to date?
- ▶ Competitor information
- ▶ Are there services you would like to see the business offer?

### Phase Three....Perception of the business (45 minutes)

- ▶ How would you describe the business to a colleague or friend?
- ▶ What does the business do?
- ▶ What services have you used?
- ▶ How would you rate the business in terms of customer service?
  - Phone answering

- Service when you are at their premises
  - Response times
  - Turnaround times
  - Delivery
  - Accuracy
  - Quality
  - Proactive customer service e.g. phoning you when there is a problem
- ▶ What are the best things about the business?
  - ▶ What are the worst things about the business?
  - ▶ What kind of credibility do you feel that the business has achieved?
  - ▶ Who have you dealt with at the business?
  - ▶ If you were in charge of the business what would you change?

#### Other Options

- ▶ Test web site
- ▶ Test marketing material



## 2. Capitalise on Existing Customers

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### Increasing average spend

#### Add on Sales

The biggest hurdle to overcome in “add on sales” is convincing staff to actually include additional items as a part of their sales spiel. Staff are often reluctant because they are not sure which items to include. They also sometimes feel that they are forcing customers to buy products they don't want or need. For this reason, it is a good idea to take the time to put together an add on sales list which can be discussed at product meetings and displayed on the team notice board. If you take the trouble to work out “what goes with what” you will find staff are more confident about making the offer.

Try introducing the add on sales concept slowly with just one or two products to start with. Track the progress and reward the team for their success with a small reward like bottle of champagne, ticket to a movie or a pizza lunch. Once staff get the hang of it add on sales can become a fun competition amongst the team.

The way you display your stock can dramatically increase your add on sales as people will often buy related items because they are displayed together. For instance, a beautiful candle in a pottery candle holder will sell both items without any prompting from a sales person.

Menu boards also work well to increase add on sales. People like the idea of choice and a lunch bar that describes mouth-watering sandwiches and makes suggestions about accompaniments will often result in additional sales. This often can be increased again with an add on of a drink suggested by counter staff.

#### Sampling

Sampling can be a winner for gourmet food producers, takeaway outlets and smaller retailers. Tasting samples at delicatessens, gourmet food outlets or even cafes are an excellent way of getting your product into the mouths of potential customers. If you run a service business you can let people sample your services at a trade show or business expo. A promotion that offers a free diagnostic or sampling over the web can also be an effective way of encouraging people to try before they buy.

If you are interested in setting up a sampling exercise look for venues or other businesses that are already reaching your target market. Information can be sent to their customer list or you could hold a free demonstration at their premises. Obviously the business wouldn't be a direct competitor but may be selling a related product or service. For instance a beauty therapist could offer free facials to clients of a hairdressing salon. It's important that there are benefits to the other business. These could be additional sales of your product, a chance to look good by offering their clients a free seminar or an opportunity to reach your customer base.

# Increasing number of visits

## Loyalty Programs

Promotions that encourage repeat sales often follow the frequent flyer philosophy and reward customers for their regular business. These rewards can be cash, more product or a gift. A popular promotion for coffee shops and food outlets is a coffee club promotion where customers are presented with a card which is stamped every time they purchase a coffee. Their fifth cup is free. This concept has been used successfully on everything from earrings to children's school shoes.

## Create a database

You can cost effectively increase the number of visits and build loyalty with existing customers through an email database. A visitors book, simple form, bowl for business cards or personal invitation to join a database are all effective ways to build a list. Keep in mind Privacy Legislation and make sure you give customers a chance to unsubscribe at any time. It is also a good idea to set expectations of how often you will be contacting them e.g. "We send out a newsletter at the start of each season and will send you invites to our VIP sales or special offers".

If possible, when collecting the information identify a special interest so you can create "fields" which allow you to email customers with specific interests e.g. large sizes, special needs re fit, preference for a particular brand or someone interested in new stock.

This will allow you to send out some personalised emails in addition to the general ones sent to everyone.

Generally aim to contact your database customers up to four times a year. Reasons for contact might include

- ▶ New stock
- ▶ Sales
- ▶ Presale items
- ▶ Specials
- ▶ A seasons greeting

It will be important that you create an email that will be immediately identifiable as coming from your business rather than SPAM. The title line is important and shouldn't be too clever or hypey as it will end up in the recipients SPAM folder. The title line should also include the shop name. "New winter stock just arrived at XXXX in Hamilton" or "Invitation for VIP's to save 30% on all XXX stock this weekend". A restaurant may promote a new menu or special for the month.

Using HTML you can include a "signature", using store or logo colours and include small pics. Be aware that some customers will have a slow internet connection. Emails should also feature a link to your website if you have one.

In keeping with Privacy Legislation all database marketing should have an unsubscribe message which allows customers to choose not to receive any more mail. Legislation also prevents you from selling the list or giving it away.

An email database is very cost and time effective and you can experiment with different messages and approaches to see which is the most effective.

The database (and website) can also be promoted with in bag flyers during busy times when you do not have time to approach each customer.

### 3. Cooperative marketing

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There is strength in numbers when it comes to promoting your business. Retailers, food outlets and service businesses can easily join forces to create cost effective campaigns to reach new markets and increase the loyalty of existing clients. Here are some examples of how other retail communities have worked together to maximise their time money and energy!

- ▶ Food, fashion and gift outlets in a retail strip pooled funds to employ two “cupids” to hand out chocolate hearts and a simple flyer promoting gift ideas and romantic nights out for Valentines Day. For less than \$100 each they had three days of high visibility high promotion prior to the big day. This approach works just as well for Mothers Day, Christmas or Easter.
- ▶ Tenants of a light industrial park got together to hold a Fixit weekend where they would have experts on hand to give advice and do minor repairs. Businesses involved included a bicycle shop, camping store, hardware outlet and motor mower repair shop. Their shared costs included a half page ad in the local paper and a banner for each participating outlet. This concept can also work very well for service businesses who could hold a weekend expo or seminar.
- ▶ A gift shop, shoe shop, fashion outlet and a lingerie store who all target the same market (middle aged ladies who are into fashion and spend like crazy) hold a pre season VIP shopper night. Each shop gives or sends invitations to their VIP customers who attend from 6 – 9pm spending around 30 minutes in each shop. There is a “pied piper” to lead them from one outlet to another and champagne is served throughout the evening. Apart from great sales figures, each business has the chance to introduce themselves to a group of potential clients.

Cooperative marketing can also be used to build a mail list. Here’s how two fashion outlets worked with a restaurant to cross promote their businesses and build a much needed database. They put together an inexpensive promotion called Have A Night Out on Us! The menswear and womenswear outlets donated outfits to the value of \$250 each while the restaurant donated dinner for two including wine. They shared the costs of a limousine to and from the restaurant, TC license, posters and entry forms. Entry forms were marked to identify the forms distributed by each business. The menswear and the women’s wear outlets distributed around 200 forms each. The restaurant distributed over 2000 to their customers! The promotion ran for a month and was very successful with a young local couple winning the prize. But the prize winner was almost incidental to the promotion. Details from all the entry forms were entered into a data base. Suddenly each business had a mail list of their clients and a master list of everyone who entered the competition. Once names of entrants from interstate and out of the area were deleted, there was still a mail list of around 1800 names. The menswear outlet used the mail list to write to participants thanking them for taking part in the promotion and asking if they could send them information on their bi annual sales. Over the next year or so they continued to use this list to target potential clients in the area. This simple promotion was a win win scenario as it built a powerful marketing database for three businesses a very small cost.

## 4. New product opportunities

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Individual owners should research product demand with existing customers. This can be done informally by chatting to regulars or more formally with questionnaires or a "focus group" discussion with target customers. For many retailers Postcode Research would be an effective way of identifying their mix of customers e.g. % local to % tourists. (See information sheet in Appendix)

Some outlets such as supermarkets, fresh food outlets or pharmacies can conduct their research with a suggestion board where shoppers can fill out special requests and the retailer then responds to their request

Any new products should be tested for a minimum of three months. It should be noted that creative merchandising and display of higher priced or gourmet food products is critical and they should be grouped together rather than mixed in with standard fare. In-store promotion such as sampling will also help increase awareness of the new lines.

# 5. Opportunity Knocks-get involved

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There are lots of ways individual businesses can get involved with the marketing strategies detailed in The Township Marketing Plan. Here are a few thought starters:

- ▶ Allocate a part of your advertising or marketing budget for local marketing and cross promotion. This could be used for participation in a Hamilton TV campaign, ads in the Tourism publication or anything that puts your name in front of target customers
- ▶ Volunteer your café or restaurant for one of the "launches". It is a great way to profile your business to the movers and shakers in the community. Be sure to hand out sample menus, coffee club cards or VIP offers for guests
- ▶ Come up with a couple of special offers or an information flyer to include in the new resident pack
- ▶ Contribute a prize to the shop local campaign. Be sure to display certificates of thanks in your outlet to promote your community minded approach
- ▶ Get together with a few other businesses targeting your market and see if you can brainstorm opportunities for new products or services. Ideally everyone can agree on one item that they stock exclusively
- ▶ Make sure the products in your window display will appeal to your target markets i.e. the customers you want to see more of
- ▶ Adopt a planter and volunteer to water it on a regular basis
- ▶ Help out with the "variety" positioning for Hamilton. Come up with a few things about your outlet that could be used in publicity or advertising e.g. 17 authentic Greek dishes on the menu, 2 Greek chefs and 4 Greek wait staff. This can be a fun exercise to get staff involved in
- ▶ Display mini flags or use window strips to help promote the Hamilton image and brand
- ▶ Help out with the parking research, hand out and collect questionnaires
- ▶ Identify which professional services are closest to you or the best match and chat to them about some cross promotion. Provide them with marketing material or "do a deal for coffee vouchers"
- ▶ Make sure Hamilton leaflets and marketing material are prominently displayed in your shop or café
- ▶ Brief staff on the importance of promoting Hamilton and creating a good image
- ▶ Get involved in events such as the Wine Food and Music Festival.
  - Set up a stall, portable kitchen or create a special dish for the day
  - Sell sampler plates
  - If you haven't opened on the Sunday before, trial it in 2007
  - Attend some of the new events so you can evaluate them for next years
- ▶ Let your coordinator know about upcoming events so they can be promoted on the billboard and newsletters
- ▶ Try and contribute to the retailer newsletter once a year
- ▶ Develop a number of value adds or special offers for retail staff in the area. This can be anything from an email lunch service to a mug of coffee for the price of a cup
- ▶ If you decide to participate in the precinct coffee cup promotion, find an interesting way of distributing the cups or mugs to staff e.g. as a reward for customer service or punctuality.
- ▶ Pin the ready reckoner on the notice board where all staff can see it. Put a laminated copy under the counter. You can also use the ready reckoner as a part of your induction training with new staff
- ▶ If you have quality pictures or graphics of your business, make them available for use on the website or other marketing material
- ▶ Participate in any mystery shopper program and encourage staff to attend any skills development workshops

# 6. Take a Fresh Look

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## A retail Audit

The first step in retail or restaurant marketing is to get out from behind your counter and have a look at your business through your customer's eyes. Most of us get up every morning grab a cup of something strong, head for the car, drive the same way to work, park in our usual spot and walk in the back entrance of the shop or dash through the mall with a head full of worries about staff, stock and customer dramas. We look neither right nor left and are blind to what is going on around us.

Tomorrow, imagine that you are a customer visiting your business for the very first time. Go to the phone book to make sure your address is correct. Check how easy it is to find your business.

- ▶ Are there signs to the shopping precinct?
- ▶ Is it difficult to find your shop?
- ▶ Is the parking a nightmare?
- ▶ What do you see as you walk towards your shop?
- ▶ Are your signs obscured by your neighbor?
- ▶ Is your window covered in sticky fingerprints?
- ▶ Do you have a door that bounces senior citizens back out onto the pavement?
- ▶ Do you have a window display that is more than two months old?
- ▶ Are there dead blowflies in the window?
- ▶ Is the customer's view into the shop obscured by posters promoting a local circus? (Were those free tickets really worth the loss of business?).
- ▶ Can you see prices?
- ▶ Is the stock easy to see or jammed on shelves and racks.
- ▶ Is the shop light and bright or dull and dingy?
- ▶ Are there holes in the carpet?
- ▶ Does the shop smell musty?

Get the idea; you need to take a fresh look at your retail outlet so you can take a fresh approach to marketing.

## Understanding Ant Tracks

Understanding the "ant tracks" in your retail outlet can also give you some valuable clues as to where to place stock. An "ant track" is the usual path a new shopper takes through your retail outlet. This is often influenced by the position of your counter.

But let's get inside the head of a shopper and see what goes through their mind. First thing they do is check out the shop looking for clues to whether it is their kind of place. They will look in the window to get an idea of the range of stock, the prices, the style of stock whether it is traditional, modern or cutting edge. Then they will peer in the door to get a feel for the atmosphere. Is the interior bright or dark? Is the music loud or quiet? Where is the counter?

There is a point of no return as a customer steps through the door; at that point they are committed to enter unless something drastic scares them away. By this time they have located the counter because that is the home of those scary people who might try and sell you something.

The customer will usually move away from the counter. If the counter is on the left which is most common, the customer will shop right and put their nose into the stock in the far right corner. From there they will suss out the rest of the shop and slowly move down the right hand side of the shop. From there they will become more comfortable and relax while investigating all of the remaining stands. If the counter is on the right the customer will head left. A counter in the centre at the front of the store can discourage customers all together. If the counter is central but further back most customers will opt for the shop right option. Depending on your fixtures and fittings, customers will try and keep a space between you and them. Of course regulars who know and trust you don't follow these exact ant tracks but often have a regular pattern of shopping. Once you know where your new customers are heading you can position

stock accordingly. The right hand corner of the store may be a hot spot where you put your high ticket, high profit items. Monitor your best selling lines and you will often find they are at significant points on the ant track. Every shop is different so watch your new customers to see how they move around your shop. These ant tracks are also invaluable when planning your customer service. Think about when is the most appropriate time to greet or establish eye contact with your customer. Too early and they will feel uncomfortable, too late and they may be on their way out the door.