

THE REVENUE ACCELERATOR

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Providing Business Growth Solutions

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FROM THE EDITOR

Welcome to the first issue of **THE REVENUE ACCELERATOR**. This publication was established as a direct result of recommendations from a recent Market Development Group, Inc. (MDG) client satisfaction survey. The purpose of the newsletter is to provide practical revenue and profit generator tools for MDG clients, colleagues and friends. This issue will focus on high ROI websites, high ROI public relations and market metrics of effective marketing. The MDG staff encourages our readers to give feedback on the articles included in this newsletter. We welcome any suggestions of articles or topics you would like to have included in future issues.

Eric W. Wiedenmann

President
Market Development Group, Inc.

MISSION

Our major goal is to provide timely, practical and original solutions for the purpose of increasing sales and profits quickly and cost effectively.

COMMENTS/FEEDBACK

We encourage your feedback about the content and topics of this newsletter.

Please submit them to **Eric Wiedenmann** at ericww@pacbell.net or call (925) 648-0680.

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MAKE MORE MONEY FROM YOUR WEBSITE

by Kevin A. Dean

In many cases your website provides your prospects with their first impression of your business. Your site represents its traditional storefront as much (or more) than your logo, business card, or even brochures. If your site “turns off” a prospect, it is unlikely they will ask for your brochure. However, if the site represents what your prospects expect, there can be an immediate connection.

Frequently take notice and compare the quality of the looks and appearance of your site versus your competitors. You do not have to be an ecommerce site to see an increase in business generated by the site. More people make their decisions on who to work with based on website quality than ever before – because there are so many to choose from and they are easier to find than ever.

Here are 15 observations you can make about your existing website. Use them to see if your site is doing all it can to generate traffic and turn visitors into clients. If you answer YES to 1-5: Get immediate assistance; YES to 6-10: Time for a tune-up; YES to 11-15: Your site will gain faith of your visitors to make you money. Regular maintenance and competitive reviews should keep it strong.

	<u>Yes</u>	<u>No</u>
1. My website represents my current lines of business	_____	_____
2. My website compares in professionalism to my competition’s sites (think like a customer)	_____	_____
3. It is immediately clear to the visitor what I do	_____	_____
4. I have a personal picture on the site and it is up-to-date	_____	_____
5. The site is easy to navigate and pages are clearly marked	_____	_____
6. My visitors know what I want them to do from my obvious “Call To Action”?	_____	_____
7. My company address, phone number, and email is on every page	_____	_____
8. Important information is easy to find and up-to-date	_____	_____
9. Dates shown on the site are relevant and recent	_____	_____
10. The site uses key phrases, meta-tags, titles, headers and other items to optimize and help it get listed by search engines	_____	_____

	<u>Yes</u>	<u>No</u>
11. Key phrases are relevant to real searches, and I know how many times these phrases are searched	_____	_____
12. My online shop works properly, is secure for transactions, and I have told my visitors as much	_____	_____
13. My site is listed by the major directories and search engines and I continually add new links to my site	_____	_____
14. I know which pages my visitors are going to and where they are leaving from	_____	_____
15. I know and can measure which other of my marketing efforts are driving customers to my website	_____	_____

There are a variety of ways to drive additional traffic to your site besides search engines:

- Be sure your website name is on every piece of paper, email, and correspondence in your company
- Use corporate branded emails, not generic services
- If your URL is not your company name, make it memorable in some other way
- Use your website for event sign-ups, contests, surveys, and the place to download new documents
- Use it on marketing give-aways, trinkets, and notepads

Your website should represent an *investment* in helping you grow your business, and it should represent your business properly. If you simply perceive it as a “cost”, then you are not putting the proper effort to make it work for you. Focus on this important marketing and service tool, and your business will reap the rewards.

Note: One of Kevin’s clients, The Animal Nanny in Fremont, CA, (www.TheAnimalNanny.com), put in place Kevin’s website optimization recommendations and has seen an elevated level of inquiries due to optimized search traffic.

Based on this increase, they were able to reduce their Yellow Page advertising and Sponsored Ads on the search engines, saving money which will be invested in further strengthening their Internet presence.

Kevin A. Dean, President of WSI Internet Consulting headquartered in Fremont, CA, focuses on Internet Marketing solutions for companies seeking to take advantage of the Internet in order to grow their businesses. Mr. Dean can be reached via email kdean@WSINetAdvantage.com, www.WSINetAdvantage.com, or by phone at (510) 687-9737.

INCREASE YOUR RETURN ON YOUR PUBLIC RELATIONS INVESTMENT

by Forrest W. Anderson

A very common question, even among public relations (PR) practitioners is: *How do I evaluate the effectiveness of public relations?* It really isn't difficult to do this if you think about it the right way.

What Do You Want PR to Do?

We use PR to help achieve numerous business objectives from increasing sales to raising share price to retaining employees. However, whenever we use PR to help achieve one of these objectives, we go through a series of assumptions regarding what PR does.

Assumptions We Make

Let's consider what may be the most common business objective for PR: increase sales. Let's also suppose we're employing a print media publicity program for this purpose. The assumptions we make are:

1. If we send out a news release some of the newspapers and magazines we send it to will pick up the story and run it in some form
2. If the paper or magazine runs the story, members of our target audience will read the story
3. If members of our target audience read the story, some of them will register awareness and/or come to have a more positive attitude toward our product or service
4. Some of these people will then purchase our product or service and generate sales for us

Each of these assumptions is really an objective that must be achieved for the following objective to be achieved.

What We Can Measure and How

Where most of us would like to evaluate our PR efforts is at step 4. We'd like to be able to say we spent \$X on PR and it generated \$Y in sales. This is usually difficult to do, because sales are the result of a number of non-PR factors, such as product design, pricing and distribution and other marketing factors such as advertising and the sales force.

Media Coverage and Content

However, we can measure, relatively easily, the achievement of our intermittent goals. To determine what kind of pickup your story got, you can use a number of media analysis vendors and programs, such as Biz 360 (www.biz360.com) or Cymfony (www.cymfony.com). Reports from these companies can tell you how many

times your story was picked up by what kinds of publications. You can also learn what percentage of the coverage was positive, neutral or negative, if you contract for these kinds of services.

You can also look at coverage in terms of topics or discussions important to your positioning or business. For example, a company like Sun Microsystems might want to know what share it had of stories on the topics of "data storage" or "storage software." Sun probably would also want to know what share its main competitors had of these topics and the percentage of coverage that was positive, neutral or negative. With deeper analysis of these kind of data, companies can use this information to design strategic PR programs that position them favorably in the media.

Prospect Awareness and Attitudes

Moving on to PR's effect on prospects, we can measure changes in awareness and attitudes among target audiences using a quantitative pre- and post-survey research design. We would want to measure awareness and attitudes before the PR program and after to determine what change the PR program had driven. Of course, it would be best if PR were the main marketing push during the time between studies. Otherwise, it can be challenging to tease out the effect of advertising or direct mail, for example.

Sales

Under some circumstances, it is possible to measure the actual sales a PR program generates. If, for example, your publicity includes a phone number for interested prospects to call, you can make that be a specific number and track the number of leads the number receives, how many of those leads turn into sales, and the overall volume of the sales.

Tom Nicholson, who worked in PR at Sears Roebuck & Co. wrote an article for the *Journal of Integrated Marketing*. He describes a case in which an article on shoes offered by Sears that appeared in the New York Times drove significant increases in sales over a control market (jimc.medill.northwestern.edu). Because Tom had a control market, we can be fairly comfortable assuming the increase in sales was from the PR, rather than any advertising or other element. However, it is unusual to have this kind of opportunity to measure the effect of PR.

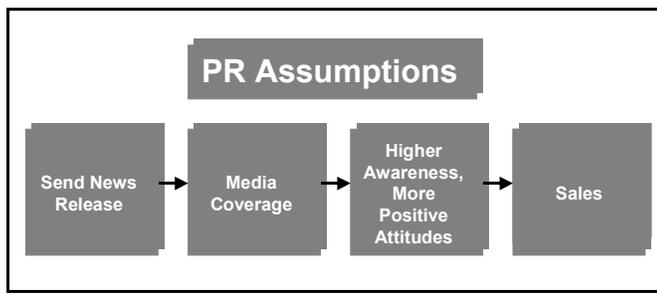
A Proposal for Small Businesses

All of these approaches to evaluation require an investment. Even at the media-coverage-analysis level, that investment is too much for many small businesses. I suggest such companies make their PR objective support their business objective and be easily measured. For

(Continued on page 4)

Increase Your Return on Your Public Relations Investment (from page 3)

example, if your company is a small professional services firm, there might be eight to ten key trade publications that most of your prospective clients read. Your first year PR goal might be to have positive stories about your firm appear in three of those publications. You might further refine the goal by naming topics you'd like the articles to touch on. You can measure this by getting subscriptions to each of the ten publications, and you may well already have these subscriptions. Alternatively, when PR people work to place stories like this, they know when it will appear and can usually get copies. So you could make demonstrating this success a part of their duties.



Forrest W. Anderson has been in public relations for more than 30 years and in research for public relations for nearly 20 years. He is a founding member of the Institute for Public Relations Commission on PR Measurement and Evaluation (www.instituteforpr.org). Mr. Anderson received an MBA from Northwestern University Kellogg Graduate School of Management. Mr. Anderson is a consultant in marketing and PR with an emphasis on research. You can reach him at 415-513-5042 or e-mail him at fanderson@ForrestWAnderson.com.

SALES AND MARKETING EFFECTIVENESS METRICS

by Eric W. Wiedenmann

As a result of my experience during the past 30 years in top management business development, marketing and customer service positions in both public and privately held companies, I have established a top 10 list for effective sales and marketing effectiveness metrics that will maximize a company's sales and profits:

1. Acquiring new customers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers.
2. A 5% to 10% reduction in the customer defection rate can increase a company's profits by 25% to 100% depending on the industry.
3. A typical company loses about 15% to 25% of their customers a year. A business must continue to add new customers or it will go out of business in 4-5 years.
4. It takes about 5 to 8 sales calls or contacts to establish a typical business or business relationship.
5. Customers will pay 5% to 15% more for a well-known brand compared to a lesser-known brand.
6. There are basically 4 types of customers:

<u>Type</u>	<u>Strategy</u>
1. <i>Most profitable</i>	Deserve the most current attention
2. <i>Most growable</i>	Deserve the most long-term attention
3. <i>Most vulnerable</i>	Require immediate intervention to prevent defection
4. <i>Underperformers</i>	Consider terminating

7. Consider terminating about 5%-10% of your underperforming clients per year as they may be draining up to 25% to 50% of your time and resources per year.
8. Keep the velocity of your sales funnel flowing as

it could take 10-15 contacts to generate 3-5 proposals and one new contract.

9. Reduce your prices as a last resort. A typical business generates 5% EBIT. A 5% decrease in prices could wipe out 100% of your profits. A 2% price increase could increase profits up to 40% (assuming a 5% EBIT).
10. There are basically 5 strategic ways to grow your business:
 1. *Sell more of the current products to current customers.*
 2. *Sell additional products to current customers.*
 3. *Sell more of the current products to new customers/markets.*
 4. *Sell new products to new customers/markets.*
 5. *Acquire additional companies.*

Each strategy will require unique tactics in order to be effective.

There is a truism, "*things that get measured get done.*" The sales and market metrics should be used as a standard to measure sales and marketing effectiveness.

Eric W. Wiedenmann has held executive marketing and business development positions at Masco, Avery Dennison, British Petroleum and CBC Industries. He founded MDG in 1998, which is based in Danville, California. MDG clients include Fortune 500 companies, mid-sized and startups nationwide. Mr. Wiedenmann received a B.S. in Economics at Ashland University and an MBA from Northwestern University Kellogg Graduate School of Management. He is a lecturer at Ashland University and has published numerous articles. Mr. Wiedenmann has given business development speeches to various CEO and COO advisory groups. He lives in Danville, California with his wife, Anne, and son, William.

About Market Development Group

Market Development Group Inc. (MDG) is a professional organization specializing in value added, quick turnaround and fast payback of sales, marketing and product management solutions for entrepreneurial, mid-sized and Fortune 500 companies. MDG has over 50 clients nationwide.

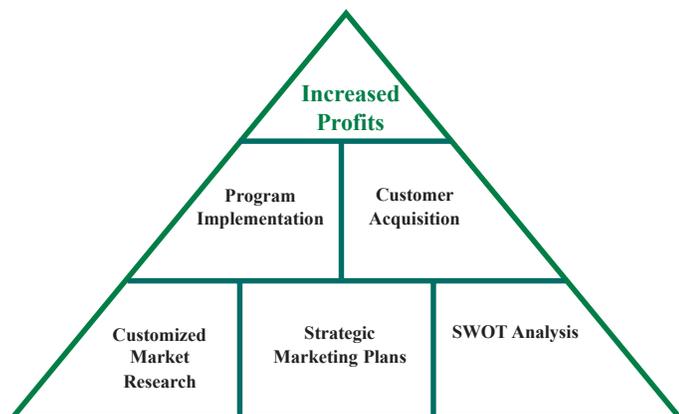
MDG Provides the Following Benefits to Its Clients

- 1) Revenue/profit growth by finding and developing **new sources of revenue**
- 2) Sales and marketing programs implemented **timely** and **cost-effectively**
- 3) Gathers and provides critical **market research** to help clients make **better informed strategic decisions**
- 4) Increased **competitive advantage** through “SWOT” (strengths, weaknesses, opportunities, threats) analysis

MDG Difference/Why You Should Work with MDG

MDG provides a unique blend of customized, practical, objective, timely and cost effective business development, market research/market intelligence and “road maps” to successful program implementation services. MDG’s mission is to deliver a fast R.O.I. to all clients. As an objective independent service provider, MDG is able to craft creative solutions for our clients. **MDG is the originator of the “One Page Sales and Market Development Plan™”.**

MDG’s Mission Critical Solutions Pyramid



What Our Clients Say About MDG

“MDG definitely exceeds expectations, they took the extra step in everything they did.”

President

“MDG delivered ahead of schedule and that does not happen very often.”

Vice President Sales

“I was quite happy working with MDG. I found their fees quite reasonable, their work ethic quite professional and I enjoyed working with them.”

VP Sales and Marketing

“What puts MDG in the league category is that they took the time to understand our business and how we relate to the customer before they even started.”

President

“MDG is thorough and comfortable to deal with. The information provided is of great benefit and usually right on the mark.”

COO

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**Contact MDG for a no obligation
Market Assessment**

Future Articles

THE REVENUE ACCELERATOR is planning to include the following articles in futures issues:

- How to Increase Sales in a Down Market
- The One Page Sales Plan™
- How to Gather Competitive Information
- Marketing Plans that Work