

# Increasing Your Marketing ROI

ROI, or “Return On Investment,” is a key financial measurement that correlates the cost of business expenditures to their actual value in the “real world.” Generally, ROI is expressed as a percentage, or the ratio of net benefits over costs. This is a common formula for Return On Investment:

$$\text{ROI} = [(\text{Documented Monetary Benefit} - \text{Cost of Marketing}) / \text{Cost of Marketing}] \times 100$$

Let’s look at a simple example. Let’s assume a six-month marketing campaign cost \$2,000.00, but resulted in \$8,000.00 in profit.  $\$8,000.00 - \$2,000.00 = \$6,000.00$ .  $\$6,000.00$  divided by  $\$2,000.00$  is 3, which calculates to a 300% ROI after multiplying it by 100.

The lower the cost and the higher the benefits, the larger your ROI percentage will be, which – all else being equal – is better of course.

Enough with the math! The most important thing for every business owner – from a one-person LLC to the board of directors for a monster corporation – is maximum return for every dollar invested in marketing.

Here are the best ways to ensure that your advertising, marketing, and sales techniques are giving you the best “bang for the buck.” After all, you are in business to make money, right?

**1. Plan and consider carefully for best marketing results (be SMART!).** Perhaps you already know that in order to achieve success, you must have both a direction and a way to get there. Business planning is as important as conducting business. But, many business owners do neglect to sit down and create an action plan for making the most out of their efforts. And even more do write out a plan, but not one specific enough. Or they don’t follow through or hold themselves accountable to it.

SMART stands for Specific, Measurable, Actionable, Realistic, and Timely. These are descriptors for any targets that you set for your marketing efforts. Meeting just one or two of these requirements isn’t tough. But making sure your proposed benchmarks meet all five terms of “SMART” goal setting is a little more involved.

In other words, it’s not much use to say “I will raise net revenue by 20%” if you don’t have any vision on how you will achieve this, how long it should take to meet this mark, or if your company is currently having trouble making a profit.

Also, there’s no “F” in “smart,” but if there was, it should stand for “Flexible.” The business world moves fast, and you must be quick on your feet to keep up. There’s no point in sticking to outdated business plans if you’re faced with new information that necessitates a change in direction. Don’t be afraid to modify your path along the way if all signs point to the fact that it’s the best course of action.

**2. Consider migrating to lower-cost advertisement formats.** If you’re looking to boost your income while keeping your marketing costs constant, it makes sense to explore options with cheaper forms of marketing. Are you currently putting a lot of money into a yellow pages ad, radio spot, or newspaper print ads? There’s a chance that you might be able to find a better way to bring customers to you.

Big yellow page ads work well for certain types of “gotta find someone NOW” businesses, such as plumbers, lawyers or car repair shops. It isn’t necessarily the best way to attract new customers for other types of businesses. Moving the costs of a phone directory listing to an unconventional advertising method could make a noticeable improvement in your bottom line (see tip #8 below).

The cost of large print ads in newspapers or other periodicals really adds up over time. Explore the advertising rates of competing publications. You might even be able to negotiate a better price with your existing ad agent if you know that the rates of another paper with similar circulation and demographics are lower.

If you're currently mailing out flyers, letters, or other complex advertising pieces, consider switching to postcards. Postcards have lower postage rates and have a surprisingly high readership (there's no effort involved with opening an envelope, and the small size keeps the message short and sweet).

Post cards can be extremely effective to promote new products or specials, offer discounts or coupons, generate web-site traffic and new leads, or send a follow up message to an existing customer.

**3. Make sure your CTA is the best it can be.** This is especially important for direct mail, print ads, or online advertising, but the concept is critical for all forms of marketing. The CTA – “call to action” – is arguably the most critical part of your marketing pitch, because this is what actually directs your potential customer to take the intended action – whatever that may be.

A poorly thought-out or poorly worded CTA can actually turn off your customer and “lose them,” even if the rest of your advertising piece is successful.

Identify with your customers and their mindset when they're thinking about committing. Write the CTA so that what you're telling them to do is the most appropriate and logical response to the problem your product addresses. Be the voice inside their head.

Make sure the CTA is clear and action-oriented! This is the worst possible time to confuse your customers and raise questions in their minds – or give them the impression that it's OK to “sleep on it.” Also, make sure it is EASY to follow your recommended course of action. If you're telling them to “call or go online now to reserve your seat,” make sure the phone number and website address is right there.

**4. Improve your print copy.** It should be obvious that any marketing materials should be clear, powerful, and 100% free from typos and grammatical errors. Yes, details DO matter. Judging by the technical problems found in many small business' websites and advertising materials, many businesses apparently still haven't realized this.

Don't just use an electronic spell check – many word substitutions won't be caught (such as using “your” instead of “you're”). After you've checked it yourself repeatedly and think it's perfect, run it past some friends and family and tell them you'll give them a dollar for every legitimate error they find. That will give them some real incentive!

Your copy has to do more than just “sell” by hyping features and benefits. In fact, leading off with a headline that touts how amazing and wonderful your product is might have the opposite effect and instantly turn off the reader.

If you use a headline or sub-headline, remember that the purpose is only to grab the reader's attention and compel him to keep reading – not to deliver information.

Once you have succeeded to at least getting your potential client to continue scanning your text, the following copy must make some kind of emotional connection with your prospect. Otherwise, the customer's sales resistance stays up, and so do the odds that your message is headed to the garbage can soon.

You might consider starting off with a story or anecdote that seems to have nothing to do with what you're pitching. An involving story (one with people or animals in it) sucks your reader in and makes him forget that he's reading an advertisement. It also plays to the most powerful part of the consumer decision-making part of the brain – the emotional part (see # 6).

Make sure whatever you've written isn't too long. Again, try it out on acquaintances and get their input. Ask them how it makes them feel, or if they got bored or easily distracted while reading it. Ask them if they came up with any objections to performing the call to action. What do they think about the company behind the ad after reading your piece?

**5. Perform more follow-up on the every “live” lead.** In a perfect world, everyone who received your marketing message would immediately respond and become a loyal customer for life. In reality, this isn't the case. A certain percentage of those who get your “pitch” will ignore it or never follow through on the call to action. Depending on

your advertising method and your product, it might be the large majority of your target market.

So, it stands to reason that those who do make the call, visit, or click to get more information or the free introductory offer should be regarded as a great potential source of income. Don't make the mistake of letting a qualified lead go to waste. Polite and personalized follow-ups after a prospect contacts you can win a prospective client over and prevent losing their business to a competitor.

**6. Focus your efforts on understanding and targeting the emotional reasons that drive your customers.** We'd all like to think of ourselves as highly rational and intelligent beings. But . . . the fact remains that it's our emotional side that often spurs us into action. Design your marketing to invoke your target customer's emotions. Firing up feelings of desire, curiosity, hope, fear, surprise, respect, humor, or even anger can make your message (or what you want them to do - #3 from above) that much more powerful and memorable.

Rational arguments will help your prospect to convince himself that all of your information is logical and reasonable. It will help him to remain convinced that he made the right decision after the sale is made. But the triggers that keep a person reading before they're "sold" and compel the reader towards the purchase decision are almost always emotional.

The best thing is to paint a picture your customers can completely empathize with, voices their true desires for them, and allows them to completely realize their frustration or dissatisfaction with their current situation. Then make the offer of the perfect solution – but only after those pre-conditions are satisfied.

When you correctly identify the driving emotions behind your customers' decision-making process, you'll convert more prospects to clients. Even better, you'll also build a stronger perceived value for your service or product, which means you'll be able to convert more customers at a higher price, or rely less on discounting to close sales.

**7. Follow industry trends and monitor the competition.** There's nothing wrong with keeping up with what other businesses in your field are up to. In fact, it's part of your job as a smart businessperson! Always monitor your competitors' advertising, and check out their stores and product selection.

If you don't have time or the inclination, you can pay for the information by hiring a competitive intelligence (CI) firm to find out for you. By learning about your direct competition and researching the history and past actions of its management, you will be more likely to anticipate their next move.

You can even take cues from companies in other industries or large corporations that aren't your competition. Changes in the big market caused by trends such as rising oil prices, the ever-expanding online markets, or the spread of smoking bans across the country might mean something for you in your neck of the woods.

**8. Consider unconventional marketing techniques.** There's more you can do than print, direct mail, web, and phone directory advertising. Today, you can put your business name and contact information almost anywhere – on the back of a cab, on the side of a bus, on a bus station bench, in a restaurant bathroom. All of these could be a low-cost way to boost your return on investment figure.

Don't neglect to think outside of the box. Contemplate who your customers are, where they are, and what you could easily do to make a meaningful, positive impact.

Sponsor a local youth athletic league if your target market is composed of parents or baby boomers. Volunteer your services or products for a fundraiser raffle. Do an inexpensive "thank you" gift basket to remind your top repeat customers that you appreciate their patronage. If your business is a restaurant in a busy area dominated by offices and other businesses, bring a sample tray and menus to their locations – just before lunchtime.

If your clients are typically web-savvy and a specialized niche, find the top online discussion forums or chat boards that focus on your topics relevant to your business. Find out what pay-per-click advertising on these websites might cost, or if you have more time than money, create an online user ID and participate in the discussion threads as a "resident expert." Most online forums are free to join.

Just make sure your posts are informative, unbiased and impartial. Don't openly advertise your business, but always include a link to your company website (or at least your business contact information) at the bottom of every post.

Soon, the others on these forums – your ideal target customers – will recognize your expertise and flock to you, even though you never directly asked for their business.

**9. Listen to your customers (or customers you lost).** Survey them for how they feel your representatives, your products and your services performed. Ask them how you can improve, or why they chose a competitor instead.

Offer a discount coupon for future purchases or a chance to win a randomly selected prize (DO make good on the offer after you've completed your market study) as an incentive to bring in replies.

You'll need answers to specific questions in order to get good information out of your survey, such as "which of the following reasons was the biggest factor in choosing my company?" But, give your customers the opportunity to speak their minds without prompting as well. You should also ask this question:

"What product or service that I don't currently offer would you be interested in?"

You just might discover a niche customer or product that could be your real "cash cow."

**10. Initiate, revamp, or improve your online presence and marketing.** If you don't have a website, you should. After all, if you're reading this article, you must be fully aware of how you can find almost anything you're seeking – information or products – via the Internet. Millions of others like you know this, and more and more people are realizing this truth every day.

Many businesses make the mistake of throwing up a website, and then doing nothing to keep it current or improve it. An outdated or unprofessional-looking website will scare away more customers than you imagine.

Ideally, your website should provide anything your customer would like it to do – give more information, provide a variety of pictures of your products and services, and give them the means to contact you, easily find your physical location, or place an order online.

Your website's attractiveness, layout and ease of operation are critical as well. Internet customers are typically impatient. If they can't figure out how to get what they want out of your website in the first ten seconds, the odds are good that they will move on, seeking what they could have purchased from you from another merchant.

Finally, optimizing your website's content for search engine optimization can have a huge impact on your overall visibility on the World Wide Web. Do the research to find out how to do it yourself, or pay someone to do it for you. Either way, it will be well worth the time or money spent.

For more information on increasing your ROI visit [www.dalbeywealthinstitute.com](http://www.dalbeywealthinstitute.com)

## **About Russ Dalbey**

As the CEO and founder of The Dalbey Wealth Institute, Russ Dalbey has authored dozens of best-selling books and articles on the cash flow business. A highly sought-after public speaker on the topics of wealth, success, and personal motivation, Russ strives to provide the most up to date and effective information through his Winning In The Cash Flow course.

Russ Dalbey is a self-made, self-educated multi-millionaire who made his fortune using the same principles now taught at The Dalbey Wealth Institute. Perhaps more than any other financial educator, Russ understands the importance of simplifying financial education so that anyone can learn to become a millionaire.

Russ has been teaching his moneymaking method now for almost two decades, and is considered among the leading educators and experts in the cash flow note field today. He is truly delighted to bring his vision, experience, knowledge, and energy to anyone who is just discovering the note business for the first time – people who are looking for a better way to live and love life.