



How to keep a competitive edge

THE first step to success is to make potential customers aware of your business and products and entice people through the door.

Advertising can generate new business, but think about how and where you advertise as it can be risky and expensive. Your industry will have its own trade journals etc; consider advertising in business directories and produce leaflets and flyers. Try several small options first, be very clear who you are targeting, and test and measure carefully the success of each before investing significantly in a specific programme.

Networking opportunities can be valuable – local Chambers of Commerce, BNI, Bacon and Eggs, for example; try them.

Consider sponsoring an event, holding or attending an event/seminar or participating in fundraising. Have promotional material and business cards available at them as they are a great opportunity to make strategic alliances.

One important, and cheap, method is to obtain referrals from customers. If they are delighted with the service you offer they will be happy to supply referrals; just ask! If they decline, then perhaps you have work to do in order to improve your service.

Now you need to get prospects through the door. Think about what will appeal to them and promote your company's niche or unique selling point – perhaps a range of services or products that is exclusive to your business, and communicate this to them. Once established, this can help improve your pricing and margins.

Consider also trying to improve the range and variety of your service or product, or service on sale and alter the price to entice new customers. Customers are frequently unaware of the full range of services that businesses offer – are your customers aware of all of yours?

If you sell a quality product or service, make your potential clientele aware of this. Distribute free samples. Your premises also promote the business: display awards and certificates, in-store promotions and merchandise products and services effectively in order to draw in new customers.

If they buy once, give them every reason to want to come back. Exceed their expectations in terms of product and service.

Ask customers what they think; anything less than "delighted" won't do! Keep in touch with them quarterly by keeping a database, enabling you to inform them of new products, offer incentives to purchase again and remind them you exist. Recently I asked a supplier how he keeps in touch with his customers, and was told "invoicing"

Encourage customers to purchase compatible items – e.g. have packs of batteries beside torches. Offer added extras with certain goods, such as insurance or warranty that they can purchase with their item. Appeal to emotions – people purchase with 80% emotion and 20% logic.

Use special promotions like "buy one get one free" or "three for the price of two", and try offering free gifts with goods or services, or extra loyalty points with certain purchases. These schemes have a value to the customer that usually exceeds your costs. Beware of discounting.

Many businesses fear putting up prices. If you are delighting your customers they will be willing to pay over the odds for your services, so review prices regularly.

If you have followed the previous four steps, you will have increased the turnover of your business. The final key to success is ensuring that your profit margins are kept on the rise. Check whether bills can be reduced. Can you change to a more cost-effective supplier, or electricity, gas or telephone provider?

Review your expenditure and consider cheaper alternatives. Consider staff home working; could you offer your services online or become a mobile business? Beware – never sacrifice profit for turnover.

Keep innovating, and by putting these five steps into practice you are bound to make your business more profitable and successful.

Business Tip of the Week

by Gordon Mowat,
**Action
International
business coach.**
Contact Gordon
on 01436 821293