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## Memorable Quote

*"People are always blaming their circumstances for what they are. I don't believe in circumstances. The people who are going to get on in this world are the people who get up and look for the circumstances they want, and if they can't find them, MAKE THEM"*

- George Bernard Shaw, Irish born playwright

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## Finding Your Niche

Large businesses often leave smaller market segments unserved since they don't represent, for them, a sufficiently profitable target. A small business can capitalise on these unmet needs by developing a product or service that fills the gap. You can think of a niche market as a narrowly defined group of potential customers.



A niche market can be built on developing a product for a particular consumer demographic, such as manufacturing kosher milk products to meet the dietary requirements of particular religious groups. Many service firms have grown their business by deciding to build up expertise in how a certain industry works and focussing on attracting clients from that industry

based on the expertise they can offer. Others will concentrate on a particular service line such as a dentist who specialises in paediatric work. Still other businesses concentrate their resources on marketing to a particular region, so they could be said to operate in a geographic niche. The competitive advantage of being in a niche market derives from being alone there and of being able to offer a level of expertise others can't match or perfectly filling a particular need.

Niche market businesses are frequently small scale since they tend to focus on identifiable sub segments of a larger market such as cleaning blinds instead of cleaning offices in general. But it's an error to think that that is a necessary association. Some accounting firms, for example, have moved into the big league through providing advice to clients in specific industries or occupations. And some cleaning firms have grown into large businesses through focusing on management of facilities within large office blocks and shopping centres.

### Making niche marketing work

There are three basic ground rules for making niche marketing work for you.

1. Develop a detailed marketing plan: a well developed marketing plan is the key to successful niche marketing. It has to be very specific about the basic business concept – what you are selling, who you are selling it to, why they would buy it (the benefit to the customer) and how you will make money out of it.
2. Appoint a niche champion: the secret to tapping into a niche market and working it to get the best return is to know just what it is the consumer will really value from the product or service you are offering. If you need to, find a niche champion with the knowledge and experience in the product/service that will enable you to develop just the right package. If your niche marketing

initiative is really a subsidiary line of business within a larger organisation, for instance preparing a line of gluten-free products within a general bakery business, ensure the project is properly funded and the niche champion has sufficient authority and respect to be able to keep the project on track. Don't throw away the opportunity through bad planning and execution.

3. Market hard: niche marketing succeeds or fails on its success in connecting with exactly the right kind of customer. Both the target market and the marketing channels that will most likely reach them should be closely defined. Give careful consideration to what marketing messages will work best as 'hot buttons' for prospects and will prompt them to purchase the product. Marketing spend may not need to be large but it does need to be well focussed so as to get your name known within the target market and educate them to the benefits of using your product/service. In the case of gluten-free bakery products, you could advertise in health food stores, food bars, natural healing centres and healthy living publications.

The famous entertainer Bill Cosby once said, "*I don't know what the secret of success is, but I know the secret of failure and that was trying to please everybody.*" The same wisdom applies in business as in entertainment. For many businesses, large and small, creating a product or offering a service that satisfies the needs of a niche market has been a recipe for success.

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## Add Benefits to Increase Sales

When someone makes a purchase they buy more than just a product or service. At the time the product or service is probably the most important element, but they also buy a range of benefits that can over the long-term become their reason for being satisfied or dissatisfied with their purchase and with your business.

These are called 'added' benefits because you add them to the products or services that you sell. They can make a big difference in how customers see your business and be an important differentiator between you and your competitors.

Make a list of the added benefits you provide. These can include:

- A product guarantee or warranty that reassures customers
- The service given by the sales team during a purchase
- The availability of your backup service – 24 hours, 7 days?
- The speed with which your company fills customers' orders
- The follow-up from your business after the purchase
- How your location suits customers – is it convenient?
- Their perceptions of your business – stable, efficient, friendly?
- The quality of your product offerings – all your products and services
- Manufacturing locally – appeals to their sense of patriotism
- Your premises – attractive, clean, bright?

Some added benefits cost you nothing or very little. The way your sales team treats customers is a function of staff selection and training, and that doesn't add much to your total wages costs. Others, such as the condition of your premises can be as costly as you want to make them.

It's up to you as the manager to determine how far you're willing to go to deliver the best package of added benefits with everything you sell.

Once you've listed your own added benefits, list the added benefits provided by your competitors. If they're more successful than you at selling the same or very similar products the reasons could well be their added benefits package.

### Our Business Network

#### Institute for Independent Business

*Giving Business Roadmap global reach and capability*

#### InForm Consulting Group

*Providing our clients with local specialised services*

#### Greenice Pty. Ltd.

*Sustainable Business Strategies and carbon management.*

***By putting together a really attractive package of added benefits and making sure everybody knows about them you'll be able to increase sales at the expense of your competitors***

Conduct some simple research using groups of your own customers, and those of your biggest competitors if possible. Let customers tell you how they value the benefits you add, and how your benefits compare with your competitors'. Ask them for their suggestions as to what additional benefits you could provide to increase your sales.

Incorporate their comments with your own perceptions and analyze every added benefit that you and your competitors provide. Note why these benefits are attractive to customers and whether each is expensive or inexpensive to provide.

Are there some that are impossible for you to match (for example, location)? Which are you now providing but capable of improving? Which are you not now providing but could provide with minimal additional expenses?

Remember, you're trying to put together the best package of benefits and probably won't be able to match the competition in every category.

Now be creative and devise some new added benefits that aren't on your lists. These can be time-related – offer a free inspection or service in twelve months, financial benefits – a guaranteed trade-in value on the old one when repurchasing, or an add-on such as 'spend \$30 more and get \$100 worth of genuine accessories'. Add some benefits nobody else is offering and stand out from the competition.

Once you've worked out the full contents of your added benefits package you have to find a way to communicate them to your existing and potential customers. Start by educating every member of your team – not just salespeople but everyone in your business. Give each person a list of your added benefits so anyone receiving an enquiry is familiar with all of them.

Summarize these benefits for customers. You could put them into your monthly invoices, display them on the walls of your office, use them in your advertisements, or include them on the calendars you give away at Christmas. Just be sure your customers know what else comes with every purchase they make.

By putting together a really attractive package of added benefits and making sure everybody knows about them you'll be able to increase sales at the expense of your competitors. And in times of economic pressure, your competitors are going to be looking for every opportunity to increase market share. By adding benefits you can protect your customer base and provide a strong incentive to attract new business.

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## **The Purpose of Your Business**

People often stumble over the question of their 'purpose' in life, but in business there can be no question. There is absolutely no room for confusion on this issue.

The purpose of any business is precisely this: *to serve a well-satisfied customer.*

Sure, you want to make a profit. Of course, you want to serve your customer in ways that are convenient, satisfying and (obviously) legal and moral. But the bottom line is always the same — to serve a customer.

So the first and primary question for any business is: what exactly do you do FOR your customers?

Some restaurants provide meals that are fast or inexpensive, that have particular ethnic or nutritional styles, or that are conveniently located. No restaurant can be all things to all people, but every restaurant has one

### **How To Make The Most Of Your Newsletter**

*Be sure to read each article with the mindset 'How could this apply to our business.' Thinking of it that way will guarantee that you get value. Better yet, take notes as you read and commit to having the ideas implemented by the time the next edition arrives. Also, make copies for each team member. To really make sure something positive happens, work with your business development specialist to talk your team through the ideas and how to set a schedule for getting them implemented. We're here to help you get started.*

### **An Important Message**

*While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.*

main purpose.

McDonald's provides predictability and speed. Hungry Jacks provides "better burgers"

Dominoes delivers pizza in 30 minutes or less. Pizza Hut provides variety (now it's pizza and pasta)

Telstra sell "more coverage and less drop-outs". They have the most extensive mobile network and that is what they are marketing.

On the other hand, other service providers try to differentiate on their applications and service as they lack the coverage of Telstra..

Your business has only one primary purpose.

When you are clear about that and clearly communicate it in every message.

It's all about knowing your value proposition, identifying the market that needs this most and planning.

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## **Business Roadmap and Stralia Web Launch On-line Business Advice Service**

Last month we announced the launch of a new business advice service on the [Blue Mountains Australia](#) website. We have received a number of requests for site details from those who read about it in local press, so here are the details again. The service, a joint venture between [Business Roadmap](#) and [Stralia Web](#), and sponsored by [Telstra](#), provides hints and tips to business owners and managers on a wide range of business functions including cash flow management, sales and marketing, IT, OH&S and even improving your work/life balance.

If you are unable to access this hyperlink, cut and paste, or type the following into your browser [www.bluemts.com.au/businessinfo](http://www.bluemts.com.au/businessinfo) to check out what is available.

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