

How to increase the **ROI potential** of every marketing dollar you spend by up to 300%

MARK SAWATZKY

In most organizations, the goal of marketing is to create leads that can turn into sales, but the goal should be to create leads that can turn into three sales:

The sale
The referred sale
The repeat sale

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"A good product confirms an industry, a good product with a great experience confirms a business within that industry"

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WHEN A B BEAT AN A+

It was 1992, and there I was, in the lobby of a national company, waiting for my first interview in a day full of interviews, competing for one of the most sought-after jobs for Commerce grads. The competition was tough as well over 100 qualified applicants had applied. In one of my interviews late in the day, it was brought to my attention that I was competing with another graduate who had an A+ average (I had a B average). My response was that as a B student, you know I have had to overcome challenges to get here, can you be sure that the person with the A+ could do the same out there ... in the "real world"?

I got the job.

This was the first marketplace verification of a lesson that would serve me well in my career ... the lesson that a good product, in this case a B, with a great experience can beat a great product with a good experience.

This is connection, and to this day, I have seen its economic power play out and confirmed countless times.

Why is connection (aka the experience) such a powerful sales tool?

Because experience is personal, and personal moments greatly influence the height of a brand. Experience is also a powerful sales tool because business at its fundamental level, is two people meeting around something being sold, and because of this, winning with people is not an option if you want to win in the marketplace.

But what about products? Doesn't what you sell matter?

What you sell matters greatly, as products, services and companies doing what they are paid to do, is the foundational promise in the relationship between buyer and seller. But once this promise is fulfilled, experience steps in and determines the height of a brand and a company's access to its market's best sales.

But what if your product is great?

Experience still matters when products and services are great if they come with premium pricing. If your great product or service comes with a higher price, that higher price sets a higher minimum standard for the buyer-seller relationship, and this higher standard lowers the ability of what you sell, on its own, to elevate your brand to the place where your market's best sales are kept.

Winning at experience is important for your organization to reach its potential, and I have written this very short book to help you establish your businesses experience fundamentals so that every day, you can operate in a way that raises your potential return on marketing by 300% ... turning leads that today might become one sale into leads that tomorrow can become three sales.

The Power of a Good Product and a Great Experience.

The following was noted in the book, **The Science of Service** by Mark Colgate, (I recommend this book):

Companies that were reliable (I call this having a good product), were rated 7/10 and had a recommend rate of 21%.

Companies that were reliable and also responsive (I call this Experience Level 1), were rated 8/10 and had a recommend rate of 68%.

Companies that were reliable, responsive and built relationship (I call this Experience Level 2), were rated 9/10 and had a recommend rate of 89%.

HOW TO 300% YOUR MARKETING ROI POTENTIAL

When marketing can turn leads into lifetime referring customers, turn one sale into three, it has increased your return on marketing investment by 300%.

In most organizations, the goal of marketing is to create leads that turn into sales, but the goal should be to create leads that turn into 3 sales: the sale, the referred sale and the repeat sale.

Marketing can do this when it goes beyond images, logos, slogans and all things that promote a brand to include the buying formula behind every sale ... **Perceived Benefit > Perceived Cost**.

When perceived benefit is greater than perceived cost, people will buy, and marketing can influence this formula in three ways:

- 1. Have a sale. (Price strategy).
- 2. Give away free upgrades. (Product strategy).
- 3. Deliver an unexpected level of customer experience. (People strategy).

Looking at these three sales and marketing strategies, I believe the best one to focus on is delivering an unexpected level of experience. Why? Because experience protects margin, it connects market loyalty to your business and it's the hardest one for your competition to copy.

Makes sense right?

But if this makes sense, why do so many businesses focus on, or fall back on price and product strategies rather than experience/connection strategies to make sales? Because it's easier to deal with price and product than it is dealing with people.

While engaging price and product strategies are often necessary to influence the benefit > cost buying formula for sales to new customers, making this a go-to or fall-back strategy is a problem if you want to maximize your business ROI. If you want to maximize your business ROI, winning with people is not an option because people are your buyers, people determine your company's productivity level, people affect turnover (one of today's most important business metrics) and winning with people does not lower margin (in fact it can elevate it).

The unexpected level of experience is one focused on the person and not the product.

This is Servanthood and I believe servanthood is the customer service approach that wins today.

> Customer service looks to fix a problem, Servanthood looks to build a relationship while fixing a problem.

RELATIONSHIP ECONOMY, SOCIAL MEDIA AND MASLOW

Winning at experience is more important to economic success today than at any other time in business because we are operating in the Relationship Economy.

In this time of business, people want to feel valuable or noticed in the experience ... where business gets personal. The product experience for customers (Brand Audience 1), and pay for staff (Brand Audience 2) are no longer enough to create brand engagement (aka fans). These things worked in the Product Economy but today they are not enough.

Now don't get me wrong, products and pay still matter, it's just that they are no longer enough to create brand engagement. Today the personal journey in business for customers and staff matters, and where work gets personal, is in the experience.

We know connection/experience is a driver of people today by looking at Social Media. Social Media is an entire industry built around one thing ... "like what I'm doing", and in 2021, it had a 61% world market share. (Statista.com notes that 61% of the world is on social media and 82% of the US population had a social media profile).

If this percentage holds true, it means between 61% and 82% of your customers and staff are on social media.

People want to feel connected, and businesses that deliver this in real life will become brands of choice in their marketplace, leading to maximum access to their market's referred and repeat sales, higher staff performance and lower turnover. Real life is important because people are built for real connections, and the electronic connections that are so popular today, I believe, make real connections more powerful when they are experienced.

One of the driving forces behind the power of experience and relationship today, is the time of life we have come through and are in. Life for many in first world countries has been pretty good. Easy credit. Regular restaurant visits. Great holidays. \$8 Coffees.

Abraham Maslow, an American Psychologist found that people's actions followed a hierarchy of needs. People start by being driven by lower needs, and when those needs are met, they move up and are driven by higher needs. The order of needs he identified were as follows: 1. Physical Health ... 2. Safety/Shelter ... 3. Love and Belonging ... 4. Esteem ... 5. Self Actualization. People start at 1 and then move up as needs are met.

Many people today ... or many buyers today ... are operating at the level of Love and Belonging and up. The time of experience and connection.

Now while this may seem like a problem, the power of experience is really an opportunity, because winning with people does not require more money, it just requires paying attention to experience in your daily work journey.

Want to deliver a great experience? Make people feel valuable for who they are ... a person, not what they are ... a customer or employee.

Real life connection is social media rocket fuel.

To give your marketing dollars the chance to turn one lead into three sales, the first part of your marketing budget should be allocated to experience.

FOUR BRAND CONNECTION POINTS

The daily work journey to high brand engagement and a potential 300% ROI on your marketing dollars follows four brand connection points:

- 1. Company Fundamentals and Marketing Message.
- 2. Selling.
- 3. Experience Part 1 The Employee Experience.
- 4. Experience Part 2 The Customer Experience.

At each connection point, the buying formula of perceived benefit > perceived cost (also known as buyer-surplus) must be in place to advance the sale.

At Point 1, your Leadership Team must establish company fundamentals and the marketing message that says to customers and potential staff, we're worth your time to check us out. At Point 2, Selling, your sales people must make the personal connection with buyers by understanding what's driving the sale and then showing how what you sell is worth more than the price you're asking.

At Point 3, your Management Team must deliver an experience that says to staff, the higher performance we're looking for matches your value (it's worth the cost).

At Point 4, your Staff must deliver a product and experience that confirms for customers you were the right choice and that what they bought is worth more than what they paid.

As this short book is written for owners and business leaders, the rest of the book will cover key steps to winning at experience in Brand Point 1, but before we go there, I want to talk a little more about products because the gravity of business means we are continually drawn back to focus on what we sell to win at work.

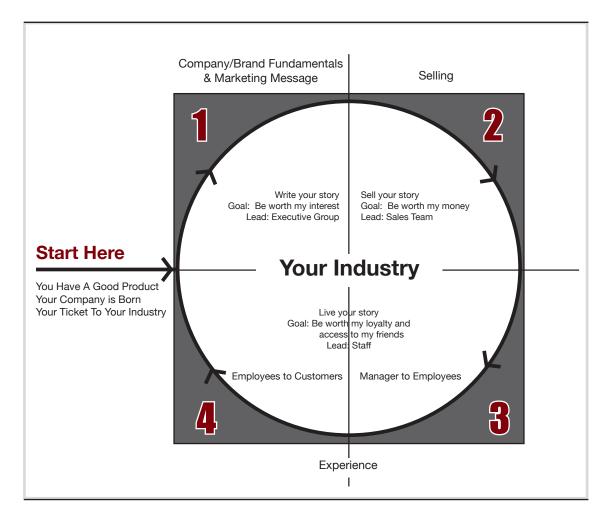
What you sell is the cornerstone of all connection points and it comes before everything else. A good and working product is not an option in business. Products that do what is expected (what they are paid to do), is the foundation of the great experience.

With that said however, having a good product can be a threat to the ability of a business to turn one sale into three, because it can result in business owners and leaders thinking that what they sell, on its own, can create the buyer-surplus that drives sales.

To protect yourself from this, know that your regularly priced product cannot produce the buyer-surplus that drives the sale, because paying for it creates an even exchange (not surplus). The only time what you sell can create a surplus at the regular price is when your competition has dropped the ball or a buyer already loves your brand (because they are a current customer who has enjoyed a great experience).

To make sure you don't fall into this trap, see your good and working product as no more than a ticket to enter your market place, the place where you get the opportunity to compete with others who sell what you sell or with those who compete for the same customer dollars. See your good and working product as the starting line not the finish line.

4 BRAND CONNECTION POINTS



STEP 1 - YOUR PRODUCT

Because what you sell is the foundation of the customer relationship, Level 1 in building a business and brand that can turn one lead into three sales is having a good product.

To know if what you sell is good, you have to know what good is. The definition of a good product is simple. A good product is one that does what the buyer expects.

This answer leads us to the next important question. What do buyers expect?

What buyers expect from a product is greatly influenced by three things: 1) Price, 2) Luxury (is it a want or a need?), 3) Frequency (how often it is purchased?).

The more expensive and luxurious something is, the more things around the product or service become part of expected performance. The less frequent something is purchased, the more things around the product or service become part of expected performance.

Think of a 5-star hotel versus a 3-star hotel. The 5-star hotel invests in things not directly tied to the primary product utility (a place to stay). Investments are made in the lobby, the landscaping, the quality of the towels, staff training/expectations, etc. Expectations for the 3-star hotel on the other hand is to be clean.

Knowing what star level of hotel your business is, based on price, luxury and frequency of purchase, is the first step in assessing how your product is performing.

With the star level of your business in mind, the following steps will help you make sure your product is good.

- 1. Check warranties, returns and complaints for consistent patterns.
- 2. Ask managers, sales people and staff that deal with the marketplace what problems they consistently need to address.
- 3. Ask people you know and who will give you honest feedback what they see as the minimum product expectations for a business like yours.
- 4. Ask a group of past customers, what they see as the minimum product expectations for what you sell.
- 5. Make a list all the issues identified, then note which are product related issues and which are expectation related issues (people expecting too much for the price, luxury, frequency of what you sell).
- 6. With your team, come up with ways in the customer journey to address unrealistic expectations.
- 7. Assign someone (or a team) to solve consistent product related issues along with a date by when they will be fixed.

<u>3 Levels of A Brand</u>

The height of your brand is based on only one thing ... how people remember you.

Businesses that are remembered well ... that have a high brand ... get access to their market's best sales, its referred and repeat sales, without having to win on price and free upgrades.

To become a high brand, organizations need to know the three levels that make up a brand:

Level 1: What it does.

A product that does what is expected is Brand Level 1 because it sets the minimum performance expectation and it determines your comparison group. Something is only good or bad compared to something else. You don't compare Coke with Ford, you compare Coke with Pepsi.

Level 2: What it looks like.

This is the first impression of a brand and it includes everything that people can encounter to make a first impression of your business.

Level 3: The experience it delivers.

This is your last impression and it includes both your product working and a process and staff that make people feel valuable.

STEP 2 - YOUR LOOK

With a good product in place, you can move to the second level of your brand, its look.

The look of your brand is its first impression and it needs to engage someone so they want to explore further. If your look does not match the price level of what you sell, it will cause doubt in the buyers mind, and doubt is a sale killer.

Think about the look of what you sell. What do you see?

Do you see your product or do you see your parking lot, your vehicles, your reception area, the mess on your desk, the bathroom customers get to use?

Most people think of what they sell when they think of how their product looks, but the look of your brand is any place someone can make a first impression of your business.

Brand Level 2, the look, is responsible for creating the "yes I want to buy environment".

A strong first impression creates an emotional connection to your business, and emotion is critical to making sales.

To make sure your look is right, take the following steps:

- 1. Identify your price position in your marketplace: low, average, high.
- 2. Create a list of every place someone can make a first impression of your business.
- 3. Based on your price position, on a scale of 1 to 10, rate every first impression point.
- 4. Share your list with others and have them rate each first impression point.
- 5. Anything below a 6 must be addressed if your price is low to average, and anything below a 9 must be addressed if your price is high.

Locations that do not reflect your price, create doubt in the potential buyer's mind, and doubt hurts trust, and trust must be in place before a sale can be made.

When looking at your locations list, it's important to take a deep dive into your marketing material. In addition to the look of your marketing, the message is also a critical first impression point.

Your marketing message is the story of your business and it is important that it's a good read. To be a good read, your message needs to include the following: 1) The "makes their life better" features of what you sell, 2) Your competitive advantage (the number one "makes their life better feature), 3) Your mission statement, 4) Your elevator pitch.

We'll touch on those in Step 3.

In the book, Thinking, Fast and Slow, the author Daniel Kahneman reveals how the fast part of the brain, emotion (System 1), influences the slow part of the brain, logic, (System 2) to either say yes or no.

STEP 3 - YOUR STORY

Competitive Advantage

The cornerstone of your business story is its competitive advantage.

What's the thing that you do better, or are positioned to do better than anyone else in your industry?

If you're not sure, try this exercise.

See yourself in a room and outside the room in the hallway is a potential customer.

Down the hall in the next room is your best competitor.

The potential customer will come into your room first at which time you get to tell them only one thing as to why they should buy from you.

The potential customer will then head over to the room your competitor is in and they get to tell them one thing to make the sale.

What do you say?

Does it sound like what your best competitor might say? If so, keep working on it. If you said price, dig deeper, because price is too easy for your competitors to copy.

Makes Their Life Better Feature List

With your competitive advantage identified, now expand your review to think about all the things that your company and/or product does that makes the lives of people better because they bought from you.

Mission Statement

With your "better life" feature list identified, you can create your mission statement. Your mission statement is an internal statement used to connect your story with potential new staff and it serves as an in-year check to make sure the decisions you are making are on mission. If you don't have a mission statement or you're not sure if the one you have is still accurate, create your mission statement by answering the following three questions:

- 1. What problem do we solve?
- 2. For whom do we solve it?
- 3. What's their benefit from us solving it?

Once you have written your mission statement, find the outcome words and make sure you clearly identified how they will be delivered. For example, if your mission statement has the word excellence in it, make sure your staff know how excellence is delivered. Missing this step is why so many businesses see mission statements as useless.

With these three details of your story identified, review your marketing material to make sure they're in your story.

Elevator Pitch

From your mission statement, you can create your elevator pitch.

Your company's elevator pitch is its 30 second commercial that anyone in your company should use when they are asked "What do you do?"

While this does not show up in your marketing material, it is an important part of your story. 13.

Make sure your story includes your competitive advantage and your "better life" features.

Use your mission statement to determine fit that goes beyond skills in interviews.

My Elevator Pitch

"I help small to medium sized businesses and people win at experience so they can become the brand of choice."

STEP 4 - YOUR EXPERIENCE

With a good product and locations that match your price position, you can look at the third level of a brand, experience.

The experience you deliver is the last impression of your company, and last impressions have the greatest impact on the height of a brand, because a brand's height is based on what people remember. If something is good or bad all comes down to how it is remembered.

The brand experience is in the hands of all 4 major HR groups: Executives, Managers, Sales People and Staff. At the Executive/Owner level, while you are responsible for the two brand audiences of every organization: 1) The internal audience (Staff), 2) The external audience (Customers), your primary brand audience is staff, and through your staff you will touch the customer.

At the Executive/Owner level, the following will help you create the internal brand experience that leads to a great external brand experience.

1. Set your **culture**. Culture is the environment of your business. It defines how you want people to work together. It directs the staff experience. It answers the question ... "Beyond pay, why would I stay here and want to give my best here?"

For culture I recommend developing no more than 5 words that describe the great work environment. You can do this on your own or with your team. Once you have your words, write a short sentence for each that describes that word in action.

2. Establish the **internal customer service standards**. Beyond getting the job done, what are the customer service/care expectations you have for how your managers lead staff.

3. Establish the **external customer service standards**. Define what gold service looks like. To help do this, try my "Sell it Twice" exercise. List everything it takes to make a sale. Then list everything it takes to make the second sale to that same person (i.e. the things that would make them a lifetime referring customer.). List one is usually product/process focused while list two is experience focused. Make sure you incorporate what's on list two in your customer experience.

4. Set your annual **staff communication/engagement plan** (company town halls, key staff lunches, events, etc.).

5. Make sure your **environment is safe**. Are people contributing in meetings or are they just telling you what you want to hear? If they're saying what you want to hear, it's not "safe" and you need to let your people know you're good with your ideas being challenged.

6. Make sure you have a great staff break room.

7. Invest time in **performance reviews** and make sure they include the top two things if changed would make the biggest performance difference and the one thing that is great that the person should continue. Then establish together with the employee, how and by when those top two things will be in place.

8. Make sure staff **experience training** and personal development is in your marketing budget.

A strong experience can create the "Yes Again" environment ... the referral and repeat sales environment.

Out of the 1000s of songs people hear, the experience of the listener while listening is what makes some songs favourites.

The common stressful experience of early speeches is why public speaking is rated one of people's greatest fears.

Experience can make your business your market's favourite song or its public speaking moment.

STEP 5 - WIN ON MONDAY

Now that you have the Owner/Executive level framework to creating a way of doing business that wins at experience, it's time to turn your attention to the two primary groups that will carry it out for you ... your sales people and your management team.

If you're like most businesses, your training is heavily focused on product and process and light on experience. Given the importance of winning with people today, this is a significant threat to your business reaching its potential and you maximizing your ROI.

To help you with this, I have created a win at experience onboarding plugin that you can access at winonmonday.com. This website has been designed to upgrade your staff training and increase the experience skills of your sales and management team so that you can see more repeat and referred sales and higher team performance.

winonmonday.com

ABOUT MARK

I grew up in a small town.

In 1987 I went to University for business based on a summer family discussion on some fold up lawn chairs on the parking pad in front of my house. The conversation focused on education or business ... two degrees that were sure to provide a good job.

I went into business but interestingly, when I'm coaching or training, I find myself operating like a teacher.

I love the fundamentals of business, but as a painter and basement party drummer back in the day, I also love the creative, people, performance side of business.

I've worked for some amazing companies and in 2002 I launched my own business, MJS Performance Benefits. I wanted to call the business Performance Benefits given its two product lines of management consulting and group benefits, but unfortunately, that put my business name to close to another in the phone book (yeah ... phone book) and so I was advised to put my initials in front of the name.

Interestingly, it was the management consulting side of my business that found success and not the group insurance side. This was unexpected as I felt group insurance was a slam dunk as I had more experience than most in my region. The challenge as it turned out was that even when a strong business case was made to make a change, clients felt they could not because often, they were friends with their broker.

There's a lesson there ... the business power of connection.

Since 2002, the management consulting side of my businesses has included a wide range of services from development of marketing material, copy writing, strategic consulting, leadership and sales training, as well as onsite sales and management.

Today the focus of my work is helping people and businesses reach their brand potential by winning at experience.

WORK

OWNER **MJS PERFORMANCE BENEFITS INC.** 2002 TO PRESENT

MARKETING MANAGER

GROUP INSURANCE MANAGER GREAT-WEST LIFE

ECONOMIC DEVELOPMENT OFFICER WINNIPEG ECONOMIC DEVELOPMENT

ACCOUNT EXECUTIVE

SCHOOL

BACHELOR OF COMMERCE (HONS.) UNIVERSITY OF MANITOBA GRAD '92

STRENGTH FINDERS RESULTS

TOP 5 STRENGTHS

- > STRATEGIC
- > COMMAND
- > MAXIMIZER
- > FUTURISTIC
- > RELATOR

strengthfinders.com

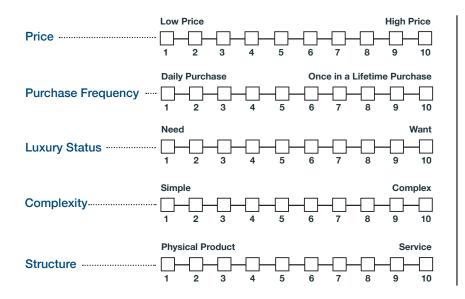
INDUSTRIES CONSULTED IN

- > CONSTRUCTION
- > MANUFACTURING
- > RETAIL
- > GOVERNMENT
- > ECONOMIC DEVELOPMENT
- > NON-PROFIT

YOUR PRODUCT'S EMOTION RATING

Discover how critical experience is to your brand.

On a scale of 1 to 10, rate what you sell on the following 5 product/service emotion meters?



Results Check

If what you sell is over 5 on just one line, experience is critical to getting access to your market's repeat and referred sales. The more lines you're over, the more experience matters.

Lifetime Referring Customer

REVENUE LOST FOR NOT HAVING A SYSTEM THAT DELIVERS WOW AND CAN TURN BUYERS INTO LIFETIME REFERRING CUSTOMERS (LRC).

AVERAGE SALE VALUE:		
X	х	
AVERAGE NUMBER OF LIFETIME PURCHASES:		
=	=	
LIFETIME CUSTOMER VALUE:		
x 2	x2	CO. WOW NUMBER
CUSTOMER RETURN WITH 1 REFERRAL BECOMING A LIFETIME REFERRING CUSTOMER:	~_	 CO. WOW NUMBER

THE CO. WOW NUMBER COULD BE CONSIDERED CONSERVATIVE AS IT DOES NOT INCLUDE THE FACT THAT EACH REFERRAL CAN BE A SOURCE OF ADDITIONAL LIFETIME REFERRING CUSTOMERS ... EXPLODING THE CO. WOW NUMBER. WHEN THAT HAPPENS ... CONGRATS ... YOU'RE GOING VIRAL!

Cost of Losing Good People (Turnover)

MOST EMPLOYEES LEAVE COMPANIES BECAUSE THEY DO NOT FEEL APPRECIATED (BAD MANAGER EXPERIENCE). HERE'S AN APPROXIMATE COST OF LOSING GOOD PEOPLE.

	ENTRY LEVEL < \$30κ	MID LEVEL \$30к - \$50к	UPPER LEVEL \$50k+
SALARY:x x TURNOVER COST (% OF SALARY):	16%	20%	213%
COST OF LOSING ONE GOOD PERSON:		FROM	PEOPLEKEEP.COM

REMEMBER COSTS OF LOSING GOOD PEOPLE INCLUDE HIRING, TRAINING, LOST PRODUCTIVITY AND THE ADDITIONAL COST OF CURRENT STAFF TAKING UP THE SLACK UNTIL THE POSITIONED IS FILLED AND THE NEW EMPLOYEE IS PRODUCTIVE.

Return on Leader Training

IF YOU GET 5% GREATER RETURN FROM YOUR PAYROLL COST BECAUSE LEADERSHIP HAS IMPROVED AND MORE EMPLOYEES ARE ENGAGED, WHAT'S YOUR RETURN?

COMPANY PAYROLL:				
х		х		
5%			.05	
=		=		EMPLOYEES ENGAGED
RETURN ON LEADERSHI	P/EMPLOYEE TRAINING:	,		EMPLOTEES ENGAGED

THERE'S NO SCIENCE BEHIND THE 5% OTHER THAN I BELIEVE PEOPLE WILL GIVE AT MINIMUM 5% MORE WHEN THEY FEEL MORE VALUABLE AND THEY LIKE THEIR LEADERS (SOME WILL GIVE LESS ... THE ONES YOU WOULD LIKE TO SEE LEAVE, AND SOME WILL GIVE MORE ... THE ONES YOU WANT TO KEEP).

CLOSING THOUGHTS AND A DISCLAIMER

Winning at experience not only holds the potential to increase your return on marketing investment but the return on your entire business investment.

The higher your sales the higher your business value, and winning at experience has a direct relationship to winning more sales.

Deliver a good product and win at experience and you can maximize your access to your market's three sales doors: 1) The New Sales Door, 2) The Referred Sales Door, and 3), the Repeat Sales Door.

Remember that a good product and great experience wins, because experience is personal and personal moments make the strongest brand memories, and how you are remembered determines your access to the two best sales doors in your industry.

Win with people and win at work.

So in closing, apply what's in this book and get your sales and management team the win at experience training found at winonmonday.com, and elevate the return potential of every future marketing dollar you spend by up to 300%.

Disclaimer

While I'm not sure it needs to be said, I want to leave you with this results disclaimer just in case.

Just like life, the results relating to this content and maybe all training for that matter are not guaranteed, but doing the right thing should never depend on results, and delivering a great experience is always the right thing.

Get winonmonday training without increasing your costs!

Take the fee for this program from your marketing budget and use the win with people training found at winonmonday.com to increase the potential return on every future marketing dollar you spend with leads meeting people who can turn a contact into a repeat and referring customer.

MARK SAWATZKY

marksawatzky.com winonmonday.com