

Worth KNOWING About

...USING LEVERAGE



USING LEVERAGE - TAKING A TRIP AROUND THE WORLD WIDE WEB

SPRING 2004

How Long Is Your Pole?

Archimedes is credited with saying, Give me a pole long enough and a place to stand, and I'll move the world. It's all about leverage, or exerting power effectively. Strangely enough, most organizations and business people do not use the levers at their disposal, often because they do not have a strategic plan.

What is "leverage" in the world of marketing and sales? We would answer, the smart use of resources to maximize the effect of your marketing efforts—including the use of referrals, cross promotions, joint mailings, co-branded initiatives, co-sponsored events, strategic partnerships, bundled product/service offerings, community involvement, networking... any tool or situation that enables you to significantly improve the outcome of your own efforts is a smart marketing lever.

You may not be ready to move the world, but you can probably use your leverage to much greater effect. Consider PROSAR your fulcrum, give us a call and we'll guarantee to lengthen your pole! ●

Knowledge is Leverage

Knowledge is power. It's obvious that you are better able to provide solutions when you have all the facts. Take the time to know your customer's strengths and weaknesses, their industry and competition, their processes and habits. Understanding your customer's world puts you in a better position to move it for them! ●

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Building Your Business, One Referral at a Time

Leverage your marketing efforts by having your customers promote your products and services. Combined with a strategic promotion plan, a referral marketing program will improve both short and long term results. Virtually any business can use referral marketing to increase their leads, clients, and profits.

If you aren't currently employing some sort of referral system, consider these points:



- Referred customers are one of the most cost-efficient and profitable sources of new business.
- Statistically, they develop into longer and more loyal relationships.
- Referral-generated customers are more comfortable with you so they tend to negotiate less and buy more.
- They in turn become good referral sources.

How do you find referrals? Here is some free advice:

- Be referral worthy—position yourself as unique in your industry and impress customers with outstanding service.
 - Offer customers incentives for referring business to you.
 - Be a referrer yourself by actively promoting your customers' businesses, even trading referrals with your contacts.
 - Initiate a referral program that includes objectives, a plan of action and a means of measurement.
 - Contact a professional marketing team (like PROSAR) to create and execute a structured referral program for you. •



Leverage Business Opportunities Through Word of Mouth

Think about the number of times that you have decided to do business with (or avoid doing business with) a certain company based on what someone else told you. We typically place high value on our friends' opinions—and most of our friends are happy to share their opinions!

One of the cheapest, and yet very effective forms of advertising is word of mouth, but it is difficult to control and works both ways. There is considerable research indicating a majority of displeased customers and prospects don't voice their dissatisfaction to the company, they simply take their business elsewhere. They will however, voice their displeasure to others. So, not only do you lose the future business from that customer or prospect, but also from the recipients of their negative word of mouth.

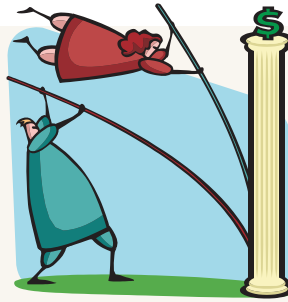
Here are some tips to help you generate positive word of mouth for your business, and leverage the benefit of satisfied customers:

- #1 An obvious way of generating positive word of mouth is to offer quality products and services. If they are substandard, you're tempting bad press and an inevitable drop-off in business. You need your products and services to be the best they can be. Yes, there will always be room for improvement and you should make that an ongoing part of your business plan.
- #2 Keep your word and follow through on your commitments to customers. Let them know when you run into a problem and how you plan to solve it.
- #3 Look for input from your customers via surveys, online feedback forms, comments or complaints. Whether solicited or not, look on complaints as an opportunity to improve your products, services and customer support.
- #4 Show that you care. Customers who are appreciated are typically loyal and can be your best promotion.
- #5 Encourage positive word of mouth with testimonials or a structured referral program.

USE OTHERS AS LEVERAGE -

Joint or Cross Promotions

Interested in how you can expand your credibility, budget, customer base, frequency, creativity and impact? Leverage your promotions by partnering with a complementary organization. Cross, or joint promotions allow you to approach markets with greater credibility, be unique and memorable, provide better value and expand your reach into new markets. Here are several points to consider when embarking on a cross promotion strategy:



1. Determine a target market

In order for your promotion to have impact it must be tailored. Choose a niche market that fits well with your organization and establish your goals for that specific group.

2. Choose a strategic partner

Who else is interested in your chosen market that can improve your position. Consider which organization is already established in that market, offers complementary services/products, can provide a means of awareness or distribution, etc.



3. What's in it for me?

As you determine the best partner, evaluate what benefit you provide to them and how it improves the offer to your chosen market. A successful cross promotion is designed to work positively for everyone.

4. Be specific

Determine what each of you will contribute (including time, money, products/services, staff, facilities, etc.), the parameters of the promotion and the anticipated outcome. Then write a simple agreement for all partners to read and approve. Good communication and clear understanding are critical in any successful ongoing relationship.

5. Evaluate the promotion

Immediately afterwards, compare notes about the level of success, needed improvements, and—if considered mutually successful—the next cross-promotional action on which to embark ◦

Large or small, any company can benefit from a well-designed program. Here is an example of how Blockbuster is effectively leveraging cross promotions:

Blockbuster Renews Two Major Marketing Alliances

America Online and MCI have renewed multi-million dollar marketing agreements with Blockbuster, Inc.

The AOL agreement, which runs through December 2005, will distribute its activation software at Blockbusters with a coupon for a free movie rental for each month of paid AOL service.

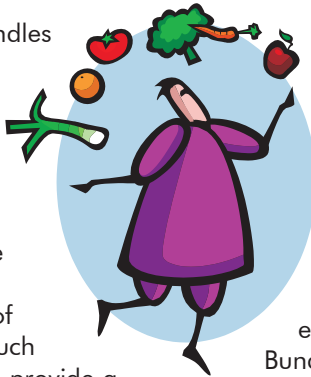
MCI, whose extension runs through December 2004, continues the Free Flix program. The program uses Blockbuster gift cards and rental coupons as incentives for consumers who sign up for, and stay with, MCI's long distance service. Customers receive a free rental at Blockbuster for every \$25 spent on long distance.

LEVERAGE TECHNOLOGY

Few tools offer the power that technology packs. Look within your own organization to see how you can harness that power to improve data collection and use, communication, production, administration processes, or use it to save on costs, time and labour. Then translate these improvements and savings into benefits for your customers. ◦

The Synergies of Bundling

Combining several products and/or services allows you to use convenience, economies of scale, improved service or additional items as leverage. Cable companies create bundles of stations, forcing you to pay for several less desirable channels in order to get the ones that you really want. You may not be able to (or want to) exercise that degree of power, but there is much you can offer that will provide a win-win scenario for you and your customers.



set-up, castors, polish, etc. for a furniture retailer). Service agreements, extended warranties are also examples of improving your offer to the customer.

Any company can take advantage of this strategy, and no customer is immune to the allure of a deal. As consumers we strive to find the best bargain, so we are predisposed to consider special offers, even if it costs more.

Bundling typically increases sales provides greater value to customers and, in the case of a service agreement for example, helps to build long-term relationships.

As long as customers perceive a "fit" and benefit to them, bundling allows you to distinguish your product/service and leverage other factors into their buying decision. **BE CREATIVE!** ●

It can be as simple as combining several existing products and offering a discount or a gift with purchase (look at how McDonalds changed the fast food landscape with the introduction of "Happy Meals" in the early 80s). Alternatively you can include complementary items (e.g. delivery,

MISSION IS POSSIBLE



Encourage Testimonials

Market research illustrates that a satisfied client is one who feels comfortable with the purchase of your service or product. This "comfort zone" is reached when clients believe that you have helped them to understand their purchase, met a need, charged them fairly, and treated them with respect.

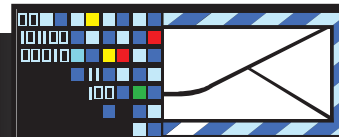
In essence, customers are satisfied with you and your service/product when they trust you. And they are more apt to place their faith in you when they see that others already do. The use of testimonials helps to create a comfort zone for your prospects and clients.

Testimonials and endorsements are powerful marketing tools and most clients are happy to provide them. Whether your next project is print advertising, radio, direct mail or a revised Web site, consider including testimonials to leverage the satisfaction you've earned with existing clients. ●



WELCOME CATHERINE!

Catherine Matthew is a terrific addition to the PROSAR team. Not only has she earned a Graphic Design diploma and valuable experience, but Catherine also holds a Bachelor degree in Psychology—very handy for a designer in a marketing firm! We consider ourselves quite fortunate to have Catherine on board...and so should you!



WANT TO RECEIVE OUR NEWSLETTER ELECTRONICALLY?

Send an email to editor@prosar.com and cite your preference: Plain Text, HTML or PDF. Our next newsletter (early-July) will be sent to you in that format.

"AS A
 SMALL
 BUSINESS-
 PERSON, YOU
 HAVE NO
 GREATER
 LEVERAGE
 THAN THE
 TRUTH."

JOHN GREENLEAF
 WHITTIER
 (1807 - 1892)



MARKETING

- Market Research & Interpretation
- Survey Design, Implementation & Evaluation
- Advertising & Media Assessment
- Creation of Direct Marketing & Advertising Campaigns
- Development, Execution & Analysis of Strategic Market Plans
- Creation & Implementation of Promotions, Campaigns & Contests



CREATIVE & GRAPHIC DESIGN

- Conceptual Artwork
- Concept Design & Layout of Promotional & Educational Materials
- Design & Production of Publications/Magazines
- Design & Layout of Brochures, Posters, etc.
- Creation of Advertisements
- Design of Logo & Corporate Identity Packages
- Fine Art, Illustration & Cartooning (traditional and digital)
- Our design team has many years of experience in fully preparing digital files for final film output, including scanning, photo manipulation and colour separations.



EDITORIAL

- Promotional & Ad Copy Writing
- Telemarketing & Prospecting Scripts
- Report & Technical Writing
- Editing & Translation
- Radio & Television Ad Scripts (including musical themes and jingles)
- All services offered for all official languages.



NEW MEDIA

- Web Site Planning & Creation
- Web Site Marketing & Email Campaigns
- Illustration & Animation
- Listing, Ranking & Web Site Analysis
- E-commerce, Database Design & Programming
- Promotional & Educational CD Rom Planning & Creation



PROJECT MANAGEMENT

- Art Direction
- Photography
- Print Management
- Distribution Planning & Supervision
- Event Planning, Promotion & Execution