

The Great Easter Egg Mystery – How to Halve Marketing Costs

By: Ryan Williams RRP, VP of Business Development
Generator Systems Ltd.

Ryan.Williams@generator-systems.us
www.generator-systems.com

And

By: Steve Pentland, Managing Director, Generator Systems Ltd.

stpentland@msn.com
www.generator-systems.com

You are an Easter egg manufacturer. You use very expensive chocolate to make your Easter eggs. Your Easter egg machine, however, is inefficient because for every one successful Easter egg it produces, it turns out nine cracked or flawed ones that have to be thrown away. What would you do? Would you –

- a) Buy more very expensive chocolate, pump it into the machine, content that only one tenth of this new chocolate would produce successful Easter eggs?
- b) Take a look at your machine and work on it to fix the deficiencies and increase the number of eggs we get from the same amount of chocolate?
- c) Continue on your difficult quest to find cheaper chocolate, when all the evidence says it is getting rarer and rarer?

Sales Systems are about improving the machine to make it more efficient. A structured, integrated, interactive sale system is the only guaranteed way to create a sustainable transformation in your sales process. It also happens to be the smartest use of money – delivering a higher return per dollar invested.

Today, we are witnessing a dramatic shift in society. One that takes us back to the roots of our humanity! Trigger events such as 9/11, the Asian Tsunami and global warming have caused us to question what life is about. Family values, work-life balance, personal stories, and above all, how we feel about things, people, events and the world we live in are becoming our dominant drivers.

The Dream Society

Whereas we once sought goods, we now seek experiences; self fulfilment is becoming more important than the acquisition of “things”. We are now firmly in the Emotional Era, and the currency is Experiences. This is the Dream Society. These are the millions of people that love to buy, but hate to be sold to. These are those who make their decisions based first on how they feel about something, not on its features and benefits.

“We love to buy, but we hate to be sold to”. – This short phrase describes the majority of society today. The very reason that your marketing costs have inexorably risen over the years is because society has become highly resistant to pervasive and uninvited forms of marketing and sales. In other words, the very people that your marketing money is supposed to attract have increasingly been alienated from your proposition by the act of approaching them previously. This is no different to viruses developing immunity to new medicines. It is nature reflected in life.

The “How To” of Seduction

So how do you sell the generation that hates to be sold to? How do you escape from the paradigm that holidays are one of the most sought after spends in society, yet the timeshare form of taking those holidays is still one of the least sought products out there? It is our belief that you don’t try and “sell” them. – Instead, take a leaf from the marketing books of car manufacturers, luxury travel providers and Apple’s ipod –seduce them!

The Science of Seduction is the evolution required in the sales process. Seduction is the sales tool of the 21st Century. Seduction sells vacations. So can’t seduction sell a lifetime of vacations?

Seduction sells to the heart - the primary buying organ in vacation ownership. The head certainly plays a role, but is usually that of post-decision rationalization. If the heart wants it, we’re having it! This is how we need to appeal to today’s consumer.

The Generator System is built for a twenty first century market. It seduces, it oozes clever sales psychology, and it makes much better use of the money you spend on marketing to generate the tour.

By The Numbers – An Example

GENERATOR SYSTEMS LTD

The Old Granary, Cotton End, Northampton, NN4 8HP

TEL: +44 (0) 1604 825540 FAX: +44 (0) 1604 825501 EMAIL: sales@generator-systems.com WEB: www.generator-systems.com

Seven years ago we recognized that the costs of marketing would continue to increase. With the rising cost of leads it is increasingly vital to address how efficiently leads are used. We thought: If we could somehow improve efficiencies, improve close rates, in short, improve the effectiveness of the sales process, we would begin to change the key dynamic of returns on the marketing dollar. As a result, the first sales system was developed.

This is how the numbers work:

Let's say you have an annual sales volume of \$12,000,000, your average selling price is \$10,000 and your net close rate is 11.5%. Let's also assume that your marketing costs are 24%, and your net profit for the year after all costs is 15%.

Based on these numbers you would need 10,435 tours to sell 1,200 deals, your marketing spend would be \$2,880,000 and your total net profit would be \$1,800,000.

If you increased your marketing spend by just 5% you would expect to get a corresponding 5% rise in revenues, and a 5% rise in net profit. – So, your marketing spend would rise \$144,000, your revenues would rise \$600,000, and you would make an extra \$90,000 net profit.

Now, what if you spent the same \$144,000 on making better use of the leads you have?

Other sales organizations in all parts of the world have experienced average improvements of 15% to 20%. But let's be conservative and say that sales performance improves just 10% - in our example, you would add \$1,200,000 to sales volume.

Double your revenue increase – and double your Net Profit increase! It doesn't stop there - these additional sales resulted without additional marketing or additional general & administrative costs. In fact, if we take the original 15% net profit, add back marketing costs of 24% and estimate a further 6% for G&A, you will be making a whopping 45% net profit on the extra business - Net Profit of \$540,000 with a sale system, versus just \$90,000 by spending the money on marketing without 'optimizing the sales machine'.

Did I hear you right? Say that again!



The return on spending your money in this way is six times that of spending it on marketing. A 10% sales performance increase, gives a six times comparative return.

In our experience, salespeople and sales organizations in all part of the globe are using sales systems to create these additional profits. The track record of 15% to 20% sales increases has already been established by early adopters.

It's time to think outside the box and look for ways to maximize our \$ returns from sales and marketing.

So - back to Easter Eggs, as we approach Easter, it's not all about the chocolate - don't forget to spend some of your precious resources optimizing the machine for the greater good of all future leads you're going to pour into it in the coming weeks, months and years. Make every one of them more productive and reap the \$ rewards!

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