

**A C B**

**Attracting Customers Bootcamp**

**Week 3**

**Your Product or Service**

# Week 3

## Your Product or Service

Before we get started let's look at the outcomes from the ACB course:

- Understand what marketing is
- Understand how marketing can benefit you
- Understand your client completely
- Learn how to identify the best products or services to increase sales
- Identify the best way to promote your products
- Discover how you can give your customers the best experience
- Work out how you can stand out from your competitors
- Create a realistic and relevant marketing strategy

This week we will focus on possibly the most important learning outcome:  
Learn how to identify the best products or services to increase sales

We will look at 4 topics to help you identify the best products or services to increase sales:

- Standing out with features and benefits
- Standing out with branding
- Product lifecycles
- Product Mix

As each topic involves a lot of aspects, this week we will look at each topic in 3 separate videos. This workbook is split into three sections covering each topic.

### Introduction

We are in business to fulfil a need, and the solution we provide is our product or service.

There are three types of product or services:

1. **Convenience Goods**- things that are readily available and customers choose to purchase these things easily.
2. **Shopping Goods**- products or services customers spend more time deciding on. The customer will research these items before choosing them.
3. **Speciality Goods**- products or services that cater to one narrow aspect of the market.

**What category do your products fall into?**

We have identified the product or service that we want to sell. The next task is to work out whether the product or service meets your ideal customers needs. If it does not fulfil a need, you need to find another product or service, or ideal customer.

**What need does your ideal customer have that your product or service fulfils?**

**Do other companies have products or services which also fulfil that need?**

If you have answered yes another company has a product or service which fulfils the need, that is fine. We will now consider how we can differentiate your product or service to increase sales.

If you are lucky enough to have answered no, then you are in a niche position and although it may be easier to sell your product or service you may have to educate your customer as to why they need your product or service. The next section will assist with this.

### **Features and Benefits**

To increase sales we need to tell customers why our product or service is the best. We can do this by explaining the benefits which our products and brand brings to them.

As business owners we know our products or services inside out. And sometimes we can tell our customers the wrong information.

*Customers are interested in what you can do for them.*

We must tell our customer why they have to have **our** products or services and why they cannot live without them. In other words, the benefit our product or service brings to them.

### **Features**

Features are factual statements about a product or service. They are distinctive aspects of the product or service. Features can include:

- 10 week course
- Short Wedding Dress
- Self-setting clock
- 50-number speed dial
- One-click financial reports
- Custom programs
- Open 24 hours
- Batteries included
- A detailed guide to weddings that contains 169 pages of unique content
- Open from 07:00 to 20:00
- High protein Greek Yoghurt

**Choose your top selling product and list all of its features below.**

## Benefits

Now although some customers may be interested in the features of a product, most customers are interested in the benefit, i.e. what it does for them.

A benefit is what your product or service can do for your customer. It's the life changing impact it will make to them. Let's take a look at the list of features from before and work out the benefits to the customer.

<b>Features</b>	<b>Benefits</b>
<ul style="list-style-type: none"><li>• 10 week course</li></ul>	<ul style="list-style-type: none"><li>• Bitesize learning to fit your schedule</li></ul>
<ul style="list-style-type: none"><li>• Short Wedding Dress</li></ul>	<ul style="list-style-type: none"><li>• Shows off your amazing shoes</li></ul>
<ul style="list-style-type: none"><li>• Self-setting clock</li></ul>	<ul style="list-style-type: none"><li>• Convenience</li></ul>
<ul style="list-style-type: none"><li>• 50-number speed dial</li></ul>	<ul style="list-style-type: none"><li>• Fewer keystrokes</li></ul>
<ul style="list-style-type: none"><li>• One-click financial reports</li></ul>	<ul style="list-style-type: none"><li>• Immediate information and prepared statements for your accountants</li></ul>
<ul style="list-style-type: none"><li>• Custom programs</li></ul>	<ul style="list-style-type: none"><li>• Designed just for you</li></ul>
<ul style="list-style-type: none"><li>• Open 24 hours</li></ul>	<ul style="list-style-type: none"><li>• Buy when you want to</li></ul>
<ul style="list-style-type: none"><li>• Batteries included</li></ul>	<ul style="list-style-type: none"><li>• Ready to use product</li></ul>
<ul style="list-style-type: none"><li>• A detailed guide to weddings that contains 169 pages of unique content</li></ul>	<ul style="list-style-type: none"><li>• Comprehensive guide to weddings that you won't get anywhere else</li></ul>
<ul style="list-style-type: none"><li>• Open from 07:00 to 20:00</li></ul>	<ul style="list-style-type: none"><li>• Open early in the morning to late at night</li></ul>
<ul style="list-style-type: none"><li>• High protein Greek Yoghurt</li></ul>	<ul style="list-style-type: none"><li>• Tasty and nutritious</li></ul>

**Using your list of features, turn every feature into a benefit for your Ideal Customer**

You can go one step further and explore what benefit the benefit will give them, for example a tasty and nutritious yoghurt will also make them feel good about being healthy.

In all of your communications, one way you can differ your product or service, attract customers and increase sales is by communicating the benefits it will bring. This will create demand and interest in your products or services. After all what sounds more appealing: A 10 week cookery course. Or: Learn how to cook amazing meals, week by week, over 10 weeks?

It's amazing isn't it? Just by looking at the benefits of a product you can attract customers because they recognise you are solving their need.

### **Branding**

By showing the benefits your product can bring to your customer, you are standing out from your competitors and increasing sales. Another way to stand out is through your branding.

There are two forms of branding, manufacturer brands and own brand. Manufacturer brands are when you purchase a product or service from a company who has their own brand to sell on. For example Gillette razors and Kellogs Cereal. Selling well known manufacturer brands can help grow your customer base and revenue as customers already know and trust these brands.

In this section we will look at why you need to develop your own brand.

#### **What is a brand?**

A brand is how your customers perceive you. The CEO of Amazon Jeff Bezos, defines a brand as ' "Your brand is what other people say about you when you're not in the room."

**What do you think of when you think of Nike?**

Wherever you are in the world it is likely you said something like

- high performance,
- high notch athletes,
- achievers,
- sports
- fitness
- victory

This shows exactly how powerful a brand can be.

A brand is so much more than a logo. A brand has a mission, a personality, values and a voice. It represents everything your customers love about your business. A brand is a way of giving your business a heartbeat and personality, this in turn makes you and your products or services unique.

### **Why should I develop a brand**

Having your own brand can differentiate you from competitors, it can also:

- Increase company value- by having a strong brand and brand presence your company value will increase
- Increase your sales, customers prefer to buy from brands which they know, trust and like
- Stops competitors- if you have a strong enough brand you can stop competitors entering the market, did you ever hear of Virgin Coke? No? That is because Coca Cola stepped in when Virgin became popular and incentivised their loyal customers.
- Increase word-of-mouth referrals as customers can develop emotions for and feel loyal towards a brand

### **How do I create a brand?**

In this activity, I will take you through step by step how to develop a brand.

#### **1. Quality**

Make sure your product or service meets the basic functional requirements. By offering a quality product or service under a recognisable brand you will make it harder for your competitors.

**List below the results you guarantee your product or service will bring**

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### **3. Define your brand mission.**

What is the reason you get up every day? What is your business about? This will tell the audience what you do and will be the foundation that your brand is built on. This should be one or two sentences focused on what your target audience wants.

Nikes mission is "To bring inspiration and innovation to every athlete in the world".

**Write your brand mission below**

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### **4. List the key qualities & benefits your brand offers.**

Dig deep and think what do you do better than others for your customers? Some examples include:

- More authentic and transparent customer service
- A better way to support productivity
- Reducing costs with a more affordable option
- Saving time on daily tasks
- Explain things in an easy to understand format

**What are the key qualities and benefits which your brand offers?**

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### **5. Create a logo and tagline.**

This is where you get to be creative. You may wish to get some assistance here. You need to create a logo that is a visual representation of what you do in your business. It will become what you stand for and how your customer recognises you.

**Note down any ideas here:**

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**6. Create your brand voice.**

Choose a brand voice which resonates with your ideal client. Consider what your ideal customers would like to hear. Your brand voice needs to stay the same in every communication or message. Your brand voice could be:

- Professional
- Authentic
- Friendly
- Technical
- Informative

**Describe your brand voice here:**

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**7. Create your brand message**

Tell customers who you are using your brand voice. In one or two sentences tell your customers who you are, what you offer and why they should care. Write it from a human point of view and tell everyone why the brand is important for your customer.

**Write your brand message here:**

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Now that we have created and defined your brand you need to use it in everything you do and everywhere. From your communications to customers and marketing messages. Make sure you stay true to your brand in everything you do and everything you say.

### **3.2 Product Lifecycle**

Now we have figured out how to make our products or services stand out, we need to check that we have the right products or services to bring in the most revenue.

Do you remember CD's or videos? These products came into existence, they then became really popular and eventually sales began to fall.

As business owners we want to ensure sales of our product or service continue for as long as possible, to enable us to benefit the most people and get the most sales.

One way we can ensure this is by understanding the product lifecycle.

The product lifecycle looks at the stages products and services go through, from when they are first launched to when sales fall.

The concept demonstrates that sales of most products or services will eventually fall, and nothing lasts forever.

#### **Importance of the Product Lifecycle**

Being aware of the Product Lifecycle means you can identify when you need to introduce new products. You can also:

- Save time and money in investing in outdated products as nothing lasts forever
- Identify when you need to try and extend the lifecycle
- Identify when to stop investing in products

#### **How to use the Product Lifecycle**

You can use the product lifecycle by identifying which stage each of your products or services is in, and then take action to maximise the lifecycle of each product or service, or decide to invest in new products or services.

The product lifecycle shows products or services go through four stages: Introduction, Growth, Maturity and Decline.

### **1. *Introduction Stage***

This is when a product is first introduced. At this point sales are low and losses are normally high. Products or services may be terminated at this stage if this phase lasts too long.

During this phase you may wish to:

- Advertise heavily
- Price your product or service as high or low as possible

### **2. *Growth Stage***

This period is when the product or service is accepted and purchased by customers.

Sales and profits grow fast at the beginning, and then profits may slow at the end of the stage. Competitors may be entering the market at this stage.

At this point you may wish to:

- Sell in more places
- Continue to educate customers
- Promote your product or service
- Make improvements to the product or service

### **3. *Maturity Stage***

During this stage sales peak and flatten, and profits may begin to decline. You will find there are lots of alternatives available at this time, and sales may be price driven.

At this point you may wish to invest in researching new products or extend the product lifecycle using the methods below:

- Advertising- getting new customers or reminding current customers
- Price reductions- making the product more attractive to customers
- Adding value through new features
- Exploring new markets- sell to new areas or different markets
- Changing the packaging to make it more attractive

### **4. *Decline Stage***

At this point sales will drop as consumer tastes or needs may have changed. The market is now either saturated and/or overrun by competitors.

At this point you may wish to remove your product or service from the market.

### **Caution!**

There are some concerns using the product lifecycle as the cycle is unpredictable, some products are fads and other factors will influence sales such as outside influencers. However the concept is worthwhile considering as it can assist planning and marketing activities.

### **Product Lifecycle Diagram**

Please find below an illustration of each stage in the product lifecycle.

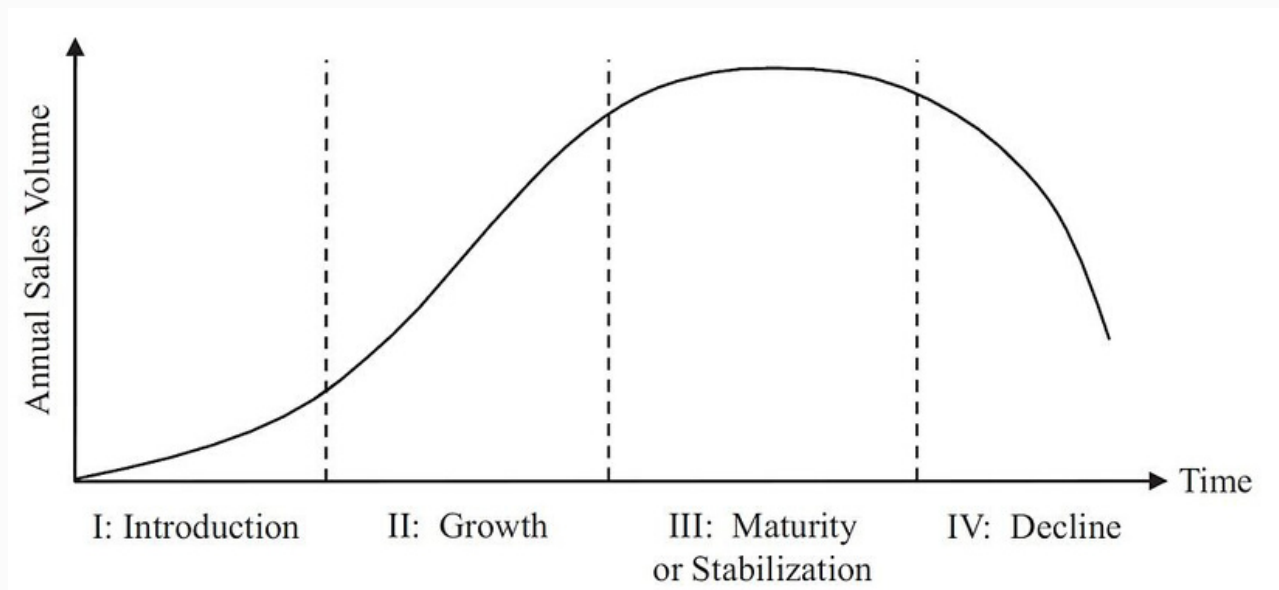


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[https://upload.wikimedia.org/wikipedia/commons/d/d5/Product\\_life-cycle\\_curve.jpg](https://upload.wikimedia.org/wikipedia/commons/d/d5/Product_life-cycle_curve.jpg)

**Using the next page, pick nine of your products and consider where they are in the product lifecycle, and what actions you need to take to increase sales or extend the lifecycle.**

Product

Lifecycle Stage

Actions to take

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Blank cell for Lifecycle Stage

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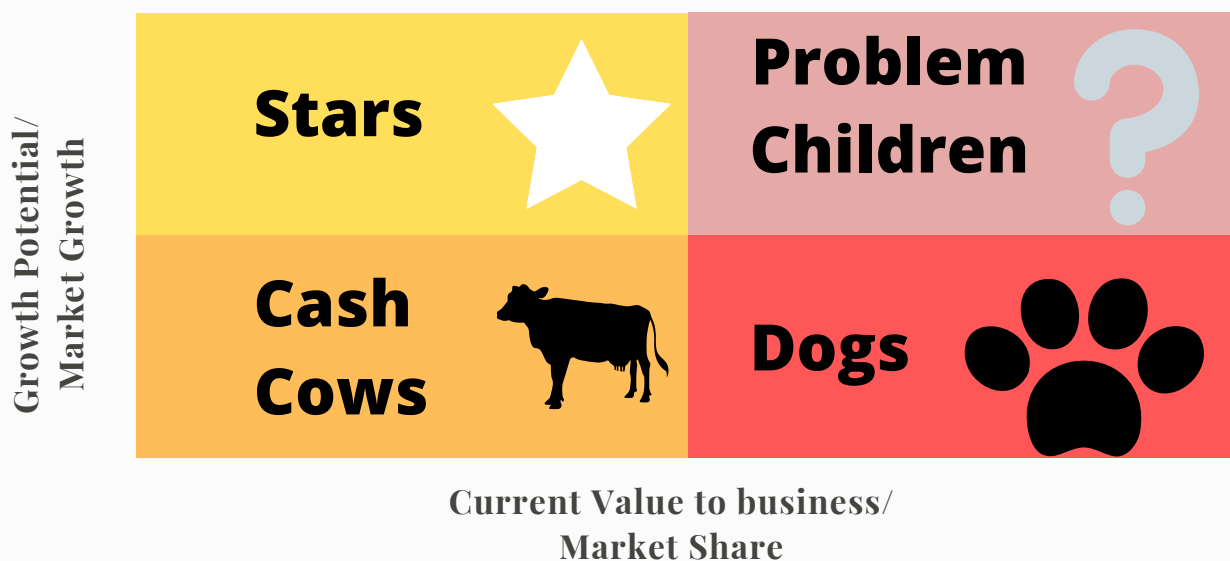
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### 3.3 BCG Matrix/ Product Portfolio

Even if you have one main product or service you are more than likely to have a number of products or services available in your business. As time passes and consumers needs change you will notice some products are worth keeping, whereas others may be worth changing.

Your product or service portfolio is everything you offer for sale to a customer. One tool which can assist is the Boston Consulting Groups Product Portfolio Planning Mix (The BCG).

The BCG categorises products or services in one of four categories according to the market share and market growth, as shown in the diagram below. However for small businesses you can consider current value to business in place of market share and growth potential in place of market growth



#### Importance of the BCG

You can use the BCG to show you the product's or services which are worthwhile investing in. You can also use the BCG to

- Identify which products are worth the most to your business- cash cows
- Identify which products are draining your resources- Dogs and Problem Childs

The BCG can also be used to assess your social media marketing or general marketing strategy.



Depending on the current value to business and growth potential a product can be a Star, Cash Cow, Problem Child or Dog. Let's look at each of these categories now.

### ***Star***

These products or services have a high value to the business and high growth potential. They are successful products or services and they look good for the future. However they can be expensive to maintain. The aim is to turn these products or services into cash cows, so continue to promote and continue grow.

For Star products or services

- Continue to promote and see the response
- Continually evaluate sales and customer feedback

### ***Cash Cows***

These are products or services with high current value to the business but are lower in terms of potential growth. They bring in lots of cash and should be defended to keep sales high. The aim is to keep using these products for as much as possible, without investing too much in them.

For products in this category

- Continue to advertise
- Offer promotions
- Offer loyalty or referral schemes

### ***Problem Children***

These products or services bring in little cash but show good potential for the future. The problem with products or services in this category is that you must decide which to invest in and which you should not invest in. You can identify which to invest in by conducting customer research and looking ahead at future trends.

### ***Dogs***

These products or services bring in little cash, and have no potential. These products need to be removed from your portfolio quickly.

Once again, please use the BCG with caution as not everything follows normal trends. The overall aim is to turn everything into Cash Cows to bring in the most profits and sales for your business

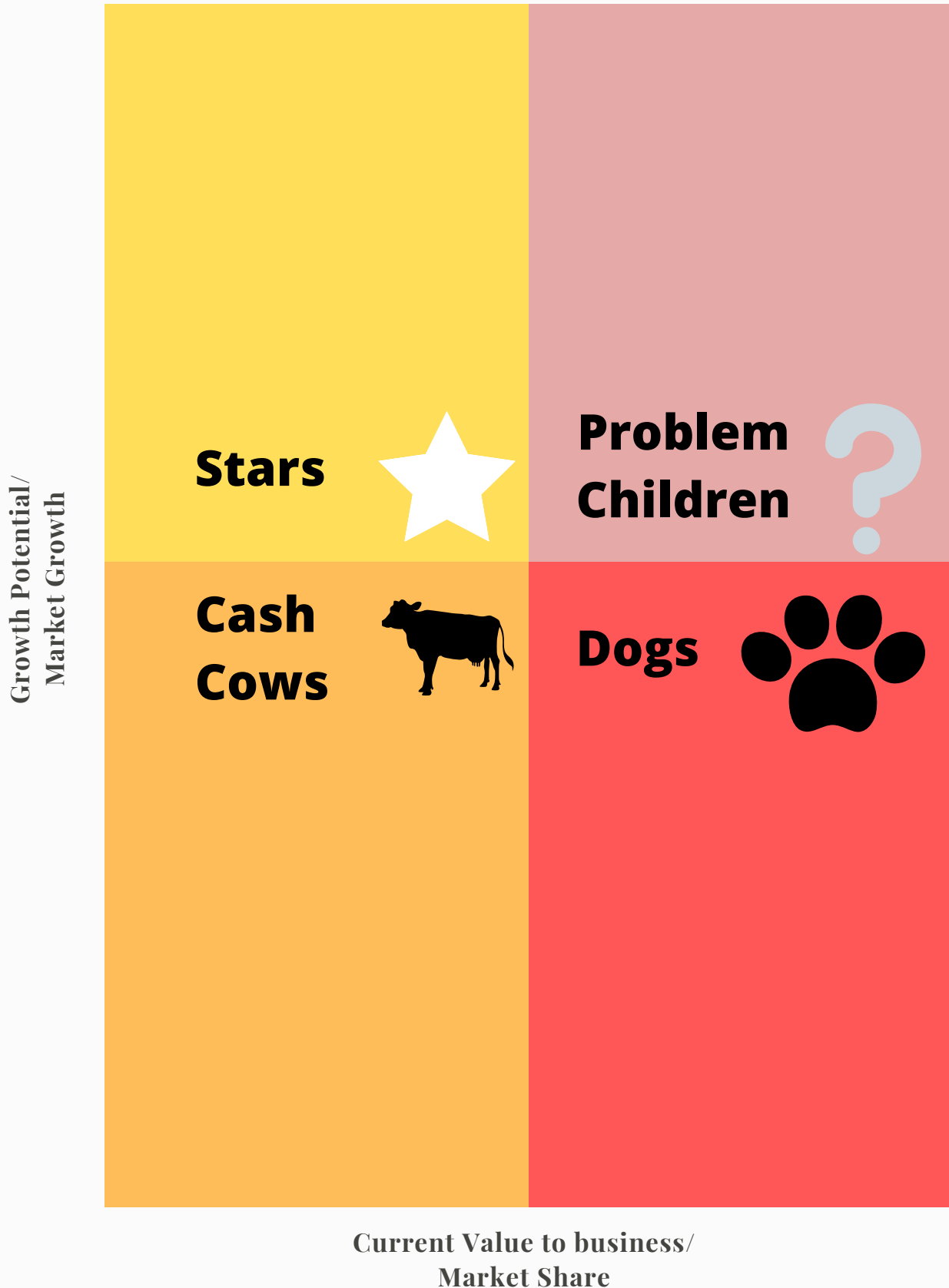
On the below diagram plot each of your products or services, and identify which products or services are:

Stars

Cash Cows

Problem Children

Dogs



**Based on where your they are on the matrix, identify the next steps to take with eight products or services.**

Product

BCG Category

Actions to take

## **Summary**

This week we have learnt all about your products or services, and which tools you can use to increase your profits. Next week we will look at how to make sure your pricing is perfect for you and your customers.

Don't forget to pop into the facebook group and share your thoughts, questions and ideas from the weeks module using #week3

We would love to hear your ideas and look forward to next week where we will look at everything to do with your products or services.

## **Notes**