



# Get Your Life Back!

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*How to Turn Your C-Store into a Cash Machine*

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Hello.

My name is Ted Leithart. I spent 7 years in C-store retail management for a Global 10 company. During that time, I worked as many as 35 hours at a time.

I also realized during that time that there were many strategies and methods that could be added to the skills my employer provided to enhance customer relations, which would result in enhanced cash flow and profits. However, my lowly status in a global 10 company allowed my insights to be ignored. As a result, I incorporated as many of the strategies as I possibly could (while retaining my job). My insights were vindicated as a result of my “out-of-the-box” thinking.

An example was an on-going conversation I had with my district manager. Simply, I asked my district manager to name specific customers in the store while they were visiting. They could not and seemed perturbed by my question. My district manager commented that I knew my customer base better than any of his other managers.

I thanked him for the compliment, and went on to ask the following “career limiting” question: “If we cannot identify the customers, those people giving us MILLIONS of dollars in revenue a year, why are we spending \$35,000 to upgrade my coffee bar as well as spending \$250,000 this month in the local area on radio advertising?” After all, isn’t it about customers?

My superiors could not answer my question and asked me to focus on the task of running my stores.

If it’s not about the customers, WHO is it about?

This book was written for one reason – to show you how to improve the relationship between you, the c-store manager, and your customers. By doing this simple thing, you will have much more cash flow – many more customers as well as your customers returning to you more often. This will result in you being able to justify hiring strong, performing employees. In other words, outsource the day-to-day tasks that need to be completed in your business to your employees while you concentrate on the only job you should have – attracting new customers and existing customers back to you consistently.

Here’s the key! Right here – this next paragraph is worth \$100,000 and more in your business over the next twelve months if you incorporate it. Are you ready? Are you sure you are ready? Because the solution is so simple that you will probably shrug your

shoulders, mutter “I know that” and go back to your “habits” which are giving you NO life.

So here it is –

Have you ever been in love? Have you ever been in so much love that you can't get enough of that person? They complete you – they make you better than you are by yourself – they are HOT! You thirst to spend more time with them – you desire more intimate moments with them... The Key to your business thriving is to treat your customers like that. Simply LOVE THEM and show that love in your thoughts, words and actions on a daily basis.

Oh, so you want specifics on how to do this? Great, because the remainder of this book is all about wealth attraction - and how to incorporate it into your c-store.

To Your Daily Success,

Ted Leithart

## How Your Business Can Move “Mountains”

There have been numerous articles and books written on right or positive thinking. These books tend to give insights on how to build a positive mindset.

Rather than retell what many have already said, I am setting out to take my twenty year study on the subject and boil it down into something that you can use, beginning today. You will not need another course, another coach, another book, a life coach or a number of exercises that you will need to incorporate into your life on a daily basis, like a routine.

You don't need more in your life right now. You never have. As a business owner who works to thrive – and to provide a good living to yourself, your family and your employees and their families – as well as providing a good service /product to your customers, you are overwhelmed with 35 hour days squeezed into 24 hour periods.

Every day. No weekends off. You may not even be able to take off the top Holy Days (holidays) in your culture.

I strove to be successful for years. Goal setting and working on goals and boiling them into tasks for the day. I realized frustration when the goals were not met in the time period I wanted and experienced pure elation (that lasts a little while before it goes “poof”) until the frustrations of life and not gaining your other goals you wished set in again.

It does not have to be that way.

Let me ask you a question – or, actually, a few questions –

1. Who made the day?

I am not asking how you planned your day to be the culmination of hours or days or weeks of work to have today as a pinnacle in your life. My question is – Who created this 24 hour period?

Did you? Did Donald Trump? Did your spouse or a significant other? Did President Obama? Did the Secretary General of the United Nations?

Or did something entirely out of human control make this day? Some may answer God made this day – some will answer it just happened.



Let me ask you another question –

2. Who willed your heart to continue to beat last night or yesterday afternoon (or whenever you last slept)?

Again, was it you – or The Donald – or your significant other – Barack Obama – The United Nations?

Again, some may answer God, a supreme being or some others may believe it just happened.

Here's my point. If you have so little control over the hours of the day, when the day will begin, whether it will be sunny or rainy or snowy weather - If you have so little control over whether your heart continues to beat while you sleep or whether you continue to breathe throughout the day and a number of other experiences we have in everyday life that "just happen", WHY do you fret and have angst over your day? Get over it.

I am not saying to not have a vision. I am not saying to stop working to make your vision a reality. Work is good – there was even work in paradise (according to some ancient writings).

What I am saying is to work like everything depends on you with the understanding that no matter what the results are, the results are the results.

Rejoice in whatever results come because you have succeeded already today – your breath continues to be in your chest, your heart continues to beat (and love).

Accept the results and work to enhance the results. Do so without frustration. After all, the world does not revolve around your will. Otherwise, you'd better spend some overtime on insuring your lungs continue to inhale or that your brain continues to function properly.

Thomas Edison was once asked what he would be doing if he had failed at inventing the electric light bulb? Edison replied that he would be in his laboratory, working on a solution rather than having the conversation with his interviewer.

Edison accepted his failures only to the extent that they were learning experiences. Mr. Edison did not allow what many would call failures to stop him in his endeavors. He kept working on his vision, making it reality.

At the same time, when Edison became tired and needed a rest, he would get rest – without worry and fear to keep him tossing and turning. He knew his vision would carry him through to the victory he had envisioned in his mind.

You see, Edison recognized that the goal in life is to work on your vision or your mission without setting any limitation of time or frustration or worry to infiltrate his day.

But, you say, I have goals. I want to set a name for myself. I want to be remembered in history.

Let's put history in perspective. Do you know of a Renaissance artist named Leonardo da Vinci? Where is he buried (or entombed)? Here's how much history revered da Vinci. Approximately 50 years after his death, his body was exhumed. The reason was a very understandable one – the Italians needed his lead coffin so they could melt it down to make bullets for a war that was being fought.

Yes, we are fortunate to enjoy some of the art and writings and insights of Leonardo da Vinci. But Leonardo remains dead no matter how much we revere his work or attempt to locate the mass grave his bones were thrown into.

The bottom line – you only have this moment to make a difference. Make the most of it.

Your failures are all in the past – and the past has no life.

**Key Number 1:** You are not in control of the world, your health or your longevity. The only item you possess that is truly yours is this moment. Make this moment (and every moment) worthy of your time, your energy, your life.

I was recently reading a philosopher who noted that everything is eternal. While you have only this moment to make the moment worthy of your time, your energy and your life, how you manage or handle this moment has eternal ramifications.

You may argue that although there are some parts of history which are preserved, there is little of history that is older than 100 years old or so that is preserved. This is not true.

Here is a simple example that most will understand: There continues to be strife between the two sons of Abraham – Ismael (born to a concubine named Hagar) and Isaac (the son of Sarah). I am not getting into a political discussion nor am I going to argue for one side or the other. However, the fact remains that Abraham's actions have effects 3000 years after his death.

What does this mean for you? If you only have this moment yet this moment has what I would consider “eternal” effects, you should strive to ensure your moments have positive eternal effects.

What are positive eternal effects? My definition of Positive Eternal Effects is summed up in one word – Love. A philosopher several centuries ago defined love with the following aspects: Patience, Kindness, Generosity, Humility, Courtesy, Unselfishness, Good Tempered, Thinks no evil, and Sincerity.

This goes right to the heart of how well your life and your business are doing at this time. How so? Do you love your customers, your employees, your employee’s families, your family, your customer’s families and so forth as Dear, Valued Blessed Friends? Probably not. Otherwise, you would not be reading a book on how to Change Your C-Sore into a Cash Machine. We’ll get into the specifics of this later.

**Key Number 2:** While you only have this moment, you can influence thousands not yet born by expressing love.

My mother used to comment to me (when she noticed that I was frustrated about something), “Don’t worry. Things will work out.”

What things? Your dreams. But your dreams have to be consistent with one another. For example, you can’t have the dream of having a wonderfully intimate relationship with your significant other while dreaming of a fantastically intimate encounter with the adult pin-up of the month (unless you are fortunate to have these pin-ups be your significant other).

You have to be single-minded.

I recently was in a Mastermind session with one of my mentors. One of the other attendees at this Mastermind discussion was vacillating between two or three different “customers” that he would like to target.

The facilitator of the group waxed philosophical for a moment. He noted that you don’t need a relationship with a number of women (the facilitator is a heterosexual male) to have a fulfilling life. The key, he noted, was the commitment to one woman and, as a result, the intimacy, the depth, the pleasure received and given in such a relationship will fill your life.

In today’s world, many people are wooed with the “shiny object” syndrome. Rather than commit and focus energies on a specific relationship, a specific business model, a

specific type of work, we dally in all sorts of things. To do otherwise in today's world is not acceptable as you are not living a balanced life.

So rather than commit ourselves to one entity, one business model, one significant other in our lives, we waste our lives by trying to have more of everything – more homes, more money, more sexual relationships, more – more – more.

And, as a result, we are unfulfilled (and worn out) as we continually run after the shiny object of the day.

Rather, making a commitment to one business, one business model, one type of job where we become the expert, one spouse/soul mate allows you to have the energy to build a legacy.

James Allen, in his book, *As a Man Thinketh* (yes, an archaic title – and to some, sexist - but wonderful insight) reflects on the age old philosophy that a double-minded person is never successful.

Rather, a double-minded person wants the shiny object of the day.

A client I recently worked with has three distinct customers that he is trying to serve. There is little to no overlap in these targets. As a result, he is running in three (possibly more) different directions on any given day as he tries to attract three customers at every networking event, every business appointment, every sales call.

Until recently, I was consulting with any business entity that would hire me. As a result, I was considered just another consultant. By niching my business to focus on a specific industry, the c-store industry (in which I worked for 7 years), I easily clarify the value I give my customers and I am receiving tons of something I have never received before – referrals.

All I did was to commit or become single- minded.

Why don't people commit? Again, the facilitator of the Mastermind group noted the reason people are not committed or single minded is that they are always thinking "What If?"

"What If my wife dies?"

"What if my spouse runs off with another person?"

"What if my business fails?"

"What if my love isn't returned?"

By possessing these and similar questions in every facet of their life, a person refuses to commit and focus single mindedly on building a tower of legacy.

**Key Number 3:** Single Mindedness or Commitment. You cannot win without this single minded approach.

You mentioned a Tower of Legacy? Tell me more!

That takes vision.

Have you mapped out your vision? A number of practical as well as philosophical books will tell you to write down the vision so that you (and others) can accomplish the task or vision set before them.

Would an engineer or an architect ever build a tower with the magnificent stature of the Eiffel Tower, the Empire State Building, the Sears Tower, the Taj Mahal, let alone a house, without first drafting a blueprint?

My question is – have you ever drafted a blueprint?

Have you ever written a business plan that is easily followed and tracked? What about your sales and marketing plan?

What about the vision for your life? A successful Internet marketing expert who I am acquainted with developed the following type of outline so that you can map out of the vision for your life. These are notes from this expert's seminar I sat through.

**There is one question that will change you forever...**

**“If there were no limitations or consequences, what would your perfect, average day look like?”**

What this means...

- Limitations: financial, geographic, health, limiting people, etc.
- Consequences: stuff that could get you into trouble.
- Average: you could do all this stuff every day and not die or get sick of it.

Based on the one question and the definitions that follow, here are a “few” questions you may wish to answer:

- Where would you live?
- What would your house look like?
- What time would you wake up?
- What would you do in the morning?
- What would you have for breakfast?
- What does the mundane stuff look like? (Taking kids to school is an example of mundane stuff).
- You may even desire to break down what you are thinking about while taking the kids to school, what you are thinking about while you drop them off, and your thoughts on the drive back home. The more detail you get about this the more clear, you become.
- What would you spend the first half of your day doing?
- What would you have for lunch?
- Who would you eat with?
- What would your friends be like?

Here are some bigger questions about your perfect, average day...

- What would you do for personal fulfillment?

- What life purpose, would you strive towards?
- What would your business be?
- What time would you start work?
- What would you actually do at work?
- What are your customers like?

Let's get into some real fulfilling things...

- What is your relationship like?
- What would you do for family time?
- What would you have for dinner?
- Where would you eat?
- Who would you eat with?
- What would you talk about?

We are almost finished with the questions – only a few more...

- What would you do at night?
- Who would you do it with?
- Where?
- What would your thoughts be when you went to sleep?
- These questions are all based on desired experience... space, not goals are things. Remember that our experiences help shape our identity.

So **Key Number 4:** Map Your Vision for your Perfect, Average Day and Follow the Map

Lastly, you need to be very protective of your “down” time. The woman I married about 11 years ago does not enjoy “overly intense” entertainment, such as the gore on the typical American cop show. In fact, we’ve owned a movie since we’ve been married (12 years) and never watched it in its entirety – it was too “intense.”

Since I am not used to such intense drama anymore, when I do see such intensity in a book, a movie or television show, I now realize how it affects my mind, my sleep, my attitude the next morning. If my “down time” is filled with things that are not uplifting, my attitude begins with a negative one the moment I get out of bed in the morning.

It’s no wonder why so many people used to watch the Tonight Show with Johnny Carson. The show subconsciously put you into a good mood for the next morning.

**Key Number 5:** You cannot cultivate an uplifting spirit inside yourself when your mind is filled with the rapes, murders and filth of this world. Be informed, but don’t make being informed your hobby and what you do with your “down” time.

You need to be very protective of your entertainment to ensure it uplifts your spirit – and your life.

Are you going to achieve what you set out to do? Is your vision, your commitment, your single mindedness and your submitting the outcome of your life to something (or someone) beyond your control going to work out?

Let me give you a clue:

If you have total and complete belief in completing a task, you will be able to do anything. This is based on having a trust and belief on things that are much bigger than you, much like having the belief and trust that the day was made for your benefit, even though you had nothing to do with the creation of it.

Many throughout history have noted this complete trust and belief as faith.

The question becomes, do you have complete trust and belief in what you are working to accomplish will happen? If you don’t I would suggest it is due to something we discussed earlier – your lack of commitment and you’re not being single-minded.



There was a time in my life when my complete trust and belief was shaken. It started one day when my wife, all of my material possessions, and my elder son disappeared while I was at work. It continued as, within the next 5 months, I lost my job. During these five months, I was unaware of the location of my son or my wife and only saw my son when I stopped at the daycare to visit him when I had the time at lunch.

The questions that continually went through my mind were:

Why? How can this possibly be the best thing for the family?

It took two years to realize the benefits I have received from a divorce, loss of most of my material possessions while gaining the ability to start fresh.

Several years later, having trusted in things beyond my control and that I did not fully envision, I have the following in my life:

A very strong relationship with my son from the first marriage

A daughter-in-law

A grandson

I married my soul mate

A son from the second marriage

A nephew that lives with us so he can attend a school in the vicinity

**Key Number 6:** Faith and Trust is being 100% convinced (not just 99%) of what we strive for and being positive of what is not even envisioned.

I believe that leads us back to the knowledge that god, the universe or universal truths are in control of things beyond our abilities to control yet the universe is planned for our benefit. By utilizing everything in this chapter, you will be assured of a mind that moves mountain, a successful life – as well as influencing the world for generations and centuries to come.

## How You Can Sell Your Products for 3-4x Your Competitor's Price

Elasticity is defined as flexible. This chapter is about price elasticity or, the prices in your convenience store are flexible – a lot more flexible and your customers are a lot more flexible in accepting these prices than you may believe. Here's a great example:

Kobe beef currently sells for \$1399. In the mid-western city where I live, I can buy top sirloin beef for \$29.95. Is Kobe beef 4600% more healthy or tasty than a steak from Kansas City?

You see, the difference is not the product itself – it is the experience associated with the product.

StarBucks coffee (which I personally consider a Colombian coffee made from overly roasted beans – it is by far from my favorite coffee) can sell as high as \$4 for a 12 ounce cup while three years ago I could purchase a cup of Guatemalan coffee (my favorite) for \$0.89 at a local national chain. Yet, StarBucks has a loyal national following.

Here's another example: Several years ago, a friend tested the pricing of a marketing book he had written several years ago. There were three price points tested - \$195, \$295, and \$495. Through testing, my friend found he sold more books at \$495 than the other two price points.

Jim is a friend who purchased a car for \$30,000 recently (it was about 5 years old when he purchased the vehicle). Interestingly, another brand name that carried the same engine, the same gearing and the same technology used in the shift linkage and the suspension was selling for \$150,000. Why? Obviously, there is a major difference between the status of Ferrari versus a Maserati. But is a "prancing horse" truly worth five times as much as a "three-pointed crown?"

What does this mean for you, the convenience store owner? It means that your prices and your margins do not have to be whittled down to the point where you struggle to keep your convenience store open.

You may argue with me that I do not know your customers – all they care about is the lowest price. But studies show that 70-85% of purchases are made with price NOT being the number one determining factor on whether to buy or not.

I will agree that should everything be equal – the packaging, the name, how the product is displayed, the store location, the same customer (not necessarily the same demographic), you may well have to settle on selling your product based on price.

However, Ferrari has very successfully separated the mystic of their branding from Maserati (even though both cars were built in the Ferrari factory for several years). Lexus has very successfully separated their products from Toyota (although an over-abundance of their parts are the same. And StarBucks has been very successful in differentiating their Columbian coffee from the Columbian coffee at the national c-store chain.

How do you take advantage of such things in your convenience store, if what I am arguing is true? First, you never compare apples to apples. You always want to compare apples to oranges.

Here is what I mean: You do not want to offer a Snickers King size candy bar for double the price of the Snickers King size candy bar at the convenience store 100 feet away from your store. You want to have your apple offer to their orange offer.

More specifically, you change the offer to offer something of value that the c-store 100 feet away from you does not. Here's an example:

You package your King size with a regular Snickers bar and market it as a Buy1, Get one free! Take your Snickers king size, add a 5-20% margin over the cost of a Snickers regular bar to the price of the king size bar and sell it as buy a King size, get a regular for free. And do this EVERYDAY!

Another example of java as a package deal – buy a cup of coffee and get a pastry (or a bagel) for free. Should you price your coffee accordingly, you have created an apple offer to your competitor's orange offer.

Should your customers reflect that they are not interested in a coffee package deal, carry an up-scale coffee than the other convenience stores in your area. Should you carry my favorite, Guatemalan, or another type of exotic coffee such as Ethiopian or Kona coffee, you market this difference. Anyone can buy Colombian anywhere – but where can you get wonderful coffee with a touch of sweetness (how I describe Guatemalan coffee) rather than an overabundance of bitterness than at your convenience store.

Are you still not accepting of my suggestions?

You can even sell your coffee, your standard Colombian coffee for a higher price point than the convenience store across the street by simply educating your customers that you CLEAN the pots everyday so that the stained urns and pots don't carry the taste of coffee brewed last week, last month or last year with them. (I just noticed in the coffee

shop where I am writing this book that their urns are not cleaned everyday – the glass tubing is stained).

Being the coffee snob I have become over the past dozen years or so, I can taste the coffee from last week that taints today's coffee because the stains weren't adequately removed. Marketing that difference will bring in the coffee snobs (that are willing to pay the additional cost of getting fresh coffee rather than those willing to accept coffee made last week mixed in with today's coffee).

Another factor in raising your margins - Establish your price as the appropriate price for your product. Your price is determined by tangible as well as intangible value. It is also determined by perceived value.

Here is an example:

Some problem or difficulty in your life causes you to seek an attorney. Almost immediately, you think expensive because Americans have been conditioned that attorneys are expensive. We've also been conditioned to believe that the school the attorney attends determines how good of an attorney they are. As a result, we are conditioned that an attorney who graduated from Yale or Harvard Law School is better than an attorney from Woodville Ohio School of Law.

It does not matter if the lawyer from Harvard attended because of EEO requirements, that they are not remembered by other law school students as to ever attending class, or that they passed the bar exam after their last chance to take the bar (is there one?). What matters is they attended Harvard!

How does this analogy relate to the products in your c-store? Perception is reality. As a result, the perceived difference between Swiss chocolate versus American milk chocolate allows you to charge a higher price for the Swiss commodity. This is due to the Swiss chocolate being perceived and accepted as a better, richer, more expensive alternative to others.

The cost difference may be pennies per pound yet the perceived difference is dollars per pound. Take advantage of this perceived and real difference to raise the height of your pocket money.

Once you establish the appropriate value of the products in your store, pricing them into irresistible offers. Here's what I mean:

As I write this, the commodity market has determined that the price of gold is \$1400-1500 per ounce. Should you purchase some gold coins as a safe haven against

inflation and a store of value, you will pay the price of gold plus a 2-3% premium. This is the appropriate/established value of gold in May 2011.

Several years ago, a single coin of gold was sold for a few dollars under its appropriate/established level. In fact, the company who was selling the gold coin was willing to buy the coin back at the established level should the buyer be unhappy with the purchase.

But why did the seller of these coins have a good response rate on their offer? Because they were willing to sell the gold coins at such a good value that it was very difficult for a buyer to resist.

Gold? You'd be so lucky to sell such an item in my convenience store...

So here's how we take advantage of the situation in your convenience store.

You sell your premium, upscale coffee at \$1.95 in comparison to the StarBucks \$4 coffee. How do you do this?

A national chain of c-stores did this several years ago with their Crazy Coffee café. This chain had very good upscale coffees that were very comparable to the upscale local coffee shops and StarBucks. The difficulty is that they thought that Word-Of-Mouth advertising was going to overcome the marketing efforts and buzz that their competitors were using.

They may have overcome this difficulty if they had some testimonials about their Crazy Coffee from local or national coffee experts touting how good their coffee was. Additionally, rather than allow their customers to sample the difference at the customer's discretion, provide less selection and "force" the customer to sample a different coffees. (How many "special flavors" does StarBucks allow their customer base to sample on a daily basis?).

There is no limitation on the changes you can make to your inventory in order to sell customers different products than your competitors – whether the difference is perceived or real. But one entity you cannot fake is value. Make sure you are always giving your customers a great value.

## How to Build Your Business around Pleasure

Several years ago, I learned of a professional who was not happy with the way his business was performing. He was not happy with what he had achieved and he was not fulfilled in his life.

After much soul searching, the business man determined to reorient his business around giving himself pleasure (please, no chuckles about his owning a brothel or a harem). This business man did a number of things that were very different than was the norm in his profession, from locking the door (he was in the medical industry) to firing 1/2 of his client base (he fired the ones who didn't revere him as a friend nor did they revere his services).

In addition to the marketing changes and the office layout, this business man changed the way that his employees treated each other. All slang was removed from the office and employees were required to always treat each other with courtesy and respect (even though they were very close). In others words, the golden rule became the rule of how to interact with everyone in the business as well as any interactions with customers.

A change in attitude soon became apparent. Remember earlier in the book when I mentioned about the attitudinal adjustments I have on a daily basis which were a result of the entertainment, books and movies I watch? The same thing happened here – deleting the poor language, the hard feelings and inappropriate slang in the back office changed the entire business to one of pleasure –

- Pleasing the customers
- Pleasing the staff
- Pleasing the Business Owner
- And a pleasing increase in income resulted.

All from using the Golden Rule: “Do To Others as You would have them do to you.”

How would you incorporate some of these strategies into your convenience store?

- Allow a holiday tree in your store.
- Allow your employees to dress for the holiday or national recognition – such as dressing like a President, dressing as Cupid, dressing in Green, dressing as the Easter Bunny, dressing with a flag on their hat or collar, dressing for Halloween, dressing as a turkey or a pilgrim for Thanksgiving. Yes, this is out of character

for a c-store, but your customers will enjoy the less-staunch, more-fun approach for business. (and they'll come back to see what outlandish costumes your employees are wearing next week).

- Have a few tables and chairs for customers to sit and drink a cup of coffee (not too many as you are not competing directly with StarBucks).
- Have a Coffee and Cars event. There is a coffee shop near my house that has a weekly Coffee and Cars event. My children LOVED taking a short jaunt in the rumble seat of a 1928 Packard a couple of months ago.

Most importantly, have fun and build a relationship and FRIENDSHIP with your customer base.

Other strategies that you could incorporate into your business to enhance the enjoyment of the staff while working include "Dance Breaks." Some industries have a large amount of stress related to the job. In order to alleviate the stress of the job, I know of one business that did a number of tests, but nothing seemed to work.

Finally, a suggestion from an employee was incorporated with wonderful results – a dance break. In short, the staff set the rules about how many dance breaks could be announced over an eight hour shift, the length of each dance break, and so forth.

After the rules had been established and accepted by management, whenever a member of the staff became overly stressed, they could call a dance break. When a dance break was called, 10 minutes of levity and fun began (and work stopped for those ten minutes).

How do you incorporate these into a business that never closes? Establish a set time where the business stops for 10 minutes (obviously, not in the middle of your busiest time of day, but an hour prior to that is possible) and the staff dances, sings, bounces, or whatever they need to do to alleviate some stress. After ten minutes, back to work.

But the smiles and enjoyment of the work will continue for hours.

How do you incorporate this strategy into a customer base who wants action and convenience? Let them know the scheduled time for the dance breaks and welcome them to participate. Award a daily free coffee or soda to the best dancer of the day.

Crazy? Certainly! Will this strategy get your C-Store noticed and differentiated as a fun place to do business? Definitely!

The bottom line is that people like to do business with people who are fun and add cheer to their day. There are so many outlets for learning and knowing the bad

incidents of the day that making your C-Store into a “Cheers” (the television series from the 1980s) type of environment will draw customers to you.

Companies who have incorporated such tactics into their business model and into their employee’s mindset consistently receive feedback that: the job is more fun than home; the employees cannot think of another place they would want to work; and so forth.

A company that truly exudes a corporate culture of family and fun uses the following ten tenets in their business model.

### 1. Deliver Amazing Service

Amazing your customers by differentiating yourself (see the chapter on How to Outmaneuver, Outwit and Outsmart your competition in 60 seconds) by doing something a little unconventional and innovative. In other words, your c-store must do something that's above and beyond what's expected as well as impacting your customers on an emotional level.

Amaze your customers, co-workers, and suppliers. Overwhelm these customers with your caring for them and their lives.

### 2. Embrace and Drive Change

Your C-Store must continue to evolve and grow. Although change is difficult and most people (and business owners) do not want to change, staying where your business is and refusing to change makes as much sense as Henry Ford when he stated you could order a Ford in any color you wanted, as long as it was black.

This type of arrogance, of knowing what is best for my customer base, almost bankrupted the Ford Motor Company.

Additionally, if change is bad, we would be traveling the roads in Model T Fords while living in un-insulated houses heated with coal (and no air conditioning).

Rather, have the insight and continue to question “What else can I provide to my customers – what else do they want?”



### 3. Create Fun and A Little Weirdness

The dance breaks I described earlier are an example of this. Having fun and humor at work improves attitude, increases you smiles, and your health.

I had an employee for about a year whose main focus at work was having fun. He exuded this in the way he stocked shelves, as well as the way he interacted with customers. The customers loved him. In fact, customers would stop by to see whether “Armand” was there so they could have some fun interacting with him.

Another employee continually showed a positive outlook and sunny disposition to our customers. He was never without a smile and a warm heart, even when he had difficult moments in his life.

As a result of this, we became a destination place. We also became a place where the neighborhood adults spent a few minutes to converse with each other rather than “Stop ‘N Go.” And the longer the customer base spent in the store, the more products they bought. In fact, we had several customers who would consume a cup of coffee while interacting with friends and neighbors in the store. Our store benefit – we typically sold them a second cup of coffee and a pastry as well.

### 4. Be Adventurous, Creative, and Open-Minded

If your convenience store offers nothing different in terms of product or service than the other C-Stores in the area, there is no reason why a customer should favor YOUR store over another.

Let’s face it. Virtually every convenience store in the nation sells Snickers, Marlboros and Newport’s. So how can you be different – a meaningful difference in a customer’s life? You do so by being creative and open-minded in your interaction and conversations with your customer base.

### 5. Pursue Growth and Learning

One of the tenets of a Constantly Improving business as espoused by the father of Statistical Process Control (Edwards Deming) is to continually educate yourself and your staff.

How did I do this? I provided specific books on attitude and positive thinking as well as basic business books to my staff to read. In fact, when I found a staffer enthused about growing mentally or spiritually, I would purchase paperback books for them that I had found to be profound. Books that I regularly purchased for my staff included:

Think and Grow Rich by Napoleon Hill

How to Win Friends and Influence People by Dale Carnegie

As a Man Thinketh by James Allen

Any book by Og Mandino

For about a year and a half, 75% of my employees were post-high school students. One was working to achieve a LPN. Three employees were working on their bachelor's degree. I was working my way through a MBA. What I found is these workers were a much better class of worker as they were driven by something larger than this Friday's paycheck.

## 6. Build Open and Honest Relationships With Communication

Basically, openness and honesty build the best relationships as they lead to trust and faith.

Strong relationships are needed at every level in a successful organization – from managers to direct reports to customers to suppliers to co-workers.

Strong, positive relationships that are open and honest will allow your company to achieve much more than otherwise.

Strong relationships are based on emotional connections, always acting with integrity, showing compassion, being a friend, demonstrating your loyalty, and doing the right thing.

A very close friend of mine consistently commented that the strength of a relationship is based on the strength of the communication. Keep in mind that communication is only 7% verbal (so it's 93% non-verbal).

## 7. Build a Positive Team and Family Spirit

The best leaders are those who lead by example and are both team followers as well as team leaders.

In every organization I have ever been involved with, from small family owned business to global 5 corporations, the best ideas and decisions always came from the bottom up, by those who were on the front lines and closest to the issues/ customers. A true leader removes obstacles and enables their direct reports to succeed.

At the same time, great team members take initiative as well as ownership of issues and collaborate with other team members whenever opportunities arise.

In addition, the best team members have a positive influence on one another and everyone they encounter.

In short, the best teams are more than just a team -- they are a family. They watch out for each other, care for each other, and go above and beyond for each other because we believe in each other and we trust each other.

I recall when I worked at Rockwell International in their Purchasing department. Every Friday, the entire Purchasing department would descend onto a small Country and Western bar for a burger and a beer.

Others in the Purchasing Department attended sporting events and sports car races together. We worked together, but we also played together. Our bonds went far beyond the typical "co-worker" relationships found at most other companies. This included supervisors and managers inviting interested employees to attend the same events they were attending.

And, as a result, it was the most fun corporation I ever worked for!

## 8. Do More With Less

In manufacturing several years ago, there was a trend for CANI – Constant and Never-ending Improvement. In other words, an incremental process to continually make the business better.

This starts with the ability to measure. What you cannot measure, you cannot control. As a result, you need to be measuring and tracking every facet of your business, from sales to the return on every marketing campaign to the cost per sale.

Once you establish your current performance numbers, working to CANI process by working to do more with less will VASTLY improve your margins, your cash flow and your smile.

#### 9. Be Passionate and Determined

Is Passion the fuel that drives your business forward? You need to value passion, determination, perseverance, and a sense of urgency.

You will be inspired if you believe in what you are doing and where you are heading. Never take “That has been done before” or “That has never been done before” as an answer. It is an excuse.

Passion and determination are contagious. Possessing a mind that can move mountains such as we discussed earlier will form the basis of your passion and determination.

In addition, there is excitement in knowing that the customers you work with have a huge impact on your dreams and vision.

#### 10. Be Humble

While you may have grown quickly in the past, recognize there are challenges and opportunities to meet. Remember - CANI.

No matter what happens you should always be respectful of everyone.

While you can celebrate your individual and as well as team successes, you should never be arrogant and you should always should treat others as you would have them treat you. Carry yourself with quiet confidence because in the long run, your character will shine through.

## How to Sell to the Wealthy

Another factor is skyrocketing the cash flow in your convenience store is to market a portion of your store to the more wealthy customers. It does not matter whether your store is in the middle of Section 8 housing, a lower income neighborhood or in the middle of the Millionaire Mile in Chicago.

A portion of your customers are going to be more wealthy and affluent than their peers. This is true even in the worse neighborhoods – there remain some individuals and families in every neighborhood who are driving new or late model cars, have some of the latest electronic gadgets and are doing well financially (in comparison to others in the same neighborhood).

My question to you is – Are you going to allow a part of your business cater to them or are you going to let the “upper crust” of your neighborhood shop elsewhere in order to get their products and services they desire.

How do you learn what these customers would like in your store? You simple ask.

If you ask what they would like to see in your store, you may get a lot of answers, only to learn that these people like to see specific items in your store, but you did not ask them the appropriate question.

The appropriate question would be: “What other products should I be selling you in order to help you save time, save fuel, keep the mileage on your car low, make it easier for you to do business with me...” Notice the key phrase – “I intend to sell these products to you – tell me what you want to buy that would enhance the value you get from my store.”

If they have special orders, have the customer pay for a percentage up-front, in order to prove their desire for your additional product or service. This will lock them into a commitment, albeit a partial commitment. Conversely, purchase your special orders from suppliers who are willing to accept returns without much difficulty.

Here’s an analogy:

In one of the c-stores I managed, I had two customers I refer to as the two C’s. The reason is that their first names began with a C. The female C consistently spent over \$25,000 a year in my store whereas the male C spent over \$30,000 a year in my store.

If I would have LOCKED my store, barricaded the drive-ways and catered exclusively to the C’s and others like them (I am thinking about a Jamaican family as well as the female C’s daughters and mother, and others like them), I would have been able to

have a \$4,000,000 per year business by serving only 160 customers. But I would have to serve them on an extraordinary level.

This, by the way, was a C-store in a neighborhood that had 3 hotels that catered to extended living arrangements within ¼ mile of the location. This was definitely not an “upper crust” neighborhood, but not a ghetto area.

What about the “ghetto” neighborhoods? Can you cater a portion of your business to customers in these environments? Yes, as you have money in those neighborhoods. The money is simply displayed in a different form than it would be in a wealthy neighborhood.

How would I have catered to the two C’s if I was independent – and not dependent on the national chain determining what I carried in my store?

- I’d carry their brand of cigarettes – and special order any tobacco products they were desirous of trying
- I’d go out of my way to have the latest lottery games in my store
- I’d make sure that the lottery games in my store were the fast movers
- I’d expand the food items in the store so they would not have to go to another location for other convenience items (all based on what they purchase when they go to my competitors because I don’t carry the item they want)
- I’d special order items for them that were not in my plan-o-gram
- I’d incorporate my 90% margin strategy.

For more information about the 90% margin strategy, go to [www.cstoregrowthprofessor.com/Shopform.html](http://www.cstoregrowthprofessor.com/Shopform.html). The 5 Week Program discussed there gives you specifics on how to sell products in your store that carry an up-to ninety percent margin on them.

## There's Plenty of Money Out There

As I write this book, we are in the third year of an economic recession and recovery that is floundering. In fact, a national news report I heard this afternoon noted that the United States needed to have 60 months of continual robust growth in order to recover to 2007 levels.

Even with these opportunities available on a national basis to build a better United States, there is money out there.

We still have a \$14 trillion GDP on an annual basis.

Disney offers more and more exclusive packages to their customer base. The affluent are spending up to \$80,000 on dog houses. There is a plethora of cars that sell for over \$200,000.

Even in areas that are hit with high unemployment numbers and major layoffs, families still need the necessities of life. If your c-store is located in one of these areas, are you catering to the needs of these people by supporting them and the community?

I recently heard of a c-store owner who added up all the gasoline receipts he had over a specific time period, such as a month, and contributed 5% of these receipts to a local charity. What a great way to build customer loyalty! You could be doing some similar type of promotional work in a difficult economic situation in your community by contributing a small percentage of your cash flow to the community.

Do you want other proof that there is money out there? The second generation of iPhones has sold out prior to being received at the Apple store. Another example is that the average family on welfare has a large flat screen television.

Are people holding onto their money more tightly than they were a few years ago? Definitely. Still, the money is out there. You simply need to give them an understanding on why they need to spend their money in your store versus someplace else. And this will be spelled out for you in the chapter on How to Outmaneuver, Outsmart and Outwit Your Competition in 60 Seconds.

Along with the notation that there is money out there, you must be aware that

## You Can Make Money or You Can Make Excuses – But You Can't Make Both

A business owner I recently have completed some consulting for was telling me of his difficulties in business over the past several years. After listening to his story for a while, I began to ask him some questions:

Does he ever market to his past customers?

Does he have a list of his past customers?

This business owner lamented that most of his past customers had retired. I replied “Great!” He wondered why I had responded in such a way.

Because you can hire these retirees who are bored stiff of the golf clubs, the tennis and the lunches at the club. They are desirous of having some fun and enjoying the excitement of doing business again. I suggested he hire these retirees to return to their former employers as his sales reps and endorse him for a sales commission.

You probably won't even have to pay very much as they have a retirement or pension package.

The business owner questioned whether this would work.

Additionally, he noted that annual reports no longer incorporate photography in them (he is a commercial photographer) as they had a few years ago.

I questioned what type of photography he would LOVE to do? He noted 3D photography on classic automobiles. I volunteered to introduce him to several multi-millionaires in the area that I had built some relationship with over the past several years as we had a passion for the same type of automobiles.

The business owner weakly expressed an interest in these introductions.

The problem in this business owner's business is him. Everything we discussed had a reason as to why it would not work. The business is not the problem – he is the problem.

In fact, during our conversation, I mentioned he should meet with a friend named Bob as he had recently taken a job at a local magazine. I believe this business owner has known Bob longer than I have. Another excuse arose as to why Bob would not be able to lead him to the jobs he wanted.



Again, the business owner was the problem.

Are you?

Earlier this year I counseled with a c-store owner about the lack of business he had. His only thought on how to fix the business was to get a SBA loan. We had a discussion and I gave him some basic assignment on how to begin to build a customer list.

I returned to the store a couple of weeks later. Not only had he not built or started to build a customer list, the trash on the floor was in the same position it had been in two weeks prior.

Again, this business owner was the problem in his business. Why would any customer purchase any food product from him when they observe the dirtiness in the store – in the cooler – in the display cases? This business owner wants more business and cash flow but is unwilling to make his store look attractive and easy to do business with.

## How to Get Your Products to Fly Off Your Shelves

What's the key to making money in your convenience store? There really are only two. Most of this book is focused on the first – staying in communication and building a friendship with your customers. In other words, making your customer list into a list of Dear, Valued, Blessed friends.

But there is definitely another key to making a massive amount of money in the convenience store business. It is inventory management.

I have a manufacturing and engineering background. In fact, if I haven't said so – my undergraduate degree is in Mechanical Engineering. After college, my first job was a process engineer for a Fortune 500 company.

It was the 1980s. One of the big changes in manufacturing during the 1980s was JIT – Just in Time inventory management systems. How this worked in a manufacturing plant was the assembly line worker was to not have more than 5-15 minutes of inventory at his work station.

This sounds rather difficult to picture if you haven't been exposed to it before. So here's a simple analogy.

You are a wheel installer in a car manufacturing plant. Your job is to install the wheel and tire on the right side of the vehicle. When the car moves to your work station along the assembly line, you turn around to get the lug nuts (the nuts that hold a car's wheel onto the rest of the car). As you are turning around, another person is delivering the lug nuts to you for that vehicle. A third person is delivering the wheel and tire assembly to you at the same time. You install the wheels and the car moves to the next station in the assembly line.

As the next car moves into your work station, another set of lug nuts as well as another wheel and tire assembly is delivered to you.

Why not just keep a large bin of lug nuts at your work station?

The longer the lug nuts are at your work station, the more likelihood that:

- some nuts were stolen or misplaced
- the lug nuts begin to rust

- the nuts you are using today were paid for and shipped to your plant months ago (so the money to buy the lug nuts was spent long ago but until today, you have no ability to earn the money back, plus a profit, from selling a car).
- the lug nuts have been revised to repair some warranty issue. As a result, the lug nuts you are using are no longer acceptable quality. These lug nuts become scrap and landfill.

Similarly, in your convenience store, the bag of chips that has been sitting on your shelf for a month may be:

- Out of date
- Stolen
- Broken open by accident
- Consumed by an employee
- Paid for last month, thus locking up your money that could be used to buy more inventory – and obtain a profit.

Instead, when a customer visits your store and requests a carton of cigarettes, wouldn't it be nice to have your cigarette supplier hand you that carton of cigarettes from off their delivery truck. Why would this be nice?

- If your Terms of payment are Net 30, you pay for your cigarettes 30 days AFTER you sell them
- No shrinkage possible – it hasn't been in the store long enough to “shrink”
- No out-of-dates. It just came from your supplier (better yet, just from the manufacturer)
- No stale cigarettes from being in inventory too long

Are you beginning to see how JIT type inventory in your convenience store would be a good thing? Basically, a JIT inventory management system helps to make your business into a cash machine.

Another aspect of good inventory management is the number of inventory turns. The more times you turn over your inventory, the more cash flow you have. This is simple – if I sold a candy bar every week for the next year, wouldn't I make more money than if I sold the same candy bar once a month or once every three months?

How do you manage the number of inventory turns? It is easy if you inventory management is computerized – and it's rather difficult if you are running your inventory via a clip board and pen.

Another way of looking at inventory turns is my analogy of a carton of cigarettes. If I had a Net 30 payment term and I sold my carton of cigarettes (that I JUST received from my supplier) twice a week, every week – I would have sold 8-9 cartons prior to paying my supplier for the cost of the cigarettes.

Conversely, if I had so much inventory in stock that my money was tied up in the cigarette cartons rather than in my inventory management system, I would have a cash flow nightmare on my hands. And unfortunately, many convenience stores, even the computerized ones, have that nightmare.

I recall assisting another convenience store with a reset. I was amazed at the number of cigarette cartons they had in stock. In fact, I was so amazed that I asked the assistant manager how long it would take them to sell out of their cigarettes if they stopped ordering them now. He noted a year.

I realized he didn't have that much inventory, so I rephrased the question – How long would it take you to sell out of your top selling brands if you did not order any additional cartons? Six weeks came the reply.

This equated to \$12,000 in cigarettes in back stock inventory even though they received deliveries from their supplier two times a week. Add candy bars, gum, beer, wine and the other inventory they carried in back stock using the same methodology, and the store probably had \$25,000-\$35,000 in inventory that would not turn over in the next month (it was a 4000 square foot store).

Another convenience store manager I assisted with their reset had so many packs of Wrigley's Plenti-Paks that they FILLED a plastic McLane delivery tote. This was a 2000 square foot convenience store with several hundred Plenti-Paks in back stock. The store became the warehouse for Wrigley Plenti-Paks to every other store in the Cincinnati area for several months.

Do you see how you can turn your convenience store into a cash machine based on the number of inventory turns you have?

So how can you monitor the number of inventory turns you have? One easy way is to work with your suppliers on the quantity purchased and how often that quantity is purchased. Knowing this, you can determine which products sell and which products sit.

The problem with such a simple method is you may not know how much product was sold and how much became shrinkage. A computerized inventory management system

which allows you to count inventory by SKU using the computer will help you to easily overcome this oversight.

A third aspect to inventory management is whether you are making money off of your inventory.

“Yes, of course I am! It would be foolish not to,” I hear you say.

But a simple review of what you sell your inventory for versus what you paid for it, plus adding your overhead and general and Administrative expenses may show you are not making the money you think you are.

I worked as a Materials Manager for a wholesale manufacturer in the late 1990s. Our biggest account was the biggest retailer in the world – you know – K-Wal. At the time, K-Wal required all of its suppliers to show, based on retail history, that they had the ability to make K-Wal \$400 per square foot per year in profits with their inventory. Once you demonstrated this based on your sales history, you had several weeks to prove this to the K-Wal in their stores. Should you not be able to perform, NEXT – as there were hundreds of other manufacturers and wholesalers wanting to have some shelf space in the K-Wal?

Here’s my question to you? How much money, in profits, have you planned on making on each and every square foot of retail space in your convenience store? My guess is that, unless you are out of the norm, you don’t know.

Here you are, in a \$500 billion industry, competing against 146,000 other convenience stores as well as the drug stores that want to be convenience stores, (not to mention grocery stores) and you do not have any clue how much you desire to make – or how much you are making off of each square foot of retail space.

And you wonder why you are struggling...

Here’s a KEY to all this –

Supply Chain Management (SCM). There’s another buzzword that you probably hear a lot about today. To remind you, I grew up with SCM and JIT as I was a Purchasing Manager with some Fortune 500 companies as well as a small manufacturer before entering the retail world.

I also studied SCM as a part of my studies to achieve my Masters in Business Administration. The best way to realize the benefits as well as the pitfalls of supply chain management is simple, but you must do it on the Internet, as it is now an internet based game.

It is entitled the beer game and basically demonstrates how your attempts to run inventory based on sales over the past week leads to “the tail of your business controlling the entire business.” The beer game is located at:

<http://www.masystem.com/o.o.i.s/1365>

One last aspect of inventory management I wish to address in this book is shrink. Almost everyone has it – but what do you do about it? How do you locate the shrink in your store quickly (before your shrink makes more money than you do in your store)?

You may wish to know what inventory is missing – is it beer or wine, chips, soda pop or other things. Or is it a combination of each?

Why do you wish to know what inventory is missing? If you are running your store efficiently with a small back stock, like we talked about before, you may be out-of-stock prior to the next shipment of your product. This means lost sales and disappointed customers. YES, it is vital that you locate the source of that shrink, but if your customers go to other convenience stores as they cannot get their products in your store, that’s worse.

Because without customers, you are out of business. You may be able to apologize and attract your customers back the first time they experience this – but let it happen several times, and you’ve lost your customer.

So knowing what disappeared is important. I say this because some independent stores still run their business with grocery tax/grocery no-tax as the only buttons they have to ring up a sale. As a result, they are running blind as they may not know what is “walking out of the store” for several days – possibly a week or two.

Do you want an easy-to-read book on Inventory Management and how to incorporate it into your store? Email us [www.cstoregrowthprofessor.com](http://www.cstoregrowthprofessor.com) or FAX us at 513-677-1910 to obtain your copy.

## How to Outmaneuver, Outwit and Outsmart your Competitors in 60 Seconds

(If you don't know why your customers buy from you, they don't either. As a result, you've allowed your customers to make you into a commodity – where there is no difference between you and other c-stores. This will result in low price being demanded by your customers, as they will see no other reason to shop your store).

Marketing is the life line of any business. Understanding marketing so that it gives you a return on your advertising and marketing dollar is the difficulty.

During my corporate life, I worked in various purchasing and materials management positions. When a salesperson asked to see me or make an appointment with me, I asked "What makes you unique?" or "How are you different?" If a salesperson could not differentiate themselves enough to make me recognize some small inkling of uniqueness or differentiating factor, I would not set an appointment with that company or organization.

Your first assignment – Answer the following question "Why should I buy from you?"

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Jack Trout wrote a book in 2000 entitled Differentiate or Die. Differentiation has become a very popular concept. Articles covering almost every aspect of business mentioned differentiation and were spotted all over the world. Here are some examples:

"Retail Banks Failing to Achieve Competitive Differentiation, Study Shows" - Global Banking News

"Differentiation Is Called Key to Wealth Managers' Success" - Investment News

"Differentiate to Stand Out from your Competition" - Residential Design & Build

A world renowned marketing guru, wrote an article entitled the 10 Marketing Mistakes. He mentioned the failure to move yourself and your organization from a commodity level to convey uniqueness as being one of the top ten marketing mistakes.

Claude Hopkins and David Ogilvy (two marketing experts from decades ago) were using differentiating factors in the development of an organization's/company's marketing campaigns back in the 1920s and 1930s.

Yet in the most social and networking events I find myself in throughout the United States, salespeople and managers and business leaders continue to use a commodity term or terms when defining their business. As a result, most businesses are limiting themselves to the leftovers of what savvy marketers and business leaders have learned – to differentiate themselves.

This chapter is written to assist you, whether you are a salesperson or manager or vice president or CEO to convey differentiating factors and therefore, removing you from the realm of a commodity to being a unique business unto yourself.

The advertising/marketing industry isn't much help, as many push emotion, bonding or show business instead of differentiation. Rather than going for laughs or amusement, they should be defining a point of difference and dramatizing it in a memorable way.

Two Coca-Cola ads (touted as bring winning advertisements at the 2008 Cannes Advertising Awards Festival) point to the problem. One is called the "Happiness Factory" and is a fantasy following the life of a Coke inside of a vending machine. The other, entitled "Video Game" is only with a Coke and a smile instead of mayhem. That's show business, not differentiating.

The history of the Cola wars with the "Real Thing," "The Pepsi generation," "New Coke," "the Uncola" and others have lost focus by trying to be a new thing, a diet thing, a flavored cola thing and, more recently, a zero thing. None of these offer a focus, a point of difference and therefore, show little success (defined as growing sales or net profits) in the market place.

So the question becomes, how do you take yourself out of being a commodity and move to a position of superiority over your competition? What makes your service or product special and unique?

Do your customers have a compelling reason to come to you and only you because they know that you can meet their particular needs so much better than anybody else? If not, your product or service risks being treated as a commodity. As a result, there is no reason why people should do business with you.



If your customer perceives your product or service is little-to-no different from your competitors, the customer will decide that the easiest, safest way to choose is on the basis of the lowest price.

You must identify and understand what it is that you or your company does that provides your customers with a result or an advantage that is superior to your competitors. Many call this a unique selling proposition (USP). A USP is a unique, distinct and appealing idea that sets your business apart from all your competitors, who can only say "me too."

If you don't have a USP, you risk losing your customers to any competitor who comes along and offers an attractive deal.

Let's define a Unique Selling Proposition:

- Unique - It clearly sets you apart from your competition, positioning you the more logical choice.
- Selling - It persuades another to exchange money for a product or service.
- Proposition - It is a proposal or offer suggested for acceptance.

So a USP is the force that drives your business and your success. It can be used as a "branding" tool as well, to give strategy with every type of marketing effort you use – be it an ad, a postcard, or web site. This allows you to build a lasting reputation while you're making sales. A goal of your USP and marketing is to have people say to you... "Oh, yes I've heard of you. You're the company who..." - And then respond by requesting more information or purchasing.

If your customers have a very clear reason to buy from you but you or your company may not understand it correctly, you risk making changes in your business which damage your competitive strengths. When you identify what this distinct advantage is, you must integrate into all your promotional materials – your marketing – your advertising and your selling operations. This includes what you and your salespeople say and how they demonstrate it. You must continually live your USP.

So let's look at a good example: Domino's Pizza

"We'll deliver hot, juicy, delicious pizza to your door in 30 minutes or less, and if we don't you'll receive it FREE."

The unique selling proposition is a clear articulation of the benefits to the customer - "hot, juicy, delicious pizza to your door in 30 minutes" is just what you need when you come in late after a hard day, you're tired and hungry. Any pizza company can claim to supply "hot, juicy, delicious pizza to your door in 30 minutes" so the uniqueness of the USP would soon be lost. What makes Domino's USP unique is the second part "if we don't you'll receive it FREE."

This guarantee is linked directly into the special capabilities of Domino's Pizza to have:

- a) The capacity to make and cook the pizza
- b) The ability to deliver quickly
- c) The courage to put their money and reputation on the line.

Customers loved it. Meet the promise and they got what they wanted. Miss it by a few minutes and they had a free pizza so "it's heads I win, tails you lose."

To begin developing your USP, you should look at advertisements in the Yellow Pages, radio, television, professional journals, trade newspapers, brochures, newspapers, and other media. You may wish to talk with business owners and sales people and ask "What do you think is the primary advantage of doing business with you and your firm over your competitors?" These answers may directly apply to creating your USP.

The big problem with having a successful USP like Dominos is that if it is successful, your competitors will try to copy your USP. It's easier for them to copy than to analyze the market and identify different segments of customers who want different things.

Communicating your uniqueness and differentiation position is essential. Here are some benefits that you will see from a good USP:

- Position yourself as the ONLY choice for that niche so you target prospective customers you may not have even known existed.
- Put your product or service on a different level than your competition. This will catapult you to a higher plane of business and enable you to sell with no direct competition.
- Protect yourself against market fluctuations. A profitable USP almost guarantees your longevity in the marketplace.
- Don't do mindless advertising - get your product or service remembered more than any other in your market.

- Give yourself a stronger preference for your company's products and services -- you can charge more and customers will pay your higher price.
- Convert your USP into a headline. If you are selling a book, use it for the title.

Another great example of a great USP is Federal Express. Using their USP, they dominated the package shipping market by noting: "Federal Express: When it absolutely, positively has to be there overnight." By using this USP, Federal Express emerged as the dominant leader in the industry, taking market share rapidly, and also increasing its sales and profits. As long as FedEx used this USP, all the other overnight shippers could say was: "We do that as well."

In today's competitive market, you and your business cannot thrive if you are using the same old "me too" marketing that everyone else is using. This is especially true if you are a small business as you have to have a USP that separates you from your competition.

### **How to Develop Your Unique Selling Proposition (USP)**

Your USP is the very essence of what you are offering. So it needs to be so compelling that it can be used as a headline that sells your product or service. Therefore, since you want to optimize all your marketing materials for maximum results, create it before anything else (such as advertisements and marketing copy).

#### **Step 1: Use Your Biggest Benefits:**

Clearly describe the 3 of the biggest benefits of owning your product or service. Your prospects don't care whether you offer the best quality, service, or price. You have to explain exactly WHY that is important to them. Think in terms of what your business does for your customer and the end result they desire from a product or service like yours. So, what are the 3 biggest benefits you offer and how they affect the customer? The next page is blank for you to write them down now. . . .



## **Step 2: Be Unique:**

The key here is to be unique. Basically, your USP separates you from the competition, thereby setting up an advantage that illustrates your company is the most logical choice, and makes your product or service the "must have" item; thereby you are distancing yourself from your competitors.

A USP should create desire and urgency. Your USP can be stated as differentiating yourself on:

**Price** – This remains very important in any market, but tied to customer value (or perceived value). If your product or service is not competing here - it does not necessarily rule you out. However, this is usually where a shopper starts (because it's easy), and you want to be considered with this group. Your price may be competitive and that's great, but this may not be unique enough to get the business. How could price work for you?

**Free Shipping** - Most of your competitors offering a similar service maybe just a couple dollars higher in price. By offering free shipping – and if your costs are such that you can ship for free and still be competitive and profitable - this is a worthwhile USP. Could free shipping work for your organization?

**Great Customer Service** - This is stated everywhere, making it tough for the consumer to know what is reality and how to differentiate it. It is hard to judge until you are a customer. Changing this from Customer Service to Customer Satisfaction or portraying the loyalty of your customers may be very attractive. You could do this by requesting their testimonials. This is much more powerful than the words or promise of "Great Customer Service." Write down some ways that "Great Customer Service could be used in your company . . .

**A Contest/Promotion** - This can be extremely successful when implemented and marketed properly, so be creative and, if possible, develop one for your business, product or service. An example of this may be "Every time you buy from us, you get another chance at winning 'Free Gismos for a Year'". This is attractive as most customers may use 4 to 6 gismos in normal use in one year (and you're setting the rules, so you could also note that it does "Not to exceed 6 gismos." You have to know your ability to leverage the cost of attracting a customer versus what the customer is worth in long term profits to you. The mileage and customers you gain from a contest may be huge, and if it works well, you continue it. Write some ways that a contest or a promotion would work for your business.

**Free Gifts** – Let's not discount this one as many people grab hold of these 'offers' and feel like they are making out. All else being equal, the customer does get something for nothing. But if the item truly has no value, the customer has little to no interest. And, you are actually 'cheapening' the image of your company. So make sure you give away something of a high perceived value. It could work for you or your products. Any ideas for free offers could be written in the blank space provided.

**Referral Programs** – This is another potential savings for your customer (a referral program, like price, should not be the only USP). Using referrals in parallel with another USP can grow your sales as well. But you need to develop a program that somehow rewards referrals. An example would be "Refer a customer to our business and when we ship their order you will receive or accrue credits, dollars, points, or 5% off your next order." The key is to make your referral one of value, and still keep it cost effective. Write some ideas about how referral program could be incorporated in your business.

**Reminders** – This is so silly and simple you are probably laughing at this one. You could easily set up a software program that can be set to automatically e-mail each customer (based on their own usage) when their gizmos were potentially running low (any date you choose). Once set-up it is all automated (cost effective)! It also gives you their e-mail address (important anytime) and with your reminders you can include any special or seasonal offers that might further attract more sales. Do you regularly remind your customers and prospects about your business?

**Pre-Emptive positioning** - Shell Oil used to advertise the additives that they put into their fuel. Many other gasoline companies used similar additives in their fuel and an almost identical manufacturing process.

But because Shell was the first to explain that process and how those additives could be of genuine benefit to gas buyers they gained preeminence in the market . . . .

Any other gas company now saying "we also use platformate to increase gas mileage" is automatically comparing themselves to Shell who first explained the benefits.

By doing so, competitors gave Shell free advertising and, in all likelihood, entrenched Shell's position as the gas quality leader in gas buyer's minds.

Claude Hopkins (copywriter and advertising pioneer) did something very similar decades before when he established Schlitz beer as a genuinely pure by explaining the sophisticated filtering and brewing methods used to manufacture pure beer. Here's the story:

Schlitz Beer was in fifth place in the market. All brewers at that time were crying 'Pure'. They put the word 'Pure' in larger letters. Initially, to learn more about his customer, Claude went to brewing school to learn the science of brewing, but that did not help. Then he went to the brewery.



He saw plate-glass rooms where beer was dripping over pipes to cool the beer in purity. He saw great filters filled with wood pulp that filtered the beer. The brewery showed they cleaned every pump and pipe, twice daily, to avoid contaminations. Additionally, every bottle was cleaned four times.

Artesian wells, where they went 4,000 feet deep to obtain pure water, were used even though their brewery was on Lake Michigan. The vats where beer was aged for six months before it went out to the consumer. Their internal laboratory showed the original mother yeast cell which had been developed by 1,200 experiments to bring out the utmost in flavor. All of the yeast used in making Schlitz Beer was developed from that original cell.

Mr. Hopkins question was: "Why don't you tell people those things? Why do you merely try to cry louder than others that your beer is pure? Why don't you tell the reasons?" The reply was the processes Schlitz used are the same as others use. No one can make good beer without them.

"But," Claude replied, "Your competitors have never told the story. It amazes everyone who goes through your brewery. It will startle everyone in print."

The end of the story is that Schlitz jumped from fifth place to neck and neck with first place in a few weeks. This campaign gives the basis for many another campaigns. Tell the simple facts, common to all makers in the industry - too common to be told.

The first in the industry to tell the facts within the industry will get an exclusive and lasting prestige.

It could be that countless people can make similar products. Differentiate yourself by telling the pains you take to excel. Describe the benefits and features that your competitors would think would be standard practice in the industry.

As noted previously, if others claim the same benefits after you, it will only serve to advertise you. Most advertised products can be imitated. Very few who dominate a field have any exclusive advantage. They are simply the first to tell the facts.

The moral of the story is: You can turn a standard practice in your industry into a huge benefit if you're the first to really explain the benefits of that practice to your prospect and tie it into your product or service. How could you pre-empt others in your industry?

Always remember that it is the Market Place that determines whether your 30 second commercial is worth 30 seconds to listen to it

Additional factors to think about when developing a USP may be:

- A broad selection
- Big discounts
- Advice and giving assistance
- Top of the line products and services
- Convenience in terms of location, full shelves, immediate delivery
- Speedy Service
- Being the Pinnacle of Service
- A longer warranty or guarantee

- Any other tangible or intangible yet distinct advantage

Any one of these factors can be a means of differentiating yourself from your competitors.

### **Step 3: Solve An Industry "Pain Point" Or "Performance Gap":**

What needs are going unfulfilled in your industry or your local market? Find the “performance” gap that exists between the current situation and the desired objectives. There are some businesses that base their USP on industry performance gaps and are successful.

The example I used before of Domino’s Pizza, worked because of the gap in the market - Mom and Dad are too tired to cook after work. But the kids are starving and don't want to wait – especially for broccoli and carrots! They want to eat NOW. Call Domino's; it fills the gap.

So, what are the most frustrating things your customer experiences when working with you or your industry in general? Alleviate that pain, find the gap and put that in your USP and MAKE SURE you deliver on your promises. Write down those frustrations or performance gaps that your business could fill now -

#### **Step 4: Be Specific and Offer Proof:**

Eliminate your prospects' skepticism of advertising claims that many companies make. Alleviate their skepticism by being specific and offering proof when possible. For example, 19.7 is better than a round number such as 20 (specific). Another example may be "107 engineers analyzed our product and found it to be superior to the industry standard in the following ways:" (proof).

Write down specifics or proofs that you currently have in your business that you are not taking advantage of now –

#### **Step 5: Condense Into One Clear and Concise Sentence (or two):**

Most powerful USPs are so well written, you cannot change or move even a single word. Each word earns you money by selling your product or service. After you get your USP written, your advertising and marketing copy will practically write itself!

This takes time as you must reduce your USP to its sinewy bare essence.

Try it. With paper and pen, prepare a one-paragraph statement of your new USP. At first, you will have trouble expressing it tightly and specifically. It may take two or three paragraphs or more. That's okay. Edit away any generalities, and aggressively focus on the crispest, clearest, and most specific promise you could possibly hold out. Then, rework it and cut away any excess verbiage or hazy statements until you have a clearly defined, clearly apparent Unique Selling Proposition a customer can immediately seize.

The rest of the page is for writing your USP – at least writing ideas and possibly a paragraph that you can begin to pare down afterwards.

Now take all the details about your product/service/offer from the steps above and sculpt them into one clear and concise sentence with compelling salesmanship fused into every single word. This focus will bring you to your company's USP.

Still thinking – here are some thought provoking questions to help:

- What does your business do great?
- What does your business do well or good?
- What does your business do differently than the industry norm?
- What do you do better than most of your competitors?
- What are the primary benefits of doing business with you?
- What are the weaknesses of your competitors?
- What should everyone who does business in your industry know that is not widely known or communicated or articulated?
- What are the key features of my product?
- What are the key features of the competitive products?
- Which of my product's key features are truly different?
- If there's more than one, is one the most significant?
- How does that most important unique feature, or combination of features, translate into a real benefit?
- What makes you more unique, more valuable, and more visible in the market?
- What do you do differently to attract patronage in terms of an appealing promise, unique feature or special service?
- Would you want to patronize a firm that's just "there," with no unique benefit, no incredible prices or selection, no especially comforting counsel, service or guarantee?
- Would you prefer a firm that offers you the broadest selection in the country?

- Would you prefer a company that marks up their services or products by less than half the margin other competitors charge?
- Do you prefer one that sells the "Rolls Royce" of the industry's products?

### **Step 6: Integrate Your USP Into all of your Marketing Materials:**

Variations of your USP will be included in the ALL you're marketing materials such as your . . .

- Advertising and sales copy headlines;
- Business cards, brochures, flyers, & signs;
- Your "elevator pitch," phone, and sales scripts;
- Letterhead, letters, & postcards;
- Website & Internet marketing.

### **Step 7: Deliver On Your USP's Promise**

Be bold when developing your USP but make sure you can deliver. Your USP should have promises and guarantees that capture your audience's attention and compels them to respond to you. Having a strong USP can make your business a big success or a big failure if you don't deliver on it thereby ruining your reputation. In the beginning, it was a challenge for Federal Express to absolutely, positively deliver overnight, but they developed the system that allowed them to deliver the promise consistently.

These seven steps combine to give your company its USP. By following these steps, you will be guided into a USP that will not only represent your company, but will also set the expectations within your marketplace.

Can you see what an appealing difference the USP makes in establishing a company's perceived image or posture to the customer? It's silly to operate any business without

carefully crafting a clear, strong, appealing USP into the very fabric of the daily existence of that business.

The point is to focus on the one niche, need or gap that is most sorely lacking, provided you can keep the promise you make.

You can even create hybrid USPs -- combinations that integrate one marketing gap with another. Before you decide on a USP, though, be sure you can always deliver that USP through your whole organization. You and your staff must consistently maintain high levels of quality or service.

Remember, the USP is the nucleus around which you will build your success, fame, and wealth, so you better be able to state it. If you can't state it, your prospects won't see it. Whenever a customer needs the type of product or service you sell, your USP should bring your company immediately to mind.

Clearly conveying the USP through both your marketing and your business performance will make your business great and success inevitable.

## **Marketing with Your USP**

Let's say you run display-type ads, and your USP is that you have better selection. There are several ways to integrate these qualities into your ads. For example: State the selection USP in the ad headline:

"We always carry 134 different gizmos in no less than 17 different sizes and 8 desirable colors, in price ranges from \$6 to \$597."

Or, if good service at an affordable price is your USP, use this as a model:

"Madison Tree Service will trim and maintain your trees and shrubs six times a year, once every two months, and all it costs you is \$16 a month, which will be billed quarterly."

By now you are realizing that you should carefully integrate your newly adopted USP into the headline and body copy of every ad you run. And in every direct-mail piece you send out.

But integrating your USP into just your ads and mailing pieces isn't enough. You must integrate its positioning statement into every form of your marketing. When your



salespeople call on prospects, everything they say should clearly reinforce your USP. They should explain the USP to the customer in a clear, concise statement. For example:

"Hello, Mr. Prospect. I know your time is short, so I'll get right to the point. Your company manufactures gismos. You buy your raw materials from a competitor, paying \$100 a ton for steel and \$75 a ton for copper, of which you waste roughly 25%. My firm will sell you a higher grade steel and a higher alloy copper for \$95 and \$69 a ton, respectively, freight prepaid, which saves you an extra \$3 a ton. Plus, we'll guarantee our metal will produce a waste factor of 12% or less, and we'll replace any wasted coverage, free. One last point, Mr. Prospect. It could be important. We'll furnish you (at no additional charge) sixty 20 gauge titanium rivets and cap assemblies free with every 8 tons of steel you order this month. May I have your order?"

### **Sales Reps Must Walk the Walk**

Throughout the sales pitch, your sales reps should refer to the USP benefits or advantages, showing the prospect why it's superior to take advantage of your USP rather than your competitor's USP (if they have one).

Don't try and merely have your salespeople "wing it." Insist that they do their homework. Make them sit down and express the essence of your USP. Be sure they can clearly and powerfully express your USP in 60 seconds (the oral equivalent of a written paragraph), and then compellingly state how it benefits the prospect. Give your prospects plenty of examples of how you honestly deliver your USP.

Another way to use a USP is when an old, tired company or profession adopts a powerful, new, and appealing USP, it gains new life, new excitement, new interest and new appeal. All of a sudden you're different; instead of just being another intruder plundering customers you've trapped into hearing your sales pitch! Now you're on the customer's side.

Write a summary of your USP for your staff, how you're trying to carry it out, and how everyone in your organization can project that USP to the world. Make their cooperation a condition of employment. The entire company must adhere to the USP. In addition, talk to your staff, have them write scripts (which you edit to ensure they are conveying the entirety of the USP), hold contests, and reward people who distinguish themselves in promoting your USP. Set an example so that your staff can see the USP in action. Here's a space to write a summary of your USP to educate your staff – actually, educate everyone in your company.

Replace employees who do not, cannot, or will not promote your USP. Immediately replace them with someone who can and will. Your real wealth and cash flow comes from repeat or residual business which will only happen if every aspect of your business is a continuous extension of your USP.

## **Find Your Niche**

However, you will not appeal to everybody. In fact, you probably don't want to appeal to everyone as certain USP's are designed to appeal to only one segment of a vast market. There is a vast difference between the upscale customers and the bargain seekers, and you probably can't reach them both. Which do you want to stake out as your market niche?

Never forget my earlier advice. Never adopt a USP that you can't deliver, or further marketing is useless. In addition, determine which USP is the most lucrative from a standpoint of volume, profits and repeat business.

For example, the highest marketing niche may be in the exclusive, expensive USP, but the biggest money may be made in the discount-volume USP. There's a place for both, but if you try to ride both horses, you'll probably fall flat on your face. Remember too, that if your USP is giving advice, assistance and superior service, it can't stop with mere sales rhetoric. It must become total company conduct. If someone calls in with a question, the people answering the call must extend themselves. The same goes for every person who interacts with that customer, from the cashier and the delivery person to the service or repair people. You and your employees must live, breathe, and act your USP at all times.

## **Customer Buy In**

How can you ensure that you are in the hearts and minds of your customers after the sale?

Immediately following a sale, write, call or visit your customers. During this follow-up effort, ensure the customers feel like the dear, valued, rich (blessed) friends they are, and that their initial purchases are "resold." Repeat your USP and demonstrate to your customers how it helped them make their purchasing decision. Reassure them about their wise decisions, and show how the same USP that served them this time will be there to serve them in the future.

Again, repeat your USP, telling your customers why you've adopted it, and why it's such an advantage to them. Your prospects, customers (or customers) rarely understand the benefits you provide them, unless you carefully educate them to appreciate your efforts on their behalf.

A post-purchase follow-up incorporating the essence of your USP is vital, regardless of how frequently you resell to that customer. You enhance the customer's loyalty and value to your business by following up after the sale. At the very least, a follow-up call, letter, or sales appeal substantially reduces or eliminates cancellations, returns, refunds, complaints, adjustments and disputes, and reassures customers of the smart choice of their recent purchase.

Good marketing requires that you give customers rational reasons for their emotional buying decision. There is a formula for success, and the USP is truly an integral part of that formula.

## **Special Promotions**

For many businesses, it is advisable to offer frequent special promotions to their customers by mail, telephone or in person. Everyone wants to feel appreciated and personally acknowledged. By offering your customers genuine, specially priced deals or first choice, you endear yourself to them. At the same time, you enhance your customers' perception of your Unique Selling Proposition.

If your USP is service, your special promotions will be service-based rather than price-based. Give extended service -- for instance, a special offer on your basic service, or one year of free consulting or assistance not normally given.

Also, never under estimate your profit potential within these special offers. Getting first-time customers usually costs a small fortune. Traditional ads have to reach tens of thousands of readers to produce a few hundred customers, so it may cost you \$10 or more to acquire a customer. This same statistic is true for TV, radio, or direct mail. Your field salespeople may have to call on 15 to 30 prospects before they make one sale, so the cost of acquiring a new customer may be "hundreds" of dollars.

But once you satisfactorily deliver your product or service and have a core customer base, you can continuously rework and resell this existing base at a very modest cost per sale. In other words, when you have established a list of customers who have already shown their willingness to spend money on your products or services, it costs very little to go to them with additional special offers.

## Follow Up

Another way to follow up is to have a customer-service representative contact your customers to see if everything is satisfactory. If everything is not, offer to replace, repair or correct the product or service. Your customer-service people should know just as much about available choices and options as your salespeople. They should have reasonable authority to replace, repair or reinstall if there is any dissatisfaction. Make them aware that their jobs depend on ensuring that the promise behind your USP is fulfilled. Always provide evidence to any customer with a problem, complaint or question that the USP is real and that the entire company is enthusiastically committed to doing whatever it takes to promptly fulfill the USP promise.

You can send a personal thank-you note, letter, or a computer-typed letter to customers. You can send a gift or a gift certificate. You can send items to correspond with holidays: a valentine gift, a poinsettia, a turkey or ham at Christmas; a birthday card -- the possibilities are almost endless. If you add up the customer's value in future business or repeat sales, you can probably justify a sizable investment in his or her goodwill. Everyone likes to be acknowledged and feel they are special.

You should even integrate your USP into every contact with an unsatisfied customer.

Whenever someone asks for a refund, replacement, or adjustment, instead of resenting the fact that you have to give back money, use that opportunity to reconvey the essence of your USP -- either in person or by letter. Your staff in your exchange department should courteously and sincerely reiterate your firm's USP, thus assuring the unsatisfied customer of the firm's commitment to offer more service, greater selection, better guarantees or whatever (better than your competitors).

If you issue credit or a check, include a prepared letter expressing your deep commitment to your USP, and apologizing for any inconvenience, disappointment or dissatisfaction. With every refund, send a letter expressing disappointment that you did not fulfill the customer's expectations, and strongly restate your firm's USP and your commitment to it.

Then ask the unsatisfied customer to please give you another chance to make good, making it worth their while by giving them a discount certificate, a special bonus, offering three widgets for the price of two, or some other preferential treatment. This will show unhappy customers you want their business back, that you appreciate them, and that you will make good.

Above everything else, ALWAYS remember that your USP is all about the customer or the client. It is not about me, you, the company or the profession. The entirety of your business is about you serving the customer. And (he) that would be the master of all must be the servant of all.

**In closing, a great USP has these key elements:**

1. Instead of talking about you, your offering or your credentials, your USP should focus outside, on the prospect or customer.
2. The best USP statements are personalized to the group or individual you are addressing. For example, when speaking to a doctor, I would say “I help medical professionals find more profitable candidates for their elective procedures.” When speaking to a diverse group (such as the chamber of commerce) I would be more general: “The Leithart Group locates additional streams of income for business owners by using low cost, low risk strategies.”
3. Stating your USP clearly and quickly makes it easy for your prospect to remember you when you follow up. What you do should be self-explanatory.
4. Tell your prospect how you can ease their pain. This presupposes that you understand the problem(s) of your target market, and have a solution. Some people get this backward, and create a solution in search of a problem (or create a problem in search of more problems!).
5. Engineers and purveyors of technical services love to talk the talk. Here’s one I heard recently: “We create enterprise software for core competency implementation.” Even if your target market is highly specialized, you should assume that you share only one common language – English.
6. Your USP should become part of your branding efforts, and should appear on all your marketing materials, including your business cards, stationary, and website and brochures. In some instances, your USP becomes your brand.

7. Keep testing your USP. When you have a USP that attracts paying customers over and over again, you have set a baseline. Test the baseline and see if you can improve upon it. Don't leave one USP for another unless you've proven to yourself that you are gaining a better return on your marketing with the new USP.

Ultimately, your USP becomes your primary marketing message, your elevator speech.

Scriptwriters are coached to sum up a plot in one sentence. Your unique selling proposition provides a clear, concise benefit statement that positively represents you and your company, and leaves a memorable and favorable impression in the mind of your prospect.

## How to Double Your Sales in 10 Minutes!

“What you don’t measure, you can’t control.” - Edwards Deming (SPC, Taguchi method, 6 sigma)

This is IMPOSSIBLE, you say. But, it truly is not. This will give you an insight as to how limited your focus and efforts have been to date. And it does not matter whether your business is a C-Store, a jet engine manufacturer, a “trinkets-and-trash” manufacturer, or a glass manufacturer.

What matters is that you currently have a system that, whenever you use it, generates a consistent cash flow for your business. McDonald’s Restaurants has one of the best systems in the world. Using their system, you can take a dozen or two teen-agers and, following their system, make a 6-figure income for yourself year in and year out.

I am ASSUMING that you have such a system in divulging this secret to you. If you do not have such a system, please FAX me. My FAX number is 513-677-1910.

Here are some numbers that you need to be measuring in your business in order to be able to double your business in ten minutes.

- Number of prospects you have
- What you conversion rate from prospect to client/customer is
- Average \$\$\$ per sale
- No. of transactions over a specified period
- Your margins

What we will be calculating is the lifetime value of a customer for a typical convenience store.

The lifetime value of a customer can be calculated using this formula:

$$\text{Lifetime value of a customer is} = (\# \text{ of clients} * \text{amount purchased each time} * \text{number of purchases} * \text{percent markup} * \text{attrition rate}) / \# \text{ of clients}$$

Once you know the Lifetime value of a customer, you know your business – whether you are an attorney, a financial planner, a web designer or a marketing consultant. And once you know the lifetime value of a customer, you can leverage your business immediately. How?

Let's say your convenience store chain has spent \$50,000 over the past twelve months in all of their marketing efforts, from direct mail to Val-Pak to radio commercials to in-store flyers to banners on your fuel pumps to whatever.

Also, based on this \$50,000, you have attracted 300 new customers.

Total Marketing \$\$\$ spent in last 12 months	\$50,000
No. of new clients from the above	300
Avg. Cost per new customer	$\$50,000/300 = \$167$  This means that your marketing “machine” turns out one new customer for every \$167 you put into that machine
Avg. Sale size	\$5  \$5 sale would be two coffees, two pastries and a soda or water for later in the day
No. of visits per year per client	250  The average customer comes in and buys this \$5 deal for every work day throughout the year
Avg. “lifetime” of a client	5 years
GROSS sales over the avg. life	\$6250
Conservative Gross Sales (75%)	\$4687.50



Profit Margin	30%
Gross Profits (\$2340 x 0.30)	\$1406.25
Discount Value of Money, \$1406.25 for 5 yrs. @ 6% interest	\$1041.43

Let's round down to \$1040      Divide \$1040/\$167 = 6.22

This means you could raise your advertising and marketing budget 6.22 times right NOW and still break even. (If you are making less than \$167 profit per customer, you won't be in business long!)

By the way, are you even spending ANY money to attract and retain your customers through a planned marketing system? Or is your marketing system simply waiting for your customer to show up again – when they get “in the mood” to visit your store again? Most C-Stores follow the second marketing system I just described, otherwise known as “Hope and Wait” Marketing.

This means you could, for a short term, spend 622% more on your tried and proven marketing “machine” to bring in 6 times the customers you normally bring in when you let your marketing “machine” run at normal speed. This will result in 6 times the number of new customers, and 6 times the sales.

Viola, ten minutes of work to realize you could be generating 6 times the cash flow you are currently making! That's worth the effort, isn't it?

# Top Ten Business Mistakes Most C-Stores Make

## **1. Your Business Focuses on Itself, And Not on Your Prospects' and Customers' Needs (this is institutional advertising versus direct response advertising).**

Most C-Store owners will say two words with a question mark after it when they read the above business mistake. Institutional? Direct Response? (See, I told you).

Institutional advertising is what most large companies and Fortune 500 companies use – big pictures, a tag line, and a logo. To these companies, it is all about the branding of the company.

For independent C-Stores and small chains, your brand is built based on what you do to attract a customer, how you sell them something and how you bring them back again. In other words, branding is an outcome of the way you position your store when selling and marketing to your customers.

You want concrete examples, to make this clear. Look in a national magazine. Most of the ads have a large photo or picture with a few words such as “You’ve made it” or some other meaningless platitude.

Meaningless? Yes. It does nothing to convey why a prospective customer should consider that product (or service) at that time to the exclusion of everything else.

Conversely, direct response marketing demands a response now. If you’ve ever taken any sales training, direct response marketing would conclude with questions such as:

- Would you like your car delivered to your house next Tuesday or Wednesday?
- Do you want the car in red or in green?
- Are you ready to move forward?
- If you purchase within the next 48 hours, you’ll get 2 for the price of one – and we’ll throw in the special cleaning crème at no charge...

In other words, direct response is salesmanship.

Some people don't like salesmanship. They feel they are being manipulated or used. But salesmanship and closing is the conclusion of a good presentation. It doesn't mean that someone is forced to buy. It simply means here's the information you were interested in, here's the benefits of moving forward with our program, service or product and if you find this is something of value to you, you will be offered the opportunity to move forward.

How would you use this in your C-Store? One way is the newsletters. As you may recall from my on-line videos (see [www.cstoregrowthprofessor.com](http://www.cstoregrowthprofessor.com) if you have not watched the videos yet), a newsletter is one of the ways you can communicate with your customers on a consistent basis. You may even recall that you were offered to get the content portion of your newsletter from the C-Store Growth Professor on a monthly basis

If you announce a new product to your customer base in your newsletter, tell them of the benefits they will receive from this product, tell them how they can receive additional information, a CD about the product or want to purchase the product based on getting educated about it – you have done direct response marketing.

Is this beneficial to a C-Store? Yes. The C-Store Growth Professor shows a C-Store how to take advantage of direct response marketing in order to provide more value to their customers than their customers have EVER received from any C-Store to date.

## **2. Failure to Test**

There's only one voice that matters in any business. It's not the voice of the prospect or the person who says "I wish you'd carry this service or product in your C-Store." It's the voice of the person who pulls out their wallet and pays for the service or product you offer – or is willing to pre-pay you a percentage of the cost of a product you don't carry to get it in the store for them.

Why pre-pay? Have customers commit to a product you do not sell (especially if you will have some difficulty returning that product by having them pre-pay a percentage of the cost of the product).

Let's get back to testing - You need to test your offers, the way you market your offers, and your prices.

Here's a simple example. If I market Coffee and that is all I advertise, your customers can only give you one response – what is the commodity of coffee worth? Considering that a bag of coffee from Columbia can be purchased for \$69-130, and you can make 8000 cups of coffee from that one bag, coffee is fairly inexpensive.

Let's think of coffee in another way:

Our coffee is hand-picked. After that, we pay our farmers to locate the coffee beans that are superior in size and color. We roast the beans – and roast them a second time to ensure you get the best flavor out of our roasting process. We re-inspect the roasted beans to make sure the beans we picked are as superior as our initial inspection suggested.

By educating the customer about how your coffee is different than Folger's ® or Maxwell House ®, you are very likely to be able your coffee as a premium coffee. This is a test of two factors – price and offer.

Traditionally, you test only one change at a time. Multiple changes and tests at one time result in not know what changed, what factor gave the increase, and so forth. So, you test only two different versions of your offer at a time, or two different prices, or two different guarantees. Don't test the offer, price and guarantee at the same time.

Testing also allows you to determine which products you should continue to carry in your convenience store. Without testing (and measuring), you won't know the number of inventory turns each SKU has, the margins that you are making off of each SKU, etc.

### **3. You Fail To Determine Specifically Who Your Market Is And What Their Wants And Needs Are.**

The convenience store chain I worked with for seven years determined to standardize their stores. In other words, I knew where items were located in each store, because it was standardized. And, to that extent, it's good.

But insisting on standardizing your chain of stores may work against you as the average, typical customer in your store next to the college campus serves a different demographic than the store ¼ mile away from a 3 year construction project.

Who is your customer? Are they female or male? College aged? Young adults without children? Young adults with children? Retirees? Golfers? Fishermen (and women)?

Do they live in McMansions or in section 8 housing?

The more you know about your customers – and their wants and needs – the better you can orient your store to cater to them.

What I sell the typical college student is not what I would sell the typical middle age couple with 5 children. What products in your store need to cater to your customers? And standardization does not do that.

For example, I live in Cincinnati. In Cincinnati, we have some odd food products that really don't sell well tremendously well outside of Cincinnati. In fact, when I first moved in Cincinnati, I found this "best-selling fast food" to be rather distasteful. It's called Skyline Chili.

My wife, after living in Cincinnati for over ten years, "tolerates" Skyline 1-2 times per year.

But, Skyline Chili, according to the latest statistics I have seen, outsells all the nationally branded fast foods in Cincinnati. Get over 100 miles away from Cincinnati, and the local population would probably wonder "What's that?"

Every locale has these. And you must cater to these local tastes if you want to generate the most value you can for your customers, and as a result, make the most net income for you and your loved ones.

It starts with knowing your target market – your demographic.

There is a business consultant who suggests you use his 66 pieces of demographic information in order to learn who your target market is. While these 66 pieces of key information are attractive, that amount of information may be overkill as your average sale value is under \$10. Taking simple demographic information on sex, approximate age and race (yes, this is profiling – for their benefit as well as your bank account's) will give you a great insight on what products you need to carry that your target market would find attractive and a compliment to what they are already purchasing from you.

By the way – do not let your employees do your “profiling.” Imagine one of your employees realizing you are profiling your customer base. It does not matter why – the only realization your employee sees is that you are profiling. The answer is to take these statistics yourself (or do this statistical profiling through your loyalty card program) and purchase the inventory that caters to your customer base.

#### **4. You Fail To Capture Your Customers & Prospects Names And Addresses.**

Your number one asset in your business is your customer list. Why? Because without a customer list, without customers, what do you have of any value?

Therefore, it is imperative to get/capture/collect your customer names and addresses – as well as your prospects’ names.

Why collect this information? There are five ways to target your marketing and advertising to get to prospects and customers. They are geographic, geo-demographic, geo-industry, affinity and clientele. Let’s define these:

Geographic target marketing is where you make your business the center of a circle and draw a circle 1, 2, 5, 7 or some other number of miles around your circle. You then relentlessly market to everyone inside of that circle.

Geo-demographic target marketing takes your geographic marketing and limits it to a demographic or two – such as everyone with x miles of your business that own a pet (if you are a pet store). You could add that another targeting factor would be children who still live at home if this would focus your marketing efforts in an additional way.

Geo-Industry marketing targets everyone within a certain distance of your business and adds a focus of those in an industry you are targeting to serve.

Affinity Target marketing is targeting prospects who can relate to others that are like them. For example, if I would be selling financial services to high end automobile collectors – the affinity would be the high end automobile collectors and they are like me (because I like those type of automobiles as well).

Lastly, you can do clientele target marketing. In this type of target marketing, I am marketing to the people who are already purchasing products and services from me.

Of the five, only one system allows you to effectively target people who are already spending money with you – Clientele target marketing.

And how do you market your business to this clientele. By having their contact information – their names, addresses, emails, phone numbers and cell phone numbers. By doing so, you can speak to those already sold on your business as they are already giving you money for specific products and services they enjoy.

## **5. You Don't Try To Sell Your Customers Something Else On The "Back End".**

The first sell you make to a customer is considered the “front end.” Many businesses are willing to lose money on the front end sale as they know how much an average customer is worth after that first sale.

For example, a financial planner I know spends \$150 in marketing to a prospect he has determined to be worthy of his services. This friend knows that over the 30 to 40 year career life of a client, the financial planner would make, on the average, \$20-40,000 in profits.

Let's think of this another way. Let's say that every time you go to a local casino and spend \$150, you know, based on the averages you have measured yourself, the \$150 will, over the next 30-40 years, generate \$20-40,000 for you.

The key is keeping your customers for that period of time.

And how do you keep customers? By selling them something else. After all, if they aren't buying something from you, are they your customer? Obviously not!

By the way, the “back end” is every subsequent sale you make after your initial sale.

Earlier in the book I showed you that an average customer that stays with your business for 5 years could easily be worth \$6250 (and this is only the inside sales – we didn't discuss fuel). This figure is based on you not offering additional products to your customer – such as snack foods, food service, beer and wine, groceries, and other things I mention elsewhere in this course.

Additionally, you have some items you could sell your customers that you don't even think about. Such as providing carry out meals for them from a local restaurant or catering service. You would simply up-sell your customers over the cost of ordering and picking up from a friend's restaurant (have it bagged into non-descript packages so you don't lose your customer to your friend's restaurant), and your margin is very high as you have not tied up any of your overhead in this offering.

The sky's the limit, as you will learn should you subscribe to the C-Store Growth Professor.



## **6. You Fail to Make Doing Business with You Convenient, Easy, Appealing, And You're Not Ready to Sell When Your Prospects Are Ready to Buy.**

One of the best experiences I recall with my seven years running a convenience store is hiring a specific CSR. Prior to hiring this CSR, I was very much the typical no-fun, all-business manager. However, this CSR was so filled with having fun WITH the customers that the entirety of the staff at my store got caught up in it. Including me.

For example, after hiring this CSR, I will call him Arman, I took to reading the weather forecast for Honolulu every day. No matter what the weather was in Cincinnati, I would report that the weather was wonderful today – sunny, high 70s. When the customers were complaining about the 6 inches of snow in the past six hours, I was reporting the weather was wonderful – sunny and low 80s.

It brightened everyone's day and was definitely a paradigm shift for the grumpy customers we had.

Additionally, Arman would involve everyone into his conversation of the day. The conversation was never too deeply connected with the headlines of the day, but it was always an uplifting conversation.

When the business slowed for a while, we'd turn up the music and restock and clean up to "Casey and the Sunshine Band" or "ABBA."

So how do you make your business into a Happiness Center for the community?

One way is to treat everyone with the Golden Rule. Always. If your employees and co-workers fail to treat others by the Golden Rule, it means dismissal.

You see, in this world of commodities, you need to make yourself and your business different. And that is the one thing that no one else can copy – yourself. As a result, the more friendly, the more caring, the more helpful and the more love you provide to others in the way you act and talk to your CSRs and your customers, the more of a following you will receive.

Be a fun person. Have fun events. Make these fun events to the point that your customers find your place of business the place they go before going out to a nice restaurant – so they can buy the discount cards at your store.

Make your store(s) the place your customers call when they need a plumber. Yes, I said a plumber! “Hey, Ted. Jerry here. I just got home and the basement’s flooded. I need a plumber NOW – and someone to vacuum up all the water. What plumber and carpet restorer would you recommend?”

Is that outlandish? Yes. Different? Yes. Something you can leverage so your customer’s have a bigger and deeper relationship with you than with ANY other business in the area? Most definitely!

It all starts with having the mindset of being the fun, enjoyable and comfortable place for your customers to do business. You can expand it from there.

### **7. Not Communicating With Your Customers On A Regular Basis and, As a Result, They Drop You. Along With This, You Need To Try New Approaches until You Find the Hot Button That Sells.**

You need to communicate with your customers on a regular basis. That’s the reason I promoted a newsletter in my videos (and offer to provide the content for your newsletters to you on a continuing basis).

The key to communicating with your customers is to provide something of value to them.

How do you do this? It’s rather simple, actually. When you were just beginning to date your significant other, you communicated about everything. You talked about your dreams and aspirations, about your likes and dislikes, about virtually every aspect of your life.

And you and your significant other hung onto every word from each other.

Your communications with your customers should be similar. As I have mentioned previously, you need to treat your customers as your dear, valued, blessed friends. But you always communicate something of value to them.

I know of a business that communicates with their customers every day – and he is not getting complaints or un-subscribes (he communicates with them via e-mail). Obviously, the insights and thoughts he stirs are something his customers find worthy of reading and understanding on a daily basis.

Yes, there is “overkill” on your communication efforts, but your customers will tell you if you are exceeding this limit.

The key to all this is that you need to always communicate something of value. Never take your relationship for granted to where you communicate something of no value and still expect your customers to listen. An example of overkill, in my opinion, is the 24 news coverage in today’s world. Things that are important to most people do not change so fast, even in today’s world that you need to continually listen to the latest news updates.

When you convey your message of value, you will need to connect that message to the product you are offering in your communication. There is little reason to talk with your customers about your recent weekend camping with the children and then offer a special on cigarettes. Children and cigarettes are not complements to each other in today’s world.

Another business owner I am acquainted with communicates with his best clients 2 times per day, every day of the year. In this case, it works. But communicating that much to your entire customer base would be considered “overkill” and “too much” to many of your customers.

## **8. You Have No Marketing Plan To Guide Your Business To Financial Success.**

Many businesses have the following marketing plan – I market, sales increase to the point that I do not have time to market my business, sales fall, I need money and I need to begin to market the business again.

Up - down – up – down goes your business cash flow – and your personal cash flow.

Rather, it would be a smarter way to plan out your marketing for months in advance – some marketing every month. The old saying, “an apple a day keeps the doctor away” does not say “don’t eat an apple for 6 days, then eat 7 on your day of worship.”

In other words, you need to do a little bit on a continuing basis. The best way I know how to do that is to put together a marketing plan for your business for a 12-24 month time period, then repeat. In this way, every month you know what you will be marketing and what you will be offering as “specials.”

Putting the plan together may be somewhat difficult if you don't have a plan. But, if you add in the national and international holidays and celebrations, such as New Years' Day, MLK Day, Valentines' Day, St. Patrick's Day, March Madness and others through Independence Day and Thanksgiving and Hanukah, you have more than enough ways and reasons to communicate with your customers about the current "special."

In addition, should you have a frequent customer club as well as a birthday club and a Holiday Season promotion, you have plenty of ways to orient a marketing schedule or plan over the course of 12 months.

Next, in what ways can you communicate to your customers – email, phone, texting and your newsletter are just a few.

A friend of mine who was a photographer for 40 years recently retired. Before he developed his long term marketing plan, he'd be extremely busy leading up to Christmas as holiday photos, family get together photos and other needs kept him busy through the holidays.

But by the second week of January, he was sweating. Where are all my customers? He'd begin to market to them by the end of January, and by the end of March or April, he had customers again.

Rather than tolerate this year after year, my friend marketed continually, doing a little bit every month. This evened out his cash flow in a substantial way.

So get out a calendar or an Excel spreadsheet and start planning.

## **9. You Don't Have Any Idea How To Write Or Produce Persuasive Marketing Documents That Get Your Prospects To Buy NOW, Or To Get Your Customers To Buy Again.**

Many businesses have difficulties in communicating with their customers. Open virtually every section of your local Yellow Pages and you'll find institutional advertising. Name, Address, phone, slogan and bullets about what they sell. A few have coupons, but the coupons tend to be a generic coupon, offering a percentage off when you call for their services.

Very few advertisers can tell their customers and prospects what makes them different – in other words, giving their Unique Selling Proposition. You have an entire chapter in

this book entitled How to Outmaneuver, Outwit and Outsmart your Competition in 60 Seconds, which gives you multiple methods to develop a marketing statement on how you are different.

That gives you a great start.

But using marketing language that gets your customers to buy NOW is equally important. For example, if you overuse the word SALE in your marketing efforts, you will teach your customers that the only time they need to respond to your message is when there is a SALE. There are national chains which have forced themselves into this realm. As a result, they will close their stores over time as they will run out of margin they can sell and still have enough cash left over to keep the business open.

There is a formula for your Marketing Documents that you need to follow to get your customers to respond NOW to the offer you provide them. The C-Store Growth Professor provides several methods you can utilize to do this.

This can also be included in your up-sells. How would you word an up-sell to get a better response rate than is typical? A key word in this is BECAUSE. Psychologists have found if you make a request, you will get little response. Try this. Simply ask a CSR of yours, “May I have a glass of water?” and see how quickly they respond.

Now, try it again. This time ask, “May I have a glass of water BECAUSE I am extremely busy?” While this may not make much sense, the BECAUSE will get more people to respond to your request.

So, when you are up-selling your customer (or your CSR is), train them to say “Would you like a pastry with your coffee this morning BECAUSE it will give you a little something to keep you going until lunchtime?”

Here are a couple more of ways to increase your transaction size simply because you understand a little of Marketing language and language persuasion. These are mirroring and matching.

What’s mirroring and matching?

Several decades ago, social scientists found that people that are in rapport with each other move with each other. This is in a dance type pattern (that’s the only easy way I can think of describing it). In other words, when you take a sip of your drink, the other party will take a sip of their drink within 5-30 seconds. When you cross your legs, they will cross their legs or arms.

This is all done on a subconscious level.

These same psychologists found that those who were not in rapport with each other did not “mirror” each other’s body movements.

What does this mean for you, the C-Store owner? It means that you can, with practice, be able to build rapport with every single one of your customers, which will allow you to more easily persuade them when you offer up-sells or special offers designed to bring them back into the store again.

How do you do this? You “mirror” the mannerisms of your customer. If they speak more slowly, you slow down your speech a little to “be like them.” If another customer speaks “a mile a minute,” you speed up your words to minute to match their pace.

Similarly, if your customer folds his hands at his waist, you fold your arms. If they stand on one leg, you stand on one leg. In other words, you mirror your customer, copying their movements and speech patterns in a mirror fashion.

Do you copy their exact movement at the same time? No, you pace your movement about 5-10 seconds behind them.

Do you want to learn more? A friend of mine wrote a book that will show you how to do this. It’s entitled [How to Build Psychological Rapport and Bonding to Make Anyone Do What you Want, Buy What You Sell, Or Hire You for the Job Virtually Every Time.](#)

Contact us at [www.cstoregrowthprofessor.com](http://www.cstoregrowthprofessor.com) for additional information.

## **10. You Don't Determine What It Is About You That Makes Your Prospects/Clients/Customers Want To Buy From You Because They can't get what you're offering Anywhere Else. (Establishing Your Unique Selling Proposition...Very Very important to you!)**

While this is VERY important to your business, please review the chapter on Outmaneuver...Your Competition in 60 Seconds to understand how to develop your USP.

### **Your Most Important Asset!**

The Most Important Asset that any C-Store has is its customers. After all, without customers, there's little need for your business. But there is a MAJOR problem with virtually every convenience store. Let me tell you a story so you understand:

My wife's hair stylist is an expert when it comes to long hair. This is very important for my wife as her hair is very long – about 2 ½-3 feet long (it touches her waist). As a result, my wife wants to make sure her hair is well taken care of, as it is one of her attractive features.

So she visits her hair stylist about 2 times a year – at \$150 a visit. Yes, that's \$300 a year on her hair (and she doesn't get it styled as much as trimmed, split ends cut out, hair moisturized, etc.

But her stylist knows about her life – about both boys, what sports and extra-curricular activities they are involved in, how my grandson is doing, what's new at the organic farm, and so forth. Virtually, every aspect of her life is known to her stylist.

It's great demographic information yet the stylist makes \$300 gross on styles and maybe another \$150 on hair products per year. That's \$450 a year.

By comparison, my wife has a lot of things she does every week. She's helping a girlfriend in the middle of recovering from stage 4 breast cancer with her children, managing an organic farm which serves about 100 families in the area, does volunteer work at our son's school, among other things. She drives about 200-300 miles per week with everyone that she is helping out.

At \$3.50 per gallon, 300 miles per week and 18 miles a gallon times 50 weeks a year calculates to \$3150 per year spent on gasoline. In addition, let's say she grabs a cup of coffee two times a week at \$1.95 each, or a total on coffee per year of \$195 per year. Total spent at a C-Store (without considering the beer or wine, the party snacks or the

ice, the propane tanks for the grill, and so on) over a year is about \$3500. Yet, I'll guarantee that the local C-Store doesn't know her name and MAY know her vehicle.

Isn't it odd that someone spends 6-7 times the amount they spend on their hair on the extreme basics of what they are purchasing at the convenience store, but the C-Store doesn't market themselves in order to attract the customer back to their store.

Most likely, if your convenience store does market to anyone, it's in a blast-type of marketing media such as television or radio rather than marketing specifically to the people spending money with you. In other words, when you use mass media to broadcast the message for your convenience store – that's great (if you own a number of locations in the local market OR you happen to be the only convenience store in the community).

But, if you own one location, or a few locations in a metropolitan area, your 3, 5 or 13 store location advertising has to be marketed in a massive manner in order to get through the 3,000 to 6,000 marketing messages that Americans are typically exposed to (on a DAILY basis). Wouldn't it be much more cost efficient to market to your customers – you know, the ones that spend money with you right now. Sure, it would.

Obviously, there are several things you can do in your store to market your products, from posters pointing out the specials of the day/week/month to something similar to the "blue light specials" that K-Mart® used to give in their stores. You can also have flyers that you hand out to your customers when they purchase from you, especially if you "bag" every purchase.

I saw a video recently which told the story of a local grocery store which emphasized extraordinary customer service to their employees. There was a boy who had Down's syndrome which took this to heart, and began to question what he, a teenaged boy with Down's syndrome do to give customers an extraordinary experience. The boy came up with an idea and implemented it without management approval.

His idea? Put a note into every order of groceries he bagged with a Quote of the Day. When management saw his initiative, they (very smartly) allowed him to continue his practice, but began to provide him with the paper and printer to complete his daily sayings.

Over a few months, this boy's reputation grew – simply by a smile, a nice word and a Quote of the Day in the bag. In fact, this reputation grew SO much that one day, when the grocery store was extremely busy, one line was over an hour wait. The store management opened more lines to provide an easier time to check out and no one



moved to the other check-out lines. Why? The customers wanted something they didn't get readily from the other baggers – a smile, a kind word and a Quote of the Day.

Now I have an extremely difficult question to ask you – a question that I developed after achieving an engineering degree, after studying marketing for 16 years, and achieving an MBA, and after designing aerospace components for the Department of Defense. The question is very profound – here it is: “How can you implement a simple strategy like this teenaged bagger with Down's syndrome in your convenience stores – and have EVERY one of your CSRs do it daily?”

You see, it doesn't take all the degrees and accolades I mentioned to do this – it simply takes a love for your customers, and a drive to provide your customers with an out-of-the ordinary experience.

How many customers do you think you could “attract” or “romance away” from other convenience stores in your area simply incorporating strategies like this and others by giving your employees the authority to incorporate any and all similar strategies into your store without needing to ask approval, as long as the project doesn't cost over \$100?

Another way to market to your existing customers that I mentioned to you in the free videos at [www.cstoregrowthprofessor.com](http://www.cstoregrowthprofessor.com) is a monthly newsletter. Please keep in mind the GOAL of the business is to provide more value to your customers – whether this is conveyed in your newsletters, your posters at your locations or a smile and a hug from a CSR to a customer. Your newsletter is to enhance that relationship by being a friendly newsletter about the community, not about you, you and your convenience stores.

Lastly, as I mentioned before, you market to your customers – don't go marketing to possible customers until you have a system that effectively markets to your existing customers. But, to do so, you probably need one thing that most convenience stores ignore – a customer list.

Yes, you can build a wonderful customer list with an amazing amount of demographics and insights on how to sell more to your customers through the use of loyalty cards. But, if you are a small business or have not decided to do the loyalty card strategy, in some ways you are better off.

Why do I say this? May I give you an analogy...?

As you may know, my wife is from Germany. One of the overtones left over from the 1930-1940s in Germany is that all Germans are very wary of having any number assigned to them. As a result, everyone in Germany does business based on the data they can get about their customer – a name, an address, an email address. Personal information, in other words.

Which way do you prefer to be addressed when waiting in line at a local restaurant?

“Next!”

“Smith – party of 4!”

“001-00-0000, 000-00-0000 and 111-11-1111 to table 32 please!”

Or

“Hi Ted (or whatever your name happens to be). It’s great to see you, Susan and Toby. I see you brought your grandson with you tonight. Would you like your regular table?”

Similarly, loyalty cards are effective and efficient but do the worse thing one can do to a customer – they treat you like a number – from the first moment you complete the form. Is it any wonder that loyalty cards only have a 4% response rate?

In the free videos, we showed you how to begin to build a customer list by simply asking your customers whether they would like to get the monthly newsletter in the mail or by email. There are several slight changes to this method you could make for your stores. Just make sure that your employees know on a daily basis that the only reason you ever pay them is based on how they treat their customers (and obtain their contact information so the store can continue to serve them – and serve them better and better over time).

## Are You Using These Additional Profit Enhancement Strategies in Your C-Store?

### **A. Do You Know How to make Customers return again and again... for years?**

It's rather simple. You need a system that you follow. Here's a simple example.

You have a customer that visits your store to fill up their gasoline tank a couple of times a week and they stop in for coffee every morning.

So you first implement a coffee loyalty card so that for every 3, 5, 9 or whatever number of coffees they buy, they get one free.

In addition, you sometimes "forget" they haven't completed their loyalty card and give them a coffee that morning. Make sure that they know "It's on me today" and demonstrate you paying for it (out of your petty cash account).

You can offer additional products that you offer in your store, but you need to do this strategically and thought out rather than trying to offer a different product to each one of your 1800 daily customers.

Examples are:

- Offering the specials of the month
- Offering some products that most C-Store don't, such as you carry COLD 2 liters of soda pop or COLD 12 packs of soda and water. Put these additional items in your visi-coolers rather than having the exact same 20 ounce sodas in 4 different locations in the store. While you may not make much profit margin on the 12 packs, you are becoming known as a place that goes out of their way to provide products others don't.
- Ask your customers what would make their visit to your store more enjoyable and a better use of their time. Begin offering these, such as concierge services, ticket pick up for the hot show coming to town, grocery delivery, errand services...
- Become a center of resource, knowing the good businesses and the "bad" in the area. Recommend only those you know from personal experience (visit these recommendations more than one to ensure consistency before you begin to refer your customers to them).

Now you are beginning to think strategically, with your primary thought being: “How Can I Provide More Value to my Customers than I Currently Do?” Even after you do this, continue to ask – always continue to ask “What Else?” or “What’s next?”

## **B. The one piece of knowledge you need about your marketing.**

Not every one of the strategies you implement is going to work out perfectly, especially at the beginning. You must test.

Thomas Edison completed thousands of tests before he came up with the Electric Light bulb. I am not suggesting you should test a concept thousands of times before you change your desired outcome but then, you aren’t trying to revolutionize the way the world sees (as you need light to see).

For your C-Store, this means you must continue to test even the advertising and marketing that works for you. For example, if you are making \$300 in profits for every \$67 you put into one of your marketing campaigns, that’s a pretty nice return on your investment. But, is a return of 448% the best you can do? Or, could you make \$330 or \$383 in profits out of the same \$67 invested in your marketing. You do not know unless you test.

How do you test?

You test one marketing piece against another. Let me give you the simplest understanding of how to test that I can think of. Test these two offers against one another:

“Buy Two, Get One Free!”

“33% Off When You Buy Three”

But, these say the same thing, you say. That’s correct. To your customer, there’s no difference in how much money they spend on this item. But, these two ads will set off different hot buttons in your customer’s mind. One will outperform the other, giving you a better return on your investment. Which one? Let your customers decide by putting these ads up – in different parts of the store (for the same item, of course) or different weeks of the same month, and so on. And track the results so that you know which one is more attractive and acted upon by your customers.

### **C. How to get 45% of your customers to buy more...**

How does this work, you ask? You've been doing this for a long time, I will bet. But, are you doing this to every single one of your customers? It's an up-sell.

You know, "Do You Want Fries with that burger?" or "Do you want to biggie size that?"

Studies show that on average, 45% of your customers will buy an up-sell if it is offered. But, you must make the up-sell meaningful. In other words, trying to up-sell a customer to buy more ice cream in the middle of January in Minneapolis will probably not work. It's not the time to up-sell ice cream. However, up-selling the hot fudge topping along with the special pot or appliance which heats up the fudge in 30 seconds would be a wonderful upsell.

In other words, what's a complement to what your customer is buying that would make their purchase more meaningful, of more value, or more treasured?

A customer of mine stopped in late one evening. He purchased his typical fountain drink (I can't remember if it was Coca-Cola ® or Pepsi ® or whatever. We got into a short discussion about his day and I found out he was on his way home after a very long work day. So I mentioned, "Do you think your wife would appreciate you bringing home a soda for her?" He bought and I pocketed some extra cash that, without thinking about how I could enhance his life, would not have happened.

So upsell away – just do it in a way that it enhances your customer's day.

### **D. What you must do to focus your marketing**

Do you track how or why your customers come to your store – or why they initially began shopping at your C-Store? You should!

Why? If you do not have ways to track this information, you do not know if the Word-of-Mouth marketing is working for you or your free coffee on Thursdays initially attracted them to your store or your buy one twelve pack, get one free is what initially got a customer to buy from you? If you do not know, how can you repeat your successful marketing campaigns?

That's was a major problem for my former employer. They would spend big dollars to advertise and saturate their market, but did they quantify WHY their sales went down or up? Was it due to the advertising or was it due to a CSR contest of a trip to Disney World? Without tracking, you don't know.

You need to ask. Plus, you need to be very careful about asking – here’s why:

When I first moved to Cincinnati, Uncle Carl’s (the owner’s nickname to the local charities) convenience stores had a promotion about a frozen dessert you microwaved to turn it into a malted milkshake. After six months of advertising exclusively on radio, they surveyed the local population to see whether the message about this new dessert was getting conveyed to them. Overwhelmingly, the survey noted that the television commercials were really funny and enjoyable.

So, how do you ask your customers when they don’t know? You track using special tracking numbers for every coupon and promotion you do. You track by using a fictitious name so when someone comes into your C-Store and asks for “Bruce’s Special”, you know they are answering your ad that told your customers to come in and ask for Bruce or “Bruce’s Special.”

#### **E. Two words that will give you up to a 1000% increase in Your Advertising.**

There are two words that will improve your return on your investment in your advertising by up to 1000%. Do you know what they are?

Your Guarantee.

Tell your customers what you guarantee before they buy anything for you. In marketing, a guarantee is also known as a risk reversal as you are taking the risk of purchasing a product away from the consumer and putting the risk on you.

You guarantee your products anyway, don’t you? And your products are guaranteed by their manufacturer, so you aren’t really out any money.

You see, guarantees do three things:

They reverse the risk from the buyer and put it on the seller. As a result, your buyers are more apt to buy as they don’t have the concern of “being had”, “gypped” or other words and phrases that mean – I was taken advantage of.

The second positive aspect of a guarantee is that 95% of your customers won’t ask you to honor your guarantee even if they are not 100% satisfied. This doesn’t mean you play the odds, thinking you can win at the game of cheating your customers. It means you provide a top-notch product with the knowledge that many won’t even ask you to honor your guarantee. For every one that asks you to honor your guarantee, you will

have sold so many more of the same product that you can easily afford to reimburse the customers who were not happy with their purchase.

The third positive aspect of guarantees is that most of your competitors will be scared to death to offer a guarantee. As a result, by offering a guarantee and telling everyone about it, you set yourself up in a pre-eminent position among the C-Stores in your area.

Since many C-Stores don't offer any guarantees over and above their supplier's guarantee, offering even a minimum guarantee over this sets the advantage in your favor.

An example would be: "We guarantee our fresh food to be fresh and at the peak of nutrition or your money back. No questions asked, no hard feelings either..."

#### **F. The simple way to get good referrals - lots of them**

When was the last time your C-Store got referrals that you knew about? Probably never. Referrals are just not something that most convenience stores think they will ever receive.

But referrals are a result of customers being pleased and possibly overwhelmed with the extraordinary service they receive.

So by not getting a referral, are you saying that you never provide extremely pleasing or extraordinary service at your stores? Is this level of service something that is impossible for a convenience store to provide?

Obviously not.

It is simply that you do not ask for referrals when you go out of your way to please a customer. Do you do this because of the referrals and accolades you receive? Possibly, but very unlikely. More than likely, you simply treat the customer in a manner that you would like to be treated. The Golden Rule, as it has been referred to.

So, now you know the first thing you need to do when a customer is pleased with your service. You ask them to do a couple of things (most likely, one or the other):

1. You ask them to write a quick note of thanks
2. You ask them to refer others, people of "similar quality to themselves" to your store.

Then, when a new customer tells you “I was referred by Mr. X (or Mrs. X) as (s)he always gets such wonderful help here” you REWARD Mr./Mrs. X.

How do you reward Mr. X?

You buy them a cup of coffee for them for a week. You give them a free candy bar or ice cream bar (just make sure you document this give-away in your expenditures to track ALL of your marketing expenses).

My favorite way to thank someone for a referral is to hand write a small thank you card, noting “your friendship is worth millions” and include a Mega-Million \$1 ticket (or a Power-Ball ticket, depending on what state you live in) as a gift. It doesn’t take a former aerospace engineer to recognize how powerful this note and a \$1 ticket are. Can you imagine the referrals of new customers you get at your store when word gets out about this referral system that Ted’s C-Store has?

I have one question: Once you set up this referral system, do you think you will EVER be lacking a regular flow of new customers?

### **G. Why you might be losing customers, and what to do about it**

Wow, do I remember Albert. Albert was an employee I had for a couple of months. Albert ran the register flawlessly; he stocked the store and the cooler to capacity and cleaned like a banshee.

But Albert was always angry with life – with the job, with the way his school was going, with having to live with Mom even though he was middle aged.

As a result, Albert was never a fun or enjoyable person to interact with in the store. Customers, co-workers and even I were subject to the constant negativity. After a couple of months, the negative dynamics were such that Albert had to be released.

This was painful as Albert was as driven to have a clean, stocked, sparkling store. But that’s not why you have a C-Store (although having these things are definitely needed and positive enhancements to your store). The reason for the C-Store is to generate profits and a living wage for the employees and the owner.

Albert forgot the reason for the C-Store was customers. Albert forgot the only way to have a thriving C-Store is to get those customers to return again and again and again and ...



There are two ways to get a customer to return again and again. Fear of loss or gain of pleasure. The more pleasing you make your C-Store in comparison to your competitors, the more your customers will return.

The bottom line – having a fun filled store where customers and CSRs love each other and have fun helping one another is the way. Otherwise, it is a great way to lose customers...

The best, simplest, fastest source of new customers

This book has given you insights on a FEW of the hundreds of business growth strategies the Leithart Group and others have used to successfully grow businesses and organizations the world over.

## It's Time to Get Your Butt in Gear

I remember the gym teacher yelling that to us when we were playing sports. This was a time before we got so direct and vulgar with our language in America. But, without having that type of language thrown at you, you knew what you were supposed to do – “Get Active! Be in the Game! Don't be a spectator when you are out on the playing field!!!”

Fun times? You bet! But then, we always knew that supper would be waiting for us when we got home from practice.

Is it still that easy? Yes, especially in the United States, where the average person believes they are entitled to some part of the good life.

What I mean is this? Many people, including business owners, have become very placid about their business. They reminisce about 2005 or 1999. They complain about how hard it is to get business – to run a business.

On one side, I agree. We've allowed regulations and laws to hog-tie our businesses so much that it is much more difficult to run a thriving business than it was only a generation ago.

But, the past is the past. It has no life!!!

The only way to take control of the present and consequently, your future, is to take action. “Get Your Butts in Gear!!!”

I did not write this book as I wanted to be an author (my brother, the author, has been writing books for over 30 years). Nor did I write this to make me feel good. I wrote this for one reason – YOU.

If you simply say, “Interesting” or “this book had some good points in it”, I have not done my job. It’s time for a change – and a good change only happens when people like you get active.

It’s time to implement the insights of this book into your life. You deserve it – and even if you don’t – your family and your employees deserve it. It’s time to make a difference in your life by loving yourself and others more than you love the couch and the television clicker.

You have read this book for ONE reason – MORE MONEY.

Money is a tool – what you really want is a way to:

- Pay for your children’s **education** or college education
- Pay cash for an extended **vacation** with your significant other – maybe even multiple vacations per year
- Help that non-profit, **charity** or mission that you are so dedicated to
- Buy a **new car**, possibly even a new AMG CL65
- A way to **repair** your cooler, your shelving, your back office system or **upgrade** your food service equipment to the latest
- Hire **employees that work** (and having the ability to pay for employees that work)
- Have the **time for family and friends** and work around that schedule
- **Buy inventory** when you need it without wondering how you are going to pay for that inventory

Let’s face it - the average c-store earns a 1.2% net profit (the top quarter earn a 2.2% net) according to the NACS (National Association of Convenience Stores). When you apply the hours you work in the store as a manager or active owner, that net income probably feels a lot less, maybe even a loss.

You may be so desirous to thrive and be so successful that you attend a local college or university or be mentored by business growth strategists and marketing experts. You may have spent years and thousands of dollars learning and implementing the best business growth methods.

## STOP!

Because all the work has been done for you - That's the reason why [www.CStoreGrowthProfessor.com](http://www.CStoreGrowthProfessor.com) exists!

Here's what is available to you:

- Discover how to target your business to your customers. Most consultants and coaches show you how to focus on one target market at a time. This program teaches you how to hunt virtually everywhere and still effectively "bring home the bacon."
- You will learn how to EASILY accomplish your business goals in the next 1-3 years - EVEN if you want to double your sales in the next 12-18 months!
- Discover 23 strategies you can implement now to increase your cash flow
- How to attract customers that spend \$25,000-\$30,000 and more a year into your store
- Discover the products to carry that will give you a 90% gross profit
- REMOVE the stress of running a business that is open 24 hours a day – 7 days a week – 365 days a year
- Get the big store volume discounts even though your store is under 1000 square feet
- Learn how to Persuade your customers to purchase more in your store every time they visit
- Use EFFECTIVE ways to market your business that gives you a ROI worthy of your time

What to do next? If you:

- **Don't have the time** to incorporate this program into your business, you need this program. After all, how are you going to leverage your business to work for you (rather than you working for the business)? Isn't now a good time to start making the business work for you?
- Think that business ownership is about struggling to make ends meet and living like a pauper, waiting for that future day when you can sell your C-Store to another person for a HUGE profit and retire in the lap of luxury (only to let your buyer struggle for years until they find a buyer for their headache), think again.

**Your business needs to be making money for you NOW, TOMORROW and every month.** This is the only way to assure yourself of having a business that is worthy of your time and worthy of someone else's time (when they are considering purchasing your store).

- **Don't have the money**, you need this program. You will NEVER have the money if you do not incorporate these methods, strategies and philosophies into your business. **This is it – this is the only training program like this that is available in the C-Store industry!**
- **Need cash flow** for tuition; whether it is a private grade school, high school or college, you need this program. This is the only program that shows you specific ways to incorporate these world class procedures into your C-Store(s).
- **Need to repair or replace** your freezers, air conditioner, furnace, soda pop or coffee machines, or coolers and you cannot afford to do so, you need this program. This program shows you specific ways to increase your cash flow without going to a bank or private lender.
- **Need to hire** additional CSRs but cannot afford to do so, you need this program. Without hiring employees, you cannot leverage YOUR time
- 

**THEN YOU must fulfill these desires of**

**More Money**

**More Net Income**

**More LIFE**

The way to take action is to go to [www.cstoregrowthprofessor.com /Shopform.html](http://www.cstoregrowthprofessor.com/Shopform.html). Here we show you the strategies and methods you WILL use to grow your business. There are no alternatives as there is no one else approaching the problem of a lack of sales and net income in the c-store world using methods that others have used the world over to massively increase their cash flow – and as a result, get their life back!

If you don't do this, what will you do?

To Your Bank Book's Health!

*Ted*

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## About the Author:



Ever since David Leithart emigrated from Germany to the United States in 1861, the Leithart name has been synonymous with entrepreneurs and business owners. In fact, Mr. Leithart is the first in this lineage to ever wear the moniker employee.

Since his early childhood, beginning with assisting his father in his medical practice, Mr. Leithart has been an entrepreneur. Prior to becoming a teenager, while his friends and brothers occupied themselves with sports and play, Ted owned and ran businesses. In fact, prior to leaving high school, Mr. Leithart had negotiated purchases of Jaguars, Fiat Dino's, and Aston Martins.

This drive has continued as he works to enhance the value of his associates, both in business as well as in their personal lives.

His experiences include:

- Marketing Ferrari automobiles and parts which included purchasing parts from one source and reselling them to another for a 300% gross profit
- Developing strategies which grew a one man, \$100,000 per year business into a \$2.7 million (1.5 person business) within six years
- Increasing sales by 25% for a consortium of non-rated radio stations within 6 months
- Increasing sales by over 10% when two larger competitors added locations within one mile of his location
- Developing the strategies to Double sales for a wholesale manufacturer within two years
- Developing and implementing the strategies to increase a national retail chain net income by 40% within one year.

Since opening the Leithart Group, LLC, Mr. Leithart has helped numerous businesses increase their profits and cash flow via on-line as well as private consulting.

Ted regularly draws additional knowledge through his current and past associations with Jay Abraham, Spike Humer, Dan Kennedy, Scott Manning and other world renowned marketing experts.

The Leithart Group, LLC locates additional profits and cash flow centers within the existing business using low-risk strategies.

In his spare time, Mr. Leithart enjoys friends and family, treasuring the dear, valued, blessed friends they are. These festivities regularly include sports cars, fitness training, ballroom dancing and travel.



Your Notes, Action Items and To-Do List

Your Notes, Action Items and To-Do List

