

Measuring results of your marketing, fine-tuning and Acquisition Cost

The best way to see if your marketing strategies are successful is to *test and measure*. If there are only a few that you do in your advertising and marketing strategy, then this **MUST** be one of them!

Once you understand this principle, you will be able to fine tune the process behind your lead generation and place on your cost of acquisition (that is, cost to acquire each new client).

Many Personal Trainers that we mentor have discussed with us in detail their frustration with conventional forms of advertising. Most have experimented with the various mediums, from local papers to flyers and brochures, only to find that they had no success with their investment. Worse still, they see the not as an investment, but as an **EXPENSE** (This requires a change in mindset!), as it did not produce great results for them!

However, if the local newspaper, flyers, radio and other conventional forms of advertising do not work, then why are there so many businesses and organisations still using them?

The simple fact of the matter is that these businesses have found a way to measure if they are getting results. That's right, they **Test and measure** the effectiveness of their advertising.

The truth, in many circumstances is that it is not normally the strategy or the medium that does not work; it's the fact that the advertisement itself was not good enough in the first place.

There are a huge number of personal trainers that will write their own ads and in many circumstances the ad is mostly about *features* as opposed to *benefits*. So, more often than not the personal trainer will place an ad that is a lot like, well, what every other personal trainer lists themselves as, and it can read a bit like:



This is me, look at me – I am fit, energetic, in-shape and look great in lycra! I have great colours in my logo, shining white teeth and could perform over 100 squat jumps in a minute! I do fat loss, toning, Bodyshaping, re-habilitation, muscle building, pre-and post pregnancy, special populations and if you call up, not only will you get a discount, but you will also get a FREE workout with me!

Ouch!

Just remember that out of your prospects virtually NONE of them want a trainer OR a workout with you – that stuff (working out) actually hurts too much! What they are after are the benefits that you can provide them with

However the topic of “How to write a great ad” will be the topic of another e-class altogether!

After the personal Trainer has written their new ad, they generally place this ad on a flyer or in a newspaper and simply sit back and wait for the calls. All along, they are under the impression that this ad will bring in more leads and why not? Most of their current clients read this publication. However when it fails to improve their number of leads, prospects and conversions, they will simply stop running that ad altogether and blame the newspaper for the poor response.

How to test and measure if your advertisement or lead generation is actually working:

- 1) Have a template set-up to record ALL new enquiries

We have created one for you simply called the **New Client Sheet** and it is a very powerful tool to be used in your business.

- 2) Record where they came from



“How did you hear about us” is the very first question you should ask after you have made some introductions. This information will then be recorded onto your New Client Sheet. Here are a few phrases you can use in your script:

- “How did you hear about us”
- “How did you find out about us”
- “Who was it that referred you”
- “How did you hear about [your company name]”

3) Track additional information

As you will see on the **New Client Sheet**, there is space to record more details on your prospect, which includes; Age, suburb, work, occupation...

4) Place ALL relevant information into a spreadsheet

Again, we have attached a document entitled **Lead's & Prospects** that allows you to place all relevant information in so you can see your whole week's prospects at a glance.

5) Create a database

Once you have collected all of the relevant contact information (name, phone, email, address etc) PLUS all relevant personal information (Age, suburb, work, and occupation) and of course, how they found you, then you need to place this VERY important information into your database.

6) Provide your database with quality content via a newsletter

Again, this is beyond the scope of this article, however you will need to *Build a great relationship* with your database and the best way to do this is through providing them with great quality information that is worth reading.



Different strategies to test the effectiveness of your advertising

1) Experiment with Flyers

Before you go and spend several thousand dollars on a yellow pages ad, you can test your ads with Flyers as they are low cost and can be produced in smaller runs. Of course, it is well understood that a flyer drop will not bring the same response as a yellow pages ad, however it is a great idea to test your idea's first.

2) Experiment with Headlines

Remember that the size of your headline can make an impact. In addition to this, the copy that you use will be of utmost importance. Are you using emotional copywriting that will potentially appeal to your target market? Are you attempting to sell people on features or benefits?

3) Experiment with various offers

What is your compelling offer? What are you prepared to give away to your potential new clients in return for getting them to respond to you?

4) Experiment with Value adding

If you go through the various components to your business, I am sure that there will be plenty of great things that you can value add to your product or service. These "things" may not seem like they have much value to you, however they have a HUGE potential value to your future clients. Some of these may be:

- E-books
- FREE Reports
- Consultations
- Group Classes
- Fitness assessments



- Non-sweat Coaching
- Tele-seminar
- Email consultation
- Phone consultation

Each and every one of these will have a value attached to it, so make your potential new clients aware of this. You might find that you have packaged up over \$1000 worth of value for an insanely discounted price (say \$99) or better still as a Value-add when they purchase one of your programs.

5) Experiment with Layout

It's a great idea to experiment with various form's of layout, however just remember that the most effective advertisements are the most simple! That's right, never attempt to be too cool or too funky. Get your message clear and powerful!

6) Experiment with the size

When printing Flyers and experimenting with various types of advertising, give your best effort towards having a variety of sizes and use this effectively. When you are testing and measuring the response of each advertisement, then you will get a clear idea of your cost.

7) Experiment with the medium

The local paper did not work for you? Don't stress, maybe you are targeting the wrong message. The clearer that you can get with your USP and your target market, the more understanding you will have on where to actually find them.

8) Experiment with codes

To accurately test and measure the response of any flyers or ad's that you run, simply place a call to action or a specific offer on the ad that requires people to respond to it, for example:



- Advertisements with a cut-out will have a specific code at the bottom (eg DEC08)
- Directed to your website and enter the specific code (eg CPTW)
- Set-up a separate phone line to measure the response
- Simply call in and ask for “Jim” may be another method, next month, it might be “Jill”

Measuring the Cost of Acquisition

Once you have run your form of lead generation (advertisement, lead box or Flyer) and you have created your business templates (New Client Sheet, Leads & Prospects Sheet) you can set about calculating the cost of acquisition. That is, the cost to acquire a new client.

First, you will need to calculate the average dollars spend from your clients, and this can be done as follows. We have provided some figures for illustration purposes.

	\$	Remaining
a) Actual Fee collected	\$99	\$99
b) Minus GST (10%)	\$9	\$90
c) Minus Expenses	\$25	\$65
d) Minus company Taxation (30%)	\$19.50	\$45.50

Therefore we calculated that you would receive approximately \$45 for each client that you train, after you have deducted GST, Taxation and any business operating expenses (gym fees, admin, superannuation etc)



The next step is to calculate the average number of sessions each client does with you per week. This can be achieved by calculating:

Total number of sessions performed [divided by] Total number of clients

Therefore: 35 sessions / 16 clients

Equals: 2.1875

Therefore, the average client trains with you twice each week.

The next step is the average client life (how long a client stay's with you)

To calculate this, you will simply divide the number of clients, by the total number of combined months or years, they have stayed with you:

Total months (all clients combined) [divided by] Total number of clients

Therefore: 315 months / 16 clients

Equals: 19.68 months

Therefore the average client stays with you for nearly 20 month's (almost 2 years!)

Life Time Value of a client



To calculate the Life time value of each of your clients simply multiply:

*Average Dollar spend (\$45) X number of sessions (approximatley 8 / month) X
Average client life (20 months)*

Therefore: $45 \times 8 \times 20$

Equals: \$7200

The lifetime value of this particular Personal Trainers client is \$7200

The Cost of Acquisition is as follows

*The lifetime value of the client \$7200 [divided by] Cost to run the advertisement
(let's say it was \$580)*

Therefore: $\$7200 / \580

Equals: 1242% Return on Investment (ROI)

WOW, very impressive figures and a fantastic return on investment!

Just remember the following key points:

- 1) If you are not testing and measuring then you are simply guessing!
- 2) You need to calculate and re-calculate your figures to get an accurate pictures as to what works and what doesn't



Finally, if the potential lifetime value of a client to you is \$7200, then you had better have great systems in place to keep them there! For every client that fall's off the back or walks out the door, this WILL COST YOU \$7200!

We will be showing you some powerful tips on how to keep clients for years and years in our upcoming e-classes.

Until next time,

Your team at Create PT Wealth

