

iCapital™



**THE
POWER OF
MARKETING
YOUR SMALL
BUSINESS**

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INTRO

As a busy small-business owner, you're responsible for all aspects of operations. From inventory to cash flow and everything in-between, it can be difficult to give all aspects of your business the attention they deserve. Marketing is often one of the items that easily falls by the wayside. However, marketing is a key driver of your business. It's what gets customers through the door, and what keeps them coming back for more.

We created this e-book to demonstrate just how powerful your small business' marketing can be. In a digital age, your marketing should start online. So, we start off this book by looking at your digital presence; specifically, your website and social media accounts. A weak digital footprint has the power to hinder your reputation, and we'll explain how you can take advantage of online opportunities.

Next, we look couponing as a low-cost marketing tactic for your business. A coupon campaign can be an effective way to encourage higher spending by your existing customers. It can also bring in new customers and boost sales during slow periods.

Couponing is just one marketing tactic, though. So, next, we take a look at some of the top marketing trends for small businesses. It's imperative to embrace new marketing techniques and trends to keep up with your competition. We also examine additional high-impact ways to grow your customer base.

Then, we bring things back to your website. Regardless of your industry, your website is a virtual storefront for your business. It's often one of the first (and only) touchpoints a client may have before making a purchasing decision. And, if it's not up to date, speed or even functioning at all, your prospects may quickly click through to your competitor.

Lastly, we wrap it all up by looking at what drives your business - customers. It's important to understand the value they bring your business and it is also integral to understand how much of your money was required to get that customer's business.

READ ON TO LEARN ABOUT THESE VALUABLE MARKETING TACTICS FOR YOUR BUSINESS. THEY'RE TACTICS THAT ARE WELL WORTH THE INVESTMENT TO GROW YOUR CUSTOMER BASE AND DRIVE SALES.



**TOP 5 TRENDS FOR
MARKETING YOUR
BUSINESS IN 2018**

As a small-business owner, it's undeniable that you have corporate goals across all facets of your organization about how you can evolve in 2018. Have any new marketing options crossed your mind? As one of the main drivers of traffic to your business, it's important to embrace new marketing techniques and trends to keep up with the competition. Below, we'll talk about the top five ways you can showcase your business.

EVOLVE WITH SOCIAL MEDIA

Social media advertising is about to get even more competitive in 2018 as each social platform is growing their number of advertisers at a rapid pace. While large companies have been using social media advertising for some time, there has been significant growth with small businesses. However, many still haven't embraced social media ads, leaving room for that market to expand, but also potential for the cost of advertising to increase.

Social media channels are also evolving into publishing outlets versus simply sharing outlets. For example, LinkedIn has become even more popular, with many businesses turning to the tool to increase their marketing by publishing influential articles. Both Snapchat and Instagram have also launched linking features. With a simple swipe, consumers read articles, watch videos or connect to a specific URL.

EMBRACE PERSONALIZED MARKETING

Marketing is becoming more and more personal, as companies begin to avoid stock images, generic campaigns or robo-calls to attract new consumers. This year, to stand out and truly connect with potential customers, small businesses will need to provide valuable, personalized content.

As an example, personalizing email marketing can be exceptionally valuable because small businesses often produce a variety of products and/or services, yet not every offering appeals to every customer on an email list. Consider segmenting your lists to ensure your marketing is delivered to the appropriate target audience.

GET IN ON LIVE STREAMING

Consumers aren't easily impressed with generic marketing ploys anymore. Instead, they're drawn to real-life connections. In turn, brands are turning to live video to create exactly this type of link to their consumers. In 2018, it's possible that small businesses not participating in live video could struggle to stay top of mind.

Live video now goes hand-in-hand with almost any kind of business on social media. Across multiple industries, live video allows businesses to host webinars, broadcast special events, showcase product reviews and more. There are many unique and creative ways to integrate live video into your social media strategy.

STRATEGICALLY UTILIZE INFLUENCER MARKETING

Content marketing is no longer just about creating great content for your website. It's about getting your content in front of consumers where they already are, meaning using social media as a publishing outlet is a perfectly effective medium.

With the majority of consumers relying on their social feeds for advice on purchase decisions, brands will have to be careful when considering which influencers to partner with, as some can charge excessive fees. Also, consumers have a pulse on authenticity, so choosing an influencer that will honestly and authentically promote your products or services is imperative.

The New Year will see also marketers working more with micro-influencers. These influencers typically have audiences of less than 100,000 people, versus macro-influencers who top of the charts with millions of followers. Micro influencers tend to have a more loyal following within very specific niches. If you can find the right influencers within your small business' target demographic, micro influencer marketing is likely to give you a greater return on investment when compared to many types of paid advertising.

EMOTIONALLY ENGAGE YOUR CONSUMERS

It's equally important for marketing to showcase a great promotion or new product as it is to connect with consumers' emotions and conscience. Small businesses can use purposeful marketing to target an audience based on their shared needs and interests, especially when it comes to supporting worthy causes. Customers are loyal to brands that give back, with many admitting they would switch brands to one associated with a charitable cause. Partnering with local non-profits and charities can certainly give your brand a stronger presence.

Even with the evolution of marketing, there's still many trends that are likely to stay awhile. As one year ends and another begins, now is the perfect opportunity to adopt new best practices and strategies. Keep in mind the above marketing trends that will keep your business moving forward throughout the year.

**A WEAK DIGITAL
FOOTPRINT CAN
DAMAGE YOUR
SMALL BUSINESS**

ONLINE
MARKETING

S.E.O Content

Lists

Sales

pt-Inc

Business is booming online. Websites and social media accounts aren't just for product-based companies anymore. Even without an online store, service-based industries need to promote their brand digitally by having an engaging website and active social media presence. But the truth is, only [39 per cent of Canadian business owners](#) are taking advantage of these opportunities. In a digital age, that number is significantly low. If your business is among the other 61 per cent, you're missing out. Here's why.

YOU DON'T HAVE AN ONLINE PRESENCE

Website? Social media? Business directories? Where can customers find you online? If a Google search yields no results—or weak results—for your business, you're losing potential profits. If you're not ready to take on the world of social media yet, that's okay. But prospective buyers need a place to find out more about your business. [Start by investing in a winning website for your brand.](#) It might end up being the best business investment you ever make.

YOUR WEBSITE TURNS BUYERS AWAY

An out-of-date website will immediately make your buyers click over to your competitor. You can build brand loyalty and appeal to consumers with a modern website that is user friendly, accurate and useful for your audience. To bring in more business, ensure that your contact information is current, there are no broken links and that your website is responsive to mobile devices.

To build credibility among your customers, your website needs to showcase your brand at its best. Ensure you're sharing high-quality, timely content on a regular basis. This can include blog posts, press releases, customer reviews, testimonials and more.

YOUR SOCIAL MEDIA ACCOUNTS ARE QUIET

As of 2017, a staggering [22.7 million Canadians](#) had a social media account. However, only [24 percent of Canadian businesses](#) engage their consumers daily on social media. A lot of these consumers often start their research on social media, looking for brands with two-way engagement and potential promotions. If you haven't posted on your business' accounts recently, buyers will think one of two things: that your business has shut down, or that you don't care about the end user. Both can be detrimental to your bottom dollar.

While there's no rule about how often you should be posting on your social media sites, create a content calendar so that you can stay active. Also, be sure to monitor your accounts for any incoming comments or questions. In a digital age, this is how consumers want to interact with brands. If you don't address their comments and questions, they'll be thinking those same two thoughts above. And again, the results won't be optimal for you.

YOU TAKE TOO LONG TO REPLY

Social media has become a 24-7 expectation. Even in off-peak hours, customers expect some way to connect with your brand. This is especially important in service-based industries; consider plumbers, locksmiths, electricians and other businesses that provide round-the-clock emergency services. Chat features built in to your social media sites (Facebook Messenger and DMs on Twitter and Instagram) plus chat bots on your website are becoming increasingly popular due to their immediate connectivity.

When a customer sends a message using one of these platforms, they expect some type of response, and fast. If you don't have the resources to monitor these channels around the clock, set up instant replies so that customers aren't left hanging. Instead, they'll receive a reply noting that you've received their message, and when they can expect a response.

Improving your digital footprint doesn't always have to cost a lot of money. But projects like social media management and website building carry a price tag that you might not be able to afford straight away. If you need additional funds for these items, bank on [iCapital Financial Services](#). Our financing programs gives small business owners easy and quick access to money. Unlike applying for a bank loan, our program—from start to finish—is hassle free and stress free. Connect with us to [start your application](#).



**WHY UPDATING
YOUR WEBSITE
MIGHT BE THE BEST
INVESTMENT YOU
MAKE THIS YEAR**

Even if you're not in the retail industry, your website remains as the virtual storefront for your business. It's often one of the first (and only) touchpoints a client may have before making a purchasing decision. And, if it's not up to date, speed or even functioning at all, your prospects may quickly click through to your competitor. Below we detail five web design aspects that you can easily address to ensure your website is the one clients click on this quarter.

CONNECT WITH CONSUMERS ON THE GO

Now more than ever, users are impulsively seeking out products or services they need on the fly. This could mean while they're working on their PC, checking their smartphone on their commute or using their tablet before bed. As a site owner, you need to ensure that your web pages offer a flawless user experience across all of these platforms. Even if your website was designed as a responsive one several years ago, it's best to test it again (and again) as technology and interactions continue to change.

Need even more motive? Google recently changed their page rankings to a "Mobile First Index," meaning crawlers scour your website to determine how it performs on mobile (not desktop), and then ultimately decide how you will rank in search results. You can't afford to not be on top. Work with a web designer to ensure your page is fully responsive across all platforms and devices, with an emphasis on mobile.

REMAIN ON TOP WITH OPTIMIZED SEO

It's important to take into account how website updates will affect your search engine optimization (SEO). Without regular

upgrades and modifications, your website is likely to slide down in the ranks. Search engines recognize websites that have the most recent and relevant content. Five years ago, the text on your landing page may have been pure genius, but does it still resonate? Search engine crawlers likely won't think so. Rethink your keyword targeting and conversion rates. How users search now versus years ago has changed, especially when you compare quick browses on a smartphone to more detailed desktop searches.

KEEP BRAND CONTINUITY ONLINE, TOO

Depending how long ago your website was first created, your business may have since undergone a rebrand with a new look, feel, colour scheme, logo and more. Does your website reflect this? Maybe your mission has changed, or even your target audience; how well is your website connected to these modifications? As you refresh, now is the perfect time to re-evaluate your online brand and ensure consistency across all platforms.

FRESH WEB CONTENT KEEPS USERS COMING BACK

While many small-business owners will write content for their website once and never look back, this is one of the key determinants in what will generate repeat visits. Fresh, useful and unique content is worth your time and effort to create. Words go a long way in converting a potential client into a long-time customer, especially if your content aims to solve a problem they have. Ultimately, content is (and always will be) king, so refresh your homepage text, blog and news sections often with valuable information. Google's page rankings will recognize your efforts and potential clients will, too.

AN EFFECTIVE WEBSITE WILL LEAD YOUR DIGITAL MARKETING STRATEGY

As you develop your digital strategy, you'll see that your website will always be the centrepiece that unites your tactics together. Your digital plan is paramount to creating a successful online footprint. Whether you promote yourself on social media platforms, blogs, e-newsletters or all of these items and more, your content will always link back to your website. So it should be designed as a one-stop shop for potential clients to absorb all the information they need and want about your business. Twitter alone can't represent your company in 140 characters, so ensure your Tweets and other digital tactics drive consumers back to your website, which—if it takes into account the enhancements discussed above—is more than likely to convert visitors into clients.

Even though we've passed the whole “new year, new you” stage of 2018, it's never too late to revisit your goals and get back on track. Take your digital presence seriously this year, and ensure the footprint you make online is a valuable and effective one. Not only will you see results in your page rankings, but also in your sales and marketing efforts. Invest in web updates or a complete overhaul this year (if needed); it will be well worth the return on investment come year end.



**COVERT
COUPONS TO
CUSTOMERS
IN 3 STEPS**

A coupon campaign can be a highly effective way of encouraging higher spending by your existing customers. Couponing can also bring in new customers and boost sales during slow periods. With few costs and minimal effort, coupons are a great way for small businesses to achieve a high return on investment. Here are three easy steps to help you launch and determine the effectiveness of your next coupon campaign.

SET YOUR COUPON STRATEGY

First, determine the goal of your campaign. Are you looking to drum up new business by attracting new customers? Are you trying to encourage existing customers to return more often, or spend more per visit? Perhaps, you want to generate buzz around your brand, or increase business during slow sales periods.

Only after you have established why you are running the campaign, and whom the campaign is targeting, should you focus on what your offer will be and how you'll communicate it.

It is essential that the offer aligns with your goal.

Some examples are:

- A half-price appetizer day to increase traffic or spend per table on a typically quiet day of the week.
- A weekend BOGO event to try to move excess end-of-season inventory.
- A "\$20 off your next haircut" discount to tempt salon customers who haven't visited in over a year.

Finally, think carefully about the rules that will govern your offer, such as the expiry date, a limit of one coupon per customer or one per table, or a reservation required. Also, how will you ensure someone doesn't use the offer multiple times (if that is important to you)?

CHOOSE YOUR METHOD OF DISTRIBUTION

There are many different ways to create a coupon, and just as many ways to distribute and promote it.

Loyalty cards encourage repeat business by offering an attractive discount to promote long-term loyalty. Customers with a loyalty card get a "benefit" such as a discount or free upgrade whenever they shop, or a free item after they buy from you several times. For example, buy nine coffees and get the 10th one free.

To run this campaign, you'll need printed wallet-friendly cards that can be scanned, punched or stamped at the time of purchase.

Including a coupon with a customer's bill or invoice is

a simple way to encourage a single follow-up purchase. It can be printed on the receipt or on a separate card, and redeemed on a return visit. For example, buy one appetizer and get one free.

To run this campaign, you'll need a coupon that can be cut out and redeemed in person, or a promo code that can be applied to online purchases.

E-coupons can be sent to customers or subscribers on your email list. These encourages existing customers to visit again and adds value to your being on your email list. For example, you can offer a VIP invitation to shop at a pre-sale event.

To run this campaign, you'll need a list of customers who've consented to receiving emails from you. If you don't have one, begin asking for email addresses at check-out.

Direct mail coupons introduce new customers to your business. For example, you can distribute a postcard with an offer to specific neighbourhoods.

To run this campaign, get postcards designed and printed, then [contact Canada Post to arrange a marketing campaign](#).

Social media offers are buzz-worthy promotions that your online followers can claim. You can also extend the offer to your followers' networks and encourage them to share it. This type of offer attracts existing (and can also apply to new) customers to purchase.

To run this campaign, you'll need a Facebook, Twitter or Instagram page for your business that your customers can follow you on. Your offer can be as simple as a post with a key word to cite for the discount, or a designed "postcard" that can be printed or shown on a smartphone upon checkout in-store.

TRACK YOUR RETURN

While the success of some marketing campaigns can be difficult to measure, generally this is not the case with couponing. It is crucial to measure key success metrics of your campaign, so you know if couponing is worth the effort and cost.

What you should measure depends on what your initial goal was.

For example:

Targeting new customers:

- ROI (revenue generated less cost of the couponing).
- Number of new customers who redeemed the coupon.

Increasing business on a particular day:

- ROI (revenue generated less cost of the couponing).
- Per cent increase in traffic (foot traffic or online redemptions).

Besides dollars and cents, there are other ways a coupon campaign can drive business; for instance, a marked increase in website traffic during your campaign. And while you can't quantify the true value of "buzz," a well-executed coupon campaign will likely generate conversation about your business or products through blogs, social media and even word of mouth.

Following these steps will ensure you are strategic about couponing. It may turn out that the effort does not pay off for your business. On the other hand, couponing could be an easy, inexpensive way to stimulate business. You'll never know until you try—and track.

**FIVE HIGH
IMPACT WAYS
TO GROW YOUR
CUSTOMER BASE**



When small business owners contemplate ways to bring in more customers, they often consider extending or making drastic changes to their product offering. While these may be viable options, they involve risk and may actually result in the loss of current customers.

There are other ways business owners can grow their market share and expand their customer base without alienating others. Make an impact with these five easy-to-implement growth tactics:

GET CONNECTED

In most cases, it is easier to get more business from existing customers than to attract “strangers”. How is this done? By staying in touch with customers between visits—not only to promote product or services, but to build a rapport and stay top of mind.

The most common way of doing this is joining popular social media like Facebook, LinkedIn or Twitter, but you can also use email and mail to stay in touch. Converse with customers, answer their questions, offer them exclusive details and share news and tips. Retailers can announce when new stock arrives and sales are on and restaurants might share a recipe or promote a special event like a limited-time prix fixe dinner. These posts take no more than five minutes at a time, but should be made at least a few times a week. Remember, in a competitive market, it is crucial to connect with your target market using every means available.

DO IT DIFFERENTLY TO BE COMPETITIVE

You can set yourself apart from your competitors by leveraging your points of difference in the marketplace. If you have a “special sauce” like being open later or more often, having more experienced staff, or carrying exclusive brands—promote these unique qualities to be more competitive.

A helpful exercise is filling in the blank in this sentence: ***“We are the ONLY place in the city/province/country that offers [your unique trait here]”.***

If you don’t know what sets you apart, ask customers why they choose your business. Chances are, they will name the points of differentiation you should be promoting loud and clear.

FIND OUT WHAT CUSTOMERS REALLY THINK

There is no more accurate way to fine tune your business than by asking customers about their needs and wants. Surveying can be a very simple and inexpensive exercise—and most customers enjoy being asked for feedback.

Create a brief set of questions—ideally no less than five and no more than 15. You can ask customers when they are in-store, email them, or include a webpage link on the bill. It is easy to set up a simple online survey making use of free tools like [Survey Monkey](#). To get wider participation, offer a small discount or incentive. Staff should be made aware that the survey is important to the business, and should courteously prompt customers to give their comments online.

ATTRACT NEW CUSTOMERS

Instead of changing your product offering, try to get more market share by advertising. Don't forget to play up your point of difference so that people have a reason to choose you over their current supplier. Try an unaddressed mail promotion, test an ad online, or partner with another business to do a cross-promotion where they allow you to promote to their customers, and vice versa. Advertising through a daily deal site such as Groupon, WagJag or Red Flag is another option.

KEEP THEM COMING BACK

Reward loyal customers by introducing an incentive program for their continued business. Many salons, coffee shops and retailers give customers savings cards or scannable keychain tags to use every time they make a purchase; for example, a nail salons may offer a free manicure after 10 visits. These give customers a reason

to return on a regular basis, to spend more money, build loyalty with the brand and even develop a more deeper connection with your staff.

A similar tactic is rewarding customers who refer new people. Rewards for referring a customer include a discount, gift or a free visit. Just be sure to think through what constitutes a referral and how you will track and honour it.

These are just a handful of ways you can build your customer base—there are, in fact, many simple tactics you can employ that don't involve the complexity and risk of expanding your offering. Start small and simple with one or two of the suggestions above, and add on over time. You will likely find some work better than others, and that growth comes slowly through several of the tactics working in tandem.



**WHAT IS THE
COST OF ACQUIRING
A CUSTOMER - MEASURING
CUSTOMER ACQUISITION
COSTS AND CUSTOMER
LIFETIME VALUE.**

Owning and operating a small business involves keeping track of many figures. From your gross margin to equity and all the expenses on your balance sheet, it's essential to keep these numbers top of mind to manage your business. Some numbers that are often overlooked include the lifetime value (LTV) of a customer and customer acquisition cost (CAC).

Since customers are what drive your business, it's important to understand the value they bring your business. It's also integral to understand how much of your money was required to get that customer's business.

If you know what a customer is worth, you can review your marketing budget to determine how to allocate your money. Not only will this help you stay one step ahead in your marketing, you can also quickly make modifications to your campaigns to enhance their performance, where needed. Here's how to measure the value of customers for your small business.

CALCULATING THE LIFETIME VALUE (LTV) OF A CUSTOMER

LTV is the revenue you obtain from a customer throughout your relationship. This number goes beyond one sale; it represents all cost-generating transactions from one customer.

The average cost of a sale X the average number of repeat transactions X the average number of years of a customer's relationship with your business.

This calculation works for one time transactions as well as repeats. Remember to factor in any maintenance your company might provide after a sale.

For example, let's look at a company that sells utility vehicles. Their trucks and trailers cost between \$10,000 and \$150,000, but average around \$50,000. The company also provides maintenance on the vehicles they sell for about 10 years after each purchase.

Using the LTV formula above, the calculation for this company would be:

$$\begin{aligned}
 &\text{\$50,000 average sale} \\
 &\times \text{1 transaction (vehicle purchase)} \\
 &\times \text{1 large one time purchase} \\
 &= \text{\$50,000}
 \end{aligned}$$

Annual maintenance on the vehicles costs an owner \$300 on average. Let's add this in, here:

$$\begin{aligned}
 &\text{\$300 average sale} \\
 &\times \text{1 transaction (vehicle maintenance)} \\
 &\times \text{10 years} \\
 &= \text{\$3,000}
 \end{aligned}$$

So, combined, the LTV of a customer for this utility vehicle company is approximately **\$53,000**.

CALCULATING A CUSTOMER'S ACQUISITION COST (CAC)

You now know the value of a customer to your business. It's time to calculate how much it costs to obtain a new customer and have them buy from you. This means determining how much you're spending on sales and marketing.

(Sales costs + marketing costs) / Number of new customers acquired through these activities

Using the same sample company above, let's say they have a single sales manager who earns \$90,000 a year, with business expenses of \$5,000. This company also spends \$70,000 on marketing each year using e-newsletters, print ads, social media, trade shows and special events. Through these tactics, the business acquires an average of three new customers each month.

Using the CAC formula above, the calculation for this company would be:

(\$95,000 for sales + \$70,000 for marketing) / 36 new annual customers = \$4,583 per customer

Therefore, the cost to acquire each customer for this company is approximately **\$4,583**.

THE IMPORTANCE OF CALCULATING LTV AND CAC

What do these numbers all mean? The above formulas can assist in calculating the sustainability of your company. In the above sample, the LTV is greater than the CAC. This is preferable. It costs this company less to acquire a new customer when compared to their overall value to the business. This positions the business favourably.

However, if the CAC was more than the LTV, the business could soon be in trouble.

As a general guide, aim for a LTV that is approximately three times the value of your CAC. As another example, if a customer is worth \$900 to you, it shouldn't cost you more than \$300 (at a three-times ratio) to acquire them.

The formulas above can serve as a basic starting point and frame of reference for most businesses. Remember that individual calculations and approaches can vary depending on specific company operating models, structures and strategies. However, these basic insights are beneficial in explaining breaking down the current value of your customers, which can, in turn, inform future decisions that you make about your customer marketing and sales tactics.

iCapital™

ABOUT ICAPITAL FINANCIAL SERVICES

CANADA'S MOST RELIABLE AND RESPONSIVE BUSINESS LOAN ALTERNATIVE PROVIDER

iCapital is the best small business loan alternative in Canada. The “i” stands for “intelligent” and it really is the smartest and easiest way for entrepreneurs to get access to the money they need. The funds are repaid over time and there are no restrictions on how the funds are used—it can go to anything from purchasing equipment and advertising to buying out a partner, expanding, and solving cash flow challenges. The customer care team work directly with business owner to determine which of the two funding options is best for the client. Unlike applying for a bank loan, iCapital’s program is hassle free and stress free.