



Business Success

STRATEGIES

INVESTING IN TESTING

There is a way of thinking in marketing your business service or product that results in you never having to fail again. It is called testing.

Every test will always produce a result. Most of the results will not be what you hoped for, or even expected. But eventually testing will deliver a clear message on what to do: Whether on price, headline, copy, list; and even whether you should bother with your product or service.

Most entrepreneurs will rely on their own judgment and this is a mistake. Others will rely on the judgment of their friends, and this too is a mistake. For in launching a new product or service you can not trust your own or the judgment of others. You have to rely on what the market tells you and you can only do this by testing, testing and testing.

In the mid 1980's I discovered a lamp in Singapore. You clapped your hands and it went on; you clapped them again and it went off. Convinced it was a great idea that would sell in droves in the UK I bought all the little microphone switches available in the UK, had a unit made up and produced 1,000 of inventory before I done a single test. Now I showed it to all my friends and they thought it was great too, though they did not buy any. I took it to Marks & Spencer, and the buyer thought it was great but decided against ordering of the lamp as it was too gimmicky for their store.



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I did a series of mail-order ads and sold zero. Admittedly I did not do direct mail, as I did not know about the power of direct mail lists. I was a property entrepreneur who had seen an idea on holiday and convinced myself it would sell. I was left with a whole load of inventory, which is what happens to most entrepreneurs that have an idea.

Eventually I sold some at a car-boot sale market-stall. People loved the spiel but passed on by. I had to admit that the market for the product just did not exist.

Now if I had produced just a few and given them away to test that may have directed me towards whom to target and how much to charge. Then furnished with that information I could have produced inventory accordingly to further test the market until I did get it right. The fact is I had no idea about the concept of testing the market. And this is the pitfall that many new businesses fall into: I love it, all my friends think it is great... ergo it must be. Wrong. In marketing you cannot rely on your judgment, you have to rely on testing.

Direct mail is an excellent way to test your product and services as you can collate all the results you need to plan a campaign. You send out 1,000 letters to a particular audience and measure the response you receive. You can send out one letter that directs to one particular website and you can send out a second letter – at the same time – that directs to an alternative website that may have a different price or offer. Website statistics you can measure with Google Analytics.

Using Social Media you can use Facebook or Twitter to test a new product. Consider the example of Howard Slocombe who would test out new ice-cream flavours via Twitter. With 300,000 followers they receive instantaneous feedback as well as visitors wanting to try the flavour out and then post their own tweet.

Another good way to test is to swipe what has already proven to have worked well. A great headline that has successfully attracted attention for a product or service could be adapted for your own. Seek out those ads and copy that you can utilize for your own ads and copy.

Develop a swipe file and start collecting all the ads, headlines and copy that you can adapt and recycle accordingly. That is exactly what all the top copywriters do.

Look at other industries and see how their ideas can work for you. In 1928 the first Drive-In Teller Bank Service was opened. Fast food restaurants copied the drive-in teller service 20 years later with their Drive-Thru food service, with them hitting the British Isles with the first opening in Dublin in 1985.

Drive-In Bank Tellers have now been replaced by ATM's copied in turn from Food Vending machines. All of them went through a testing process in selected areas before they were fully rolled out across the country and throughout the industry.



Somewhere, someone is using a business model that they have tested and rolled out. It will be outside of your industry yet if you adopted a similar model it would revolutionize your business.

Fractional jet ownership, NetJets, owned by Warren Buffet, adopted the business model of timeshare property ownership. Tupperware that built their business on home-based selling, simply moved their model side-ways to a TV channel. Once tested they rolled it out to enjoy mega success.

And that is the main point, there was no failure, there was testing, testing and testing until the tweaking of the model proved successful.

Whatever your business or service are you continually testing to improve and seek out different models to adopt?

Invest in testing, not inventory. And here is the word of warning: Do not build up lots of inventory to sell. Instead develop a sample and test the market.

In doing so you will be able to confirm if the market you are targeting is the right one. Perhaps you are targeting bargain hunters when your product will prove better with more affluent markets. Perhaps one change in a headline could double your sales. Perhaps a change in price could double your profits. Perhaps a change in packaging could increase customer retention.

In the past, to my chagrin, I have too often built up too much inventory. As a publisher I have built up thousands of unsold products because the costs of producing was significantly less for more quantity. Yet the decision turned out to be more expensive in the long-run because I have been left with the inventory.

I have one store where 15,000 products have been housed for 6 years – products that I thought were fantastic yet remained unwanted. Though the stubborn part of me still hopes for a new headline that will one day move them because even at £10 a product they represent a possible £150,000 in income.



And herein lies the challenge that most business people fall into, but that you must not, and that is: if after numerous testing you still do not get it right, then do not follow bad money with good money. Never put more good money into a product where you have already lost money. Because it is not going to work. Adapt, modify or adopt something else, but don't keep slogging away at your product or service in the same format that you have already proved does not work. Rethink it, create another and re-test the market.

When it does work, then roll it out and make the money. When it does not work after numerous testing, then let it go and get on to the next one.

Now this is a tough one because most of us know the story that when Edison invented the light bulb he tested 10,000 times. When questioned about his failures, he replied that he had simply discovered 10,000 ways not to do it. That is the essence of testing, but the main point was that the light bulb became a commercial and profitably success. If your testing is proving that your product or service is not going to generate a profitable success then that is the time to either shelve it or re-think it. You must not go bust because of stubbornly keeping on with something that the market just does not want. That is like trying to sell fresh meat at a vegetarian market – the market is not interested.

How long do you test for? Well the good news is that you will know when the sales you have been expecting come in. Then with the profits you now have, you can continue to invest in improving the product and testing bigger markets by measuring your success all the time.



Investing in your testing is the way to build a solid business.