

TweetPocket

## Starting a business is tough...

According to the SBA, 30% of small businesses fail in the first year, 50% within 4 years and 66% during the first 10 years. On the bright side though, 50% survive for 4 years and the failure rate declines in the years thereafter.

There are several reasons for business failure, i.e. lack of money, poor planning, no product differentiation to name a few. However, most experts agree that a major contributor to business success is having customers.

Getting someone to spend their money is the hardest thing to accomplish in business, particularly at the start.

If you're working a side hustle, you have an advantage in this regard as you have already figured out how to get a people to buy from you.

Since marketing and sales strategy drive revenue for your business, it is important to master this part of your side hustle and ultimately, your business.

## Case Study

Stacey found switching to a vegan diet helped with her health issues. She began to create vegan dessert recipes and they were received very well by her friends and peers. After gaining some confidence about the desserts' potential, she began selling them casually to co-workers, other vegans, and her neighbors.

After a short period, casual selling blossomed into a stable side hustle that included vending at festivals and events, distribution on college campuses and eventually at Whole Foods.

Stacey came to me for assistance on growing her side hustle into a full-time business. I told

her to focus on:

- Sales & marketing goals/objectives
- What makes her product/service different (Use in your advertising messaging, word of mouth, social media conversations)
- Who is the customer (collect info about customers)
- Developing mini-digital marketing (website, social media, email)

Here is how Stacey implemented these activities.

## **Sales & marketing goals/objectives**

Stacey went to events or other sales opportunities and was happy to make some money. I was impressed by the fact that she often came away from these events with a few thousand dollars in sales. I was convinced that one additional step would make a great impact on her journey to become a full-time business.

READ [My Business or My Job](#)

Businesses have clear objectives defining what they want to achieve in a given time frame. As such, the first task I required Stacey to do was to define her sales and marketing objectives. To get comfortable with the concept, she identified her objectives for the next six months based on her desire to purchase some new equipment and save for becoming a full-time business.

### **Stacey's Objectives:**

- Sales objectives in dollars for each channel of distribution (events/festivals, wholesale accounts, i.e. Whole Foods, college cafes, sales to individuals)
- Gross profit objective (percentage and dollar amount)
- Minimum number of prospects added to an email list

With these objectives defined, Stacey's efforts are more focused and purposeful. In addition,

she is learning how to achieve goals in business and becoming better prepared to become a full-time business owner.

## **Define what makes your product different**

Serial entrepreneur Eric Wagner, states one of the top reasons businesses fail is, “No real differentiation in the market.” Whatever problem your product/service solves, there is always someone solving it with the same product, something similar or a substitute. Your challenge is identifying what makes you so different that consumers choose you instead of someone else.

See Forbes Magazine - 5 Reasons 8 Out of 10 Business Fail

I asked Stacey what makes her products different. She answered, “Quality products, affordable prices and taste great. My response was, “Most of your competitors can make the same claim.” She then asked, “How do I get the answer?” I then asked, “What do customers say their reasons for buying are? Without hesitation, and while not going into specifics in this article,

READ [From Side Hustle to Full-Time Business in 3 Steps - Pt 1 Function Like a Real Business](#)

Stacey identified the following:

- Source of ingredients
- Packaging
- Product stability
- Variety

Now that she knows what makes her different she is ready for the next step.

## **Craft your marketing message**

An effective marketing message amplifies the features that make your product/service different than others. After completing her list of differences the light automatically went on for Stacey regarding how to use those features when promoting her products. She displayed them on banners, flyers, blog post, conversations, etc. She even used the features to craft word of mouth messages, providing the marketplace with the terms and phrases to use when talking about her desserts.

Stacy created a very powerful tool that made her marketing activities more impactful.

## **Define and engage your customer**

When talking about her customers and attempting to describe them, I concluded that Stacey needed to know more about them. There were some profile characteristics that were obvious, (sex, race, old, young), others she assumed from her observations (age, income range, where they lived), while others she gathered from conversations (lifestyle, interest, vegan status, etc.).

Casual observations and assumption are okay for the side hustle. However, a full-time business, which Stacey will be dependent upon for her livelihood must know more. She needed to systematize how she would collect information on her customers so that she would be able to construct the profile of her typical customers.

First, Stacy identified what she needed to know about her customers. She identified:

- Lifestyle - issues such as diet, the frequency of eating vegan, where did they find vegan fare.
- Demographics - issues such as income range, education level.
- Geographic - where they level, type of neighborhood.
- Behavior - how often eat vegan, what they do when vegan not available.

After identifying this, Stacey began to administer a short questionnaire at the end of every

sales opportunity. She then entered the data in a database (e.g. survey monkey) to compile the data and soon afterward general characteristics of her customer began to emerge.

READ [From Side Hustle to Full Time Business in 3 Steps - Pt. 5 How to Eat an Elephant](#)

With that information in hand, she made more informed decisions about meeting their needs.

Eric Wagner sites another reason for business failures as businesses not really being in touch with customers through deep dialogue (i.e. engagement).

## Build Relationships With Your Customers

Customer engagement launched Stacey to a new stratosphere in her side hustle. Stacey consciously embarked on a campaign to engage intimately with her customers. To do so, she created a blog that encouraged dialogue with her customers; became a guest blogger on vegan authority sites; conducted cooking classes with Whole Foods and her own events; participated in vegan group conversations, communicated consistently with her customers on all her social platforms. All of which provided a true connection and relationship with her most valued asset, her customers.

Executing her side hustle like a business has paid dividends for Stacey. She was chosen by a developer in her city to be a tenant in their new commercial development. And to top it all off, her selection comes with one year's free rent, grant dollars for start-up and many more incentives. For Stacey, her decision to conduct her side hustle like business worked and so is the same for you.

TweetPocket

## Download Our Complimentary Guide

You want to start a business but don't know where to begin, what to do, when to do it or how? Download our free guide and learn the 3 most critical things you need to know before embarking on your startup journey. Written in plain English, it's easy to understand and super practical. Just enter your best email below for instant access.

Download Now

