

Merely Marketing

Practical Tips for the smaller business

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A CUSTOMER IS A CUSTOMER IS A CUSTOMER ...

Any business – big or small – increases its turnover in 4 ways:

1. Retaining customers
2. Gaining more customers
3. Increasing the frequency of transactions per customer
4. Increasing the value of purchases or the range across which such purchases are spread. For example, getting a customer to buy a product and then its accessories at a later stage.

This means that three out of four promotional or growth opportunities involve effective customer retention. Yet, where do most of us focus our promotional effort and money? *On attracting new customers.*

It's been found that repeat customers spend, on average, 67% more than new customers. Not only do our existing customers offer the largest scope for boosting our business, they are also the most cost-effective group to promote to because:

- They have already proved their willingness, ability and authority to purchase. We don't have to spend as much promotional money just to establish whether they are worthwhile prospects.
- They are already familiar with our products and services. This means a reduced selling task. Why spend money advertising to them about how great our products or services are? We should rather use the money to get them to buy more frequently.
- They are familiar with our business, what it stands for, its location and purchasing environment. We don't have to use expensive advertising space spelling this out to them.
- They are familiar with our staff. Provided the latter are competent and friendly, there's less need to sell that aspect as well.
- They are familiar with us or our management team. If a good relationship exists, the selling task is easier. Remember that face-to-face selling is not merely the most effective promotional method, it's also the most expensive!

Unfortunately, these factors are also the basis for an old business truth which goes: **Your customers are your competitors' best prospects!**

Why?

- Because the product or service has already been "sold" – it is known that the customer is willing to purchase.
- It is known that the customer has the necessary authority and financial means to make such a purchasing decision.
- They therefore need less selling and promotional effort than a cold prospect. All our opposition has to do is to convince our customers that their business is the better place to buy from.

That's why we dare not refrain from promoting to our existing customers, but we should communicate in a different manner – in ways which will make them feel "special".

We need to nurture our relationship with them, we must get to know their individual preferences and interests so that we can communicate with them more effectively.

Communication & Customer Retention



Communicating With Your Customers

One way of countering appeals by opposition business is to keep making our customers aware that we value them and their custom.

Regular communication makes it easier for us to sell to them in the future, because they will have become used to our acknowledgement of this custom.

With modern-day electronic methods staying in touch is quick, simple and inexpensive. We must ask all our customers for their email address and whether they would mind receiving information from us. Businesses which have a client rather than a customer interaction (e.g. a beauty salon or a Bed & Breakfast establishment) are in an ideal situation to do this, but virtually any retail business can and should give it a try.

Use any excuse to communicate with them

Some ways of staying in touch are:

- Following up on a sale. A simple “thank you for your custom” approach is always appreciated. It stimulates positive word-of-mouth testimonials and is a good way to commence an ongoing communication relationship
- Enquire whether a product or service was to their satisfaction.
- Newsletters about your business, its environment, or containing articles on your specific industry. A B&B could send out a newsletter reporting on past and forthcoming events in their area.
- Keeping them informed of changes or improvements to your products, business, or its services. A direct message lets you give far more detail than a normal advertisement. Plus, you won’t be paying to talk to people who have no interest in your message.
- Letting them know in advance of any special offers or new product launches you are planning.
- Keeping them informed of any address or contact changes.
- Keeping them informed about *anything* that might affect or interest them, or that enhances the image of your business. Pavements being mended; easier parking, extended trading hours, new facilities.
- Try to be aware of personal events regarding your customers. Weddings, births, promotions – anything that can act as an excuse to make contact. Add the information to your database.
- Use a local special event as an excuse to communicate. Wish them a successful festival, for example. You’re not selling them anything - merely showing that you’re thinking of them.



Use Your Customers

Seeing as how they are our greatest assets – why not make full use of them? Our existing customers provide a great way to attract new ones – simply by making use of them in our marketing. It shouldn’t be approached as a “one-way street”, but rather as an opportunity for both of you to benefit. By including them in your promotions you can help to build their business and enhance your relationship with them.

Include their success stories in your newsletters, whether they are printed, emailed, or online as part of your web site. Even if you don’t refer directly to your possible role in it, there is a good chance of a positive association is created. Include a photo if you can, and tell the story from the customer’s point of view.

Something which is often overlooked is sharing your customers with others. Think about allied businesses who would appreciate networking and reciprocate, thereby bringing new business into the fold. Present it your customers as a “favour” – that you are sure they will benefit by being introduced to these suppliers.

Similarly, what about introducing your customers to those of the supplier? Might there not be a way they could expand their businesses by getting to know those who make purchases in an allied field?

You’ve worked hard for your customers, so handle it correctly and get them to work for you too.