



# Profit Accelerator Tool

Eleven ways to find more customers

## *Introduction*

*Without customers you don't have a business.*

*All retailers experience what is known as "churn." People come and people go.*

*Retailers (like all businesses) always need new customers, not only to replace the customers that are lost through churn, but to expand their business.*

**We've developed 11 tips on how you might gain additional customers.**

## **1. Build a customer profile**

**Know your present clientele!**

Do this by reviewing the top 20% of your customers to see if you can identify some common characteristics. For example, their age, gender, income group, where they live, where they work, what they like (and what they hate!), the magazines, newspapers or media they prefer, and any other distinguishing features.

(If you don't already have a database of your existing customers, start gathering this valuable information **immediately**. If you operate a franchise, chances are that your franchisor runs a loyalty scheme of some sort, and the statistics you can get out of this can be phenomenal. If your franchisor doesn't have a loyalty scheme, start lobbying for one, NOW.)

The more you understand about your best customers, the better placed you are to find more customers like them and to target your promotions more precisely.

***Example:** Your research might uncover that your best customers live in upper income suburbs. If you use letter drops, you might therefore save money by concentrating on these suburbs and ignoring the rest.*

**A great way to find new customers is to build a profile of the people who buy from you right now.**

## **2. Use your existing customers to find others like them**

**Your existing customers are valuable to you in more ways than one.** They can be a rich source of new customers and new business.

If they are impressed by your business, **they will say good things about you.** But you can develop and accelerate this process by starting a referral system. There are many variations to this tactic. The simplest is to ask satisfied customers if they would mind referring others to you. You can do this by saying something like, "I'm very pleased that we've been able to be of good service to you. We're looking to expand our business, so I'd really appreciate you telling your friends about us." If you train both your staff and yourself to do this after each completed deal, the results will flow.

You can strengthen this approach through incentives, for instance, gift vouchers they can pass on to friends.

Take note of referral tactics used by other businesses and see if you can adapt them for your own business.

***Example:** Many magazines encourage you to renew your subscription by offering you a discount if you sign up one or two other people for a subscription. Since some people don't like benefiting at the expense of their friends, a variation is to offer the discount to the new customer, not the existing customer.*

A simple technique every business can use is to hand out half a dozen of your business cards to a satisfied customer. Then say to the customer, "I'm writing your name on the back of these cards, so if any of your friends come in, we'll give them an introductory discount." Be sure to thank the existing customer after a card comes back: "Mrs Jones called in to buy something from us yesterday, and we made sure that because she is a friend of yours she got exceptional service. Thank you for referring Mrs Jones to us."

Use other tactics to encourage referrals as well.

***Example:** If you send out a newsletter, encourage customers to pass it on to others. In the case of an email newsletter, they can do this instantly (before their attention is diverted) by forwarding it - a good reason to start an email newsletter!*

## **3. Target your promotions**

Now that you've built a profile of the new customers you're hoping to attract, **use this knowledge to target your marketing spend more accurately.** The more focused your aim, the more cost-effective your promotions are likely to be.

## **4. Use suitable language and imagery**

Often called "branding," a clear focus also enables you to **adjust your adverts, sales letters and brochures to appeal to the target group.** For instance, you would use a different style, imagery and colours to market to young teenage girls than to retired people.

## 5. Promotions and specials

Increase sales and attract new customers by running **special promotions, events or sales**. With some imagination you can even attract new kinds of customers.

***Example:** A hardware store owner noticed that few women bought power tools. His successful solution was to run special 'ladies only' demonstration days. He discovered an untapped market for women who wanted to acquire the skills to complete home DIY projects themselves.*

## 6. Offer free seminars or training

**People who run seminars are seen as authorities in their field**, so running a seminar or training session is a great way both to increase your credibility and gain new customers.

You can run the seminar yourself, or jointly with others.

***Example:** A person running an Information Technology consultancy could run informative seminars on IT topics, such as computer security and dealing with computer viruses, or how to network computers in offices.*

Offering some kind of free help or training is a good way of gaining new customers. For instance, "free first consultation" or "first hour free" is a tactic successfully used by many consultancy businesses. Another successful tactic is to offer a free guide or booklet for people using your services. These cost little to produce, yet can be the point of difference between your business and the competition. If you don't like writing, commission a freelance writer or journalist to compile some booklets for you.

## 7. Speak to community groups

**Take your message out to community groups.**

Organisations such as Lions, Rotary and Zonta clubs are always on the lookout for good speakers. To use the example just discussed, for instance, the IT consultant could speak on the issue of computer security and the Internet, both topics that many people are anxious about.

Such organisations do not usually permit political talks or sales presentations, so your talk would have to deliver information, but at the end the speaker could simply say, "By the way, if you're interested in knowing more about this topic, you can drop by our offices and collect a free booklet we've put together, or give me a business card and I'll post you a copy."

People who respond automatically qualify themselves as sales prospects and can be followed up appropriately.

## 8. Competitions and draws

**Competitions and draws are a good way of attracting new customers.**

Build the competition around a newsworthy prize and/or perhaps an extraordinary event in the community to attract interest and perhaps publicity. If possible get a local celebrity to make the draw.

### **Always capture details**

Competitions and the like offer you a golden opportunity to expand your customer database, because people must fill an entry form.

Make sure, however, that you comply with the provisions of the privacy laws.

## **9. Direct marketing and website promotion**

**A website (and an associated email newsletter) offers many opportunities for attracting more customers (and building sales to your existing customers, too).**

Internet marketing is an excellent way to gain new customers, provided you can get access (at a reasonable price) to up to-date database lists from list brokers or other sources that effectively target your customers' profiles.

## **10. Strategic alliances and joint promotions**

Since every business has a customer base, **it makes good sense to think about the kinds of reciprocal business links you can form to increase business for both parties.**

***Example:** Organise a "win/win" joint promotion to support a charity in a fundraising promotion.*

*For instance, you could offer to donate a portion of each sale to the charity. Most charities have extensive databases of people who support them. This alliance therefore not only enhances the reputation of your business in the community, it can also gain your business exposure to a whole new range of potential customers.*

A manufacturer of wedding albums provides a real-life example of successful strategic alliance-creation. Worried by stagnant sales, she decided to think more widely about the whole wedding process. This led to the realisation that an album was just one part of a wedding party's needs. They also needed a venue, a caterer, a photographer, entertainers and venue decorators.

***Example:** She realised that if she could form alliances with complementary businesses, she could reach a much wider pool of potential customers. She decided to form a strategic alliance first with a photographer (the closest link) and then to broaden this by including other businesses to form a convenient "one-stop shop" for people planning a wedding.*

More common joint promotions often come in the form of banding together to share advertising or marketing costs. The promotion could be based around an event or a particular location (such as a street or a mall) or possibly both (such as a school holiday event in a mall).

## **11. Trade fairs**

**Exhibitions and trade fairs offer good opportunities** to gain new customers. Don't be put off by the cost of renting a stall or exhibition space - there is always the possibility of "piggybacking" on the stall of a complementary business, or of forming some kind of joint venture.

## ***And after all that, monitor the success***

**Finally, remember the first principle of good marketing: always monitor the results.** Work out a breakeven point for each promotion and then monitor the results to see if you have made a profit or loss. This is the best way to find out what is effective and what is a waste of money. It also allows you to fine-tune your efforts.

For example, you can run two adverts, or send out two different direct mail letters, with different wording and check the results. Once you find a profitable formula, you can repeat it until it stops pulling in customers.

If you don't monitor results, then it's hard to tell what is working and what is a waste of money. So, include coded coupons on all adverts, or use a "bring this in for a 10% discount" wording so you can record the success rate. The better your monitoring process, the better placed you will be to spend your marketing budget productively.

**Want to know more? At Zumo Retail our consultants can assist develop marketing and promotions plans for your business. For more information contact: [info@zumoretail.com](mailto:info@zumoretail.com)**