

Getting More Out of Existing Customers

by Wendy Woodrum

Biography: Wendy Woodrum is a business consultant with the Georgia Southern University Small Business Development Center and provides free confidential consulting services to small business owners and start-ups in Bulloch and surrounding counties. She holds a BBA and an MBA from Georgia Southern University and has more than twelve years of financial and accounting experience. Ms. Woodrum may be reached by e-mail at wendywoodrum@georgiasouthern.edu.

Looking for a way to increase sales on a shoe string budget? Then look no further than your existing customer base! It's often difficult and expensive to pursue new customers, especially during tough economic times. So businesses are taking existing customers more seriously and are making efforts to nurture relationships. This is important because research shows that the core customers in a business provide 80 percent of a company's profits. Consumers have drawn their purse strings tighter and are carefully considering every purchase they make. As a result, businesses have found creative ways to "up-sell" to their existing customers. The results are increased sales and customer loyalty.



How do you know what makes your existing customers tick? And how can your business benefit from helping them overcome their economic fears? Start by collecting information on your customer. Then, use that information to strengthen the customer relationship. The more you know about your customer, the easier it will be to meet their needs. Know who is purchasing, what they are purchasing, why they are purchasing and when they are purchasing. Answers to these questions can help you provide more personalized attention to your customers. Remember that ignoring an existing customer will usually make them a previous customer. Make their priorities, your priorities.

Typically, it costs five to ten times more to find a new customer than it does to get current customers to come back for repeat business. Consider implementing some of these successful strategies to hold on to your customers and increase sales:

- Email newsletters are a great way to keep in touch with your customers and will help them build trust in your business. Enewsletters should be personal and give customers something of value. Provide a discount or coupon at the bottom of the enewsletter and don't be too wordy. Consider using a service like Constant Contact to keep you legal with spam issues and you can also save time using their professional templates.
- Add value to your products and services. Make a list of the little extras that you can do on a regular

basis to bring customer service to the next level. For example, automobile lube businesses are providing a free car wash with an oil change purchase.

- Social networking is hot and is quickly spilling over into the small business arena. Facebook is the poster child of social networks. Businesses are creating fan pages and groups to reach an enormous community of potential customers. Blogs, online forums and social networks are ways that you can reach millions and it is FREE advertisement.
- Implement a customer loyalty program. If you have customers that buy from you regularly, reward them. Before airlines began using frequent flier programs, grocery stores were using S&H Green Stamps to encourage repeat business. Be creative and think of ways to reward your customers in a meaningful way that will make them feel important. Failing to recognize and appreciate regular customers can easily cause them to move their business.
- Get personal and take the relationship one step further. Adding a personal touch in your business can offer huge rewards. It can be as simple as handing them a business card with a 30 percent discount written on the back. Write personal notes to the customers who haven't made a purchase recently. And always use your customers' names.

Existing customers are already buying from you and driving profits. But these existing customers have the potential to be even more profitable if you can get the creative juices flowing to encourage your customers to buy more.