

Marketing basics:

Keep the Customer You Already Have

Retaining your existing customer base is one key to the long-term growth and success of your business.

“It is crucial that the business owners think not just short term, or what did customer X buy from me today,” says Glenn Muske, rural and agribusiness enterprise development specialist for the North Dakota State University Extension Service. “Instead, every customer should be viewed from the perspective of how much he or she will buy from me in the next five, 10 or 20 years.”

Think of your customers’ long-term value to your business. Doing so generates a completely different mind-set of your customer base. The customer who purchases \$10 a week is a \$520 customer for the year and a \$5,200 customer in a 10-year period. When including what customers buy and the respective profit generated in the long term, a customer with relatively small purchases

becomes a big contributor to your success. In most cases, retaining an existing customer is far less expensive than attracting a new one.

Granted, the seedstock business sells higher-dollar items less often, but the concept still applies. Consider the customer who buys a bull for \$2,300 every other year. That’s an \$11,500 customer in a 10-year period.

Plus, one satisfied customer is likely to bring another and then another, which helps you continue to grow. Word of mouth is the most effective and least costly means of advertising your business. And with the growth of social marketing it is easier than ever to create opportunities for your loyal customers to share their thoughts with others.

“If you remember the penny-candy days, the candy itself made a small profit, but the profit was continuous,” says Muske. “It also brought moms, dads, grandfathers and grandmothers into the store as well, not just

to buy the candy, but to shop and buy other things.”

Here are some tips on how to retain customers:

- ▶ Know who is coming in, what they are buying and what their purchase adds to your bottom line. Use that data to learn how you can help your customers find ways to do their work better, more effectively and, maybe, at a more affordable price. Giving them a little price break today may mean more business for you in the long term.

Are your customers full-time cattlemen? Do they work off the farm? Do they have a farming operation and time breeding and calving around fieldwork? Do they have small herds or large herds?

- ▶ Find ways to surprise your loyal customers. It might be just listening. It

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might be a special program. It might be carrying a certain product. Everyone responds to something different. Determining what works for your business takes time but is worth your effort in long-term success.

Could your customers benefit from AngusSource®? Could they benefit from tag solutions provided through the The Tag Store (www.customcattletags.com/) offered through the American Angus Association?

A herd visit may be the most appreciated.

- ▶ Build a foundation of trust. The old saying of “underpromise and overdeliver” never fails.
- ▶ Put yourself in your customers’ shoes. Understand their pressures and opportunities. Today we find that American consumer buying patterns have slowed. As the economy improves, consumers will remember those who listened to them.

“Customer service should focus on the five basic expectations of customer services: rapport, recognition, reliability, responsiveness and resolution,” Muske says. “Remember that developing a solid customer base takes time. Set your goals, know how you are going to get to those goals and be patient.”



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