



BY STAN POHMER

The satisfied and loyal customers you create from doing the right things become your strongest advocates, praising your glories to their friends, the best and most effective (and cheapest) form of advertising.

THE THINGS WE DO...

Attracting new customers at the expense of your loyal ones may end up costing you; take a closer look at your customer service.

One of my daughters recently found a job in the field she majored in at college and moved out of the house (about time!). As part of the transition process to living on her own, we were transferring all of the bills for services and companies from my name and address to hers (again, about time!).

One of the bills was for a cell phone company (which shall remain nameless, but it's the one where you can hear a pin drop). In addition to changing the address and setting her up on her own account, she also wanted to change her service and maybe look into getting a different, upgraded phone, so she asked if I'd accompany her to the company's retail store. Happy to be getting her out on her own and willing to do almost anything to help facilitate the process, I agreed to go with her. Now, here's where it gets interesting.

Changing the address and the service wasn't any problem, and I thought I was on easy street. But when she started looking at new phones and asking about the prices, I went a bit ballistic. Not because of the prices themselves, but in the way they tiered them. For instance, if she were a new customer to this company, she could get the new phone she had her heart set on for \$49 if

she signed a two-year service agreement. But, because she was an existing customer of this company and only had her current phone for 16 months (she could get the new phone at \$49.99 if she had her old phone for 18 months), she'd have to pay \$149.99 for it. Now, this is despite the fact that she had been on my account in good standing, I had been a subscriber with this company for over 10 years and she was willing to sign a two-year service agreement.

I asked the employee if this seemed like it was a bit discriminatory, offering special deals to new subscribers to entice them to sign on or convert from another company and forcing their existing customers to pay higher prices, in essence penalizing them for being a loyal customer. His response was that he sort of agreed with me, but it was company policy (gawd...I hate that term!). I asked to speak to a supervisor, and he walked me over to a phone and connected me to their customer service department where I could plead my case (yeah, I got serviced alright, but not in a positive way.). She again reiterated the "company policy" excuse, and only when I threatened to cancel all of my accounts with them did they agree to give me/my daughter a special credit that would offset the \$100 difference of the phone (P.S...it was an empty

threat...my wife and both of my daughters are on the same plan and get free/no minute calls between them, and they would have strung me up if I changed this feature). So what does this have to do with lawn and garden retailing you might ask?

INCREASING YOUR BUSINESS

There are only three ways you can increase your business:

- attract new customers;
- increase the shopping frequency of your existing customers; and
- offer compelling reasons for your existing customers to spend more money when they do visit your store.

That's it, there are no other silver bullets hiding out there that can work their magic on your business.

The lowest hanging fruit any of you have is your existing customers; attracting new customers is an expensive proposition (Think what it costs to convince them to walk through your front doors in terms of advertising investment, establishing a value proposition they buy into that's better than where they're buying now, etc.). Don't get me wrong, you want these new customers, but the most cost efficient and effective way to increase your sales (and profits) lies with your existing customers.

I constantly hear many independent garden centers (IGC) scream that the mass marketers

are “stealing” their customers away, forcing them to focus all of their efforts and resources to get new ones. I personally believe they’re blaming the wrong people for their problems. Sure, there are some of your existing customers who will respond to the boxes’ price value message, but they’re not the loyal customers you want over the long haul anyway; they’ll always jump ship for the sake of a nickel.

Most of the blame for existing customer fallout is the IGC himself for not providing a positive experience and developing a relationship with the customers they have, one that transcends price. Unless you have a product or service that no one else in your marketplace offers, something that is difficult to do in today’s marketplace, you leave yourself wide open to being cannibalized by your competition.

BENEFICIAL RELATIONSHIPS

Offering and developing an experiential relationship with your existing customers is something that you can exploit to your benefit, something that is not easily replicated by your competition and something that doesn’t have to cost you a lot of money to instill into the DNA or culture of your company. It’s basically common sense put into action. It’s turning the “golden rule” into practice. And it all starts with you and your employees and the customers that are already coming through your front door. I could list many ways you can start doing this, but let’s start with one that I believe is essential.

First, burn every policy manual you have. Instead, develop guidelines and work on getting your employees to understand

their roles in establishing long-term relationships with your customers, one visit at a time. Give them some latitude (in management speak, “empower” them) to interpret these guidelines to set things right with the customer. Yes, this requires some trust on your part that they’ll make the right decisions, but, if you’ve done your job right, 95 percent of the on-the-spot decisions they make will be for the benefit of both you and the customer. Mind you that these are the individual exceptions I’m talking about that make the world of difference to the customer, not every contact with the customer.

These small decisions they make may cost you a very small profit, but consider this as an investment in establishing a lifetime-value relationship with your customers. And remember, too,

that the satisfied and loyal customers you create from doing the right things become your strongest advocates, praising your glories to their friends, the best and most effective (and cheapest) form of advertising.

There’s a lot to be learned from your experiences as a customer of other retailers that you can apply (or hopefully not apply, as in the case I started with here) that you can relate or incorporate into your own business...

P.S....Meghan, we really do miss having you at home! ☹️

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