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Turn Old Customers Into New Business

The Importance Of Database Management



If you're like most small business owners, you want to build a business without spending a fortune on advertising and promotion. Instead, you want to cultivate repeat business and maximize referrals from satisfied customers.

Frederick Reichheld of Bain & Company suggests that it costs 6 to 7 times more to acquire a new customer than retain an existing customer. His research also indicates that businesses lose as much as half of their customers over a 5 year period but businesses who boosted customer retention rates by as little as 5% saw their profits increase by between 5% and an incredible 95%.

There are some valuable lessons for business owners in this research. Firstly, your marketing strategy needs to focus on retention before acquisition. If you think, once a customer, always a customer – think again. Secondly, you need to have regular 'touch points' with your customers through newsletters and emails to remain top of mind.

Incredibly, the vast majority of business owners don't keep in contact with their customers after the first sale is over. For example, when was the last time you went to a restaurant and they asked for your contact details? When was the last time a tradesmen sent you a newsletter or any correspondence (other than the invoice) after the job was completed? The fact is, most trades people don't maintain a customer database and simply 'retire' the business when they stop working. In most cases, if they maintained a good quality customer database (complete with customer history) they would probably be able sell the business and the goodwill they created over years of service. It's no coincidence that most franchises incorporate some form of database management into their operations.

From the moment you acquire or start your business you should assume that one day you will want to sell or merge it with another business. To maximise the return on your investment you need to keep the business 'investor ready' and a customer database is an essential part of any valuable business. The database essentials include your customer's name, postal address, purchasing history and email address. From there, the type of information you will want to store in your database will vary depending on the type of business you run. Maintaining your database can sometimes seem tedious, however, it will always be a work in progress and combining your customer database with a consistent and targeted marketing effort will pay handsome dividends over the life of your business.

A customer retention strategy is all about 'working smarter not harder'. Using reliable systems to capture and update the data will let you sort your customers into groups like how often they buy from you, the types of products they prefer, their location and their average dollar sale. At a mouse click you can identify clients in that group and target them with specific marketing messages. Your database program also needs the functionality to generate emails or print mailing labels.

Your database can be a consolidation of everything you know about every contact, prospect and customer combined into one, easy-to-use computer program. It might include the customer sales history from your accounting software, email addresses from Outlook and the content from your contact management program. Microsoft Office applications like Microsoft Access are commonly used and 'off the shelf' programs like ACT are not expensive. Most of these programs offer a standard way of capturing customer information, sorting information and producing reports.

In summary, your customer database is a valuable asset and the marketing possibilities are endless.

The greatest compliment we receive from our clients is the referral of their friends, family and small business colleagues. Thank you for your support and trust.

Do You Really Need A Website?

Australian consumers are becoming increasingly comfortable buying their goods online. This has created a wave of controversy recently with prominent business owner Gerry Harvey petitioning the Government to start charging GST on all products purchased online from overseas.

In fact, we are witnessing a major shift in Australian buyer behaviour from in-store browsing to savvy online bargain hunters.

You need to recognize that the market is changing and competitors are no longer just in your local area. The strong Australian dollar has also made purchasing from overseas sources more attractive, while the rapid uptake of smart phone technology is increasing the volume of search traffic to providers of goods and services with websites. Consumers now use their smart phones to search for suppliers, compare the best deals and organise home delivery because it's simpler and more convenient.

Despite these trends, Australian businesses are lagging behind. Research by the MYOB Business Monitor found 65 percent of Australian businesses don't have a website. The findings also revealed that businesses established for more than 10 years are less likely to have a website (25%) than maturing (32%) or new (36%) businesses.

This prompts the question, "Is building a website really worth the time and money?"

According to the research findings, the short answer is absolutely!

30% of businesses with a website reported their revenue had increased in the past 12 months, compared with 23% of businesses without a website. Nearly half (44%) of businesses surveyed agree that they would sell more and get more work if they used the internet better for marketing.

The business types least likely to have a website include:

- Agriculture, Forestry and Fishing (19%)
- Construction and Trades (23%)

The business types most likely to have a website include:

- Manufacturing and Wholesale (49%)
- Finance and Insurance (45%)
- Retail and Hospitality (45%)
- Business, Professional and Property (37%)



Your business needs a web presence so your customers, clients, prospects, potential employees and even investors can readily access information about your business and the products and services you offer. If you are going to take this leap of faith it must look good and contain quality content that 'talks' to your target markets. First impressions count and a well designed site can project the image and professionalism of a much larger business. The inverse is also true with large businesses often producing a poor website.

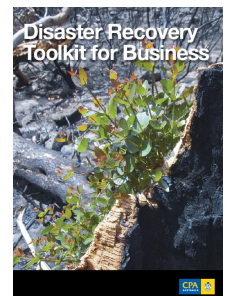
So, what are you waiting for? It's time to build a website to boost your bottom line.

Help For Business Impacted By Natural Disasters

In the wake of the recent natural disasters across Australia and New Zealand, many business owners face the grim task of rebuilding their livelihoods. The 'Disaster Recovery Toolkit' developed by CPA Australia provides advice on getting businesses back on their feet and, in worst case scenarios, how to wind up the business should they be beyond recovery.

Should you need any assistance in this area please contact our office and you can download a copy of the toolkit from:

<http://www.cpaaustralia.com.au/cps/rde/xbc/cpa-site/disaster-recovery-toolkit.pdf>



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