

7 Ways Small Offline Businesses Can Use Online Tactics To Keep Customers Loyal

Many traditional retailers, who perform services for homeowners and other businesses, feel they cannot use the internet as an effective marketing tool. After all, you can't do landscaping or dry cleaning on the web. If you look at the internet as just another extension of the service you provide or strictly as a sales vehicle, you are severely limiting your potential.

The internet is merely another marketing channel to be used in conjunction with the other elements of your marketing mix. Therefore, even a retailer or service company can effectively supplement their advertising and marketing by using a web site and email as loyalty building weapons.

I was approached by a dry cleaning client who wanted to take advantage of this powerful medium to build ongoing relationships with clients and reward customers for their continued loyalty.

While creating their marketing plan, I developed 7 unique, online tactics for them to utilize this medium to its fullest extent.

1. Auxiliary products and services

One of the most effective tools on the web is the concept of affiliate programs. Affiliate programs are basically referral fees paid to people who recommend your products. Amazon.com is the founder and largest user of affiliate programs on the web. Millions of web sites selling books, refer to Amazon.com. Amazon.com then pays those referrals for linking people to their site.

Retailers and service companies should use this same concept both offline and online. Find non competitive companies that share the same database of similar customers. Have them send a letter, postcard or email to their customer list referring them to your product or service. When someone orders you give the referee a commission. Online, the more people who link to you, the higher you'll end up on the search engines. It's basically like hiring commissioned salespeople to spread the word about your product or service.

A licensed laser hair removal company offers discounts on their packaged hair removal programs for clients who refer 3 or more people for treatment. The hair removal clinic also visits health clubs, beauty salons, day spas and cosmetic companies and offers a rebate to the receptionist if she'll refer people for hair removal.

2. Joint Ventures

A carpet cleaning company recently approached a synagogue before the Passover (spring cleaning) holiday to offer its members a special package deal to have their homes cleaned before the holiday. A personal email was sent out to the membership saying the synagogue had made a special deal with this carpet cleaner to offer to clean 3 rooms and they get the next room free. The carpet cleaner would never have been able

to penetrate this very slim niche market without the personal endorsement of one of its members.

Retailers and service companies can bring products and services to non competing businesses and arrange for them to endorse the products to their existing database. You pay for the mailing and split the profits. Dry cleaners can partner with clothing stores and offer a dry cleaning "package" for those people who buy a certain amount of clothing. Buy a suit and get 3 months of dry cleaning free.

3. Education through information

What sets you apart from your competitors? If you're running traditional image building ads, you're losing out on one essential element of advertising. People read newspapers and magazines for the editorial content. One way to set yourself apart from your competition is to offer informative reports and articles that entice your reader to learn about the pitfalls and advantages of your service. Since you're providing the report, they naturally will want to do business with you.

Retail and service companies should set up informational articles on their web sites that describe industry standards, ethical practices, pitfalls to avoid, 5 things you must know before you buy your next ???.

Send out frequent newsletters and articles that talk about how you've easily solved the major problem your clients have.

Both of these methods gather valuable information and email addresses from potential customers. Once you have their email address you can then begin to correspond with them on a regular basis and begin to build loyalty. Send frequent offers to email subscribers to get them to come into your store or take advantage of your services.

4. Reward programs

According to Michael LeBoeuf, Ph'd, "The Rewarded Customer Buys, Multiplies and Comes Back." Consumers today are bombarded with offers, information and discounts. It is becoming increasingly difficult to rise above the pack and establish a profitable base of loyal customers. In my book, "The Complete Guide to Retail Loyalty Marketing," I discuss the concept of rewarding customers according to their buying habits.

Most reward program are based on recency, frequency and monetary elements. The most effective measure of a client's loyalty is past recency of purchase. People who have just bought from you are more likely to buy from you again, if you give them the opportunity. That's why many mail order companies use the "bounce back" to offer merchandise and services during the time they ship the client's merchandise.

Traditional retailers can use this technique to entice your new client to come back with a reward certificate good for a limited time. One of our day spa clients had a problem. They were redeeming hundreds of Valentine's Day gift certificates and attracting hundreds of new clients for massages and facials. However, it was difficult to get these people to return because they felt a day spa's services were a luxury, not a health necessity.

We designed a new customer kit inviting the new client to return and enjoy the relaxation once again. We described the health benefits or regular massage and skin care and offered a reward for coming back within 2 weeks. This promotion was so successful, the day spa increased their service business 42% over the previous month a year ago. For a sample of this successful promotion, please refer to the "Complete Guide to Retail Loyalty Marketing" ebook at www.loyaltycoach.com/completeguide.asp.

5. Frequent visitor / buyer programs

Retailers and service companies can use their web presence to promote their frequent buyer programs and reward frequent visitors to their sites and services.

Most of us are just too busy working on the mechanics of our business to stop and launch a proper frequent buyer program. Still, this type of program can be something as simple as a punch card system (buy 12 get 1 free) or a complex point of sale system that tracks recency, frequency and monetary transactions in real time.

Whichever you implement, you must develop the back end promotional materials that match the spending habits of your customers. New customer kits, fading customer letters, birthday and anniversary announcements, rewards, specials, etc. Once these are developed, you can automate the process of developing the one to one relationship you need with each and every client in your frequent buyer program.

You can use the web to keep track of points systems or just something simple like explaining the rules and regulations of the program, with a sign up form attached.

The most effective rewards program is one that issues rewards on a surprise, random basis, when the client least expects it.

6. Feedback

Often, as small business people, we assume we know what our customers want. Unfortunately, we use our own filters of the world to determine what we offer customers. Then, when they don't buy, we wonder what the problem is.

A more scientific approach is the simple survey. Prospect and clients who use the internet enjoy expressing their opinions. It's a perfect medium to gather information about what you offer.

Use the web to set up chat forums, surveys and discussion boards so that your customers and prospects can discuss issues pertaining to your industry. When you participate also, you become the expert and begin to establish rapport with your visitors, which eventually will lead to increased sales and loyalty.

Most web developers and hosts have forms available to set up these types of important research vehicles. Take advantage of them regularly. Also, check out the business to business premier networking site,

www.ryze.com to get an idea of how to utilize this concept on your site. You'll also meet some very knowledgeable and interesting people.

7. Database Marketing:

The key to successful retail loyalty is database marketing. Many small business people today believe that the way to build loyalty today is constant discounting. All discounting does is lower your margins and makes it more difficult to profit from customers. With a proper database marketing program, retailers and service companies can tap into the goldmine that is right before their eyes.

A perfect way to do this is to unleash an auto responder that will automatically send out newsletters, announcements, broadcasts and messages to your customer list. It's one of the most powerful and automatic marketing tools to come along in a long time. For a free trial of this powerful marketing software go to:

<http://www.cyberwealthautomation.com/app?pr=13&id=49182>.

By incorporating these 7 online strategies, traditional small businesses can boost their sales and maintain genuine rapport with customers both offline and online.

Allan Katz is the Loyalty Coach which helps retailers and service companies attract more customers and retain their customers through the use of proven marketing techniques he has developed and uses with his ongoing coaching clients.

Allan Katz is a "Certified Professional Innovator" from Parthenon Innovation Group in Nashville, Tennessee.

Allan Katz is former President of the Direct Marketing Association of Memphis and an accomplished speaker on retail and service marketing, problem solving, loyalty marketing and persuasive communications.

He serves as an adjunct professor at the University of Memphis Continuing Education Program on such topics as Direct Marketing, Mail Order, Marketing Your Small Business and Problem Solving.

He is the author of four books on marketing. *The Complete Guide to Retail Loyalty Marketing, Building Successful Client Relationships, The Do's and Don'ts of Direct Marketing Workbook and The How - To & Marketing Resource Guide* for setting up restaurant frequent diner programs.

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