



Treating your clients right paves the way for word-of-mouth customer referrals. Take word of mouth to the next level by offering incentives for customers to refer their friends and relatives.

ADVERTISING ABC's



Landing new customers requires a consistent, strategic campaign.

By Phil Sasso

One lazy afternoon, my wife and I lounged on the couch reading the Sunday paper.

"Here's an ad for Reza's restaurant," said Beth. "I've always wanted to try their food."

"Me, too." I replied. "Let's do that sometime."

We went back to reading. Life went on. That was a year ago. We still haven't eaten there.

One of the greatest myths of advertising is that if you advertise, customers will come. Unfortunately, getting new customers is a lot harder than that. It takes more than placing an ad and waiting. It requires a consistent, strategic campaign.

First, you should have a good customer retention program in place to keep all the new customers you get. After all, it costs five times more to get new customers than to keep the ones you have, according to the U.S. Department of Consumer Affairs.

Reducing customer attrition by just 5 percent can raise your profitability up to 25 percent.

Advertising for new customers without a system to keep them is like trying to fill a swimming pool with a hole in it. It may take a while, but eventually, every drop that flows in will flow out.

So, training your staff to build relationships and provide great customer service while systematically keeping in touch with customers by mail, email and/or phone should be your first priority.

Once you have a retention program in place, you're ready to start reaching out to new customers.

Getting Prospects to Bite

Notice the Reza's restaurant ad didn't really work. It was attractive and well written. It got Beth's attention over other ads in the Sunday paper. But we didn't *bite*.

There was nothing about it that inspired us to act on the ad with any sense of urgency. We'd get around to it. Someday. Unfortunately, someday hasn't come.

In marketing, we use offers to get customers to buy now. There are many different kinds of offers.

The simplest offer, a discount, is one of the best for a typical restyling shop. Discounts are flexible. You can use them on just one brand, one product segment or anything in your shop.

How much should you discount? There's no magic number. Test a few options to see what works best for you.

Consider an offer like "\$10 off your purchase of \$100 or more." This works well because people tend to react better to dollar amounts than percentages. And with this offer, the more a customer spends, the less profit you're actually giving away.

Don't like discounting? Think of it this way. Say you paid \$100 for an ad. There's no guarantee you'll gain a single customer. In our example, if you paid \$100 in discounts you've made \$900 in sales. And nothing comes out of your pocket!

Using the Right Bait

It's important that your offer be attractive to prospects. You need to step outside

yourself for a minute and try to think like a customer, not a businessperson.

I once saw a puppet skit that makes this point very well. It went something like this.

Two characters, Sal and Sally, are out fishing ...

Sally: Catch anything?

Sal: Nah. Been at it all morning and nothing.

Sally: Hmm. What kind of bait are you using?

Sal: Donuts.

Sally: Donuts?! You can't catch a fish with donuts!

Sal: Why not? I love donuts! I bought a whole dozen this morning.

Sally: It doesn't matter what you like.

You have to use what the fish like.

Sal: Oh... Want a donut?

continued



A good marketing program starts with retaining your current customers. It costs five times more to get new customers than to keep the ones you have, according to the U.S. Department of Consumer Affairs.



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ADVERTISING ABC's

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My point: be sure you offer your customers a discount they feel is worthwhile.

To promote your discount, I suggest you use a coupon with an expiration date. The expiration date gives customers a deadline. You're offering them such a great deal you need to set a time limit on it. They can't wait for "someday," especially if your offer expires next week.

The other benefit of coupons is you can use them to measure your marketing's effectiveness. If you count the coupons, you know how many people your offer attracted.

You can even take that a step farther. Write the amount spent on each coupon or staple a duplicate receipt to it. Then, you'll be able to tally how many people your offer attracted and how much the ad generated in sales. If you collect more data, you can start doing fancy pie charts

and line graphs. Or you can stick to restyling.

Where are they Biting?

Now that you have an offer, you need to get it in front of your prospective customers.

I own an ad agency. So you probably expect me to tell you to buy ads.

Advertising is a good idea. Retail advertising can be very effective. It can also be very expensive.

So, instead, I'd like to share two more cost-effective ideas that can work well for restyling shops—cross-promotion and referral marketing.

Cross-promotion is working with other non-competing businesses to reach their customers with your offer. For instance, consider talking to mobile audio shops, detailers or car washes in your area about teaming up.

What's the best kind of advertising? Word of mouth.

You could rent the other business' mailing list or pay them to hand out your flyers.

But I think the best approach is to work a cashless deal where you agree to hand out each other's flyers.

By handing out your flyers, the other business seems to be endorsing your business. But remember, you're doing the same for them. So, only choose to work with reputable partners that you trust and are comfortable promoting.

Perhaps the other business has a lot more customers than you and isn't willing to hand out your coupons for free. Take a page from Internet affiliate programs: Offer to pay for each customer they send you. Explain that since you'll be using a coupon, you can code it so you can identify the ones they distribute.

Offer them some kind of bonus for every customer that uses the coupon.

2007 Restyling Awards

**Entry Deadline:
January 19, 2007**

Show your industry peers what your shop can do! Enter your favorite projects in the ninth annual Restyling Awards competition.

The Restyling Awards honor the type of clean, coordinated restyling packages that appeal to car dealerships and typical retail customers. This is not a contest for extreme conversions or show vehicles. The Restyling Awards competition is open to professional restyling and conversion shops. (Sorry, industry suppliers and shops closely affiliated with suppliers are not eligible.) Entries can include work from sub-contractors as long as a single shop coordinates the entire package.

Entries are being accepted in three categories: Passenger Cars, Trucks and SUVs

First-place plaques may be awarded in any category, at the discretion of the judges. Top entries will be featured in a special contest pictorial in the April 2007 issue of *Restyling Magazine*.

To enter, simply submit high-resolution color photographs of your exceptional restyling projects, and a written description of the products used on each package. Each contestant may submit a maximum of two projects per category. Entries will be judged on marketability and visual impact. The quality of the photos will be taken into account. Send materials to The Restyling Awards, c/o *Restyling Magazine*, P.O. Box 1416, Broomfield, CO 80038. If you're using an overnight carrier, send materials to The Restyling Awards, c/o *Restyling Magazine*, 2800 W. Midway Blvd., Broomfield, CO 80020 or email to reeditor@nbm.com. (High-resolution digital files will be needed for print.)

Restyling

www.restylingmag.com

For more information, call (303) 469-0424.

Remember, it doesn't matter how many people get your coupon. It matters how many use it.

What's the best kind of advertising? Word of mouth.

But, how can you inspire more customers to refer friends? A referral program can help. Rewarding customers for referrals will work better than just asking them to tell their friends about you.

A simple system uses business card coupons. On the front, print your offer. On the back, put "referred by" and leave blanks for your customer to put his name, number and/or email address. Give each customer a few cards after every transaction. Tell him to fill out the back and give the coupons to his friends.

If his friend uses the coupon, she'll get a special discount, and you'll email him a coupon for \$10 off his next purchase—or whatever. Just don't be afraid to be generous. This is a true VIP customer!

One of my clients has had so much success with his referral-marketing program that he's created a special database of *referrers* who he mails regularly asking for more referrals.

These two simple techniques are cost-effective and measurable. But they really work best if you test different offers and keep track of what works best. Start using these techniques, and soon you'll be eating your competition for lunch.

Speaking of lunch, Beth recently saw some coupons for Reza's in the paper. She put them in her purse so we can try the restaurant sometime—before the coupon expires, of course!

Phil Sasso is president of Sasso Marketing [www.sassomarketing.com], an aftermarket advertising and public relations firm. Subscribe to his free marketing tip email or view his blog at philsasso.blogspot.com. ☺

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