

Make Marketing to your Customers Easier and More Profitable

There are two key marketing concepts that I'm sure your familiar with; acquisition costs and lifetime value of a customer. These concepts are the foundation for any successful small business.

We regularly hear from business owners who seem obsessed with getting new customers in the door forgetting that the key to a successful business is having a loyal group of repeat customers.

The principle is simple…It costs considerably less to keep an existing customer than it does to bring a new one in the door.

Businesses who boosted customer retention rates by as little as 5% saw increases in their profits ranging from 5% to a whopping 95%. In fact, some studies suggest it will cost you as much as 10 times more to attract a new customer than it would to have that customer come back time and time again.

Let's take a closer look at what this means and how you can use this powerful principle in your business.

Shortsighted business owners like to make the fastest possible dollar: get them in, take their money and wish them a nice day. Smart business owners however, spend time with their customers and get to know them. They find out what their customers like and dislike and learn how their customers feel.

Customers are not "one-shot wonders". They are the lifeblood of your business. A good customer will use your services many times over the course of many years and will refer their friends, family and business associates to you.

If you give them reason to that is.

Simply put, the "lifetime value" of your customer is the total dollar amount they will spend with you before they take their business somewhere else, move away or die. Smart business owners do everything they can to nurture relationships and increase the lifetime value of their customers.

There is another powerful force at play when it comes to Internet Marketing.

You already know that great customers are also raving fans. They're the ones that can't stop telling their friends about your great service. We refer to these people as influencers and it is the ease with which influencers are now able to spread the word on your business that propels you forward and can help eliminate your competitors.

There is no substitute for great customer service and as the clever business owner you know this. The truly exceptional business owner continues to look for ways of turning ordinary customers into loyal and powerful influencers.

So, next time you're thinking about the future of your business, be sure you pay attention to growing your influencer network. It may just be the strategy that sends your business skyward and keeps it there.