

Develop Your Small-business Customer Base

As small-business owners know, a business needs customers coming in the door to survive. But a common fallacy is that customers will flock to your store just because you open the doors.

“Building a customer base is a huge challenge, but it is reality,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Even with a great product, you need to let customers know you are in business, convince them that your product or service offers them benefits and keep them satisfied so they return to the store.”

Given these challenges, the business owner needs to make customer acquisition and retention plans. Flying blind may work occasionally, but owners who think strategically ahead of time greatly increase their odds of staying open.

“Business owners find it helpful if they break this process into three parts,” says (insert name and title). “First, they need to make the customer aware that they are in business.”

Research has found that potential customers need to hear or see the name of a new business three to five times before they even recognize that the business exists. Thus, a one-time big advertisement will do little to bring in customers. Continuity in the early days is crucial.

Knowing about the business is only part of step one, however. You now have to get customers in the door. Research suggests that potential customers may need another five to seven contacts with your product or service to recognize its benefits to them. Remember, the customer wants to solve a problem.

“Yet getting them in the door is actually the easy part,” says (insert last name). “You got a potential customer to look, but now you want him or her to like what he or she sees and make a purchase.”

In many cases, getting customers to buy your product means they must cross one or two hurdles. First, they must decide that spending their money with you is a better option than spending it someplace else. And money is a limited resource. This is true for all customers.

Second, many customers must forgo a known product and try yours instead. Not only do you want the purchase to meet their needs, but you also want them to feel they had great customer service.

Once customers have found you and like you, you want to gain their trust, build your brand and reputation, have them return and become your brand ambassadors. All of this occurs each and every time they return. To make sure they return, your product must continue to meet their needs and you must support it with good customer service.

“Trust and reputation form the core of your brand,” says (insert last name). “Your brand becomes the heart of the marketing message spread by you and your brand ambassadors, your existing customers.

“Building your customer base doesn’t just happen,” (insert last name) adds. “It takes time and effort, but the payoff can be substantial.”

For more help on these issues, check with your local Extension Service office at [insert phone number and email address]. Also visit NDSU’s small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter. More information can be found on Facebook at www.facebook.com/NDSUextsmallbiz and Twitter at @gmuske. Another resource is www.eXtension.org/entrepreneurship.

Additional good resources are other business owners and your local chamber of commerce. You also can contact the Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, for more information. State and federal agencies are ready to help in this area as well.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.