

## **CUSTOMER DEVELOPMENT AND RETENTION SUCCESS**

by **Linda Liestman**

Every horse business is as unique as your budget, your services, your region or locale, and your target group. How you secure customers and cajole and super-serve them into becoming clients and advocates is a topic on which volumes can and have been written. The intent of this article is not to tell you how to do this. The intent is to help you understand how the principles of The Advertising Spiral and the levels of The Ladder to Client Development Success can work together to develop, maintain, and grow your equine business. The author encourages you to create both short-term and long-term business plans for customer development and retention based upon these concepts.

The first consideration of business management is..... No customers - No business! Enticing, getting and keeping customers is the key to equine business success. To build an equine business you must create an advertising spiral that usually begins with paid, directed advertising and promotion that eventually turns into word of mouth referral. This is how the advertising spiral works. The new business entices "suspects" through advertising and promotion, but usually only a small percentage become "prospects". Suspects and prospects will talk to one another about new businesses and opportunities. However, they do not often remember the name of the business or refer a prospect to a business until they have seen an ad several times and possibly over a period of several months, or until the prospect is close to becoming a customer. Some of the prospects will become new "customers". It is with the customer that the process of word of mouth referral actually begins as the customer is usually excited to tell friends about a new activity they are participating in. If the new customer is happy with the services of the business he or she will become a repeat customer, at which time the customer is considered a "client". Happy clients will direct new customers to you by "word of mouth" promotion and referral. If happy clients remain so for a length of time they can become "advocates" for your business. It is the advocate who believes in the business and the people who run it. The advocate will become your business mentor. The advocate will defend you, support you and will tell everyone about your business in a very convincing way. The advocate would never leave you unless their financial, family or health situation changed so dramatically they could no longer participate in the services you provide. Once you have built a critical mass of customers, clients and advocates, word of mouth referral will spread. At that point, you may find your need to continuously advertise to suspects and prospects may not be as great because as many as 70% of your new customers will come to you by referral.

**SUCCESS**

**ADVOCATE**

**CLIENT**

**CUSTOMER**

**PROSPECT**

**SUSPECT**

**The Ladder  
to Client  
Development  
Success**

## **SUSPECT**

The suspect is any member of the general public who may have an interest in using or participating in your services. A new business must develop its customer base by reaching suspects usually through continuous advertising and promotion during the first three years of operation. Established businesses must from time to time advertise to suspects to promote a new or enhanced service, to replace the normal percentage of clients and advocates one would lose over a period of time, and to grow a bigger volume of business. In the horse business, as in most businesses, only a small percentage of suspects become customers. Suspects often like to buddy-up with a friend to participate in a new activity and you can take advantage of this by advertising a "bring a friend" program or package.

## **PROSPECT**

Prospects are suspects who have actually made an inquiry about your services. It can take as long as three years for a suspect to become a prospect. You want the prospects you believe you can serve to become your customers. With prospects you have the opportunity to sell, sell, sell them on your services at the personal level. You want to sign them on while they're "hot" or enthused about your services. In today's market place, people so seldom get human attention that is geared to their interests and needs, so this is your opportunity to "shine". Your sales and services presentation should be geared as personally to the prospect as possible. Listen first to what they are interested in, then customize your sales presentation to their interests. Continue to ask questions about their interests throughout the presentation. This is also the time to make the prospect feel special by doing something special for them. Such offerings can include: a brief free introductory service; a free informative booklet to which your business card is attached; a reduced rate coupon good for 30 days; a personalized visit to tour your place of business; and asking if they want to take advantage of your "bring a friend" program. It is also important to get off on the right business footing with the prospect. Be professional in your presentation. Clearly explain your key policies, services, prices, and the enhanced features you provide as part of your price. Explain what sets your business above the rest. Be sure to call your prospects back within a week or two if they have not committed immediately to a scheduling a session. If they have committed to a session, give them a courtesy call to confirm the date and time. This lets the prospect know that your time is valuable and their appointment is important.

## **CUSTOMER**

Some prospects will become new customers. If the new customer remains happy and interested in your services, he or she will become the repeat customer that is so important to your business. The new customer is in the "honeymoon" phase of the business relationship. If those first experiences participating in your services are enjoyable, interesting, and safe, chances are the customer will come back. To encourage them to come back, you can try to sell the customer a block of service sessions or offer them one free service session for every three or four they participate in at the full price. Make the

reward for becoming a repeat customer attainable. This is your chance to build the business relationship by giving them deserved and sincere compliments on their accomplishments. You should talk to the customer in a way that shows you assume they will return. Talk to the customer about future plans and future services. You can psychologically set them up to come back by reviewing what they have gained in the current session and what they could gain in the next session. Don't hesitate to call the customer within a few days after their session to see how they are doing and to set up or confirm the next session.

### **CLIENT**

The client is the happy repeat customer who will start bringing new customers to you by "word of mouth". Developing a customer into a client usually depends upon treating them consistently and in a business-like manner with personal attention to their needs and goals. Providing the customer with consistent, quality service that helps them set and reach their goals is important to developing a customer into a client.

### **ADVOCATE**

The advocate is the long-term happy client who believes in your business, in you, and in your management skills so much that they will defend you, support you, mentor you and tell everyone about your business in a very convincing way. The advocate would never leave you unless their financial, family, or health situation changed so dramatically they could no longer participate in the services you provide. To develop an advocate you must usually develop a relationship with a client that is based upon good service, good nature, good value, consistency, honesty, and respect.

This article was developed after listening to a thought-provoking presentation at the 1999 NAHA conference presented by Lanier Cordell. The topic was entitled EQUINOMICS, The Secret to Making Money in the Horse Business. The topic included the following segments: Pricing: Deciding How Much to Charge; Vision: How You See Yourself Determines How the Customer Sees You; Goals: Where Is Your Business Headed?; Marketing: Selling Yourself; Marketing: Understanding Your Customers; Marketing: Logic vs Emotion - Which one do you appeal to?; Marketing: Positioning Yourself in the Marketplace for Maximum Impact; Advertising: Getting the Word Out to the Customer; Advertising: Media Kits; and Public Relations: Getting Others to Get Your Message to Customers. Ms. Cordell can be reached at 11139 Lazy Lake Drive, Baton Rouge, LA 70818 PH: 225-262-6617 FAX: 225-262-8397 e-mail: lanierc@bellsouth.net