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Finding and Keeping Customers

EVERY BUSINESS enterprise is made up of four activities: financing, producing, accounting and selling. Without selling, which means the finding, winning and keeping of customers, none of the others can stand up.

There is no textbook that gives a ready-made plan for every business, but there are many little things that may be learned and put into practice as principles by anyone whose success depends upon marketing goods or services.

The principles may be collected in a rough and ready way under two headings: (1) why does the buyer want what you have to sell? and (2) why should he patronize you instead of some other seller? The answers to these questions are equally vital whether you have a small cross-roads store in the country or a huge factory in a city: whether you sell your personal services or deal in the highly sophisticated field of industrial goods.

A good policy for making the most of your opportunities is not arrived at by chance, but is the outcome of careful thinking about a number of important factors. The old idea that anyone with a little money can start a business and operate it successfully is fast giving way to a realization of the value of knowledge.

A report on Canadian business failures points up sharply the need for study, preparation and constant watchfulness. Of 1,320 failures in one year, 1,273 were due to lack of experience or incompetence resulting in conditions such as inadequate sales, receivables difficulties, inventory trouble, competitive weakness and excessive fixed assets. Of all these, inadequate sales afflicted 48 per cent of the firms.

It is, then, necessary to know what people want and make it available to them in a pleasant and convenient way. The perfection of selling either goods or yourself is to appeal to people individually. By your personal effort you see through the buyer's eyes, and know the things that must be cleared away to enable him to appreciate the good points of what you offer.

John G. Jones tells an illustrative story in his book *Salesmanship and Sales Management* (one of the Alexander Hamilton Institute Modern Business texts). A mild, grey-haired man who was after a large machinery order said, early in his interview with the company's president: "I'm not much of a salesman. You see, I have been on the buying end nearly all my life and I find myself constantly taking the buyer's point of view." It was not until he walked out with the order in his pocket that those who had heard him began to realize just how much of a salesman he really was.

Some things to know

Before you start trying to find customers there are some things you should know and do. What are your prospective customers going to need? Have you made an accurate selection of goods or prepared your services to meet those needs? Have you fitted yourself by study and inspection to demonstrate that the goods or services do meet the needs?

Knowing how to appeal to customers through their particular wants is the secret of successful selling. People buy things, not for the things themselves, but for the service those things perform. They appreciate it when you show a genuine, friendly interest in helping them to get the best goods for their purpose.

There is a bonus value involved if you can send the customer away with a lively anticipation of enjoying what he has purchased. The customer has not bought a suit, but his appearance in it; he has not bought a vehicle, but a car of prestige; he has not bought professional service, but freedom from trouble. An advertising agency advised shoe stores: "To women, don't sell shoes — sell lovely feet!"

All the deep-seated elements of human nature are concerned in your effort to locate prospects and win customers. One that seems instinctive is the desire to get value in exchange. Smart people are price-and-

value conscious. They will not insist upon lower-priced goods if they can be shown that higher-priced goods will give them better value in use.

This means that you must know your goods, be able to discuss their construction and performance in an intelligent way, be confident when you emphasize the special qualities of your product or service.

The top-ranking salesman is a gold mine of information and help. He has studied the merchandise he sells until he is an expert judge of quality, fit, good taste and appropriateness. He has absorbed ideas from the experience of customers. His function, as he sees it, is to help the buyer get the best for his money. He has respect for what he is selling, and that respect is contagious.

Before approaching a prospect, why not list all the possible utilities he might desire in the goods? Many people will not want to know the horse-power of a snow blower, but do want to know if it will start in cold weather and move the snow off their driveways. A can-opener must open tins easily and safely; a conveyor belt must run smoothly and bear without undue sagging the weight that will be carried on it; garments, besides having the desired good appearance, must clean without shrinking and face the sun without fading. If the salesman cannot tell the facts about qualities like these, he should say "I don't know", and find out.

Finally, before approaching prospects with the idea of turning them into customers, we need to set our ethical standards. Quite as many articles are bought because of our faith in people as because of our faith in merchandise.

Finding prospects

Now, having put our house in order, we are ready to invite visitors. Who shall they be?

Good generalship makes the location and definition of prospects a necessity. Your market is not merely people, but people plus needs, people plus purchasing power. People's needs and the ability to satisfy them fluctuate in keeping with many changes: changes in the weather, in business activity, in the degree of inflation, in legislation, and in the state of the world.

Personal contact is the best way to learn the present and probable market for what you have to offer. As an illustration of something that is true in every field of selling, consider the actions of the branch manager of a bank in a rural village. He needs to take a sympathetic interest in farmers' problems, and give such practical aid in solving them as may be possible. He will keep posted on matters pertaining to improvement in seed varieties, methods of cultivation, marketing of grain and stock, conservation of soil and water, and all the

other things that make up the work and crises of the farmer. Only thus does he reach prospective customers, making it easy for them to talk business with him. He is discreet: he does not pretend to knowledge or wisdom he does not have, but he is friendly and sincere in his efforts to be helpful.

Or consider the salesman of a specialized sort of industrial equipment: conveyor belts. On one of his selling trips he noticed a new factory being erected beside the highway. He went in, was conducted over the plant, discussed problems and suggested solutions. The plant needed nothing in his line, but when its manager learned, months later, of conveyor requirements in another factory he recalled the friendly visit and the salesman got the order.

Recommendation by friends is an excellent way to get into touch with prospects. That is why it is important to tend the fires of friendship among customers. Tell them of your appreciation every time they send in a prospect. Drop in on them at their desks, or phone them at their homes, depending on your line of business. Tell them about things that may interest or benefit them: magazine articles, books, business talk. Be "you-minded" toward customers and they will be "you-minded" toward you.

Bringing in prospects

Having located your prospects you must get them into your store or office. Every one is a potential customer, so pay attention to the stranger and show that you find his visit important. You are not trying merely to make a sale to a prospect, but to build solid new business out of his patronage.

You will, of course, have primed the pump with advertising properly designed to bring desirable custom. You will have made your necessary goods appear attractive, and your attractive goods seem necessary.

Writing an advertisement is not something to be taken casually or tossed off in a spare five minutes. Your audience is not a captive audience; it can get away from you — and probably will — unless you interest it. You need to get attention, offer a benefit, prove your case, create desire, and motivate people to come in to see for themselves what you have to offer.

To produce an advertisement of this character you need to make it simple, genuine and descriptive. There must be ideas behind your words, ideas in terms of the prospect's wants and feelings.

False promises made in advertisements are quickly revealed when the prospect comes face to face with the goods. Half-truths, insincere comparisons, fraudulent claims and misleading assertions can do nothing but

harm to your business. Advertising that brags, with an accompaniment of exclamation marks and underlining and black face type, is only 60 per cent as effective as straight consumer-benefit headlines, according to a survey by Gallup-Robinson.

Consider the case of a prospect brought into a store by an advertisement of a blouse. The advertisement treated the blouse lyrically: "new fabric! darling buttons! pastel shades!" The prospect's first question was: "Will it wash?" and there was no sale. An issue of *Sales Trails* (Bulman Bros. Ltd., Winnipeg) has this to say: "We suggest a return to plain honesty and plain English. Tell the truth about the product as clearly, arrestingly, forcefully — and as honestly — as possible."

Salesmanship

This brings us to the point where we need a sense and a knowledge of salesmanship. Some people still think of selling as a more or less necessary evil, a sort of stepchild to production. It is not so. Selling is a creative function. The salesman shows prospective buyers how certain goods may satisfy certain wants.

Much of the salesmanship one encounters in stores is negative. The salespeople display the desired merchandise on a "here-it-is . . . take-it-or-leave-it" basis. They do not try to see the merchandise from the customer's viewpoint and answer the reasonable questions that arise in the customer's mind. They allow the prospect to walk out, carrying in his pocket a proportion of the money that management spent for the advertising that brought him into the store.

To put it bluntly — as the editors of *Fortune* do in their book *Why Do People Buy?* — there is no substitute for plain hard selling, and all the appurtenances — market research and the like — are nothing but tools.

A sale is not a coldly scientific process. It is a friendly, red-blooded, person-to-person transaction. The salesperson needs to understand and apply basic principles of human behaviour. He needs to analyse the customer's true needs and to develop recommendations that result in satisfactory sales transactions. He needs to apply himself beyond the requirements of the immediate sale, to build goodwill for his firm.

Can people learn this art? Up to this century it was commonplace to say "good salesmen are born, not trained." Today we are quite convinced that if a person has the trading instinct in rudimentary form he may be trained into ability to do a good sales job.

This is proven by a *Fortune* survey which revealed that stores where sales were running counter to the prevailing slump were stores that had concentrated on raising the ability of their sales force. Being taught how

to sell, and given the incentive to sell, salespeople sell more, serve the customer better, and get a great deal of job-satisfaction.

Training is not a matter of class-rooms, instructors, textbooks and examinations. It consists of helping a person organize his ideas so that they can be used to advantage in talking with people; it includes knowing where to find information and how to make use of it; it is based upon the sound principle that the salesman must look at other people and their motives to get a true picture of his goods and their selling points.

Keeping customers

Even in this age of thought manipulation there are many old-fashioned people who believe that the best way to keep customers is to give them value for their money, intelligent service, and personal attention. The golden rule of keeping customers might well be: don't ignore customers or their changing needs.

A satisfied customer remains the foremost factor in developing new business. He is kept satisfied by your demonstration of interest in him, interest in his affairs, his family, his hobbies, or whatever is uppermost in his life. Goodwill is made up of fair dealing, courteous and efficient service, and sympathetic interest.

Under the heading "courteous service" consider counter service. Alertness to avoid irritating delays; unflinching attention to the details of the customer's wants; efficient display of goods; patience: these are the minimum of good counter service. But there is a plus value to be built by adding graciousness.

Everyone, from the big manufacturer who is accustomed to depositing cheques in five and six figures down to the shoe-shine stand operator who jingles his fortune in his pocket, is in the business of serving people. The secret of winning customers and keeping them is to perform this service, not passively when asked, but actively, eagerly and spontaneously.

Alertness on the part of the staff to do some service, no matter how small, for everyone approaching them in connection with business, can revolutionize sales. Little services, unimportant in themselves and consuming little time, will be thought of as important by the people receiving them. As Longfellow phrased it: "Give what you have. To someone, it may be better than you dare to think."

Service with a smile

Lots of sentimental things have been written in prose and poetry about a smile, but its plain, practical value is easy to prove in winning and keeping customers. Anyone can gain almost miraculous results by personal experiment in smiling. Friendliness is sought

by everyone, and everyone is pleased when he meets it in others.

No matter how big your concern may become, you should make an effort to maintain a "home attitude", in which every member of your staff is part of a well-bred family and every prospect or customer is treated as a guest. The visitor is warmly welcomed, pleasantly and patiently waited on, and carries away the feeling that his visit was appreciated.

What is the proof of this? We can find it in ourselves. There may be a dozen stores selling the same articles, or a dozen banks giving the same services, but we continue to go to one place because someone there seems to be glad to see us and is interested in us.

About complaints

Did you ever think of the importance of spending time in saying "no"? It is even more important than when you are saying "yes". If you haven't a required commodity in stock, or if you believe from your study of the goods and your customer's need that what his mind is set upon would not be his best buy, take time to explain why. This is one way of minimizing the number of complaints.

But even when both the buyer and the seller are competent, careful and well-intentioned, some purchases are bound to go wrong. There will be returns to accept and adjustments to arrange.

Be tactful and patient with those who are difficult to handle. Get complaints out into the open. Apologize promptly and without reservation when the mistake is yours. Never allow a customer to lose face, even when he is in the wrong. Follow up, if possible, to correct any misunderstanding.

We might well be on the look-out for real and fancied grievances so as to give customers an opportunity to air them before they rankle. Apply this to inactive accounts. You may find that they have lapsed because the customer, having a grievance, did not give you an opportunity to adjust it. A letter, or a phone call, or a personal visit, may be instrumental in restoring a former customer to activity.

You will, of course, analyse complaints in some systematic manner so as to find ways of improving your products or services, your sales methods, or your delivery.

Looking forward

It is very easy for a firm, even one that is well-established, to find its business slipping, or not advancing, relative to other firms. Its products may be sound and good, but are not meeting competitive brands; its advertising may be technically perfect, but without

producing prospects; its sales force may be adequate in number and competent in knowledge, but it isn't making sales.

This situation demands research and planning on the highest level: research to find out what the cause is, and planning to put the remedy into effect.

One place to begin research is among competitors. What are they doing that makes their business top yours? Just because a sales plan or sales training works well at one factory or store does not mean it will be effective with a different staff at another place — but it does mean that it is worthy of consideration.

Look over your territory to detect additions and changes. Perhaps you have not obtained all the business you might have had from new-comers. Perhaps the character of your environment has changed, so slowly that you did not notice it, demanding a reshuffling of your stock and a new advertising approach. Be open-minded and willing to learn, and then have the courage to put the indicated changes into effect.

As an illustration of the fact that "research" need not mean a big, expensive project, but something you yourself can do, consider the owner of a small restaurant who found business falling off. He started to observe systematically what foods were left on plates by his patrons, improved his bill of fare, and increased his custom beyond what it was before the slump.

It is evident that increasing business is not done overnight by blatant advertising or blitzkrieg selling. It is a painstaking process demanding constant courage, active imagination and cheerful persistency. There are few short cuts, but rather a world of planning, study and thought. Fate seldom sides with the person who is not equipped with all of these. But when the firm has at its top a person with a definite forward policy, qualified to think and to plan, that firm can exploit all its opportunities.

As a last word about forward-looking it may be said that planning cannot be successful if it is carried on by fits and starts. A series of piecemeal decisions, taken on the spur of the moment, may gain some temporary profit. But there needs to be steady application of ears and eyes to trends; steady pushing for improvement in advertising and salesmanship to meet changing conditions; steady raising of character in your business to give it stability.

These things promote good public relations. Satisfied and enthusiastic customers form the foundation of lasting business success. If you have been successful in finding prospects, making contacts, winning customers and keeping customers, your next move — and the clinching move — is to make friends. Thereby, you gear the slide rule of business to the Golden Rule.