

Flushing MARKETING DOLLARS DOWN THE Toilet

Are you marketing intelligently? Or are you gambling your money all on one horse? Debbie Mayo-Smith, business speaker, has some great marketing tips.

Call me stupid, but I *can't* comprehend how this: American (penchant for shopping), Mother of six (lots of different retail needs), well heeled (willing to spend), technologically fit (can be communicated with by email, text, mobile), shopper (at malls and shops at least 4 times a week)... Could never have been asked a simple question like 'would you like to leave your contact details so we can send updates to you?' Just this year alone, I've bought at least 30 pairs of shoes, I've stayed in hotels, motels, taken taxis, flown, bought petrol, fast food, manchester, clothing, books, computers, music, office supplies, coffee here, there and everywhere. Need I go on...?

I have no loyalty - I just collect cards. My children laugh at me because my wallet is stuffed full of promotions, offers and coupons. I'm clocking up my freebie's on so called loyalty cards; St Pierre's Sushi, Coffee Break, Camera House. I scan the back of till receipts for the Esquire '2 for 1's'.

Loyalty, Ha! Don't fool yourself. Loyalty programmes that are based on handing out pre-printed 'come back to us' cards are a misnomer. Perhaps 'passive freebies' is a better name. How can you control bringing your customers back to you when you want or increase sales or when you have no way of communicating with them? You can only wait passively for them to come back to you.

I pay for everything on credit card - from my \$350 plus weekly Pak'n Save grocery bill to a \$2 purchase from Whitcoulls. Yes, you guessed it - I clock up those credit card reward points.

Who Am I? How could I have lived, shopped, interacted with and purchased from so many self employed professionals, businesses and retail outlets over the past 15 years - and rarely been asked for my personal contact details for further 'personal' communication with me?

Most, if not all businesses maintain computer systems to both monitor and control inventory and the services preformed. You know what is selling; what isn't; when to reorder; you can measure what is being sold. But you wouldn't have a clue to whom - especially with bank credit card and Eftpos usage being the preferred method of payment. Your knowledge is of your inventory, not your customers.

'But we do interact with our customers I hear you mentally congratulate yourself. We offer points'. In my humble opinion this is criminal. Why? Because in taking the shortcut of giving third party point accrual programmes you give every single gram of your customer information away - and then have to pay the programme for the privilege of using it.

What's the point? The larger the company, the larger is the bucket pouring out fabulous amounts of money on 'mass advertising' - commercials, TV and print advertising, circular drops, radio and inserts. While these strategies accomplish their goal of bringing customers to the front door - everyone makes the fatal mistake. The tap is then turned off.

From the sole proprietor to national retailers there is no money; no thought; no time invested. Invested in what? In trying to capture information from your

customers (about themselves) with your goal being to personally communicate with them again and again and again - bringing them back to you in a cheaper, targeted, more personal, 'what's in it for them' way. Or if there is a programme, it hasn't been followed through to the person on the other side of the counter - the ones who face the customers every day.

Study after study in the United States finds consumers prefer to receive email from their local businesses than any other type of marketing communication. A 2004 study undertaken in the US South East, surveyed 100 local businesses and found that six out of 10 customers will fill out a card to receive email alerts when asked to by an employee. What about postcards, letters and text messages?

In conclusion: Ask an accountant how to measure the value of goodwill, a vital ingredient in the value of a business. They would say (among other things) it's the ability to use and profit from customer information. Ask yourself or your marketing manager: Do we gather and use our customer information to profit from and to increase the value of our service to them?

If not - why not?

By Debbie Mayo-Smith



Debbie Mayo-Smith is one of the most in-demand business speakers in Australasia. Sign up for Debbie's Free Business Quick Tips by visiting: www.debbiespeaks.co.nz. For more information, phone: 09 575 5359 or email: debbie@debbiespeaks.co.nz.

HOW DO YOU SELL THIS IDEA TO MANAGEMENT?

I present the concept of collecting customer information in my motivational business presentations as a four step plan that will elevate business results. Why not give it your own spin?

Communication: What can you say to your customers (that they will value) that will either bring in more money or improve their satisfaction with your company based on your service/caring?

Information: What information do you need to collect to implement your communication strategy in a targeted manner (you don't want to advertise children's clothes to a senior unless you know they have grandchildren).

Implementation: Sell the idea to all front line staff. Run fun staff contests, keep it alive and kicking. For all your good intentions, if the people meeting and greeting your customers do not say

"Would you like to go on our mailing list for..." your plan will fail.

Automation: The marvellous fact is that you can use everyday software inexpensively, to weave your information and communication together and create stunningly targeted, personal, 'what's in it for them' communications. The choice is up to you on distribution - mail, email even text messages.