

## *Market to old customers, not new*

By Alex Hiam

For many businesses, finding a new customer costs more than keeping an old one. That's what S. Todd Burns, owner of six Time-It Lube stores in Shreveport, Louisiana, decided. (This business provides oil/lube/filter replacement services for automobiles.) And so he cut way back on advertising for new customers, and shifted his marketing program to things like a frequent user card with a \$5 discount after four visits and the use of reminder notices mailed to past customers.

Oh, and high-quality service, of course, so that doing business with Time-It Lube is a positive experience.

Customer retention is now at 90 percent, and his loyal customers also bring him new ones through positive word of mouth.

What could you do to refocus your marketing on your current customer base, and not waste money inefficiently advertising for new customers? Here are some starting ideas:

- Reward customers for repeat purchases.
- Give out frequent buyer cards which entitle customers to gifts or specials.
- Develop a mailing or email list of your customers, and send them thank-you notes and special offers.
- Reward customers with coupons when they bring you new referrals.
- Send out regular catalogs, brochures, or other informational mailings to your current customers.
- Tell old customers about new services or products, and see if they will give them a try.
- Call any customers who have not been in (not purchased lately) to find out why. If there was a problem, apologize, correct it, and ask them sincerely to come back. Many will.

Refocusing your marketing on current and past customers can save a lot versus advertising for new customers, which is a bit like throwing fishing lines into a dark ocean and hoping something nibbles. Instead, try to advertise to and cater to those customers who've already shown a tendency to bite.

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