



WHY LOYAL CUSTOMERS ARE ALSO YOUR MOST PROFITABLE

No matter what size or type of business you run, customers are essential; without them your business could not exist profitably. Customers that are loyal will return more often, giving higher sales, they are also typically cheaper to serve. However, a surprising number of business owners expect a constant stream of customers to flow through their door and seem to do nothing to make them want to return. Some of the benefits of attracting loyal and repeat customers are:

Repeat Sales

If your customers develop a loyalty to your business, they will be much more likely to choose you over your competitors in the future. Something every business benefits from is a 'customer for life' - a customer who will always buy from your business where possible. If your business satisfies loyal customers every time, then hopefully many will become customers for life.

80/20 Rule

The Pareto principle (also known as the 80-20 rule) states that, for many events, roughly 80% of the effects come from 20% of the causes. Most businesses tend to find that 80% of their business comes from only 20% of their customers.

This provides a fantastic opportunity to affect 80% of your business by only communicating with 20% of your customers. If you want to market a certain product or service, consider saving costs by marketing it to these 20% of customers who represent 80% of your income.

Word of Mouth

This is the cheapest form of marketing, where your satisfied customers speak to their friends and family, effectively selling your business to them.

Loyal customers will be much more likely to tell their friends about your business than occasional visitors, even if the service given to both of them is great. Not only do loyal customers spend more themselves, but they can also help bring in even more new customers.

Cost

Probably the best reason for making (and keeping) your customers loyal is also the simplest: it costs five times more to gain a new customer than keep an old one. Turning just 10% of your occasional customers into loyal customers could save you up to 8% of the costs of gaining customers (Such as: marketing, price offers, staff costs and time, etc...).



The other cost benefit is that repeat customers are 'trained' customers, they know how to interact with your business quickly and efficiently. Imagine the difference between a customer paying by credit card who has never used a eftpos terminal

before as opposed to someone who pays every day using this method. One customer will need to be walked through the process and need help making the correct choices, the experienced customer can pretty much do it on their own.

Summary

Loyal customers buy more! In many businesses 80% of sales come from just 20% of customers.

A customer for life is someone who will always buy from you whenever possible, and will tell their friends about your business! It costs five times more to win a new customer than keep an old one.

The reasons for focusing on developing repeat loyal customers are endless. The key is to deliver consistent service and do everything you can to get your existing customers to come back time and time again.

60 SECONDS WITH...
GREG HENDERSON,
from **SWIMART**
TARINGA



Favourite Destination:

Noosa.

Favourite Food:

Japanese.

Someone I admire:

John Howard.

Favourite Movie:

Pulp Fiction.

Something I want to see:

The Eiffel Tower.

How do you motivate your staff?

- Regular training.
- Involvement in product decisions.
- Regular meetings.
- Xmas bonus based on performance.

Do you run a staff incentive scheme?

No

What tools do you use for your time management?

I use a "To Do" list and prioritise.

How long have you been in a Performance Group?

One year.

How do you benefit from being in a Performance group?

- Better understand results.
- Improve profit.
- Gather ideas from other members.

PERFORMANCE GROUP MEMBERS SCOOP SWIMART AWARDS

SWIMART

POOL & SPA SERVICES

Performance Group members cleaned up at the recent Swimart National Awards, taking home some of the most prestigious titles on the night. Gaye and Stuart McArtney and the team from Swimart Brighton, Victoria won the premier award, National Franchise of the year as well as taking five out of the seven available state awards.

Fellow Performance Group members Darren and Janelle Brown have achieved massive sales growth over the last year and were rewarded for their efforts by winning three awards. Janelle said "I think one of the main reasons we won was our customer service, we really emphasise that and we all genuinely do care about helping our customers maintain a good looking and healthy pool. Darren is very good with customer relationships, he remembers everybody's names, plus he's had 25 years experience in the pool industry,"

Greg Henderson's Taringa store also won three Queensland state awards while being recognised as Queensland Franchise of the Year. Greg Henderson said their success was due to a commitment to customers, staff and suppliers. "We've built an extremely loyal customer base over the past eight and a half years, and a lot of that is due to our community involvement with things like contributions to local schools' swimming carnivals, where we donate pool toys and equipment for raffle prizes."



Stuart McArtney from Swimart Brighton



Janelle and Darren Brown after receiving their award from swimmer Susie O'Neill.

WELCOME JANELLE & LIN



Janelle



Lin

Next time you ring Resurg you may hear a new voice answering the phone. Janelle Baker recently joined Resurg in the position of office administrator. You can expect to speak to Janelle if you call the Resurg office with a query or she may contact you in regards to the administration of any of our products or services.

Lin has also recently joined the team as a business analyst. Since studying accounting at UNSW Linn has gained experience as an account specialist. Lin's role will be to support the benchmarking team in producing benchmark and performance group financial reports.

NEW PERFORMANCE GROUPS



Congratulations to Jetset Business Select who held their first Performance Group meeting this month.

Group members are:

Chris Goddard - Maxim's Travel
 Simone King – Ursula King Travel
 Kurt & Kathryn Sari – Jetset St Kilda Road
 Barry Warwick – Travelworld on King
 Barbara Whitten – Anywhere Travel

NEW PG MEMBERS

Congratulations to the following businesses who recently joined a Performance Group:

Alan Walls – St Helens Caravan park

Welcome back to BIG4 Atherton Woodlands Tourist Park

Thank you to following Performance Group members who referred the above new members. They will now each receive a cheque for 10% of their annual Performance Group fees.

Alan Rowett – Marion Holiday Park

Do you know someone who would benefit from being in a Performance Group? Email their details to performancegroups@resurg.com.au, if they join a group you will receive a cheque for 10% of your annual Performance Group fees.

BUSINESS BOOK OF THE MONTH

More Loyal Customers

Resurg Rating: ★★★★★ Author: Kevin Stirtz

This is a book that will appeal to practical hands on business owners. It will only take you 1 – 2 hours to read . Once you have read it you can employ ideas in your own business, straight away! So many books of this type are heavy on strategy, but light on tactical ideas to improve service. In this book the author strikes a nice balance between the two. After reading it you feel you have picked up both ideas but also a better understanding of how a customers mind works.



PERFORMANCE GROUP CALENDAR NOVEMBER 2009

24th November - 11am AEDT	BioGuard Conference Call	1800 857 029, 90673653#
3rd December - 11am AEDT	Swimart QLD Conference Call	1800 857 029, 90673653#
3rd & 4th December	Best Practice Group	Brisbane, QLD
3rd & 4th December	HBT VIC	Yarra Glen, VIC
9th & 10th December	HWT BEST	Brisbane, QLD
10th December - 11am AEDT	TSAX NSWVIC Conference Call	1800 857 029, 90673653#
11th December - 2pm AEDT	HWT VIC2 Conference Call	1800 857 029, 90673653#
14th December - 9:30am AEDT	HWT VIC1 Conference Call	1800 857 029, 90673653#
14th & 15th December	TSAX VIC1	Melbourne, VIC
15th December – 11am AEDT	CRT NSW2 Conference Call	1800 857 029, 90673653#