

CHAPTER 16

GENERATING “REPEAT AND REFERRAL” BUSINESS

Advertising says to people, “Here’s what we’ve got. Here’s what it will do for you. Here’s how to get it.”

~ Leo Burnett

FACT: It costs the average business seven to nine times more to acquire a new customer than it does to retain an existing one.

So say many business leaders and marketing executives. Keep in mind, however, that there are lots of ways to “talk” to your existing customers.

One of the most successful is to design an effective “repeat and referral” program. One of my friends has been a hairdresser in the United States for twenty-five years. European born and raised, she received her hair training through top stylists in Russia. After working for salons in America for two decades as both an independent stylist and in management, Alla opened her own salon. Initially, she spent lots of money on print coupon advertising—much of which didn’t bring in new customers. She quickly learned there are other ways to grow your base, regardless of what business you are in. But it does take marketing savvy to build your business through your existing clientele. After all, there are a zillion hairdressers out there, but here’s the key on personal beauty services: once a woman finds a hairdresser she likes, she tells the world!

So what works for a small independent business owner in the image industry? The same concept this entire book is predicated on—word-of-mouth referrals, your own distinct personality (brand awareness), and offering something of value (either through the great experience one has with you personally or in the actual end result—a great haircut, perfect highlight, or a special offer on a future service). Our hair matters a lot to us gals, and it’s a joy to find someone that gets it right every time and is someone who makes it a fun experience.

Alla’s approach to finding new customers was simple legwork. In our information-rich world today, you have easy access to a lot of FREE information through your local business chamber of commerce, business industry and affairs organization (where offered), business database at the library, and Sunday real estate section of new home purchases by neighborhood, to name a few. You can also buy specific database lists sorted by demographics, household income, zip codes, etc. If you’re on a shoestring budget, take a few hours or a day and scour the business buildings nearby that often display community newsletters or magazines in their lobby. Grab them. This can be your (free) beginner’s database from which you can personalize letters of introduction with your special offer.