

## EXCUSE ME, MAY I BUY THAT CUSTOMER PLEASE?

By Kelli Hoskins

Preposterous! Buy a customer? Outrageous! Begging for customers, pleading for new clients, laying out breadcrumbs to lead unsuspecting customers in the door... Just how do you see bringing new customers into your business?

Have you ever just put an ad out there, whether it be on the radio, on TV, in a newspaper or even a flyer, hoping that somehow it would magically bring new customers in? Don't be startled if you answered yes. As a matter of fact, stand up and give yourself a big pat on the back because you are like 95% of business owners I speak with about their marketing. Pat yourself on the back because what you are about to learn is the key to getting better customers and probably getting them at a discount!

"What's all this about buying a customer," a client recently asked me. "I can't just go out and buy a customer, they have to come to me. Don't they?" "Ahhhh...isn't that an interesting question? When I speak with business owners, the idea of investing in stock is common. When we talk about Marketing investment, the only thing we can buy is new customers. The question then becomes, how much do new customers cost you?"

How do you figure this out? Let's take an example. You've put \$1,000 into an ad campaign. As a result, you had 100 people call you. Let's say that 1 out of 5 of these 'Leads' actually comes in and buys from you. Working out the numbers it cost you \$10 to get each Lead. It cost you \$50(5X\$10) for a sale. In this example, it cost you \$50 for a new Customer! This measurement is called 'Customer Acquisition Cost'.

Now this is where it gets exciting. Imagine now that you knew that your specific marketing campaign was going to cost you \$50 for every new customer it brought in, and that every new customer would eventually spend \$500 with you, of which \$100 was profit. How many times would you invest that \$50 to buy more customers? Let's see...spend \$50 make \$100, spend \$50 make another \$100 and so on and so on... I think you can see that it makes sense to repeat that one as much and as quickly as possible.

It sounds too good to be true? It really is that simple. Once you know how much it costs you to buy a customer, and as long as you are making more per customer than your Customer Acquisition Cost, you're ready to start reaping the profits. To know your true acquisition cost, test and measure every marketing campaign. Give me a call and I'll show you how.

When you see that your whole business is a marketing entity, not just a production, service or retail entity, you'll begin to see why the amount you pay to buy a customer is your biggest expense.

It gets very exciting when you then discover new ways to buy customers for less than your profits on your first sale. What if that first sale came within days of your marketing? What if you put in place low-cost strategies to get those customers coming back over and over while buying even more per visit from you.

That's where a business really starts ticking along generating an ever increasing revenue stream for the owner.