

GET ON THE BUS

Sick of the customers from hell who constantly turn up at the store whingeing about the price? Do you seem to spend most of your time handling complaints from the same clients? Are you tired of processing returns from clients who you know did not purchase the goods from you? Frustrated that it seems to be the same debtors you call every month?

Some Rural Merchants seem to draw these clients like flies to a Venus Fly Trap. If you think you fall into this category may I suggest a little capital investment. A Mini Bus. Why?

This type of customer is what I like to categorise as “D” class clients. The more you have, the greater the weapon you possess. They are an important asset of your business provided you can get them out of your store. They are your hired assassins. They will take the margin off your opposition and you do not need to do a thing. Except for providing the transport.

These customers are costing you time and money. It is important that you are spending your valuable time servicing customers who provide a return to your business. Have you ever considered setting up a Data Base categorising your customers into four different segments.

“A” class clients provide 80% of your profits yet are 20% of your client base. They show you complete loyalty and always pay their account on time. They do not quibble about price on non-price sensitive lines and are great to do business with. They are advocates of your store in that they sell your operation to the market place.

“B” class clients generate 30% of your sales. You know they shop around but generally shop with you. They pay their account on time and are good clients to do business with.

“C” class clients also generate 30% of your sales but do not show the same loyalty as “A” and “B” class clients.

So who makes up the remaining 20% - the “D” class clients.

Characteristics of these types of customers are:

? they argue about the price of a pipe fitting;

- ? after arguing about and beating you down they take 90 days to pay;
- ? they are constant seekers of free advice and then do not buy any product from you. The dust has not settled before they cross the road buying from the competition;
- ? they create competition by constantly shopping around. They have the motto “keep the bastards honest”;
- ? they whine when they have to wait at the counter for service;
- ? they become your worst form of advertising in that they spread disparaging remarks about your operation.

Yet, who do we attempt to steal from our opposition by giving cheaper prices? Who do we aim our promotional dollars at? Who do we spend most of our time servicing? Who are the majority of advice seekers? You guessed it, the “D” class clients.

Have you ever considered establishing your clients on a Database using the “ABCD” classification? In a market where the number of clients is shrinking and competition is fierce, it’s time to look after the “A”s as if they are family and endeavour to service the “B” and “C” classes as best as you can. What do you do with the “D”s? Easy, put them on the bus and conduct them on a tour of your opposition stores! Remember, “D” class clients can be an asset in that they become your hired assassins. They will take the margin off your opposition. You do not need to do a thing except get them there!