



BUSINESS ACCELERATOR PROGRAM

INCREASING TRANSACTION FREQUENCY



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6. Increasing Transaction Frequency

Introduction

Transactions, the foundation of your business, drive your business. Transactions define the premise for your company's economic model, capacity for growth, capital intensity, and capability to satisfy customers. Value and volume present a means to explain the changing nature of your business transactions.

Transaction frequency is one the three elements of business growth. The other two elements are increasing your customer base and increasing your average sale value. Transaction frequency is greatly dependent upon your company's specific product/service. If you are genuinely interested in serving your customers, you should find effective methods to stay engaged with past buyers. It should be your high priority because only then you can sustain a high rate of transaction frequency.

It's much simpler to sell more of your company's products/services to existing customers than it is to sell to new customers.

So, ignoring your existing customers can be a grave error. On an average, it'll cost you at least Five times (and sometimes even 10 times) more to bring in a new customer from the highly competitive marketplace. Consequently, the cost of selling more to your customers or selling to them more frequently is trivial in comparison to the cost of getting new customers. Additionally, it's easier to get further sales and referrals from your existing customers.

10 Useful Transaction Frequency Strategies Summarised

Below, 10 strategies are summarised for improving your transaction frequency. This list of strategies for increasing your transaction frequency is not meant to be exhaustive. It does, however, include some practical low cost and no cost strategies that you can implement into your business immediately.



Take notes on the ideas you can implement into your business wherever you see this symbol .

Here are the strategy summaries.

1. Implement Monthly Communication with Customers

As your company gets bigger and your customer base expands, you find it increasingly difficult to devote time and pay attention to each customer. But managing customer relationships is vital even when business growth places additional strain on the delivery of your products/services. Your customers expect an exceptional level of service, always. Despite the high quality of your product/service, your customers will not remain loyal to you for long if you don't treat them respectfully before a sale, as well as, during and after it.

Put in Place a Monthly Email Marketing Campaign

Automated email software enables you to communicate with your existing customers easily. Touch base with them once a month. Inform them of the most recent news or services. Share links to your company's blog posts as a way to direct your customers to your business website. Be consistent with your company blog. Use it as a bridge to build meaningful, long-term relationships with your customers.

Communicate with Your Customers Once a Month At Least

Customer involvement and satisfaction: Keep your customers involved by meeting them face-to-face, speaking to them over the phone or sending them a personalised email (not a standard, impersonal template) once a month. Keep them satisfied at all times.

Build trust and loyalty: The only way you can build trust and loyalty with your customers is by regularly interacting with them. Your customers will feel their relationship with your company is one of mutual trust if you communicate with them openly.

Focus on meeting customer needs: Keeping your customers satisfied is a constant process. An excellent product/service isn't enough. Sloppy invoicing, late delivery or a curt employee can undermine your customer's experience. Ensure competent employees handle these areas.



2. Segment Your Database

Today's marketing maxim is *Know your customer*. Understanding the similarities as well as the dissimilarities among your customers is the most elementary step in quantifying their relationship with your product/service and company. Segmenting your database enables you to serve your current customer demographics better. It also permits you to discover the unmet needs of new groups of buyers and deliver better products/services to them.

Why Segment Your Customers?

Customer segments permit you to understand the patterns and criterion that differentiate your customers. However, collecting and analysing data doesn't make sense if you don't act on it. Segmentation analysis permits you to:

- Build loyal relationships
- Develop better products
- Customise features
- Better focus marketing efforts
- Identify the most profitable customers
- Price products differently
- Improve customer service.

The W's of Your Database

i. Who

- Gender
- Age
- Education level
- Income
- Marital Status
- Occupation
- No. of children

ii. Where

- Urban vs. rural
- National vs. international
- Market size and city
- Region and state
- Zip code

iii. What

- Total number of transactions
- Most recent purchase
- Total revenue
- Total profit
- Product experience
- Years of experience
- No. of customers referred
- Time spent with support

What they do:

- Experience level: novice vs. power user
- Motivations: pleasure vs. business
- Their goals

What they think:

- Overall product satisfaction: high vs. low
- Values: spendthrift vs. frugal
- Personality: risk averse vs. risk seeking
- Technology: tech laggard vs. early
- Active vs. occasional user
- Lifestyle: homebody vs. traveller

iv. When

- Weekdays vs. weekends
- Evening vs. daytime
- Life events: wedding, after a baby or move
- Seasons: normal vs. holiday shopping

**v. How**

- In-person vs. phone
- In-store vs. online
- Direct vs. reseller

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



3. Deliver Awesome Service

The number one secret of sales: find out what your customer wants and help them find the easiest way to get it. If you want to deliver awesome service, look at it this way: you don't *sell* to your customers; they *buy* from you. And your customers buy for their reasons, not yours. You can talk to your prospects and customers at great length about the benefits of your products/services. But if you fail to educate them on how you fulfil their specific needs, your efforts are wasted.

Implement Anticipatory Service

You can eliminate problems even before they happen if you implement a proactive approach to customer service. Anticipatory Service is precisely that. You don't wait for problems to occur. More importantly, proactive customer care promotes customer loyalty. Customer relationships are really simple – the value you get from your customers is equal to the value you give to them.

Establish a Meaningful Dialogue with Your Customers

Respect your customers' communication preferences and show an awareness of their information requirements. Only then you can maintain a harmonious relationship with your customers. The more contacts you make with your customers, the more 'stickier' your customers become. When you give your customers valuable information consistently, their stickiness forms a lasting bond of loyalty.

Examples of Anticipatory Service

- A corporate billing department, as a matter of courtesy, alerts customers a day before their invoice is due.
- A major airline proactively sends text messages to customers advising them of flight delays.

In both cases, the company concerned is opting for a proactive approach to avert a problem that may result in a negative experience for the customer. The corporate billing department doesn't want to send a late fees payment notice without first informing the customer about their payment deadline. The airline doesn't want the traveller to discover at the last moment that their flight had been delayed by 40 minutes.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



4. Have a Monthly 'Value Added Special'

Continue to satisfy your customers by offering them ongoing support and value added specials. Dissatisfaction with Customer Service is the number one reason for customer attrition. So, you should always do everything in your control to provide first-rate service to your customers. Respond swiftly and enthusiastically. Present your customers a discount or special offer to increase their transaction frequency.

Offer Specials on an Ongoing Basis

Ongoing specials are guaranteed to enchant your customers over the longer term. You should create compelling multi-channel promotions centred on discounts, sweepstakes, contests, and giveaways. Communicate these offers to your customers via social media, in-store ads, print ads, email, and other marketing channels for better exposure.

Business Growth Questions that Increase Transaction Frequency

- Ask yourself these powerful questions:
- How do we deliver 'Value Added Special' to our customers?



- How do we increase contact and interaction with our customers?
- How do we create a sense of community and oneness with our customers?
- How do we communicate our offers more often and more successfully without becoming a nuisance?
- How do we provide proactive ideas and solutions to our customers?

Developing strategies to address these questions effectively will enable you to increase transaction frequency. A foolproof business growth strategy would be to provide attractive repeat buying opportunities to your customers.

Listen Carefully to the Message Your Customers Want to Convey

At a time when having a two-way dialogue with customers is so easy, it's important that you truly listen to them. Since the lifeblood of your company is your customers, you should deal with their reasonable requests on a priority basis. Not doing so could result in an unfavourable backlash. After releasing your monthly 'value added special', you should collect feedback from your customers using email and web forms, surveys, social media, point of sale, and communities and groups. Use this feedback to fine-tune your subsequent offers.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



5. Frequent Buyers / Preferred Customers Programme / Events

Sometimes, it's so easy to forget that your existing and previous customers are the individuals most likely to purchase from you again. Each one of your customers likes to be recognised as special. Therefore, you can use periodic or regular special events to reward and acknowledge your customers as very special individuals. Also, you can use these events as a way to entice and convert new customers.

Reward Frequent Buyers

You can repay the loyalty of your frequent buyers by presenting them unique benefits. You can give them advance access to your most recent, enhanced or niche products and services. Also, you can give them a free bonus, better choice, or preferential pricing. All your customers will love it! Besides, it's extremely profitable and can be lots of fun. And your transaction frequency increases because these events result in most of your existing customers purchasing more of your products/services.

Preferred Customers Programmes

These programmes are also called Frequency Builder Programmes. They motivate your customers to buy from you repeatedly. Importantly, these programmes make your task of developing repeat business so much easier. Offering special incentives and extras to your customers enables you to build your customers' loyalty and coax them to buy more frequently from you.

Loyalty Programmes

Loyalty programmes, designed to bring you closer to customers, take several forms. Examples include point accumulation programmes, communication programmes, special 'members-only' offers and prizes, sticker or punch card programmes, 'preferred customer' discounts and sales, rebates based on spending or gift certificates. These programmes insulate you from price competition and strengthen your position in the market. They help you get a bigger slice of the cake. They empower you to gather data on your individual customers. And you can cement your customer relationships further by offering special bargains that meet your customers' specific needs.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



6. Post Purchase Value Reassurance and Follow-Up and Complimentary Offers

Congratulations! You've just closed a big sale! The product/service has been delivered and the contract has also been signed. Importantly, your customer is happy. So, the process is complete. But have you really crossed the finish line? No! The Real Race has just begun. Your business can survive only



if you have repeat customers. The only confirmation you have from your customer right now is that they will Check You Out. Marketing Psychology affirms that this tiny window period is the most opportune moment for Post Purchase Dissonance, a deadly virus, to strike.

What is Post Purchase Dissonance?

Better known as ‘Buyer’s Remorse’, Post Purchase Dissonance is the feeling of uncertainty – Should I have really bought this? – that can strike a customer after a high-involvement purchase. The customer, at this point, has spent a small fortune. So, incongruent feelings as to quality, pricing, performance, or numerous other things connected with the purchase can strike now. This is the most crucial period in which your product/service may be returned or the contract not followed through.

How Do You Combat Post Purchase Dissonance?

Offer your customers a **Post Sale Reassurance** component in all your marketing programmes. Allay the fears of your customer as to the wisdom of their purchase decision by firmly planting confidence in your product/service in their mind. Follow these steps after a purchase:

- Send a letter of thanks to the customer, reaffirming the key elements of the **‘correctness’** of their decision.
- Have a follow-up telephone conversation within a few days or a week. Make certain that your product/service is being integrated properly. In the case of any problems, attend immediately.
- Send a complimentary add-on to the customer that emphasises your appreciation to have them as a new customer.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



7. Educate Clients on Your Products and Solutions

Educating your customers and even your prospects is just a form of marketing. It's an ongoing process. When you do it better than your competitors, it sets you apart. And, you can dramatically influence your prospects' buying decisions. Showing off your expertise or justifying your prices is the wrong way to educate your customers. Your customers really care about what you can do for them. They also care about how you can help them make money, send their kids to college, solve a problem or retire early. Therefore, educating your customers is all about them. It is NOT about you and your brand.

Tell Your 'Behind-the-Scenes' Story

Take your prospects and customers behind-the-scenes in your company. Educate them better than others about what you do, what makes you better, why you do it, and how you do it. You will attract many more customers when you do this right.

The Right Way to Educate Your Customers

Educate to create a fear of loss: Fear of loss is powerful. It's more potent than the hope of gain. Since both these feelings appeal to the customer's limbic – feeling – brain, you should show them what they stand to *lose* by not purchasing your product/service. It's easier to convert more prospects into paying customers when you exploit their vulnerability to *fear of loss*.

Educate to address objections and answer questions: Answer the questions your customers are asking – not the ones they aren't asking. Whenever possible, tell your customers *what* you do and *the reason* they need it.

Educate to persuade: Product demonstrations, free trials, and sales promotions are proven methods of persuading your customers to purchase your products/services.

The Best Customer Education Tools

- External signage
- Menu board
- Tech talk cards
- Business brochures
- Mail outs (quarterly newsletters)
- Branding material



8. What Else Do Your A-Grade Clients Need - Sell That Too!

Your A-grade customers pay the full price, always. They don't bargain or complain either. Additionally, they give you great feedback and tell you how wonderful your product/service is. Also, they recommend your brand to all their friends who will likely increase the ranks of your existing A-grade customers. So, you need to identify these customers and focus on meeting their needs. Nurture them like how you'd nurture your own family. Make certain they are the first ones to know about your new programmes, offers or deals. They'll love it and buy more often.

The 80:20 Rule

Eighty percent of your sales come from just 20 percent of your customers. And this 20% comprises A-grade customers. Therefore, it's critical for you to know your best customers and concentrate on servicing their needs. Provide exceptional service to the buyers who want to deal with you and encourage them to keep returning. Tips on servicing your A-grade customers include:

- Know who your top customers are.
- Treat these customers like royalty each time they come to you.
- Think of these customers in terms of their lifetime value.
- Encourage them to refer their friends.
- Offer them rewards and gifts for continued patronage.

Establish Marketing Alliances

Take advantage of your A-grade customers' purchases of complementary products/services even if you don't sell them yourself. You should establish an alliance, or numerous ones, with other business owners who offer them. For instance, if you are a caterer, you should establish marketing alliances

with florists, musicians, and photographers. Similarly, if pet photography is your main business, the logical complementary products/services would include doggie spas, clothing for pets, and pet grooming. Establish marketing alliances with business owners who deal in them. So, consider what else your A-grade customers want to purchase that you are not selling. Sell them too!

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



9. Communicate Personally with Your Customers

Immediately after your customers transact their business with you, their minds revert to the next issue they need to deal with. You just drift away from their mind. So, the only way they'll know you really care for them is if you communicate continuously with them by phone or email. Your communications should be personal and purposeful. If your communications are customer centric and convey something of value to the customer, the likelihood of getting the next sale and the one after that is increased. The resulting higher levels of referrals and repeat business will make your business stronger. Your business is now virtually isolated from the ravages of price-cutting competitors and uncertainties of the economy.

Customers Value Appreciation

If you don't look at customer relationship as personal and perpetual, especially after a sale, that customer may never come back to you. So what's the solution? Make your customers feel valued; make them feel appreciated by expressing gratitude and showing it. Invest in individual customer relationship. Make certain that your communications are personal – not formal and impersonal. Remember, each customer is different.

Your Customers' Needs are a Priority, Not Yours

Your suggestions should match your customers' needs. Put your business needs on hold. When you do this sincerely, you'll experience the responsiveness and profitability of your customer relationships firsthand. Since your customers' needs will change and grow constantly, your customers will be a predictable and continual source of referrals and revenue. When you communicate personally with each customer, it's possible for you



to persuade them to repurchase from you multiple times. Hence, your transaction frequency goes up. A hugely delighted customer can have an immensely positive impact if they opt to evangelise for you. The possibilities are endless. And you are assured of extraordinary results.

WHAT IDEAS CAN YOU USE IN YOUR BUSINESS?



10. Programme Your Customers

Few companies ever think about selling their customers a comprehensive, long-term package or proposition of their products/services. However, your customers can definitely benefit from your brand's product/service on an ongoing or recurrent basis. So, it's easy to market a quarterly, bi-annual, annual, two-year or longer-term programme where your customers pay you a one-time fee in advance. Conversely, they can commit to buying the same product/service from you a specific number of times over a fixed timeframe, at a pre-agreed discounted price.

Hire the Best Customer Contact Employees

The number one way your company can programme customers and improve customer retention is by hiring and training the right customer contact employees. Ideally, these individuals should have the perfect combination of personality, skills, experience, and knowledge. They should be masters at building your customers' willingness to accept your programme. Building strong customer relationships is critical for persuading customers to accept your programme. So, instead of living from sale to sale and waiting for your customers to contact you, the potential for ongoing business with no further marketing costs is real. Your company is guaranteed future cash flow that's virtually unstoppable.

An Example of Programming Your Customers

For \$99 a year, members of **Amazon Prime** get free, 2-day shipping on millions of items with no minimum purchase amount, besides other benefits. Why is this membership offer a great example of Programming Your Customers? Because, it presents enough value to frequent buyers for them to feel it's advantageous to them. Analysts estimate that Amazon



actually loses \$1–2 billion every year on Prime. However, Amazon covers this loss in increased transaction frequency. While Amazon Prime members spend \$1,500 per year on average on Amazon.com, non-Prime members of Amazon spend \$625 per year.

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