

# CUSTOMERS VERSUS MEMBERS

The vast majority of small business have customers that they treat like, well, customers! And they are missing out on tonnes of opportunity and wasting loads of money on marketing and advertising simply because they focus on customers instead of building a membership.



Some of you reading this may think, "that's ok for some businesses, but not mine". Please read on just in case your wrong. I agree that what we are about to cover may not be able to be applied in all cases but I think you will find it can be applied and the benefits enjoyed in more types of business than you think.



So what are the benefits of having members versus just customers? Well, I have found it astounding the amount of people that carry around membership cards

for all sorts of businesses, from supermarkets to coffee shops, airlines to camping stores. These seem to be the traditional types of businesses that create a membership or loyalty programs. But many small business owners themselves don't like or can't be bothered with these sorts of programs, so they think that no-one else could or would be bothered with them either. That is a big mistake! Members have loyalty, and customers don't. If a person has membership benefits at your business there is a greater chance that they will come to you over a competitor when

they need a product or service that your business can provide.

The secret to a successful membership program is to make sure your members get more value than just a free 6<sup>th</sup> coffee or some under-whelming discount. You need to continue to come up with ideas that really provide the members with value even when they aren't in your shop or office. Things you can give your members are articles on tip and hints on how to save money, or keep their product in top order, or how to use it better etc. You can also send them a newsletter to keep them informed with what's going on in your business. Yes, people do actually care what goes on in your business and by keeping them in the loop with the goings on, they feel more connected to the business and it's people.

You can also get together with other businesses in the local area and ask them to JV or joint venture with you and provide you with deals or special offers you can give your members. That way, you look good in your members eyes, and the other JV businesses get potential leads from your membership. You could possibly offer your JV partners something they can give to their clients so they in-turn, come to your business to collect their bonus or whatever you are offering. If this is done well, and the "goodies" that your membership offers are valuable enough, it is fair and reasonable to have a monthly membership fee. There are a number of various business models I have seen work very effectively with these ideas.



A business owner in WA began the membership and goodie basket model with his rent a car business and did it so well that his return business skyrocketed as a direct result of the goodie basket the members received when they hired a car. He also built the JV part of the business so well that he now has businesses lining up to JV and pay to have their offers in his goodie basket, which has now become the major income stream for the business.

There are businesses that have an information rich newsletter that is posted



out to their members that pay \$49 per month and one of these businesses has over 500 members. If you do the math \$25,000 is not bad for a couple of days work to put the newsletter

together. Obviously there is more to it than just writing a newsletter, you need to have a marketing strategy in place to build the membership, and so on. I want you to start to open your mind to the possibilities for creating additional income streams for your business that, of course, will take effort to establish, but once established, will create a passive income stream for your business.

Having a membership base, rather than a customer base will focus you on activities and strategies that will have your business "touching" or communicating with your people.



Some of you may remember Andy Smith from Dr Drip plumbing in Sydney that has successfully built a

membership base from it's original "client base" which has been instrumental in allowing Andy to create a lifestyle business in just 24 months. Who would have thought to create a membership model with a trades based business!!

It is also important to understand if you change your mentality to having members instead of customers you will tend to look for ways to "work the farm" or in other words look for ways to keep your members engaged and coming back to spend more money in your business.

This is an important mind shift to have as far too many small businesses (and big ones for that matter) waste so much

time, energy and money chasing new customers, while the existing customers are going rotten on the tree. Selling again and again to your current customer base or members is far easier, cheaper and less

stressful. If you learn what your members like and don't like, it is far easier to build your business to cater to the people you are familiar with. Plus, the great thing is the type of people that fill your member base know many other people just like themselves, and if they are being looked after they will be bringing more members to you for FREE, and that's got to be a great deal!

So throw the questions out to the team and get them involved in creating and testing ideas for a membership program for your small business. Make sure you don't forget where the real answer as to what your clients would like to have in a membership program really lies, WITH YOUR CLIENTS! Go straight to the source and listen, and be prepared to be very surprised at their response as they won't used to being actually listened to, which in and of itself will be building the connection between you and your customers.

