

Grow Your Customer Base — or Die

Be nimble, be quick: Here are tips to draw in new customers and retain them

By Renée M. Covino

The retail industry is all too familiar with the “grow or die” adage, as chains across various channels operate in the shadow of mega-companies like Amazon. But what about the smaller and independent players that have no immediate expansion plans? Does the grow-or-die concept apply to them?

If the question is centered on growing the customer base, it certainly does.

In many cases today, smaller and independent operators are more intimately in touch with their customers. “Small convenience store operators understand how important time is to their customers,” said Jean-Eric Penicaud, chief operating officer of Survey.com, which measures product introductions and more at c-stores. “This extends beyond their location and the time it takes to get in and out of their store, and into the role they play in their

customers’ lives.”

Prepared food is a perfect example of how small operators are expanding the role they play in the lives of the communities they serve, according to Penicaud.

“It is critical that they embrace the role of product curator to help their customers with immediate needs and grow their business,” he stressed.

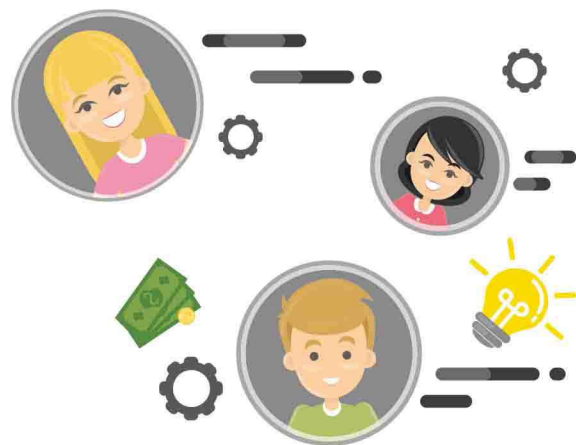
At the NACS Show this year, held in October, new offerings for parents, pet owners and health enthusiasts, designed specifically with convenience stores in mind, stood out to Penicaud as up-and-coming areas. Small convenience store operators and independents

are positioned to be natural trend setters, he believes, because they’re able to jump on new items quicker than their larger counterparts, and this attracts new customers when the word gets out.

Other perspectives on how small c-store operators can be new-customer magnets include:

BE NIMBLE TO TECHNOLOGY

The simple business adage of grow or die is behind the advancements being introduced to the market by many technology companies looking to help give retailers an edge with their existing customers and potential new customers.



The fundamental goal of a small convenience store business is the same as the fundamental goal of a larger one — to attract a “rather steady increase” in its customer base, noted Jeffrey Smith, vice president of business development for software company Digital Social Retail. Seeing a steady increase confirms that the business is in line with what customers are looking for, he added.

On the other hand, a plateau in customer base

should be seen as a “call to action for a business to make changes, and those changes must come before the window closes,” he said. “Lack of growth means we have missed something fundamental to the current market, trends and needs of our customers and we are headed toward death.”

Small operators, who are traditionally known to be more nimble and quick to change than larger outfits, can stay ahead of the customer growth curve by embracing new ideas and emerging technologies. It is how forward-thinking operators are differentiating themselves and connecting more intimately with customers, according to Smith.

For instance, a proximity marketing platform that engages with existing and new customers by using current technology trends in smartphones, mobile applications and digital signage is something that many large retailers have yet to embrace, giving small operators an opportunity to embrace this and stand out, Smith explained.

“This focus on local proximity and personalized customer-centric messaging is a great way to get your small-business message and branding out to potential customers with a bit of a ‘wow’ factor that can keep them interested and engaged in your store,” Smith said.

This type of technology is also geared toward customer retention. “The current trend of real-time, on-demand, personalized service is where savvy retailers and operators can make it convenient for a customer utilizing technology platforms to return. Plus, it’s the opposite of a one-size-fits-all experience,” he stated.

BE A ‘SOCIAL’ LISTENER

Small operators and independents should always be listening and soliciting feedback to find growth within their current customer base, according to Deborah Sweeney, CEO of MyCorporation.com, a legal filing service geared to small and independent businesses. “This will also help you to grow and take on new customers because new customers are interested in the outcome of the feedback you received from your current customers,” she pointed out.

To draw in new customers, fun promotions, enticing loyalty programs and overall “wowing” are good tactics for small operators, she said. “When you wow your current customers or offer something unique, they are likely to refer a friend or colleague,” she said. “Through that, you can develop new customers and continue to grow.”

Retaining those new customers is a matter of



engagement, in Sweeney’s view.

“Ask questions, anticipate needs,” she said. “When you are interested in feedback and respond to customer feedback — positive or negative — you are likely to gain additional loyalty. When your customers feel heard, they are more likely to be loyal and stay connected with your business.”

Sweeney also believes small operators have an advantage of being “more real” on social media platforms. She advises small c-store operators to share information about their offering, their people and their day-to-day happenings on social media.

“Our customers, by virtue of exposure to our social media, feel that they know us and are connected to us,” she said, using her own small business as an example. “They perceive us to be fun, connected and engaged as a team. As a result, they want to be a part of working with a company that has that type of culture. It is through sharing the ‘real us’ on social media and with our customers that we retain and further engage with them and new customers that hear about us through them.”

BE ANGLED, LOCALLY

There is an overall market movement toward local producers/manufacturers and, by extension, independents. “Small operators are in a unique position to take advantage of relationships; they can leverage local brands,” said Penicaud.

Demonstrations, tastings and samplings with local producers can all contribute to a small operator being viewed as a “community player” by customers old and new. “Small operators have a powerful opportunity to test local brands,” Penicaud advised.

Knowledge of local products is a must for small operators and they should invite local brands, manufacturers and brewers, etc., to "do the work for them," he explained. "Stay local in the approach — sponsor a block party, execute taste trends, demo new offerings. It is important to choose an area of the store that can be refreshed often."

When customers feel connected to a local business, they are more likely to just "wander in and engage," agrees Sweeney. "People like to be welcomed and recognized at their local stores and if there's that connection, they will likely pop in more regularly for coffee, water, gum, etc. If they are able to engage with store employees, they feel more devoted and are more likely to continue to return."

Proximity marketing is also a way to capitalize on the local angle to draw in customers with a call to action, according to Smith. However, he cautions that small operators with more than one store may find that what works in one location does not necessar-

ily translate to sales at their other locations — even if they're close to one another.

"With proximity marketing, a customer realizes 'I can only receive these benefits if I act now because I am here now.' This creates a unique opportunity for a business to take advantage of a customer's fear of missing out (FOMO)," Smith relayed, **CSW**