

Contractors Speak Out on Expanding Customer Base

By John R. Hall

As customers go, so goes a business. Without an active customer base, contractors are left resorting to costly advertising and price cutting. Maintaining and expanding a customer base should be a priority for any business owner – at any time. It is one of several strategies that contractors should explore in 2010, along with maintaining good customer service, referral programs, marketing, etc.

I recently posted a survey at SurveyMonkey.com, specifically targeted for answers on how contractors plan to expand their customer base in the coming months or years. A total of 64 people responded to the survey, which is still open. I welcome your feedback and you can click on this link or cut and paste it into your browser:

<http://www.surveymonkey.com/s/MQVFH6F>.

Below is a summary of the results as of this posting. The most popular answer is in bold print.

1. If you had one choice to expand your customer base, what would it be?
 - A. E-mail campaign – 14.1%
 - B. Website promotion – 4.7%
 - C. Direct mail campaign – 25.0%
 - D. Giving free service in exchange for media publicity – 10.9%
 - E. Reviewing former customer lists and reconnecting – 42.2%**
 - F. Other – 3.1%

2. If you could expand your customer base by adding one product, what would you add?
 - A. Complimentary, i.e. water heaters, gas generators – 14.1%
 - B. Unique and not carried by competitors, i.e. pellet stoves – 15.6%
 - C. Trendy, i.e. “green products” – 15.6%
 - D. Anything energy efficient – 53.1%**
 - E. Other – 1.6%

3. If you could add one service to expand your customer base what would it be?
 - A. Electrical – 39.3%**
 - B. Plumbing/sewer – 32.8%
 - C. Appliance repair – 14.8%
 - D. Lawn cutting/snow removal – 1.6%
 - E. House cleaning – 0%
 - F. Other – 11.5%

4. Do you plan to add products or services in the next year?
 - A. Yes – 54.7%**
 - B. No – 14.1%
 - C. Maybe – 31.3%

5. True or false: Adding extra products and services will keep customers coming back to you.
 - A. True – 78.1%**
 - B. False – 21.9%

6. True or false: Adding products or services will have no effect because people are price shoppers.

- A. True – 14.3%
- B. False – 85.7%**

7. True or false: Adding products or services is the best way to expand your customer base.

- A. True – 73.0%**
- B. False – 27.0%

8. If you answered false to the previous question (#7), explain the best way to expand your customer base. (The answers are below.)

- “Adding products and services must be balanced with adding/maintaining quality of existing products and services. If you aren't where you need to be with the quality of existing products/services, the best way to expand customer base is to beef up those services before adding more.”
- “Adding product or service will neither keep nor expand your customer base unless you are providing a reliable, dependable reproducible first class experience every time they call and/or have service. Relationships are the key.”
- “Getting good marketing of existing offerings will do better than adding additional offerings.”
- “Generate more referrals from your current customers. It keeps you more focused without having to train or add employees; and inventory stays the same.”
- “Sticking with core competency keeps you on message and makes you more efficient. Referrals are still the best acquisition method.”
- “Provide higher quality service. Impress customers so much that they will want to tell their friends.”
- “Try home energy scans.”
- “We have expanded 52% thru 11/03/09 by increased marketing, expanded training, and implementation of operational excellence.”
- “Acquire customers through purchasing other companies.”
- “If service companies would focus on the word "service" they would have more work than they could manage. It's not about what I sell or provide although it should be top of the line equipment. How I respond to the customer is going to have the most powerful and positive results. You ask any customer what they want from a service provider and that's to be treated like you really care and you want to do what ever it takes to make them happy.”
- “Ask for referrals. Just because you add products and services doesn't mean you will expand your base. Your customers will expand your base.”
- “Try an online rating strategy or top of mind awareness.”
- “Get more from our existing customer base. This could be adding new products, but I think there would be better return on selling more of our existing products. Some of our customers only buy a specific line rather than all that we have to offer.”
- “The best bang for your buck is to grow via acquisition. Every market and demographics has comparable smaller companies that can be purchased and tucked into an existing operation. If any company is positioned for growth, it will be positioned to acquire customer bases.”

These are all good answers. So the next question is – *what is your strategy?*

Note: Surveys are a big part of the Success Library, keeping you in touch with what your peers are thinking and doing. Survey articles are one of many reasons to sign up for membership in BuyMax Alliance™. Our Success Library will keep you updated and informed on how to maintain and increase your bottom line profitability!