

**T**hree. Tres. Trois. III. 3.

Say it however you want, this is what you get.

You spend a fortune to get people in your door. You use everything from billboards to Craig's list. You feed them, you give door prizes to them, you organize rides for them, and you even give some of them your best parking spaces.

You bring in hundreds, maybe thousands of new customers each month. They are each treated well by your fully trained staff, they get value for what they spend, and now you want to know if it is worth it.

I wanted to know. So I pulled parts counter data on one large store. And here's what I found.

For any given month, the number of new customers is 100%. That is our

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beginning point. Now, the second month, I find that only 4% of them come back. Month number three, we find that 3% of these people are laying money down at the parts counter. Month four, we are down to 2.2%. This pattern continues in the same range, until we are at a full year later. At 12 months from the time of their first appearance, I see only 3% of the original group in the store.

Now, the good news is that these 3% become part of what I call our "Deep Pool" of customers. These

people continue to come in, and we see them at the counter month after month after month. For years. That is good.

But what is not good, is the 97 out of a hundred that we never see again.

What happened? Was it something we said?

Think about it. Ninety seven people out of a hundred came in, bought stuff, walked out and we never see them again. You know what it costs you to get these people in the door. You see 97 once, and that's it. Done? End of story?

Big cost. Big expense.

Now, my study was only one store. But I believe that it is large enough, and typical enough that we can learn from it, and apply it to each of our retail operations. Your repeat business is crucial to the long-term success of your business. We do not run 7-11's. We don't have a gas station on the freeway where we never see these people again. Our customers value our friendship, our greeting, our familiarity with their lives and families, and they want to share with us the joy of this sensory-rich sport we all enjoy.

And if you don't recognize this, and don't value it the way they do, you will find that you must continually dig up new customers in ever more difficult ways. Some have described this as "pushing ever bigger boulders up ever steeper mountains...". Tough to do.

Wouldn't it be a little smarter to just get more of our one-timers back into



the store? Each customer visit at the parts counter is worth about \$80 in the average shop. So nudge that 3% up to 8 or 10% and watch the sales increase. Remember, once that customer comes in, you know that he wants what you have. You don't have to send out 20,000 direct mail pieces (at a cost of \$5,000 or more) trying to find him again.

So focus on those loyalty programs. Get those names in your Lightspeed and use it to the max to increase the Lifetime Value of each customer. Keep up the barbeques, the rides, the week-end music and the giveaways. Hire that events coordinator you've been thinking about, and become an even bigger, more visible part of your community. Can you say, "C.R.M."?

It's what we are about. The message from our deep-poolers is loud and clear: Be our friend, and we will be back—time and time again. And now you have the hard numbers and see just how important it is to foster, manage, and even enjoy, the people side of this business.