

BUILDING CLIENTELE

Clients are the main revenue source of a business. When clients are spending money a business has revenue to run their business, pay employees, potentially expand their business. Without the revenue from clients, a business struggles to cover their costs and ultimately will struggle.

Clients are important to have and important to keep. The cost of acquiring new customers/clients (known as customer acquisition cost) is ten times for expensive than getting current customers to buy more (known as customer retention). New clients have to be convinced through more marketing, have to be found, it is more difficult to get information to new customers, due to not having their information and not being able to influence them at a point of purchase to return. Grocery stores encourage you to return by printing coupons for you at the time of your purchase. This gives you an incentive to return, while new customers would not be able to get these since they have not been in the store as a customer before.

As important as customer retention is, as a business looks to expand their clientele also needs to grow. In order to build clients there are many strategies that can be employed. Below are options to grow the clients of a business.

- (1) Seek Referrals - customers who buy products often have many connections with similar people who could also become clients. As an incentive, referrals can provide a discount to both parties, the person referring and the person referred.
- (2) Find Prospects - Identify similar potential customers, that match your current customers. Identifying your current customer demographics gives you the information to determine who you should target with advertisements
- (3) Branding - Try to stand out from your competitors. If products are similar or even identical, a customer has to reason to select one product over the other. Setting a product apart from the competition will allow for a business to differentiate themselves from each other.
- (4) Networking - Using avenues to network such as social media, classified ads, or offline through organizations or community resources such as direct marketing to branch out and find new potential customers.

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