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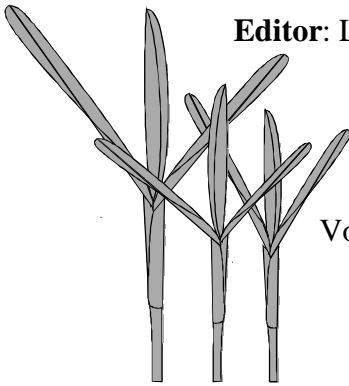
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MANAGING FOR BUSINESS SUCCESS: A FIVE-POINT PLAN TO INCREASE SALES

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INTRODUCTION

Marketing *can* make a difference! Whether selling commodities like turfgrass, sod or nursery crops, irrigation or drainage supplies, horticultural chemicals and fertilizers, or lawncare maintenance supplies, the difference between profitability and bankruptcy could be the absence of a well defined marketing strategy. In recent years, numerous studies have firmly established the relationship between marketing and business profitability. Marketing has broad application, regardless of the type of business you are in or the types of problems you may have. In this article, we discuss the benefits of marketing and it's practical application to your business.

*without the customer there simply
will be no business*

Marketing helps you understand your present customers better and uncover innovative ways for reaching new customers. Remember, the customer

base is the hub of your business — *without the customer there simply would be no business*. Consequently, you should do everything possible to determine who your customers are and what products and services they expect. Successful businesses carry this philosophy to its logical conclusion by striving to go beyond customer satisfaction to customer delight. Exceeding customer expectations is the catalyst that creates a lasting bond between you, your business, and the people you serve. Customer loyalty has many benefits. Philip Kotler, author of *Marketing Management*, reminds us that loyal customers are satisfied customers and that satisfied customers: 1) are your least expensive customers; 2) buy again; 3) talk favorably about your business (free advertising!); 4) pay less attention to competitors; and 5) tend to buy new product or equipment lines you may add later.

FIVE SIMPLE STRATEGIES

The following discussion outlines briefly some of the marketing management strategies you can employ to satisfy customers while simultaneously improving business performance.

Monitor Your Inventory. Perhaps the most basic

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step in achieving customer satisfaction is to survey items that your current customers are purchasing. Which items are purchased most frequently, or only occasionally? Do you have enough of the most popular items on hand? Are there other products, supplies, or equipment that you should have in stock but don't? The message is simple — find out! From a customer's point of view, there is nothing more frustrating than traveling across town to obtain needed merchandise only to be disappointed by learning it is "out of stock". When this happens (and it does), a cardinal business rule has been broken, with costly consequences. If you do not have the products or services desired, customers are compelled to look elsewhere. Even worse, alert competitors will do everything possible to retain that individual as part of *their* customer base. After all, wouldn't you?

Establish a "Preferred Customer" List. Keeping the customer is the key to surviving and prospering in today's highly competitive marketplace. To stay ahead, businesses will need to distinguish themselves, primarily with superior service. No business can survive long without satisfied customers. Consider these sobering statistics. In his book "*Keep the Customer!*", Robert Desatnick notes that: a) 96 percent of unhappy customers never complain; b) 90 percent of dissatisfied customers will not return; c) moreover, each of those unhappy customers will tell at least nine other people; and d) 13 percent of those unhappy former customers will tell their stories to more than 20 people.

*no business can survive long without
satisfying the needs of its customers*

One strategy to keeping customers, particularly your better ones, is to have them fill out a "preferred customer" card. Let them know they are valued and that you wish to cultivate a long-lasting relationship. In the business world, lasting relationships require that both buyer and seller benefit. The seller benefits simply by receiving payment for the product or service exchanged. The buyer, on the other hand, profits only to the extent his or her specific needs or wants are satisfied. A common business problem is that consumer preferences are constantly changing. To keep

abreast of these changes, it is critical to *maintain open lines of communication* between you and your customers. Communicate your customers' worth concretely by offering solid incentives for returning to your business, such as providing price discounts on certain products or offering free application or consulting services with large purchases. The principle is simple — pass on today the cost savings acquired from repeat customers or risk losing their business tomorrow.

Develop a Newsletter. A newsletter is another excellent vehicle to maintain contact with your customers, particularly your regular customers. A newsletter provides a personal touch to your advertising needs and, when contrasted to other forms of communication, carries with it a more professional image. Your newsletter might incorporate some of the following ideas. Give the newsletter a practical focus by including information based on frequently asked questions. For instance, keep readers abreast of current or impending legislative rulings on the sale of selected pesticides. Provide information on the correct application of fertilizers, or the safe handling, use, and disposal of dangerous chemicals. Discuss those items you wish to promote, particularly over-stocked or slow-moving products. Promote your firm by becoming involved with the community and supporting special programs, attending seminars, or devising in-store demonstrations. The point is, attract customers by developing a positive image as an educated, responsible, and concerned member of the local community. A newsletter offering practical solutions to environmentally sensitive issues will go a long way towards making that image credible.

Charge the Right Price. For the most part, pricing is controlled by the forces of supply and demand. As market forces increase demand, price increases. Products and services can be divided into two categories: price sensitive and price insensitive. Buyers will shop around for a low price on price-sensitive items. As the price decreases, volume sold will increase. Purchase decisions on price insensitive goods are governed less by price and more by quality, uniqueness and appearance.

*products and services
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wanted by consumers*

Whether products and services are price sensitive or price insensitive depends on how badly they are needed or wanted by consumers. Generally speaking, those items that are critical to maintaining day-to-day living or business operations will be price insensitive. Conversely, in the event real incomes fall, less essential items will be the first to experience a decline in consumer demand.

Numerous methods are used in setting price. One method is to charge the price that consumers expect to pay. This is determined through experience based on last year's prices and customers. Or, pricing can be determined by what the competition is charging, such as setting price slightly above or below the average in your area. Finally, depending on the commodity, pricing can also be based on production or purchase cost. Indeed, costs should be used as a gauge to set the lower bounds of the products and services you are selling. An effective pricing strategy should include elements of all three methods. However, regardless of the policy used, price must be justified by value to the customer. Remember, ultimately the customer determines price, not the other way around.

Create a Positive Work Environment. A final area central to business success is good relations between management and employees. Have you ever watched little league baseball when a few players tried to win the game by themselves? Individual achievement is no substitute for team effort. The same holds true for a business. Too often managers forget

management and employees should form a highly motivated and productive team

that employees are part of the team and that poor performance by the employees undermines the business overall. Work with your employees and communicate with them regularly. Educate them on financial aspects of the business, including the value of their service to customers. Offer the employees financial and educational incentives for doing their jobs well. Remember, they are your most important resource. A sound employee investment program will pay big dividends in a work-force that is highly motivated and productive.

CONCLUDING COMMENT

With competition growing daily, it is increasingly important to exercise good marketing management skills. Without a basic marketing plan, there is simply no way to determine whether the demand you have come to depend upon today will be available for you tomorrow. Even implementing such simple but fundamental measures as these five management strategies can make a positive difference in your end-of-year earnings statement.