

The suburban **Coffee Shop** – located in a quiet residential street not far from a busy main road but without benefit of drive-by or walk-by traffic is looking to attract new business. They can advertising in local newspapers or implement a local area marketing strategy.



Small businesses often forget their most valuable asset is the customers they already have and what they can learn from them. Just a post code is important to help locate where the bulk of their customers are coming from which allows better targeting of advertising but importantly allows a small business to work with other non-competing businesses. The thing many small businesses do is – go it alone – they forget the value of the contra deal. You scratch my back and I'll scratch yours, you introduce my product to your customers and I'll introduce your product to mine. Although there are laws preventing a business 'selling' their customer base to other businesses (unless proper collection statements are in place) there is nothing to stop a small business making a special offer to their existing customers.

Many small businesses share local customers (a gym and a hair dresser might have some of the same local people whom regularly spend money to look and feel good) however there is a portion of their customer bases they do not share. A coffee shop may have 350 regular customers filling out their loyalty card and a local gym might have 520 customers checking in with their membership each week and a hair dress might have 157 regular customers whom have visited more than 10 times – 110 people could be registered at all 3 businesses.



Going it alone for a small business in advertising can be expensive and time consuming. It can be as much as 5 times more expensive getting new customer than it is working with another small business to cross promotes products to existing customers. A small business needs to think, "who else around here has local customers?" "Who is a non-competing business?" "Who can I work with for mutual benefit?" Directly targeting 250 known local customers is much better than advertising in a newspaper with hundreds of other local businesses to 1000's of readers you know nothing about. That's why mass advertising is referred to as – spray and pray.



This is more than just a display of each other's brochures. This is about such things as collecting email addresses, starting a news letter and cross promoting products to customers as rewards. A gym might give regular members who buy extra sessions or reach a goal a 2-for-1 voucher at a coffee shop or a certain discount for a style and cut. A coffee shop in return might offer a member who finishes a loyalty card a reduced price health check or a free facial with any cut and blow dry. A dance school with more than one child per family enrolled may offer the parents a free coffee in acknowledgment of their time and dedication and a local coffee shop might provide the offer as a one off deal knowing the free sample to a local family is cheaper to provide and more effective retaining new customers than mass advertising.

Nothing is more effective in growing businesses than team work.