

Hot tips for local shop owners

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Most people are too busy making a living to make really big money. That's why dedicated salary earners stay wage slaves and why small-time entrepreneurs stay small-timers...

It's the same with owners of the average local coffee shop, petrol station, dry cleaner, butchery or bakery. They are hardworking people. They get up early and work till late, but they get bogged down in daily operations.



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To make bigger profits you need to spend time thinking about the bigger picture. To do that, you must allocate time for strategic planning on how to build the business.

Essentially, this means coming up with new ideas on how to get more people through your front door and into your shop. It also implies a concerted effort to understand the appeal of the nearby competitor; what they do well and what you can do better.

Here are 12 tips to get you started on some big-picture planning:

1. Start with what you've got: Existing customers give you your base. Don't chase new business to such an extent that you chase away your loyal core of customers. Once you know your customers, try to know them even better.

Find ways to say hello and initiate a friendly chat. Gather information on what they like and then give them what they want. Make them feel welcome and special. Remember their names. Ask about their kids (by name).

You might wish to keep a little notepad and pen behind the counter so you can make a few notes: 'kids called Nomsa and Mpumi; likes blueberry muffins'. This sounds basic, but you can pay a fortune for research and not get pertinent and personal insights like this.

Observe what your customers spend their time on when they're in your shop.

2. Develop a mailing list: If you don't have a mailing list, develop one. Run a competition or promotion that requires customers to enter their details, including dates of birth. Even the most basic mailing list enables segmentation according to gender, age range and locality. If the street addresses come from far and wide, you're pulling in the office crowd. If the streets are close by you're a hit with the locals.

The more you know your customers, the more specific your segmentation becomes. Get to know what they're most interested in by segmenting the list to see which offers drive the best response.

Add the personal touch. Send out a mailer that lets customers know they get something free on their birthday. Keep in touch with customers at least every 90 days.

3. Be exceptionally convenient: A purchase from local shop is a convenience purchase. People don't travel 10km for a coffee or to buy bread. They go to the shop that's closest. Consider how you can offer even greater convenience. Serve customers quickly by opening an express or cash-only till.
4. Be seductive: Make sure you're always tempting your market with something new. Keep up with trends; for instance, healthy eating. What can you offer your health-conscious customers - perhaps low-carb or organic options?

5. Bank on the bakery: Pre-baked, freshly delivered products and in-store bakeries are the fastest growing segments of the food business. Frozen dough is no longer growing so fast. Ensure you always provide your customers with natural and healthy bakery products (e.g. whole grains).
6. Social media: Entice your customers by making your company accessible through social media. Let them know the latest happenings, and keep them up to date on new promotions. Don't sell all the time, though. Social media works best when it's a mix of conversation, content and promotion.
7. Stand in the customer's shoes: See the experience from the customer's perspective. What would you want if you were a local or an office worker from across the street? Or if you were a young professional or executive?
8. Be techno-friendly: If you own a coffee shop and the business crowd comes in armed with tablets, laptops and smartphones, make sure they know you are ready to serve them - with free Wi-Fi as well as coffee and a toasted sandwich. Put a big Wi-Fi sign in your window so people know. Do you have enough plug points for people working from your shop?
9. Local is lekker: Engage with your community. Make a list of businesses in your area and introduce yourself. Drop off a flyer or price list. Identify special calendar days and link them to special offers for the nearby community. Find ways to network and offer co-promotions with other local businesses.
10. Add value: Don't just offer value for money, look for little ways of adding something extra. Everyone loves it when they buy a dozen and the baker throws in an extra bagel. We all love freebies. Find a way to add further value to your products by including bonuses that make the product even better.
11. Advertise: The cheapest form of advertising is clear, helpful signage in your own shop, backed by informative word-of-mouth advertising from your staff. Put up a banner alerting customers to your top-three sellers or best price offers. Make choices simple. Tell customers what is popular. Ensure your signage and your people announce any product introductions. This is also an opportunity to up-sell.
12. Build service excellence into your business: Train your staff to be helpful, prompt, polite and engaging. Always. Make sure they smile, they are smartly dressed and have exceptional product knowledge on every item you sell. Be proactive. Praise and encourage staff who go the extra mile and deliver quality service. Encourage them to follow your example and remember the names and preferences of your regulars.

Don't forget, you need to take time out to consider the big picture and do some strategic thinking. You can't be at the counter or the customer's table every minute of every day.

You have to be sure that when you're not in the frontline, your people are performing service miracles - because that's the way to build a service business.

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