GROWERTALKS

Acres & Acres

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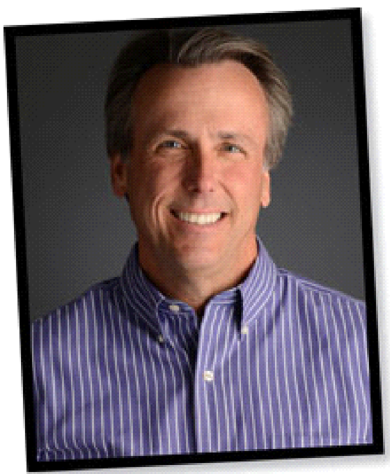
The One What Brung Ya

Chris Beytes


CHRIS BEYTES

I had a visitor in my office the other day, and we got on the topic of cannabis and how it's affecting our traditional greenhouse market. He alluded to one impact that I hadn't considered: how some growers are finding it harder to buy new structures or equipment because some of their traditional vendors have been seduced by the siren song of the burgeoning, cash-flush cannabis and hemp markets. Existing customers are being told they have to wait much longer than normal for a greenhouse expansion or new machine—that is, if they even get a call back.

Interesting! And worth commenting on, because after only a little thought, I realized it's a common phenomenon and one to which we can all relate.

Take your beloved phone/cable/Internet provider, for instance. They sweet-talk you into buying their services by offering all sorts of attractive discounts and short-term freebies until you eventually give in and sign on the dotted line. What happens 12 months later? Your introductory rate expires and your cable bill suddenly looks more like your mortgage. Which means you have to spend hours on the phone with a customer service person who treats you like a perfect stranger—and a pesky one, at that. Only by threatening to jump to the competition do you have any chance of getting the bill back down to size. However, with luck, they've gotten the message about the cost of losing an existing customer and they offer a deal that, while not as good as your introductory offer, is better than having to switch suppliers and learn a whole new batch of TV channels.

I hope that vivid image I painted scares you into wondering if you ever do that to your customers. It just did me.

At Ball Publishing, we have clients that go back decades; generations, even. That comes from running a publication that dates back to 1937 (even though we didn't start accepting advertising until 1982). Paul and Kim, my stellar sales force, constantly remind themselves and each other that even as they woo new advertisers to never take for granted the existing ones. In fact, I like us to try to treat the old ones with a little more consideration than the new ones, through recognition of their value to us. At times, I've even called customers out of the blue just to thank them for their business (I'm writing a note to myself to make time for that practice once again).

Admittedly, good customer service is a balancing act: You try to treat everyone well and not show favoritism. At the same time, new customers (if you're treating them right) require more attention and more hand-holding as you get to know their needs and wants.

I suppose the more customers you have, the more you can afford to lose one or two. But that should depend upon how deep the pool of potential new customers is. If you're so busy you've had to get an unlisted number, more power to you! Just remember growth curves eventually flatten out. For the rest of us, the pool is getting shallower. Which is why we fall all over new customers like dad welcoming the return of the prodigal.

Back to what I said about the cost of losing an existing customer … some online data I found indicates that it can cost up to five times more to gain a new customer than to retain an existing customer, and that a 5% increase in retention can yield 25% to 95% more profits.

There's also the reputation cost, from negative Yelp reviews (more likely with retailers, but you growers should be monitoring online activities regarding your business, as well) to bad-mouthing in the trade show aisles. And this is a small industry, with an active grapevine.

All that said, I'm in favor of pursuing new business and treating those folks like gold! It's key to ensuring long-term profitability. Just don't forget to dance with the one what brung ya, as the old proverb says—meaning show consideration and loyalty to those who helped you get to where you are today. **GT**