

Predatory Marketing

Book Review

Predatory Marketing, by C. Britt Beemer

This was the first business book I purchased after founding Fox Marketing Group, and it's been one of my favorites ever since. The funny thing is, it's not what it sounds like and it's not about what I thought it was.

The title suggests it's about getting aggressive and being on the prowl. In truth, it's a book about research.

I've always been a fan of market research -- and especially its application. That's exactly what this book is full of.

One finding in particular has meant a great deal to me over the years: the average consumer shops 1.8 stores before making a purchase, down significantly from decades past. This was in 1996, trending down toward 1.3 in 2000; when I see updated editions in a bookstore, I always check to see where this number is.

The meaning for business owners is simple: be the first one shopped. That's your mission. If you're number two, you're missing many customers who have already made their purchase. And if you're beyond number two, you're missing out in a big, measurable way.

There aren't enough leftovers to go around. You have to be first!

Following are some other findings and thoughts from Beemer and America's Research Group as published in *Predatory Marketing*. I'm guessing you'll find a few that stick with you...

- Female shoppers care more about clean bathrooms than helpful staff!
- Discounts or "sales" of less than 15% off are



Greg Zirkle, Fox Marketing Group

"Do you know enough about today's customer to win them over?"

insulting. Discounts of 30% truly move merchandise. Discounts of 70% are seen as misleading unless it's a going-out-of-business situation.

- The most influential factor in high-end furniture purchases is not high income, home value or high education, but how often someone entertains guests.
- In-store promotional signage has been seen to positively impact cross-selling to about 20% of a business's regular customers.
- Before embarking on a particular marketing strategy, ask yourself why a customer would react positively to it.
- Down economic times present an opportunity to gain market share as competitors scale back their own marketing and other "overhead."
- Many reasons advertising fails have nothing to do with the advertising, but with the store environment or the salespeople.
- Never mention any competitor's name in comparative advertising that doesn't have a significantly larger market share than you.
- When a business owner is directly involved with a customer, the chance of repeat business is 83% (versus 16-38% by a mass marketer's store manager).
- In some categories, there is an 80% closure rate among shoppers referred by a satisfied customer.
- A customer with a great experience will

tell 6 people, while a customer with a bad experience will tell 41 -- a 7:1 ratio! (The ratio is 5:1 in business-to-business sales.)

- Today's goals must reflect tomorrow's objective.
- The average retail business open for 30 years has only had 38% of local customers shop it; an effective grand opening can draw 42% of the local market in the first 90 days! A successful grand opening creates an image that lasts an average of 7 years.
- Over 75% of Americans agree that a store manager's primary job is to keep the store clean.
- Customer service is perceived more by speed of checkout than other facets of service.
- Five benefits of a loyal customer: yours is the first store shopped; there is a higher intention to buy on the first visit; more receptive to suggestions (add-on sales); more likely to refer others; and more tolerance if you make a mistake.

“The average consumer now shops only 1.8 stores before making their purchase. You have no choice but to be first!”

As I work for my clients -- someday, maybe even you -- the thinking in *Predatory Marketing* is applied nearly every day.

Know your customer better than the competition and you can adapt better to them and win them over. And if you need help with that, well, that's why we're here!