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Countering Transaction Count Decline

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There's an invisible ceiling over your business preventing its growth. You can't see it or reach out and touch it, but you can raise it if you know the factors that keep it in place. One of those factors is gaining new customers.

Contrary to popular belief, the fastest and most effective way to grow a business is to get new customers. In fact, in the book *Jump Start Your Marketing Brain*, author Doug Hall cites research indicating that the number of customers is 2.8 times more important for generating significant growth as compared to building loyalty. Loyalty is important indeed, as we will explore. Yes, keeping a solid base of customers to grow from is the first rule of growth. And that, my friend, is where many independent businesses are messing up—not just garden centers, but all small businesses. (There's a second rule and that's to effectively market for new customers—something to tackle in a future article.)

Consistency Rocks a Customer's World

A recent study of Boston-area coffee shops indicate that consumers are more comfortable with the Starbucks experience than with that of independent shops. Perhaps unexpectedly, baristas at Starbucks provided an overall better experience. The preferred experiences of the study included using the names of their regular customers, being informed about current events and sharing their shared experiences while drinks were being prepared.

The way baristas handled undecided customers through the ordering process was also observed to be favorable at Starbucks. Independent shops provided a consistently inconsistent experience at best, while Starbucks employees seemed to follow more of an invisible formula to creating a smooth customer experience to go with their consistent preparation of menu items.

I know many of you will poo-poo the Starbucks experience. And some of you would be correct if this is based on unique experiences, but the fact is that, overall, Starbucks continues to serve up a consistent blend of good over bad. Our bias in favor of independents clouds our view of the facts when we compare available chain versus independent providers the same way it clouds our view of the quality, assortment and customer experience at the chains that sell the same products we do.

Know What You Don't Know

We've been asking retailers to look at their numbers and find out things they wish they would rather not know about their business. Perhaps you've been looking, too, and have found the number of transactions is decreasing over the years. Counter-intuitively, as gross sales volume increases, transaction count often decreases. If you don't know if your transaction count is going up or down, this is a great time to go look. Don't worry. We'll all wait until you get back.

{Pause. No really. Go look. We'll wait.}

What did you find? History shows that transactions are declining at most garden centers. On average, this trend accelerated with the onset of the recession and has slowed but has not stopped. We can speculate and debate as to why transactions have declined and probably be correct and agree. But the question really is—what do we do about it?

I say we begin with the customer experience and focus on providing consistency of a few, very simple positive experiences. Well, maybe just one to start with—the most important one.

The approach of providing a consistent experience will root out the things that happen that make for a consistently inconsistent experience. Why make this so difficult? Simply installing a few, but very important, good practices is the fastest and best route to eliminating the bad ones if we can become consistent at providing those good practices. The never-ending argument over how to handle customers allows us to eternally deliberate while customers continue to get an inconsistent good experience mixed with a multitude of indifferent and bad experiences.

How Should You Be Consistent?

Let's begin with being friendly to everyone. A friendly demeanor and approach gets us started on the right foot. So often we try to put people in front of customers based on their plant knowledge. Meanwhile, the first person the customer encounters is the person who's watering. That person is just a "waterer" and has not been instructed to be obviously friendly, lest the customer may actually ask them a question they cannot answer immediately and correctly. Now the customer feels ignored and senses indifference to their presence, which they apply to the whole company.

The world is unfair and it doesn't end at the entrance to our store. It isn't fair to be painted with that broad brush, but that is what happens. The customer returns our favor of indifference and quietly slinks their way back to their car. Owners sometimes watch as customers exit their fully loaded store on their way back to the car with empty hands and wonder why. What's wrong with this picture? There's often nothing wrong that a friendly demeanor, faint smile and kind greeting can't do to at least keep a customer in the store long enough to have a great experience—one worth coming back for.

Start with a consistently good experience for every customer. Teach everyone in your business that a friendly demeanor toward customers, a gentle nod of acknowledgement and a smile go a long way toward getting started on the right foot. And start watching them to make sure that this is what actually happens.

If you feel that this article is too simple for you, I don't apologize for that. Your complicated perspective is

exactly why it's so simple. We must all accept that shrinking transaction count may actually be our fault or watch it slip further downward. And try as you might to grow sales, you won't be able to. **GP**

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