

The Advisor

Winter/Spring 2011

Ideas to Help You Build Positive Relationships With Your Customers

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2010 success stories that will work for you in 2011

Because past history is the best indicator of future occurrences, let's review some success stories achieved in 2010 by propane marketers across the U.S.



Andrea Young

A Texas propane marketer exceeded his marketing goal last year and increased his customer base by more than 10 percent. After sending an appealing offer to a selected list of prospects (sent four times

over the period of a few months) they gained more than 85 new customers!

The chart to the right highlights the approximate gross margin 85 new customers per year

represents over the course of five years. The numbers speak for themselves with a substantial increase to the bottom line. These numbers don't reflect additional income growth through other means such as cross-selling, new referral income, etc.

A propane retailer in Indiana acquired a carefully-targeted prospect list and sent a small (4.25 x 6 inch), inexpensive promotional postcard to 8,900 prospects. The first drop resulted in such an overwhelming response that he had to cancel the second mailing. He could barely keep up with new tank sets and didn't want to compromise be able to

provide good service. Exactly the kind of problem we all would like to have, right?

Growing your customer base, a profitable program, or promoting a lucrative product, doesn't necessarily require spending tons of money.

A savvy New York marketer has his drivers identify prospects while they're out making deliveries. He then writes a letter on yellow legal paper explaining that his

company would like to serve their propane needs. Each letter outlines several benefits the prospective customer will enjoy by switching companies (his words not mine). Each letter is hand addressed to "The Family of This Home." The very first day he left letters he got a response!

	Year 1	Year 2	Year 3	Year 4	Year 5
New customer growth	85	85	85	85	85
Avg. gallon per customer	400	400	400	400	400
Gross margin/gallon	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Gross margin/customer	\$320	\$320	\$320	\$320	\$320
GM @ 85 customer gain per year	\$27,200	\$54,400	\$81,600	\$108,800	\$136,000

After a few months they have acquired more than 20 new accounts! When a prospect calls in response they are asked if they read the entire letter. Surprisingly, most had. One new customer said he had called for pricing the previous year and decided to switch because he received the letter. He said he had been feeling neglected by his current provider. Other responses have included, "...the owners' care...nice touch...etc."

Price was never mentioned as a motive for switching. Prospects who respond usually fit the retailer's "ideal"

(Continued on page 2)

The Advisor

Promoting payment plan options to cash-strapped customers is win-win

These rather uncertain economic times make it a great idea to promote payment and pricing options to your customers. With the value of the dollar at a record low, and energy, food, and the price of just about everything rising, cash-strapped consumers are looking for relief.

The time is now to enroll customers in payment and pricing plans so, don't miss your opportunity. It's a win-win. You'll get cash payments earlier in the year and enjoy more cash flow going into fall. Cash-strapped customers will be relieved to know what they are expected to pay each month. They'll also be able to manage one level monthly payment instead of worrying about paying a large lump sum.



Andrea Young

It's time to get payment plan information into customers' hands now while heating bills are top of mind. Some of the campaigns Propane Resources has coordinated include invoice stuffers, direct mail campaigns, company letters and newsletters. Results have ranged from an invoice stuffer moving 50 customers onto a level pay plan within two weeks, to a direct mail postcard resulting in more than 100 customers enrolling in a budget plan; and a postcard campaign that netted a whopping 10 percent response rate.

One big way you can help your customers, and win some loyalty points in the process, is by informing customers that you are making every effort to keep your propane prices as stable as possible. Explain to them the specifics about how you are doing this. Inform them of the geopolitical and market conditions causing energy prices to escalate. Consumers share the common notion that gas companies inflate their prices to gouge them. In layman's terms, explain to them why this isn't the case with your company and that higher prices are hurting you, too. And, don't forget to let consumers know the benefits of using clean and efficient propane.

Spread the word that your company is always working hard to provide better services. Make sure your customers know you are doing everything possible to help them. Toot your own proverbial "horn." If you don't, rest assured someone else will beat you to the proverbial "punch."

2010 Success Stories... Continued from page 1

customer profile. One customer reported they had been with their former company 12 years (loyal) but felt the personal touch was missing. These are customers with basically good credit scores and the type that encourage friends to switch.

Once the prospect responds to the handwritten letter and becomes a customer, they usually agree to a yard sign in their yard when their new tank is set. "When a potential customer sees at least two yard signs on their way somewhere, it gives the impression of many more. If someone receives a handwritten letter, and then sees the signs, they are curious and call," reports the owner. "It lends credibility to our company and showcases our happy customers."

Set the precedent for future success. Your efforts needn't take much time or money. The financial rewards and satisfaction you'll reap from making growth happen, is more than worth it! There are many more examples of 2010 successes from retailers across the U.S. Call us if you'd like further information. We'll be happy to share more success stories!

The Advisor

Avoid these costly web design sins...

As small business owners, we wear many hats. But, we can't be all things to all people. That's why it's important to keep up-to-date on technology and other business disciplines and delegate when you don't possess the expertise needed to operate successfully.



Tammy Day

Not so long ago a website was considered a luxury. Now, the first thing people do is an online search for information. Websites have become an absolutely critical component of your marketing toolbox and should be, and stay, at the top of your priority list.

So, if you don't want to end up on WebPagesThatSuck.com follow these helpful tips that Propane Resources and the experts at *Entrepreneur* magazine suggest. If you can't make it happen you need to find a professional who can.

CLUTTER? Again, you can't be all things to all people and neither can your website. Keep your website clean, simple, and easy to navigate. Keep design to a minimum. Often, too much is crammed on a website's home page. Make sure your site clearly represents what your company does, what is offered, how to contact you (people like phone numbers) your mission statement, etc. Negative space is a GOOD thing!

DIFFICULT? Make sure customer's experience an easy, seamless process from their first click to the sale. Ideally, a customer should be able to get to any page on your website in no more than two clicks. If it takes more than four, experts say nobody will bother. Don't make people fill out convoluted feedback forms or questionnaires.

STALE? Keep your site fresh. Create new ways to

engage your customers to keep them coming back to your site. Offer promotions, fresh material, and provide an easy way for customers to ask questions or seal the deal.

CONTENT? Make sure you showcase how your company benefits customers and potential customers. Show off the solutions you can provide to solve to their needs. Don't assume that people already know. They may not!

COPIED? It's good to know what your competition is doing, but don't be a copy cat! Differentiation is king when it comes to marketing success so figure out what makes your company different and promote it!

TARGET MISUNDERSTOOD? If your target audience is aging baby boomers and your website is in 8-point typeface with lots of quick flash editing, you're not being sensitive to your audience needs. Make sure before you design your site that you know their wants and needs. You don't want to lose business!

ANALYTICS? Understand your website analytics before you spend anymore time or money on it. Know your bounce rate (the number of people who leave your site after viewing one or two pages). Understand where your traffic is coming from. Understand Search Engine Optimization (SEO) what keywords people are using to find you. If you know the analytics, you can use it to build more of what works.

DIY? Although it might be tempting, if you don't have the proper skills don't try and develop a website yourself. More than 85 percent of people visit a website for information before contacting the company directly, so it's important to make a good first impression!

Make sure you don't drive customers away with an unattractive, hard-to-navigate website. It could be costing you a lot more than you know!

Increase cash flow — promoting payment
plan options now to cash-strapped
customers is win-win...
See page 2 to find out more!

Propane  Resources
Helping Business Partners Create Opportunity
The Advisor

Advisor going digital...

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Propane  Resources
Helping Business Partners Create Opportunity

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