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Competing with the Internet

The internet has two highly identifiable strengths in business. First is its low cost of operation, which often translates into lower prices. Secondly, it has the ability to offer a wider selection of products. In competing with internet retailers or even manufactures/distributors who sell to the public, you're going to get crushed if you try to win business through price and selection.

To be successful you need to build your value, and create a reason for your customers to buy directly from you. First you will have to identify your individual business's differentiating factor. Simply stated, what makes you different? There are some obvious things like your personal service, your physical location, and the ability to touch, hold, or try on merchandise. Some of the less obvious things are your ability to offer special services such as access to privileged in-store or on-field benefits.

Let me give you an example. I purchased a guitar a few years ago. I didn't know how to play. I didn't even know how to tune it. The owner of the store took me aside and showed me a 25th year limited edition Taylor acoustic guitar. It looked and sounded great, but only when he played it. He explained the guitar was a fine instrument, but said that its value would likely increase over the years. This made the price more justifiable to me. He told me I really had to care for it and maintain it to keep it looking and sounding good. I told him I didn't know anything about that. "No problem," he said. "Purchasing a guitar here makes you part of the family. As a member you're welcome to bring your guitar in anytime, and we will apply the special oils and lubricants to the appropriate places." He further added he would put on new strings whenever I needed them. It's a fine instrument. I still can't play it, but it looks good!

Specialize by carrying desirable products that internet companies don't sell, such as specially branded or limited edition products like the Taylor guitar. Bundle products and develop your own promotional offers. A paintball operation could offer a free air package with every new paintball gun purchased. Internet companies have a hard time competing with this tactic. The customer has to buy air refills to play at the local field anyway. Bridging the discount with free air refills will keep paintball customers' eyes on the field and off the internet.

As a specialty business, your repeat customers guarantee your continued success. Make sure you don't take these customers for granted. Many business owners simply exchange a few words with customers and then send them on their way. They don't express gratitude to repeat customers for continuing to choose their store. I frequently eat at a family-owned Thai restaurant. Every time I eat there the owner makes a point to come to my table, ask how the meal is, and personally thank me for my business. Offering sincere thanks to repeat customers makes them feel special, and ensures that they will continue to pick your business to meet their needs.

Most of you are in specialty businesses. This means you're not running dozens of people through your checkout line every five minutes. When customers make significant purchases, they expect you to thank them. Taking it one step further can have a tremendous effect on future sales, and more importantly on the sales you never knew about. After the sale is complete take a second to review some of the key points of the product. Ask customers to get back in touch with you and report on how the product works out. Don't forget to let them know how important their support is. Be sincere, look them in the eyes, and let them know you couldn't be there without them. Lastly, let them know if they talk to anyone else looking to purchase products within your industry, send them to you personally and you'll do your best to get what they are looking for. You have reminded the customer that you can provide products they don't see on your shelves, and also prompted them to send you referrals. If you keep this up, you won't have a problem competing with the internet.