



## To Increase Revenue, Focus on Your Current and Past Customers

By Steve Sirico

As business owners for over 37 years, I understand we are always in search of new customers. While I always recommend marketing for new customers you may also want to consider selling more to your current roster. Retaining and upselling to your customers is one of the most cost-effective marketing tools we have. Through my coaching practice for studio owners, I have found most seem to ignore this one very lucrative source of revenue generation. Did you know that I commit more than 60% of my marketing dollars on retaining, upselling, or regaining lost students?

I have ascertained that retention is my new growth engine. I also have concluded that it is much easier and cost effective to upsell to parents who already know you. As a matter of fact, you can increase revenue by almost 33% by selling to your current or past families with extraordinarily little out of pocket expense. No matter what size your studio, consider shifting marketing dollars and time to this endeavor. There is also substantial data that shows it is much easier to sell to someone who has already taken classes from you but for whatever reason has stopped.

### **Getting former students to come back:**

So, here's a question. Have you ever gone to a business like a restaurant or boutique and just stopped going? I know I have but, in many cases, there was not a bad reason as to why I stopped going. However, if they bothered to reach out to me to say hello and offered me an incentive, I would at least

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be interested in hearing from them, and might feel important to their business, which in turn could certainly foster future loyalty. Getting students to come back from a hiatus from dance may not be as difficult as you may think. We have started a very robust campaign to work our past customers who did not return last season and I highly recommend you do so as well.

Let's create a situation where you have a student whose name is Sally and Sally took ballet with you for 3 years and then stopped last year. So, you give Sally's mom a call and see how she is doing and find out if she would be interested in dancing again. "Oh, Sally isn't into ballet anymore" she tells you, additionally she says that Sally is only doing her school musicals. Your response should be to invite Sally & a maybe a friend of Sally's to try your Musical Theatre class for free. Once she tries that out you can then recommend that she also try a beginner tap class because there are a lot of shows that feature tap dancing and it would be helpful to learn the basics.

Always have something new to offer them. Now will this work every time? No., However, let us say over the next 30 days you call 4 former students each day 5 days a week which will total 80 calls. If you can get 20 of them to re-sign up, would it be worth your while to do that? If you trained (USE A SCRIPT) your front desk person to make the calls in between classes when there is down time, I am sure that they could make 4 calls a night over a 4-hour period. This way it would not cost you anything extra since you are already paying them their hourly rate during that same time. Additionally, you could send out a personal letter to these families inviting them to try out a free class. Think about this, how much revenue would those 20 students bring into your dance studio business? Time to get those phones working!



**Now let's turn your focus and energy to your current roster.**

**Upselling to your current customers:** We try to upsell our customers on the classes we know they already like and will probably want more of. Think about this, I am sure you have bought a hamburger at the famous McDonalds and you were asked would you like fries, a soft drink or perhaps a shake along with the hamburger. Would you like to supersize that order? What about that new car you are about to buy? If you want the power windows, leather seats, sunroof and other safety features, those upgrades will add to your experience and you will be eager to include them even though they will cost you more. The reality is we can and should sell our dance lessons the same way by just thinking about our parents and what they perceive to be the benefits that their child is getting out of their classes. The most important thing is the way we position it to the students and especially the parents, we want to show them how taking more classes or trying other styles of classes will benefit their child.

For instance, if a student is only taking one or two classes and they are showing a real interest in dance then this student would benefit greatly by taking more classes or private lessons. Other benefits to point out include improved self-esteem, poise and grace. We have found that it is helpful to give our dancers of all ages and levels a year end "Progress Report and Recommendation Form" The form gives a report on the student's overall progress and gives suggestions as to what classes should be added. Years ago, we called it an evaluation form but found our parents didn't care for the word "evaluation" so we switched it to progress report and the feedback has been great! We use this as a great retention tool so parents can see the



results. This one tool has helped my studio to have a steady stream of repeat customers coming through the door!

So, there you have it. Yes, as dance studio owners, we always need new customers joining our studio but don't forget to work the ones you already have or have had. Sometimes past customers will eagerly come back once they know that you miss them & value them.

People do not care about how much you know until they know how much you care. If you would like a copy of the Progress Report & Recommendation Form mentioned in this article or to inquire about marketing and coaching services for your studio, please email me at [Steve@danceteacheweb.com](mailto:Steve@danceteacheweb.com)

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