

7 Customer Retention Strategies That Build Lasting Loyalty

Although all business owners want to ensure 100% customer satisfaction this is not a guarantee of continuing loyalty. According to Michael LeBoeuf, Ph.D., author of *How to Win Customers and Keep Them for Life*, 68 percent of customers are lost due to indifference by business owners. Your work is not over once you have signed on a new customer; in fact, it's just beginning as you need to take consistent action to ensure they remain with your firm. While the costs to retain customers can be high, it can cost your company at least six times as much to attract new customers.

What strategies can you employ to enhance customer retention? As a start you will need to translate customer satisfaction into continuing loyalty. Loyal customers can be your most effective marketing tool as they spread the good word about your company to everyone within their circle of influence.

What follows is a list of seven strategies that can help you build a customer-centric business. To be effective this philosophy must be embraced by all of your employees; consistency is critical in building long-lasting relationships.

Strategy 1: Appreciate your current customers. Show your appreciation of their business by thanking them in writing. Take the time to compose a handwritten. Purchase a stack of "Thank you for your business cards" and personalize each one, depending on nature of the transaction. This is not a one-time activity but should be scheduled on a fairly routine basis for all of your loyal customers, perhaps once each quarter.

Strategy 2: Touch base with past customers. Make phone calls; mail handwritten thank you notes; send copies of the latest edition of your newsletter. Telephone calls or personalized notes can include such a statement as "*We have enjoyed working with you and look forward to the opportunity of serving you again.*" These periodic reminders let customers know you are thinking of them and value their business.

Strategy 3: Go the extra mile. Following the philosophy of motivational author Napoleon Hill, those business owners who go the extra mile to ensure customer satisfaction meet with the most long-term success.

Strategy 4: Use Proactive Listening Skills. There is a difference between hearing and listening. Hearing is passive while listening requires that you ask questions to clarify information and mirror (paraphrase) what your customer has said to ensure that both of you are on the same page. In the end, you can't meet customer needs unless you understand what they are!

Strategy 5: Be realistic in terms of what you can accomplish. When meeting with customers gain clarification regarding the parameters of the service you will provide. In this way you can submit an accurate estimate of delivery. There is almost nothing more detrimental to establishing good customer relationships than missing deadlines. It is far better to under promise and over deliver than to do the opposite. For example, if you are a Web designer and think you can complete the project in seven business days, estimate 10 and deliver early!

Strategy 6: Share relevant information: Send clients information that is relevant, not only to your business, but to their interests as well. Keep a file on each customer in which you record their birthdays, family names, as well as personal and business interests. In this way, when you come across an article pertinent to their lives you can email it to them with a short note. Chewy is known for sending birthday cards to pets with a discount gift card. Customer loyalty is doesn't require monumental effort, small courtesies executed consistently create a strong brand impression.

Strategy 7: Explain what you do: Customers purchase the *benefits* that a product or service offers rather than the item per se. Knowing this, successful business owners are educators and employ a consultative sales approach in promoting the value of their products or services. The question isn't "what's in it for me?;" the question is "how does this product or service align with the customer's need?" This is the essence of a customer-centric culture.

Customers are the most important asset a company may have. In light of this, make a conscious and consistent effort to obtain their business, and then provide stellar service and a customer centric orientation to ensure their on-going loyalty.