Keeping Existing Customers

Retaining existing customers is crucial to business growth. Studies have shown that it costs up to five times more to find a new customer than to keep an existing one. What’s more, loyal customers become a growth engine for your business, referring other customers and creating a pipeline to new business. I will discuss two important strategies for keeping existing customers.

First, consider programs that reward customers for their loyalty. Here are a few suggestions that I have observed to be effective for some companies:

**LOYALTY OR REWARDS CARDS:** These can be as simple as paper punch cards with “buy X and get one free” or plastic, bar-coded cards that track customer data.

**GEOLOCATION WEBSITES:** Sites like Foursquare help retailers, restaurants, food-service businesses and other local product-oriented businesses by offering tools you can use to reward customers when they “check in” at your location.

**DISCOUNTS AND SPECIAL OFFERS:** Create discounts for key customers when they purchase a certain level or buy a certain number of times.

**EVENTS:** Hold special events where your best customers have access to exclusive products or services, or get to shop in a special environment.

**GIVEAWAYS:** Offer gifts with purchase or gifts on a special day such as a birthday or anniversary of first purchase.

The second strategy for keeping customers is what you do for customers that come into your door or those that have questions or problems with something that they have purchased from you. Is your customer service up to par? Here are some factors you should regularly assess:

**PHYSICAL LOCATION:** Is your building attractive inside and out? Is there enough parking and good signage? Is your store well stocked, inviting and clean? Do your employees greet customers promptly?

**WEBSITE:** Is your business website easy to navigate? Does it clearly display how to contact your business by phone, email or mail? If you sell products online, is your shopping cart system easy to use? Is the site attractive? Are product photos clear and appealing? Is there enough description? Do you have a FAQ section to handle customer questions?

**PHONE:** What happens when customers call your business? If there’s a voice mail system, is it easy to navigate? Is there an option to speak to a live person?
YOUR STAFF: Are they well groomed, articulate and friendly? Are they empowered to handle customer issues on their own? Are they knowledgeable about your products or services?

QUESTIONS AND PROBLEMS: How are customer questions answered? Does your website answer common questions? How does the staff deal with problems or complaints? Do you use complaints as a tool to improve?

FOLLOW-UP: Always follow up after the purchase is made. This could be via a phone call, a letter, or an email, depending on the nature of your business and the purchase. Find out if customers are satisfied and promote other products or services they might be interested in.

SECRET SHOPPER: Also called mystery shopping, this involves sending someone into your business to shop and report back to you on the service they receive. You can find mystery shopping companies online by searching mystery shopper or secret shopper. You can also have friends or families visit your business anonymously. Standardize ratings by creating a form that each mystery shopper fills out.

Getting customer feedback is the best way to ensure good customer service. You can get feedback by talking to or calling customers, sending emails, or doing online surveys. Pay attention to online ratings and reviews; use Google Alerts to monitor what’s said about your business online.

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