



“Marketing to Retain Your Existing Customers”

“Or, How I learnt to spend 6 Times Less Money and Build a More Profitable Business”

It's generally accepted that it costs 6 times more to attract new business as it does to retain and grow existing business and yet time and time again we hear that business is just a numbers game, the more you advertise, the more customers you'll get. The facts are slightly different, it is true that advertising will bring you more prospects to sell to and win away from some other companies by whatever means, fair or foul, and often based solely on price, and if you can win them away by price, how easy will it be for a competitor to win them away from you?

Marketing falls into 2 entirely separate strategies, 'Customer Attraction' and 'Customer Retention', I am constantly amazed by businesses that take existing customers for granted and spend obscene amounts of money trying to attract new ones. Yes, you do need to market to attract new business because you do need to grow your customer base but maybe you can market through your existing raving fans and advocates.

Capturing customer loyalty means investing in Customer Retention strategies and when you do this well, it will translate into a bigger business built as much by your customers as by you and your team. Sales are contingent on the attitude of the salesperson, not the attitude of the customer. Customers who receive fabulous service feel positive about the provider, (that's you), they feel that they get greater value from you and it boosts their self-esteem so they're likely to tell their friends about you. Referred business cannot be bought, it has to be earned and once you have it, it's hard for your competitors to steal it away from you.

Here are some simple tips to help you get started on, first of all, customers don't make up stories about your business, you create them and the customer simply retells them. It's up to you to create the opportunity by providing your customers with stories about you that they feel compelled to talk about. By the way, it's estimated that in the USA, as much as 50% of all new business is generated by 'Word of Mouth Advertising' i.e. referrals.

Word of mouth advertising is like mouth-to-mouth resuscitation for your business.

Stay in touch with your customers at least every 90 days, a newsletter is great for this but don't lose the personal touch, if you see an article in the press or



hear something that will interest a particular client, contact them directly and let them know. This shows you care about them more than just their business with you.

Make sure that your customers know everything that you can do for them, just because you know all about your business, doesn't automatically mean that they do. For example, if you're say, an accountant, do help clients write their business plans (if not why not), and does your entire database know this? What other services do you offer that customers may not think to ask you about, make yourself easy to do business with?

Have you ever answered a question with a question? Would that be making a difference to your retention rate? The answer to the latter is most definitely yes! Asking questions not only increases your conversion rate, it builds rapport with your customer and ensures that the sale becomes their idea and not yours and provides you with future opportunities.

Asking questions also means active listening. You can ask questions about your customers' work, business, kids or hobbies and do make sure that you are listening with sincere interest. It may even be helpful to note down some of the answers – such as the names of their kids, interests etc for future communication. By asking questions and listening, you are building rapport and attaching importance to their conversation.

Marketing for Customer Retention is hard work and never ceases, here are 6 vital steps originally devised by William Davidow & Bro Uttal in their book, *'Total Customer Service'*:

- Devise service strategies
- Get top managers to behave like customer service fanatics
- Concentrate on motivating and training employees
- Design products & services that make good customer service possible
- Invest in service infrastructure
- Monitor achievement of customer service goals