



Keeping Customers

Loyalty from customers is the most cost-effective marketing strategy available to any business. Loyal customers returning and referring new customers is much less costly and time consuming than finding new customers.

The critical factor in building customer loyalty is providing good customer service at all times.

Whether you're providing information on the phone, in person or using brochures make sure it's accurate, simple and to-the-point as first impressions count.

Be available and accessible to customers and treat them courteously and efficiently. Make them aware you value their business and are willing to help them. Personalise your service by introducing yourself, wearing name tags and using customer names.

Delivering good customer service

Good customer service means:

- **reliability:** providing consistently good service
- **quality of performance:** making sure you do things as well as or better than your competitors
- **worthwhile outcomes:** ensuring what you do is of value to the customer and achieves what they want
- **following up on promises**

Be sure you do everything you promise to a customer. Use a diary or notebook specifically for follow-up actions required. If you are unable to do what you promise in the required time, notify the customer with clear reasons.

Confirm details such as price, stock availability and delivery details. Where practical, provide written quotes to avoid misunderstandings. If goods are not available in the agreed time frame, advise the customer and offer alternatives. Use pro-forma order forms to ensure you get all the required details.

Make it easy to pay

Offer various payment options and have a clear policy on accepting cheques. Issue receipts for all payments. If billing, make sure invoices are accurate and easy to read. Clearly explain the amount, describe the goods and outline



payment terms. When accepting deposits, make sure the customer understands the final amount due and the terms of payment.

Provide a culture of good service

A 'can do' attitude in your business will have a dramatic impact on sales and profits. Ensure all your policies, procedures, systems and staff actively provide for good customer service. Train staff to ensure they understand the service culture and are active advocates of it.

Customer loyalty programs

While good service and relationships will develop the best loyalty from customers, relationships can be developed or started by using a customer loyalty program of some sort. It can also be used to entice back old customers after some improvements to the business procedures.

Customer loyalty programs reward behaviour that encourages customers to behave in a way that benefits your business. Rewards can be based on:

- repeat sales
- providing referrals
- longevity of the relationship
- large purchase totals
- prompt payments
- high value orders
- cumulative purchase totals

Placing specific criteria on earning or redeeming rewards increases the effectiveness of them. For instance, offering a discount voucher after five sales will result in more sales if there is an expiry date on the voucher.

Ongoing programs can be explained and promoted through brochures and flyers to entice more loyal customers.

Maintaining contact with your customers

Even with good service, your customers may forget about your business unless you stay in touch with them. By making contact with customers, you remind them of your business and the satisfaction they gained from dealing with you. This can be approached in many ways.

The following ideas have all been used by businesses to maintain customer contact:



- build a database of customer contact details for future marketing efforts
- produce a customer newsletter or bulletin to keep your business fresh in customers' minds and inform them of specials and changes
- provide special offers for regular customers
- offer discounts for repeat business
- send a card or letter for special occasions to make customers feel cared for or reward customers for introducing new customers
- send reminder notices for services due, such as a dental check-up, domain name renewal, car service or end-of-financial-year tasks. It can also be extended to reminding customers of new season stock or upcoming sales

Contacting customers is a useful tool unless it is overdone. Customers will not appreciate being contacted too often so you must strike a balance between reminding them about your business and annoying them.

Business operators should also be aware of the rights of consumers and their obligations under consumer and fair trading laws in Victoria. For information on laws around spam, see the Online Business link in Related Content to the right.

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