

Keeping Customers Loyal: The Human Side Of Doing Business !

... By Joe Calloway

The Acme Widget Company needed to increase revenue and profits, so they undertook an initiative to attract new customers. They launched a new advertising campaign and offered special deals to first time buyers. They were initially delighted to see a significant and immediate increase in new customers. Their joy was short lived, however, as they saw revenue and profits actually decline.

The Acme Widget Company made a classic business blunder. As new customers came in the front door, existing customers were leaving in greater numbers through the back door. They had violated one of the most important rules of business: never take your customers for granted.

Even a small reduction in customer defections can significantly increase profits. Because your fixed costs don't change much regardless of how many customers you have, the retention of existing customers is vitally important in maximizing profit. Creating and strengthening customer loyalty must be a top priority of any business if it is to grow and prosper.

Merely "**satisfied**" customers won't cut it in today's marketplace. Countless studies have shown that satisfied customers will defect in a heartbeat if they think they can get a better deal somewhere else. You've got to create *completely* satisfied customers whose loyalty can't be swayed no matter what your competition offers them.

Here are ten essential tactics to keep customers loyal:

1. Take a big picture approach. Demonstrate how your product or service can help them accomplish their big picture, long-term goals.
2. Speak their language. Don't use *your* industry jargon, use *theirs*. Show them that you have a depth of understanding about their business that your competition just doesn't have.
3. Be a source of intelligence. Dedicate yourself to finding new information and insights that can help your customers succeed.
4. Know who the customer is today, not yesterday. Your customers constantly change. You have to know how to serve your customers' current needs, not their needs from a week or a month ago. Stay current on changes in your customer's situation.
5. Point out what an incredible deal they're getting. What are you doing for your customers that provide value, but that they may not know about? Let them know what you're doing that goes above and beyond the expected.
6. Make it the first six weeks again. The first six weeks of any relationship are magical. Everyone loves everyone. Gestures of appreciation are made on a regular basis.

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The Human Side Of Doing Business ! ~ continued ~

Then it starts to get old. We don't try as hard anymore to make a great impression. Go back to that first six weeks. Make it magical again.

7. Make them tell you how to be better. Don't ask your customers if they're happy. Ask them how you can be better. Make them tell you. They will appreciate that you are making the effort and you will gain some information that can lock in loyalty.
8. Find out who's trying to break you up. Your competitors are always trying to steal your customers away. Find out what they're whispering in your customers' ears. Match or beat any value that your competition is offering. (That doesn't mean you have to beat their *price*. You just have to beat their *value*).
9. Continuously audit your "easy to do business with" factor. Look at every touchpoint you have with your customers, including Web site, telephone calls, invoices, or anywhere else you interact with your customer and see how you can be easier to do business with. It's the number one rated factor in business-to-business buying decisions.
10. Have a face-to-face, heart-to-heart "thank you" session. Don't discount the significance of expressing appreciation to your customers. Get in your car or on a plane, and tell them in person how very much you appreciate their business. It could prove to be your best insurance against defection to a competitor.

In a business environment in which margins continually shrink, the competition gets better, and customers become smarter and more demanding every day, the fight to retain customers becomes critically important to your success. While always working to grow through the acquisition of new business, never let your focus waver in terms of keeping the customers you've already got.

Remember that customers tend to leave because they didn't like the human side of doing business with a provider of a product or service. Be sure that you are competitive with price and quality, and always be vigilant about that human side of doing business. Maya Angelou spoke a great truth with these words: "People will forget what you said. People will forget what you did. But people will never forget how you made them feel."

ABOUT THE AUTHOR

Joe Calloway is a partner in Engage Consulting Group, and author of several best-selling business books including the newly revised edition of "Becoming a Category of One," (August 2009, Wiley). Corporate heavyweights BMW, American Express, IBM and many more have sought his insight into today's marketplace. Joe provides consulting to help companies accelerate their strategies and make their visions reality. To purchase his books or hire him as a consultant, visit www.joecalloway.com or call (615) 383-2249.

