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## Keeping your customers coming back for more

By Nina Hendy  
Thursday, 21 February 2013

Wise entrepreneurs put systems in place from the onset to ensure customers come back again and again.

This is because they know that studies show it costs substantially more to generate a new customer than maintain an existing one.

Anyone that shops with you regularly is less expensive to manage because they have an understanding of your business process, methods and products, says Philip Owens, principal of performance and leadership firm, Resourced Leaders.

It's important to understand what it costs to serve your customers, acquire new customers and the value return of their custom, Owens says.

"Before you dismiss your current customer base in favour of hunting new clients, it may be worth considering how much you invested in getting them to be customers in the first place," Owens says.

"When you ask this, you may recognise that unless you get more value from them via additional sales, you'll end up losing money."

Sydney's Catherine DeVrye, who authored *Good Service is Good Business* and *50 Shades of Great Customer Service*, agrees, warning that it can take years to win a customer, but only seconds to lose one.

"We know it costs five times more to obtain a new customer than retain an existing one, and that a 5% increase in customer loyalty can mean up to an 85% increase in profits," she says.

Lure customers back for more by rethinking the way you allocate your marketing budget, suggests Melbourne business coach and author of *Sales Seduction*, Rhondalynn Korolak.

"So many businesses spend the bulk of their marketing budget chasing new customers or re-engaging customers that have left and gone to the competition," she says.

Instead, businesses should spend at least 75% of their budget keeping existing customers tuned in. "I recommend spending your time analysing your current customers – what are they buying, what could you introduce them to that would make them even more profitable to you, and how can you drive frequency?," Korolak says.

## Outperform

Give more than customers expect and they'll come back and spend with you again, Owens says.

"If you outperform their expectations, they'll be satisfied. If you underperform, they'll be frustrated. Often, the simple fact of satisfying the client is enough for them to remain a loyal customer."

Always remember that people want to feel included, in control and liked, he says.

"In any attempt to keep a customer, ensure you consider how you, your interaction and the use of your product or service allow them to feel. Making a customer feel insignificant, excluded, incompetent and disliked is the fastest way to push them in to their defensive profile and have them run for the hills.

"Making someone feel liked costs nothing more than offering what you promise and being considered in your approach," Owens says.

DeVrye adds that making sure your employees are happy and content plays a big part in enabling you to deliver on your promise.

"Remember to reward staff along the way for desired behaviour, and not just give them a boot in the butt when things go wrong. Like finding new customers, it takes a lot longer to go through the process of hiring competent new staff than it does to look after your existing ones," she says.

## Regular communication

Social media is a great way to open the lines of communication and support with existing customers, says Fergal Coleman, social media advisor at Melbourne business advising firm, Symphony3.

"Even better, encourage your customers to support each other via social media, and you will build even greater loyalty," Coleman says.

But it's important to know when to follow up on a post with a phone call or email, particularly if a customer is dissatisfied, he says.



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particularly if a customer is disgruntled, he says.

Aside from social media, consider keeping in touch with existing customers via mobile marketing. Businesses can use mobile communication to enhance customer support, let customers know when a sale or special offer is on or wish them a happy birthday, according to Shaun Dobbin, chief executive of mobile service provider Gomeeki.

"Consumers rarely leave home without their mobile device and therefore it proves to be a very reliable way to keep in touch with customers.

"It can complement all other forms of your marketing mix, be it a number to text on your ad on the bush shelter, a QR code to scan at the in-store checkout or a coupon sent from your website to their mobile device providing an incentive to visit the store," Dobbin says.

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