To attract and retain customers, organisations must put in place marketing approaches that are consistently aimed at `delighting` them at every stage of the customer journey.

Understanding how potential and existing customers search for products or services ensures that the means to delight them all along the way can be set up.

The following questions will help to develop the customer profile:

- Can the type of customer that holds the greatest growth potential for the business be described in detail?
- Do you know how to reach the type of customer that is happiest with the business relationship but exist only in small numbers?
- Can you identify the type of customer that is most likely to spend money once and then never again?
- Are there things that can be changed in the business relationship that would keep this type of consumer as a loyal customer?
- Would you recognise the best potential customer in a lift or on an aeroplane?
- What would be the approach to having a meaningful conversation with them?

Taking into account all of these elements, a clear description of the ideal customer can be developed. This then informs the next stage of defining who the key decision makers are and how they find out about products or services.

How Customers Make Decisions and Start the Journey

Working out the different types of customers and businesses will then inform who makes the decisions. This could be one person or several individuals. The size of the decision making unit will vary considerably depending on the type of product or service involved. The number of people involved in the decision will normally increase as the value of the purchase under consideration increases. This will have an impact on how long the decision could take and any delays that may occur before a final decision is made.

### Helpful hints and tips for attracting and retaining customers.

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### The New Customer Profile and Response Dynamic

Knowing the ideal customer profile helps to design marketing activities and target product or service offers. The customer profile can be developed by considering:

**Consumer**
- Gender
- Age
- Geography
- Lifestyle
- Purchase history

**Commercial**
- Type of business
- Number of employees
- Turnover
- Geography
- Purchase history
 ATTRACTING AND RETAINING CUSTOMERS

02 Opportunities Along the Way for ‘Enticement’ and ‘Encouragement’

From the minute a potential new customer sees the product or service as a possible solution (all purchases are a form of solution – even if it is to satisfy a buying urge), elements within the decision making unit will be attacked by other elements to try to stop the money being spent for that purpose or try to have it spent in a different way.

**TIP -** Make enquiring quick and easy with as many options as possible. If you can add an enticement to the enquirer to buy sooner rather than later so much the better, for example:

- A special offer.
- A very competitive price.
- A time limit on the incentive or offer.
- An end of range offer.
- A free offer.
- A no cost, no commitment audit.
- A trial or sample.
- A special event.
- A buy one (or two or three etc) get one free.

Every product or service has an average lead time from enquiry to purchase and the longer that time the more encouragements the potential new customer needs to keep them interested. As the process goes on, other variables enter the equation which can reduce the potential customer’s interest in the products or services.

It also helps to redefine the purchasing rationale along the way because priorities change and it is important to know what is going on in the minds of potential customers. This is done by keeping in touch with anyone who has enquired by telephone or e-mail and then being able influence their thinking.

Avoid Losing Potential New Customers on Arrival

After all the effort to attract visitors to a website, businesses need to ensure that they are not lost. Everything that is put in front of a customer or a potential customer should be a move towards a sale, not an obstacle to be overcome. Ensure the website is easy to navigate, that literature is up to date and most important of all, make sure that whoever answers the telephone or responds to the e-mail request does so in an enlightened and responsive way.

03 The Marketing Tools to ‘Entice’

The marketing resource map has changed significantly in the last decade and is continuing to change. The only certainty about the marketing mix today is that the ingredients are continually changing and this will go on for the foreseeable future. So how is it possible to develop a marketing mix that will entice customers and potential customers to enquire and buy? People, or their basic buying motivations, have not changed. There may be many more options to help make buying decisions and attention spans may be getting shorter but nevertheless the fundamental emotional motivations are the same.

**TIP -** Purchases are made to solve a problem, even if that problem is keeping up with the Jones’s. Therefore marketing communication messages need to do three things - demonstrate clear and unambiguous benefits, show why the customer should buy from you and no one else and why they should buy sooner rather than later. If you can’t do this, money spent on marketing will be wasted.

Using Traditional Marketing Tools in New Ways

The message often heard is that traditional marketing tools are a waste of time. What is known is that information is taken on in a range of ways so different communication channels need to be used. The seven by three rule says that a message needs to be heard, on average, seven times before it gets through. As one in three messages actually gets through, this means that something needs to be said 21 times to ensure it has a chance of being heard.

**TIP -** Consider using the press and magazines for issuing press releases rather than buying advertising space. Put out direct mail to tie in with your permissions based e-mails to make your direct mail more accurate. Use outdoor advertising in a strategic way and use the website with your telephone sales approach. It is about thinking how creatively you can connect with your target audience and the more you know your profile the better you can connect with them.

The Importance of Online and Offline Working Together

The aim of online marketing goals should be to drive people to websites, suggested usually through search engines and online advertising. To ensure that all customers are connected with and capitalised on, the seven by three rule should be used with all online and offline marketing activities.

Integrating the Sales Strategy with the Customer Service Approach

Strangely, sales and customer service activities are often separated (both mentally and physically), but from the customer’s view they are part of the same process. The result of this separation usually gives the customer mixed messages. For example, something said by the sales person does not materialise in the delivery of the product or service and subsequently the sales person’s original information is challenged by the customer service person who deals with the query. This situation occurs because the two groups are approaching the customer in different ways with different objectives – the sales person wanting to get a sale and the customer service person having to handle a complaint.
It is often about attitude and that can result from the pay and reward strategy and the company’s approach to sales and customer service – if staff are placed into silos they will think and act in silos.

**TIP -** Ensure sales and customer service are integrated. Swap roles if you have separate departments. This will result in the customer having a feeling of an integrated customer connection that is consistent and responsive.

**The Marketing Tools that will ‘Entice’ and ‘Retain’ Customers**

The simple description of a marketing tool that ‘entices’ and ‘retains’ is one that is implemented in a customer sensitive way and expressed in the customer’s terms rather than the company’s terms.

**TIP -** ‘Express do not impress’. To express interest builds a bridge, to try and impress builds a gulf and too many businesses try to ‘impress’ in their marketing communications rather than see the world from the customer’s point of view.

The customer responsive approach is shown by:

- An e-mail that talks about issues, events and situations that are relevant to that specific customer.
- The direct mail letter that recalls the customer’s last purchase and enquires how it is working for them.
- The telephone call that rings a potential customer and seeks to establish if their buying needs have changed.

All of these are marketing tools that are customer sensitive and are ones that will ‘entice’ or ‘retain’.

**Sales Tactics to Convert More Potential Customers**

People buy people – so sell on relationships. If everything else about the product or service is equal, the majority of people will buy from the person they like the best. It’s a fact that can be used to great advantage when selling.

To the small business, sales skills are the best and most important tool. Considering the time and money equation, it is the lowest cost but it takes up the most time.

If a business has a large potential target market which is difficult to define in terms of specific companies and individuals, then a combination of marketing approaches is needed but with a small and definable target audience sales should be easier.

**Lead Generation and Three Key Areas to Revisit**

Generating high quality leads is the holy grail for most businesses and anyone who can do this is held in high esteem. When asked the secret of success it often comes down to intelligent persistence, the objective analysis of the market and company information, then making an emotional connection.

**TIP -** Successful sales people say things like ‘I don’t sell, I help people to buy what is right for them’ or ‘I am just a good friend helping someone to make sensible decisions’. There are many variations of these views but they all have one thing in common, by ensuring you have the right potential customer for the right product or service, the selling takes care of itself.

**TIP -** Intelligent persistence means keep following up those enquiries that are believed to understand the product or service benefits and have clear and unambiguous need for them, that means not wasting time following up for the sake of it.

Objective market and company analysis is seeking out contacts that match the customer profile as closely as possible, not just chasing everything that moves. That means qualifying enquiries to ensure they meet the target profile.

Making an emotional connection is recognising that people buy people. Two sayings demonstrate that point: ‘Seek to understand before you make yourself understood’ and ‘Your listeners won’t care what you say until they know that you care’. This means finding out what is important to the customer and then focusing attention on helping them achieve their objective through a product or service. This view re-affirms the other often used quote that ‘People don’t buy products or service. They buy what the products or service will do for them’.

Having made an objective analysis of the potential audience, consider three often neglected areas:

- The unsuccessful quote or proposal file.
- The lapsed customer file.
- The infrequent buyer file.

The important point about all of these files is that they contain consumers or companies that thought they wanted a product or service and for whatever reason did not buy, or buy again, or bought less. This means that some lead generation has taken place. For these potential customers there may still be an unmet need. They all know, or believe
they know, what products or services are on offer and what they do (it may not be right) and at one time they believed they wanted them. For various reasons they did not buy and many of those reasons were valid and may still be, but many will not. It just needs someone to open that file and ask the right questions.

Remember There is a Process That Needs to be Followed

No matter where leads come from, it is important to follow the sales process. Depending on what is included it is either eight or ten stages long. As can be seen from the diagram below the number of stages depend on the type of product or service that is being sold and the maturity of the sales relationship.

The Sales Cycle

1. Prospecting
2. Appointment Making
3. Preparation
4. Getting Accepted Assessing Buyer Potential
5. Need/problem Identification
6. Collaborative Presentation of Benefit Solutions
7. Check & Trial Close
8. Negotiation & Handling Charges
9. Closing for Commitment
10. Follow Up

The key stages not to miss at any point in the relationship are points five through to ten, need and problem identification. This can change over time and it is vital that sales are made to address the right need or problem.

05 Getting Appointments and the Art of ‘Suggesting’ Rather Than ‘Asking’

After identifying consumers or businesses that meet the defined target market, carefully researching them and aligning products or services with their objectives, it is time to make that call for an appointment.

TIP - If you are new at making telephone appointments leave your best opportunities until you are more practised.

Most people have a problem with ‘gatekeepers’ in their various guises and the automatic version - voice mail. The approach with voice mail is to prepare something that will create the desire for the call back and to leave a clear and professional message.

Treat gatekeepers as human beings with feelings. Ask for their help – explain what you are looking for (for example, an appointment) and often they will help you speak to the right person.

Having got through to the right person (it is important to confirm that) the goal is to secure an appointment, not to sell. If more information is required, focus on the reason for the call, then follow up with a suggested possible time and date.

TIP - Keep making suggestions as to times and dates, moving to early mornings, late in the day and if that fails suggest for five to the hour or twenty five to the half hour. Try booking the appointment so far into the future that they can’t possibly have any other meetings booked. You will get the appointment but be prepared for a cancellation nearer the time.

Making Challenges Work for You

Some people fear challenge and don’t handle it well. Like most things in sales, working with challenges rather than against them usually brings the best results.

It is important to take the challenge positively and welcome it as an opportunity to clarify, restate, explain more, or indeed explain again the clear benefits of buying the product or service uniquely positioned for the person or company concerned.

It is also helpful to know what challenges are likely to be faced. There are probably no more than five or six so they can be prepared for to avoid any surprises. Once the main challenges have been identified it is possible to work out the responses.

If the result is a definite ‘no’ this should be taken as research to identify what can be done better, or differently, next time. Sometimes it is in that ‘off the record’ discussion the reason for the ‘no’ can be understood, and it may not be valid so there may still be the opportunity to put the matter right.
Ways to Always Get a Result That Takes You Forward

Every contact should result in progress. Even an initial ‘no’ should seek to secure an agreement to call again in 3 or 6 months time (if it is considered that the potential customer need can be met). The key point is to never put the telephone down, send an e-mail or leave a meeting without agreeing what is happening in the interim and when and how the next contact will be made.

TIP - Never leave the initiative with the customer, always have it in your hands and in that way every ending is a beginning of the next step.

Being Attractive Never Stops

Now more than in any other market environment it is important to keep asking how the business can remain attractive to existing customers. Marketing data indicates that it costs five times as much to get a new customer than it does to keep an existing one and so keeping existing customers is vital to survival and growth. Therefore fundamental to any retention strategy is to be continually revisiting all the elements of the product or service.

Calculating the Cost of a Customer and Using Lifetime Value

Having an understanding as to the cost and value of a customer indicates how much business is needed from one customer. The cost of a customer means taking into account all the costs, both external and internal (that is time and expenses) that are spent finding and converting a potential lead into a customer and achieving a sale. Whatever that figure, and it is usually four figures, it has to be recovered as profit before money is truly being made from the customer.

The lifetime value of a customer is how much they should spend in the life of their relationship with the business. The lifetime value is calculated by the following simple formula:

\[
\text{Average Amount} \times \text{Number of Times a Year} \times \text{Number of Years} = \text{Lifetime Value}
\]

Knowing this figure informs decisions on all aspects of customer strategy especially customer complaints, pricing discounts and promotional offers.

Understanding Loyalty - How at Risk your Customers Really are

Surveys show that more customers are at risk than businesses think and that is not because customers are fickle, rather that customers are continually redefining their relationship with their suppliers.

Customer loyalty can be defined as an emotional state of empowerment that keeps people coming back. A recent survey covering businesses in the financial, food service and healthcare sectors (business to business and business to consumer) showed that the average company has customers who can be defined in one of three ways:

- Loyal - 31%
- Content - 21%
- At risk - 48%

Of the 21% who are content many of those are at risk, so businesses could easily have nearer 70% of customers at risk. Identifying things that can turn customers off is vital to make sure they stay loyal. It is not the big things, because they tell us about those and they are usually fixed, it is the small irritations that do not come to our attention that affect loyalty. The only way that these irritations can be avoided or minimised is to keep checking that all is well and encourage customers to voice their concerns even the unimportant ones, and suggest ways to improve.

One irritation that causes loyal customers to feel let down is when companies offer incentives to new customers but not to existing ones. It is a clear statement that loyalty is not valued by the company concerned. By all means incentivise new business, but do not alienate existing customers in the process. Offer existing customers a true loyalty bonus. It may be different to the one offered to new customers but it must have the same, or higher, perceived value to the one offered to new customers.

TIP - Never leave the initiative with the customer, always have it in your hands and in that way every ending is a beginning of the next step.
Using a Customer Database to Refine Profile Knowledge

If developed and maintained correctly a customer database should provide the following information:

- Who the businesses’ best customers are.
- Who contributes the majority of revenues.
- The customers who are buying more or less frequently than a year ago, or spending more or less per contact.
- Levels of satisfaction with current offers, including the delivery aspects of offers.

It is also important to find out:

- How vulnerable the business is to competing offers?
- Why customers might be dissatisfied with the business or its competitors.

In the business to business field it is important to find out:

- How much customers are spending with the business versus the competition.
- If the business is the provider of choice.

Information can be established either with direct probing questions or by good listening.

Within any customer segment there will be customers that can be relied upon to continue to give business and there will be customers at risk. The skill is in knowing which ones and capturing that information at every opportunity.

Making Pareto Work Even Harder – the Law of the Vital Few

One way to overcome the need to monitor loyalty responses is to use Pareto’s 80/20 rule to focus your attention on the 20% that bring in the 80%. Review the key customer list in the light of those that generate the most revenue or better still profit and then focus attention on that 20%.

Identifying the profile of the 20% and its variants enables more of those customers to be recruited and their needs anticipated, therefore demonstrating a responsive customer care approach which enhances loyalty.

Creating the ‘Wow’ Factor, and Much More to Reinforce Loyalty

Loyalty can only come through creating a connection with the customer and although consistent product or service delivery can certainly establish that connection, it cannot make it truly loyal and unbreakable. The only way to make that customer connection durable through all the hard work of product and service supply is to create a ‘Wow’ factor. This gives customers a really memorable service experience that reinforces the connection.

Often the opportunity to do this only comes when things go wrong, but it is much better if ‘Wow’ factors can be built into the customer contact process.
Unhappy Customers Complain to Others – Halt Negative Viral

Traditionally, in the pre-web world, it was suggested that every complaining customer told 16 other people but today complaining customers can tell perhaps several thousand people by ‘word of mouse’ or the power of the internet.

Considering not only the power of social networking but also product or service recommendation sites, the scale of positive or negative comment opportunities can be seen. This sets into clear perspective the power of the customer to remotely punish providers that fall short of their expectations. This makes it even more important to ensure that customers have only good things to say about the service they have received.

09 Seek Out Customer Concerns Rather Than Avoiding Them

It makes good business sense to identify the customers who may have problems with products or services. This means asking crucial questions about the customer’s experience of the service. Questions that do not just ask ‘How was it for you?’ but ask specifically ‘What was good...’ and more importantly ‘What could be better...’.

When seeking out customers to understand what is important to them, the following ten point plan will show how much their business is valued:

1. Have a written customer care policy published on the website.
2. Establish a customer access process that works from the customer’s point of view and not what suits the business.
3. Recognise the human as well as the business relationship.
4. Stay in touch with customers, ask questions and listen intently to the answers.
5. Show the business values employees who deliver responsive customer service.
6. Emphasise the importance of the internal customer chain to all staff.
7. Seek to highlight what sets the business apart from the competition.
8. Make trends in media and communication work for the business.
9. Invest in people and systems that are customer friendly.
10. Remember what customers value most is attention, reliability, promptness and competence.

Being aware of the business’s approach to customer service and sharing that perspective with customers, is a key way to keeping customer turnover to a minimum and to make sure that any negative customer experiences are quickly changed into positive ones.

Maintaining a Robust and Responsive Complaints Process

Devoting time and effort to building skills in complaint handling or service recovery will not only pay off in greater customer satisfaction but also provide staff with the tools they need to calm angry customers.

Every business will have a different complaint handling process. Ten steps for handling a complaint are set out below as a starting point:

1. Listen without interruption.
2. Don’t get defensive.
3. Use a ‘sad but glad’ [sad you have had to complain but glad I can help] statement.
4. Express empathy.
5. Ask questions to clarify the problem.
6. Find out what the customer wants.
7. Explain what you can and cannot do.
8. Discuss the alternatives fully.
9. Take action.
10. Follow up to ensure customer satisfaction.

Effective handling of complaints starts with a positive, welcoming attitude toward them. Customers recognise that things can go wrong but it is how their complaints are handled that results in anger or satisfaction.

10 Making Referrals Work Harder

A customer who has had a good experience with a business will tell an average of five other people and many more on the internet. Some may become new customers anyway but it makes good business sense to encourage the referral process.

Businesses often have customer referral schemes but these can easily be made to work harder and in the process reinforce even more loyalty from existing customers.

The key opportunity to seek referrals is of course at the end of a successful product or service delivery but it can also come when the customer has said no. They have said no because the product or service is just not for them, but it could be for someone else. Businesses often incentivise referrals with discounts or gifts, but try to give the customer something extra that would not normally be available to them, or invite them to a special event or preview.

The more customers are delighted the more likely that they will recommend the business to others of their own choice. The development of the customer relationship gives the option to suggest to the customer that if they have been happy with their experience they should post a positive comment on a specific website.
The Universal Customer Experience

Customers and businesses operate, to a greater or a lesser degree, in an online and offline world. Purchasing decisions are often started online and finished offline and also the other way round – therefore it is important to have a consistent form of presentation wherever goods and services are accessed.

TIP - Is your website as friendly and easy to use as your call centre? Are the offers the same in both your online and offline store? Is the customer greeted with the same level of recognition in store or on the telephone as they are online?

The customer, or potential customer, expects the same level of recognition however they access services and that level of service and intelligent recognition should run throughout the customer journey.

11 Having a Customer Focused Approach

This Seven-Point Customer Focus Plan below gives a step-by-step process for getting the business to see itself through the customers’ eyes and to start to make sure that the business is designed in a way to deliver on its promises and delight its customers – this is a systematic way to develop the business.

The seven points of the Customer Focus Plan are set out below:

1. Redefine your business as a problem solver.
2. Understand the real scope of your business.
3. Get under each customer’s skin!
4. Stand out in order to be outstanding.
5. Develop a strategy to define your position all the time.
6. Calculate just how much a customer is worth to you.
7. Select your marketing weapons with care and performance.

The key issue is that the plan must be applied to the business. It must add value to the bottom line and it must be used as a springboard to improve the business.

12 Where to Go for Further Help

Business Link offers a number of sales, marketing and customer service seminars and workshops. Visit: www.businesslinkyorkshire.co.uk/events or call 08456 048 048

The Institute of Customer Service
The professional body for customer service. Visit: www.instituteofcustomerservice.com or call 01206 571716

The Institute of Sales and Marketing Management (ISMM)
The UK’s only professional body for sales people. Visit: www.ismm.co.uk or call 01582 840001

The Chartered Institute of Marketing (CIM)
The international body for marketing and business development. Visit: www.cim.co.uk or call 01628 427500

If the business is affiliated to a professional body then ask them for advice. Most professional bodies provide members with free advice around sales, marketing and customer care.

Disclaimer
This information is intended to be a brief introduction to the subject. Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law.