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Retention Marketing Matters Now More Than Ever

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As recently as a few years ago, when a customer had a bad experience and moved his business elsewhere, he shared his story with neighbors or business associates. These days, online social networks provide forums that can spread both facts and rumors to many more people at cyber speeds.

Bad customer service today can cost a business not just one customer but potentially hundreds or thousands more who decide not to try a product or service based on one customer's negative experience. That's why it's more important now than ever to retain existing customers and keep those customers happy so negative comments never have the opportunity to spread.

Make customer service a priority. Set the example for employees, who learn by seeing and doing what you do. Make suggestions and invite workers to come up with their own suggestions for how customers could be better served. Good customer service starts with the boss.

Stand behind your product or service. Guarantees, whether written or oral, provide trust, and customers come back to businesses they can trust. Many customers are willing to pay more just knowing they have recourse if the product or workmanship should fail.

Act on complaints. For every customer who complains, another 26 have similar problems they haven't resolved, according to the U.S. Office of Consumer Affairs. Think of complaints as market research you didn't have to pay for, and then respond by fixing the problem.

Reward loyalty. Every customer wants to know that his or her business is appreciated. Customers often go elsewhere simply because they feel ignored. Let your customers know you appreciate their business by saying thanks through words, letters and small rewards.

Provide incentives. Promotional campaigns that provide an incentive to existing customers for doing business with your company in the future can generate additional business you would otherwise have missed out on. A discount, gift or chance to win additional services will often cost you little at wholesale but can spur much more in revenue and loyalty.

Make things simple. Make it easier to buy from you than from your competitor by offering

convenience and simplicity. Something as simple as including a self-addressed envelope when documents must be returned tells your customers you care about making their lives less complicated.

Listen. Be aware of the needs of your customers even if they aren't expressed. Take time to watch their habits as well as listen to their concerns. This type of research often uncovers hidden opportunities that allow you to meet more of your customers' needs. Actively look for opportunities to provide more value to your customers, whether it's in the form of a more pleasant experience, greater cleanliness or friendlier service.

The New Mexico Small Business Development Centers offer workshops that can help your business survive and thrive during a slow economy. Find the center nearest you at www.nmsbdc.org.

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