

Where are my customers going? Tips to build loyalty in your customer base.

Summary:

In this month's episode of the MegaMarketer Coachcast, hosts Justin Jacob and China Morrisette talk about putting programs in place that will drastically change your business. Find out why the last thing your competitors want is for you to implement a customer retention system.

Main Questions Asked:

- What is customer retention?
- Should contractors focus on digital or offline?

Key Lessons Learned:

Customer Retention

- Customer retention is basically the process of keeping the customers you have spent the time and energy to acquire. You should put in as much effort to keep your customers as you did to gain them in first place.
- We often fall into the trap of assuming that once someone does business with us they will continue to do business with us, which just isn't true.
- Customer retention isn't optional.
- The first thing you have to decide is who your customer is. According to the Pareto Principle, 80% of your revenue will come from 20% of your customers.
- You have to train yourself to look at your customer database as a resource. Studies say that 11% of existing customers will leave your business for totally avoidable reasons.
- Most people don't leave because they are upset with your service or product, they leave because they just don't remember who you are and drift away.
- By the year 2022, the battleground of retail sales will not be over price or availability of product, but the experience of the customer. That can

make the business of contracting tricky, you have to ask yourself what you can do to add to the experience of a person being a customer of yours.

- Are you communicating with your customers in the way they want to communicate? You have to take into account how your customers want to interact with your business and allow them to do that. Just because you may not use social media, that doesn't eliminate the fact that a large proportion of your potential customers do.
- You have to add value to your customer's relationship and not just try to sell them all the time. Tips on how to save money and conserve energy are great options.
- You have to consider the content you are posting on social media, the purpose of your posts is to create a window that allows people to connect with your business.
- Investing in the relationship will increase your ability to eventually make an offer to your customer.
- It's very easy to set yourself apart in your marketplace by going above what everyone else is doing. Don't lower your price, add more value to the customer experience.
- If your plan doesn't include some sort of customer retention, you make moves without having the foundation to support them. If your customers are falling through the bottom of your funnel, you will have to spend 5x to 8x more to buy them back.
- Don't forget your competitors, they are trying to bring your customers over to their business. It's their lead generation versus your customer retention.
- Running a loss leader offer relies entirely on keeping the customer for the long term, without a structured customer retention plan in place the offer will never pay off.
- Commercial contracts are built on the relationship you have with the principals of the business. Many deals are based on likability rather than price.

- It's not just about digital marketing, offline marketing can be extremely powerful as well. Putting effort into both approaches is a better strategy to connect with more customers. Don't let potential customers get neglected because you don't want to take advantage of a particular channel.

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Links to Resources Mentioned

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