

FuelNet Offers 6 Secrets to Boost a Customer Retention Strategy

A business lives and dies by repeat customers or clients, especially in uncertain economic times like these. Studies show it can cost up to 10 times more to land a new customer than to keep an existing one. The problem is that most customer retention programs are ineffective. To make matters worse, according to Allegiance, a technology firm in Salt Lake City, the average business hears from only 4 percent of dissatisfied customers -- the rest just bolt. FuelNet, an Internet-based resource for companies looking to grow their business, offers these six secrets to boost a customer retention strategy:



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1. Check in with your best customers. At least once a quarter, touch base with the 20 percent of your customers who generate 80 percent of your business to find out how they're doing. "You aren't trying to sell anything or be the bearer of any profound news, but are merely placing a courtesy call to convey a sense of calm and clarity," says Duncan MacPherson, coauthor of *Breakthrough Business Development*. As an extra personal touch, send a handwritten note.
2. Find out how you're doing. Robert Basso, president of Advantage Payroll Services in Hicksville, N.Y., regularly surveys staff to see if they understand the firm's customer service standards. He also talks to customers to make sure they're receiving the service they deserve. Surveys should be short, free of bias, and well structured, Basso notes.
3. Teach your employees well. Schedule a weekly half-hour meeting with staff to address customer care topics, such as how to deal with crabby or impatient customers. "A postmortem analysis on any customer interaction that doesn't go well can be an eye-opening exercise," says Lori Jo Vest, head of LJV Consulting in Troy, Mich.
4. Send referrals your customers' way. For customers who may own their own businesses, spread the word about their products or services, or offer to share resources if it makes sense.
5. Act fast when someone grouses. Research indicates that a complaint addressed with swiftness and creativity can turn a dissatisfied customer into a highly loyal one, notes Kyle LaMalfa, best practices manager at Allegiance.
6. Think long-term. "Think of a new customer as the beginning of a long relationship where you are going to help them get what they want," says Tessa Stowe, editor of the *Sales Conversation* newsletter. Positioning yourself as a resource for life differentiates you from companies looking for a quick sale, she adds.

For more insights on customer acquisition and retention, download the free FuelNet Smart Paper "10 Secrets for Successful Customer Relationship Marketing."

About FuelNet

FuelNet, a division of The Pohly Company, is an Internet-centric resource for credible tips, tools, and insights on marketing, selling, brand building, and customer relationship marketing. Built around the tagline "Marketing Smarts for the Growing Business," FuelNet is designed to help small and midsize companies build profits and beat the competition. Visitors to FuelNet's Web site, fuelnet.com, can subscribe to "FuelNet Monthly," sign up for a free daily e-newsletter, and purchase white papers, special reports, and books.

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