



September 2008

Building Customer Loyalty

Today I am going to talk about one of my pet gripes - after sales care and building customer loyalty. To make it real I am going to focus on Electrical Appliance Retailers where I have had many years experience in training sales people in how to sell extended warranty.

There are some lessons in here you could learn for your business so read on!

One of the things that Electrical Appliance Retailers are not good at is building customer loyalty.

Now that may seem hard and yes it is a generalisation but over the years having visited many retail stores from the slow moving department stores to the fast moving pure appliance retailers I have found it really just doesn't happen!

What I have found is they tend to love their customers, get the cash and then leave them!

Is there any wonder their customers shop around and tend to be very price conscious when the next time they come to buy?

It is interesting when you ask someone where they bought that Fridge, washer or TV. Half the time they just don't know! Is that a warning? Is it telling you something?

Go into any big ticket area in a typical appliance store where sales are slower and you tend to find sales people who have been working in that area for centuries - very experienced and good at what they do.

What I have found they always seem to have lots of free time on their hands but do they use it to best advantage? No!

These people can be like gold particularly if they develop a personal brand and develop a reputation for advice and service. Repeat sales will follow.

Alas many don't!

With most big ticket sales there is a delivery involved and so the sales person will know when the new washer or plasma is being delivered. Why not use this information to your advantage to develop a reputation for care and concern for the customer.

So why not take this sort of approach -

1. Ring the customer to reconfirm delivery, day, time, etc..
2. Ring the customer the day after the delivery to check that the appliance has arrived alright.
3. About 2/3 days later send the customer a card and thank them for the sale.

4. Two weeks later ring the customer to
 - check that the appliance is running all right
 - ask if they got any questions on the operation of the appliance
 - ask if they have any other concerns
 - use it as an opportunity to mention any other relevant promotions (depending on the customer and what you learnt from them while in store)
 - Ask for referrals - do they know of anyone who may be looking to buy a similar type of appliance.

The reason I suggest asking for referrals is that whenever someone gets a new appliance they tend to skite about it, show it to friends and often it will come out in the conversation that they are looking for a new appliance.

Now if that happens what are they going to do?

First of all if you have been doing the value adding which I suggest, they are going to talk about you. They are going to talk about the sales person who has rung them up, sent them a card, made sure they are all right.

Why are they going to talk about you? Because you will be an exception! Nobody in the industry is doing this, and if they are it is very rare and so you are setting them up to talk about you.

5. One month after purchase send out a customer satisfaction survey with a reply paid envelope.
6. When they return the survey, send them a thank you letter but include with it an offer for them to earn say \$50 off their next purchase no matter what value of purchase for just referring one new customer to you who spends more than say \$500. The referred customer would also get \$50 off their purchase.
7. Ensure the customer is invited to any future special buying nights and receives other special preferred offers
8. Get the customers birth date so you can send a birthday card - must be handwritten
9. Send the customer a Christmas card or other special occasion card.

Now, what have you done! You have built a customer loyalty chain and I am sure you can think of many ways of improving it.

Now this may sound a lot of hard work - but build a diary system and it becomes easy. Don't forget you can do this during the down times in the day/week.

The goal is to get the customer to come back and buy from you. This means more commissions and more profits for the store. Take a long term view of the relationship and you will win.

A common comment I used to get when I would suggest this was "the customer may not be happy, they may have a complaint, I don't want to know about it, I might have to fix it!"

Sorry tough! You are better to talk to the customer, help them through the issue and you will have a friend for life! The alternative is to have them bad mouthing you, your store, and your product all around town. I know what I would prefer.

Some of you may have concerns about paying for referrals as suggested in 6.

Can I suggest?

- You are only going to pay out when a customer actually buys

- You have got the customer thinking about you and
- You are building top of mind awareness for future promotions.

Appliance retailers spend thousands of dollars on advertising each week and spending \$100 (retail cost) to bring someone in store to buy a larger appliance is actually cheap marketing. All it costs is a postage stamp and you only pay when the referred customer actually buys.

The other way is to spend thousands on advertising with no guarantee of return.

This way you are acquiring a new customer that could then be feed into your targeted customer loyalty program and the cycle goes on.

You can see it is very easy to build a chain of regular customers but to work you need to make them feel loved and special.

Finally, I am reminded on one of the world's top sales people - Joe Girard - a car salesman who sold something like 77 cars a month with no fleet sales. He used some of the techniques I am talking about here and many more.

For example as part of the sales process he would learn the customer's favourite music and when the new car was delivered and the new owner turned on the ignition this tune would be playing and the customer would think they were in "heaven!"

Check out <http://www.joegirard.com/> for more of his story and sales ideas. He has some great books and training resources available.

Now you are probably not an electrical appliance retailer. What lessons can you learn from this article? What are your sales and service processes like? What after sales service do you provide? What do you do to encourage repeat sales? How do you keep in contact with your customers? When was the last time you said "Thankyou"?

When I work with a customer to significantly boost their sales and profits I look at all the customer touch points to remove all the profit leaks from a business. Like a plumber we indentify and fix the leaks and put in place a total marketing system that will maximise profit opportunities for years to come.

About the Author:

Alistair Gray is a Profit Improvement Specialist and Marketing Coach who wants to meet business owners who want to achieve 45-60% sales and profit increase in the next 90 days or so.

You are invited to meet Alistair for a confidential discussion and also receive a free copy of the book "**Maximum Profits in Minimum Time**" as a way of saying thank you for sharing your time.

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