

Tips on Building Customer Loyalty



Customer loyalty is so vital to the success of any business. When customer loyalty is established it means that there is a high likelihood that they will do business with you again. Current customers typically spend more and have higher conversion rates since they are already satisfied with the products and services that your business offers. One of the most important aspects of customer loyalty is that it is cheaper to retain current customers. On average it is 5 times more expensive to market to new customers than to keep your current customers happy! Overall customer loyalty has numerous benefits that include improving sales, reduce marketing costs, and can assist you during difficult economic times.

Below are some ways to build and maintain customer loyalty for your business.

- 1. Know who your customers are** - In order to truly establish relationships with your customers you need to know who they are. This means knowing their names, finding out about their lives, and understanding their buying habits. When you really take the opportunity to know who your customers are it will translate to more profitability and success for your business.
- 2. Create a customer loyalty program**- When you develop a loyalty program it rewards customers for doing business with you. There are numerous programs available such as point systems, punch cards, etc. By creating a loyalty program the customer feels justified in making a purchase at your business because it will lead to a reward. The incentive for you is that the customer will most likely spend more money on your products or services.
- 3. Set up a referral program**- The best form of advertising is by word of mouth. By instilling a referral program it allows your current customers to refer friends and family to your business. They will receive a reward every time they refer a new customer to your business. In turn this program helps you to attract new customers and lowers your marketing costs.

4. **Play to your business's strengths and weaknesses-** If you really want to connect with your customers then you need to stay true to what your company is i.e. do you offer locally sourced products, only sell items made in the USA, etc. Focus on promoting how your business differs from competitors, what unique offerings do you have, and what are your company's values.

5. **Engage with customers on social media platforms-** Use social media to build and maintain relationships with your customers. Be sure to respond to customers when they post questions or reviews about your business. You also want to share relevant content about your business. It can be something as simple as showing "behind the scenes" of your stock room or doing a Facebook Live that shows current clothing arrivals.

6. **Encourage customer feedback-** When you ask your customers for feedback regarding your business they feel valued. You can send out surveys, ask for them to review your business, or encourage them to e-mail you with suggestions of how to improve your products or services. Once you receive their feedback then implement some of the changes. This will let the customers know that they were heard and that you want to create a better experience for them.

7. **Obtain customer's data-** When you obtain customer data it is beneficial in many ways. It will allow you to know how the customer likes to shop, what products they purchase, and how they want to receive their goods. It also allows you to have a better understanding of what products or services that your customers most enjoy. This information can assist you when deciding what products or services to purchase and what inventory levels you should have. When requesting information it can be as simple as asking for basic contact information, preferred sizes, favorite brands, their birthday, etc.

Courtesy of Shop Talk