

Don't Let 'Em Get Away

Tools To Keep (and Bring Back) Your Existing Customers

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We all have our favorite stores. Mine happens to be Target. Every time I have an errand to run there I get excited because I love Target. It makes me happy. Why do I like it so much? Well, besides all of the cute knick-knacks, houseware items and adorable clothes at great prices, I just like the environment. The store I visit is always clean, the employees are readily available to help you find what you are looking for, and the checkout is much quicker than competing stores.

My favorite fast lube place is kind of like that. Clean, friendly and quick. For these reasons and more, I will continue to patronize these stores on a regular basis. That, in so many ways, is customer retention.

It's not always easy

far and away the most important customers you will ever have. Marketing experts tell us that 80 percent of your sales come from 20 percent of your customers — those who are loyal and return to you time and again. There is also the saying that it's five times more profitable to spend marketing and advertising dollars to retain current customers than it is to acquire new customers. With these strategies in mind, companies try a variety of different techniques for customer retention. Sending e-mails, mailing reminder cards, making phone calls, taking customer surveys and even trying to boost word of mouth are just a few. So which one is best? Well, it depends on whom you ask.

One of today's most common techniques used by businesses trying to get in touch with previous customers is to send e-mails. E-mail blasts are a quick, easy way to reach hundreds or even thousand of people at once, and you often get a quicker response than from other marketing campaigns. E-mail blasts also allow your company to customize a message for multiple groups as part of the same mailing. Another benefit to emails is the concept of permanence, the idea that a customer can come back and look at the reminder whenever he or she likes, then act on it when it's most convenient.

Jay Siff is CEO of Moving Targets, a company that prepares promotions targeted at new residents. He said for the money, you can't beat e-mail.

"Emails are amazingly effective," he said. "The return on investment is great."

There are disadvantages to sending e-

mails, though. The biggest one is spam. Even the savviest e-mail users often have a difficult time determining if an e-mail is junk spam or a legitimate offer. For this reason and others, Barry Silver, director of Sales at Mailmark, isn't fond of e-mails.

"With e-mail, people provide fake addresses or old addresses, and the e-mail address can sometimes be entered (into a database) incorrectly," he said. "I get more than enough e-mail from companies that think I care. I have them go right to spam — even from companies I do business with."

If you do choose to send e-mails, avoid buzzwords like "free" or "act now" in the subject line. These words often prevent your e-mail from reaching the customer because they are usually picked up by spam filters. Always include a clear call to action in your e-mail, too. For instance, provide a link to your website or a "request more information" button.

Another popular form of customer retention is reminder cards. Reminder cards are usually the size of a postcard with your company's logo, address and, usually, a discount on them. The most common size of a reminder card is four inches by six inches, but it's important to be original with your reminder cards and make them stand out from boring generic ones.

Unlike e-mail, which is either free or very low cost if you use an e-mail service, there is an investment required to print and mail postcards. Two thousand four-color, four-by-six postcards might run \$200 or so, and with the cost to mail a postcard at 27 cents, you could easily spend nearly \$600 just to reach 2,000 customers. It's low-cost, but not no-cost.

Many fast lube facilities send out reminder cards every 90 days letting their customers know its time for an oil change. Silver believes service reminders are the best form of customer retention and advertising.

mail is a common customer retention tool. E-mail blasts are a quick, easy way to reach hundreds or thousands of people at once, and can often get a quicker response than from other marketing campaigns.

for businesses to figure out how they are going to get customers to come back, but the ones who have already visited your shop are

“Reminder cards are not intrusive and have the longest shelf life (of any type of reminder),” he said.

Siff believes reminder cards should be personalized and have some sort of discount on them. Your company can also track how many customers use their discount when they come in, making reminder cards one of the most trackable customer retention tools around.



Happy customers are a great source for word-of-mouth advertising, and word-of-mouth advertising is a retention tool that will help keep customers coming back.

What about phone calls? Out of the four customer retention tools mentioned in this article, phone calls are employee's least favorite if they're having to make the calls.

According to Siff, phone calls are a bit intrusive, and you run a danger of offending people if the call is received at an inopportune time. He doesn't believe all calls are

bad; in fact, he believes that follow-up calls are great for customer service as long as you are checking to make sure a customer's experience was good or to see if their vehicle is running properly and not trying to sell them something. Experts say if you're going to make follow-up phone calls as a customer retention tool — showing customers you care — it is best to call within a week after their car has been serviced.

If you would prefer to make phone calls as a service reminder tool, you can have employees make them in house or have a company like RemindMe make the calls for you. They simply collect your customer database, and you decide when and how you want your customers to be contacted. There is one fee for all calls made. It could save time and money compared to making the calls yourself.

Customer surveys are another good way to retain customers. CSi Communicator is a marketing and research company that surveys or messages 90,000 customers a month in the automotive industry. According to CSi, two out of every three customers do not feel valued by those businesses servicing them, and repeat customers spend 33 percent more than new customers. That is a big reason you want your customers coming back.

John Webb, senior vice president of Marketing and New Business at CSi, believes the best form of customer retention for fast lube facilities is word of mouth — built by finding out what your customers like and catering to their needs.

“(Word of mouth) is free, and it influences people. Building a relationship with customers is the best way to ensure loyalty and positive recommendations to friends and family,” he said.

This is important because CSi research has found that happy customers tell four to

five others of their positive experience at a store, while dissatisfied customers tell nine to 12 people of their negative experience.

Siff also agrees with the research. He says, “It's the experience you give them (that keeps them coming back); it's not just the

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oil changes, it's how you greet them, how your employees dress, how your business looks and how you come across. If they trust you, they become loyal to you.”

Wayne Birdsong, general manager at Hollon Oil, also says it's about trust.

“The most successful technique for retaining customers is word of mouth, for the simple reason they are getting their information from somebody they trust so it's easier to keep them,” he said.

Another important factor to consider when using any one of these forms of customer retention tools is to keep track of your customer's visits. Siff of Moving Targets said, “The best thing people in the fast lube business can do is make their advertising measurable. People get too hung up on image advertising because they see that's what the big guys do. For small independent stores, you should do stuff that is targeted and measurable.”

All of these customer retention tools have their advantages and disadvantages, so it is up to you to choose which tool you think is best for your store. But always keep in mind that the number-one way to ensure a customer will return is to keep a clean store with employees who are kind and concerned about customers' vehicles. ♦

For more information on customer retention, visit:
CSi Communicator www.csicomunicator.com
Moving Targets www.movingtargets.com