

Customer Loyalty Vital to Businesses

Business owners often take customer loyalty for granted.

The longer the customer has been coming to the store, the more that seems to be true.

“On average, the business owner will spend \$20 to \$50 to attract a new customer,” says Glenn Muske, rural and agribusiness enterprise development specialist for the North Dakota State University Extension Service. “Yet he or she only spends \$1 to \$5 to retain an existing customer.”

So which customer offers the better return for the business’s investment?

“The returning customer often is key to the bottom line of just about any business,” says (insert local name, title and county office). “Do not underestimate the impact of customer loyalty. As a business owner, you need to be working continually to develop and maintain your relationship with existing customers.”

Communication is an important component of that effort, according to Muske. He suggests that perhaps the easiest and first step is to simply stay in touch with customers. Figure out the customers’ preferred communication style and let them know you are thinking of them.

Another communication tool is asking for advice and feedback, and then making use of the information you receive. Let people know you appreciate suggestions and even their complaints, and talk about changes you have made as a result of their feedback.

“If you can link a specific customer to an implemented change, you establish trust and rapport, not only with that customer, but with all of your customer base,” (insert last name) says.

Remember that in your interactions, one size does not fit all. Customers want someone they enjoy working with; however, every customer may enjoy a slightly different interaction style.

Be flexible as well. Read body language for subtle signs that may help you better respond, even to the people you interact with regularly.

You also must stay on their radar. This holds true for existing customers but also the potential customers you are trying to attract. Today’s consumers are bombarded with more and more marketing efforts all trying to attract their business. Let your customers know of events, new products or new employees, or simply encourage them to stop by.

“As you try to stay on their radar, do not be afraid to ‘get out of the box’ sometimes,” Muske advises. “Find things that will interest them. Offer tips on related topics or ways a product can be used. Maybe you know of a workshop or exhibit that relates to your business. Let them know. Maybe even organize a trip.”

Lastly, the most important and maybe the easiest tip is to genuinely listen to them. Pay attention not only to their product and/or service needs, but to who they are and what motivates them. This information-gathering tool can have a huge payoff.

For more information, stop at your local Extension Service office, go to NDSU's Small Business Support website at www.ag.ndsu.edu/smallbusiness or visit the national eXtension site at www.extension.org/entrepreneurship.