

# Good customer retention tactics translate to brand loyalty and profitability for SMEs

There is a good reason why the saying goes "first impressions last" and this is particularly important for small businesses. Once they've connected with a new customer, businesses should focus on offering high-quality delivery over the long-term. It begins with a client's first interaction with businesses or brands and continues throughout the lifetime of the relationship.



Image supplied

According to Tom Stuart, CMO at Lulalend, there are five practical ways in which businesses can improve customer retention. Managing expectations, ensuring top-of-mind awareness, good communication, implementing support measures, and putting in place a rewards program.

Stuart explains that top-of-mind awareness is a key metric in the development of sound retention strategies and will ultimately contribute to profitability potential.

“Being top-of-mind isn't only handy; it's also necessary. When it comes to communicating with a potential customer, sales professionals have a 50% better probability of converting the opportunity when a brand has a high top-of-mind score. The more well-known the brand, the more likely the public will purchase their product or use their service.”

In the current economic climate, SMEs must build tactics that engage both potential and existing customers consistently and concurrently.

“No matter how strong a relationship you’ve built up with a customer, don’t jeopardise the connection by diverting your attention to focus on the next prospect. Maintain meaningful connections with all customers, even after a sale has been made or a project has been completed,” says Stuart.

Managing expectations in a time when consumers can have goods and services delivered in a couple of hours with the click of a button can be a challenge. Checking that your sales collateral, website terms and conditions, customer service commitments and sales team are all on the same page is essential because this guides customers in terms of what they can expect in return for their hard earned spend. Be honest when things go wrong and act quickly to get things right.

### **Maintain relationships**

Even if customers are not reaching out, businesses should be proactive in maintaining the relationship. In highlighting the third point to improve customer retention, Stuart says that entrepreneurs should consider using a communication calendar to manage client encounters and create upsell and cross-sell possibilities.

“It’s important to continually make your customers feel recognised and valued through regular and clear communication. It is simple to roll out promotional offers and proactive customer support solutions to stop them from disengaging – all you need is a database and carefully considered content.”

Customer services technology and Artificial Intelligence solutions abound and helps to make accurate customer service automated and sophisticated. It can also make the biggest difference in an SME’s continued success and overall profitability.

The final component to ensure customer retention lies in creating a client loyalty program. Long thought to be complicated and only possible for large consumer brands, it is possible for even the smallest businesses to offer rewards to individuals who have been supporting their brand.

A Customer Relationship Management (CRM) system can assist in identifying a business’s most valuable clients and targeted incentives can go a long to making sure someone continues buying with a particular business.

“While there are many ways to keep your customers hooked on your business, it’s important to consider the techniques you use to strengthen those relationships. Long-term customers are almost always more profitable and buy more regularly than new ones.” concludes Stuart.

For more, visit: <https://www.bizcommunity.com>