

FOR THE LONG TERM

DAVID T BINKS



Long-term success isn't all about gaining new clients, says **David T Binks** – you need to keep your existing customers happy, too

When it comes to growing sales, people often become focused on gaining new clients and customers, failing to effectively address the need to retain those they already have. It is common to think that if you've got an excellent product or service, then customer retention naturally follows; while this is true in some instances, it is a short-term strategy – sooner or later, customers will start to feel that you don't care about them, and they will begin looking for other providers.

Developing a strong customer acquisition and retention strategy is integral to both the short and long-term success of any business. However, establishing longer term relationships with the most profitable customers is key. According to a recent study by Harvard Business School, increasing customer retention by even 5% can increase profits by 25-95%. The study

also found that repeat customers spend 67% more than a new customer – and let's be brutally honest, it is cheaper to retain existing customers than to acquire new ones! Earn your customers' loyalty and they will become sources of reliable revenue, as well as brand advocates and, effectively, non-commissioned salespeople:

Better conversion rates and profits

As the relationship grows, it is easier to understand the clients' ways of working – and this means your business can adapt and evolve to keep meeting their needs. The majority of clients leave because they are unhappy with the service received.

Brand advocates

Spend less time trying to find and convert new clients – retained clients act as great brand advocates to a wider audience. Advocates will also offer valuable feedback on the products and services provided.

Non-commissioned salespeople

Selling to existing customers is less focused on price. As trust is established, it becomes easier to explore and trial new products together, or upsell existing services. Companies need to offer customers a reason to keep coming back.

A plethora of solid customer acquisition and retention strategies is available on the internet, which can help you to become an expert in your

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field (no pun intended!). Prior to those strategies being implemented, it is essential to set goals in advance: what do you hope to accomplish, how will you measure progress, and what does success look like, for you?

You must then understand those customers being targeted. Customers like doing business with companies that understand their needs even prior to sharing them. They want to feel connected with your business, so take every opportunity to learn about them through channels such as social media.

Try to make it personal. Your chosen messages and tactics should represent you, your business and your values. Feedback from existing customers can also shape those strategies, encouraging you to identify loyal customers and target them in order to retain them in your business; this is as opposed to shooting in the dark with marketing strategies, hoping to capture as many consumers as possible.

No matter how many customers you bring on board, you cannot improve sales revenue if the rate of exit is high. Don't be afraid to be creative – retain a customer for the long term and benefit of all.

ABOUT DAVID T BINKS

David T Binks is managing director of Cheshire-based Landstruction, which was set up in 2010 and now has 40 employees. It has won Gold medals at RHS Chelsea and RHS Tatton Park. David also launched the Big Hedge Co., which supplies and installs mature hedging and topiary nationwide.

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