

A no-cost secret to increasing sales profitability

(PART 5 OF 5)

This week we finish a discussion on the no-cost way to increase your sales and profitability by creating world-class customer service in your shop.



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Recall from last time that the first step in creating world-class customer service is to ensure you create a great first impression at every first-time interaction point in your business. Now let's put it all together.

Cultivating loyal, relational customers

Customers become loyal and return because of the value they feel they receive when you help them. Customer loyalty is the one trait that must be deliberately cultivated in order to convert that first-time transactional customer into a loyal, relational customer who bonds with you and makes repeat purchases over their buying lifetime.

Why are loyal, relational customers so vital to cultivate? Because they begin to identify and stay with your business in bad times as well as when times are good. They tend to stick with you through high prices, low prices, plentiful

inventory and scarcity.

They're the least expensive to sell to because there are no acquisition costs for repeat sales. They spend more on each visit because they're not constantly shopping for single items on sale. They tell other people about the good experiences in your business, and they are easy to deal with and generate few problems.

Every business needs customers like these.

Conversely, if your customers feel they do not receive value over and above the purchase price of your product or service, then you'll be forced to compete directly with the mega-marts solely on the basis of price and your customers will be one-time transactional types whose only motivation is the cheapest price, shopping just for single items you've placed on sale at reduced profit.

That means you will have a "once-through" business model, which is the most expensive business model to operate because the per-customer acquisition costs are high and all must be recouped in a single sale.

How many businesses do you know with the lowest retail prices and the highest customer acquisition costs that are still in business?

A business featuring world-class customer service treats its customers as guests worth

Create a vision or mental picture of a new customer having great success at every interaction point with your business beginning with the first-time interaction points. It helps to write down everything positive that should happen at each point and list exactly what should make the interaction successful in your vision.

their weight in gold, ensuring they are successful in every interaction point in your business. Why? Remember that they pay your salary, finance your home, send your kids to college, pay for your summer vacation and pay your employees.

Your customers are responsible for everything you have now and ever will have.

So, the purpose of world-class customer service is to attract and retain loyal, relational customers, clients or patients so the business can reap the benefits I've outlined above.

Taking the first step

You may feel overwhelmed with everything you think you have to change in order to create a customer friendly environment, or you may wonder where to begin.

First, create a vision or men-

tal picture of a new customer having great success at every interaction point with your business beginning with the first-time interaction points I listed last time. It helps to write down everything positive that should happen at each point and list exactly what should make the interaction successful in your vision.

Then, create milestones that will create your picture by changing step-by-step what's happening now to implement what you want the customer experience to become.

Stick with it

Don't let your effort become another management "flavor of the day" effort where you start out strong and then get distracted as time progresses.

Stay focused on continually teaching, monitoring and reinforcing the staff behaviors you want to change to create

the culture you need. And then enjoy watching your sales revenue increase, even during the Great Recession.

As Diana, owner of Advertising Specialty Services, says, "You'll be amazed at what a bit of great customer service can add to a sale."

The bottom line

Being customer friendly is about building customer relationships through superior customer service and creating a competitive advantage so strong they'll consistently choose to spend their money with you even if your prices are higher than the megamarts.

To achieve this, first-time customers must have a great first impression at every interaction point in your business so you can turn first-time transactional customers into loyal, relational customers who make repeat purchases over their buying lifetime.

What did you think of this series? Did I hit the mark or hit my thumb? Share your feedback with me at results@bgaccelerators.com. I'll look forward to hearing from you.

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