

# RELATIONSHIP MARKETING:

## Key to Small Business Success

### INTRODUCTION

According to the US Small Business Administration, there are 28.8 million small businesses in the United States. Of these, 36 percent are women-owned, and they account for 12 percent of all sales and 15 percent of employment.

Clearly, the role of women in small business is significant and plays a notable role in generating employment for others.

### Reasons for Becoming a Business Owner

The reasons women make the choice to become business owners vary, just as the types of businesses owned by women vary.

Here are some reasons why women say started businesses:

- ✓ She wanted more time freedom. If she worked for an employer, she envisioned being able to take time off when she wanted to or being able to take longer vacations.
- ✓ She's worked in her career for many years, and enjoyed it. Now she feels that she wants to do more, give more, and be more, yet her current occupation does not allow you to deliver that. She decided to take action and do something, in addition to what she normally does.
- ✓ She may be 50 and Wiser, or approaching 50 and had dreams she pushed aside in favor of a 'safe' job to take care of her needs and the

needs of her family. Now, she feels the need to take those dreams and make them a reality.

- ✓ She thought she'd saved enough money for retirement and her pension would suffice. Now she realizes that it's going to take a lot more money to maintain a certain standard of life. The savings and investment she'd counted on are going to be inadequate. In addition, with longer life expectancy, she could run out of money when she needs it most.

A survey reported on at time.com noted that, "56% of Americans Have Less Than \$10,000 Saved for Retirement." Those are startling statistics. In addition, many women and men who face retirement, in another 10 years or less, or who are already retired, are not ready to sit back and relax. They're in good health, vibrant, have acquired a lot of knowledge and experience. They are ready and eager to explore their options in starting their own business, full-time or part-time.

Which one of the descriptions above represents you? Your situation may be unique. Are you a male? Although this book is written as if to women exclusively, all the principles mentioned apply to businesses started by men. You too can benefit from the topics covered.

## Your Customers

It's important to keep in mind is that while the reasons for starting a business vary, there are two indisputable truths that affect each business:

1. In order to succeed as a business owner, you **must have products or a service** to sell or exchange for money.

2. You **must have customers to buy your products or service**. Peter Drucker, Management Consultant, summed it up nicely: "Nothing happens until someone sells something."

Whom will you sell to? Is there a way to determine who you want to work with, and who your ideal customers are? How will you get them to know about you and buy from you? How will you stand out from the crowd? How will *you* build relationships with your customers and create an emotional bond so they remain loyal to you?

We will explore these and more in the following chapters. Let's get started.

## CHAPTER 1

### An Introduction to Relationship Marketing

#### What is Relationship Marketing?

Relationship Marketing is a term that's being used with increasing frequency by small, medium, and large organizations alike. It stands in stark contrast to the way businesses dealt with their customers in the past.

Relationship marketing is viewing the relationship between you, the Seller, and your customer, the Buyer, as partners for the long-term rather than a single transactional event.

Where transactional (or traditional) marketing is all about a series of single sales events, with no regard for who the consumer is, relationship marketing is about establishing an on-going relationship between brand and consumer; between you, your business, and your customer. You create a partnership!

#### An Essential Key to Customer Loyalty and Retention

Customers are the lifeblood of your business. In order to keep the lifeblood flowing, customer loyalty and retention are essential.

Television, radio, and newspaper ads all have their place, and are still effective for many businesses. However, for small businesses especially, impersonal, traditional advertising cannot be the primary way you communicate with your customers. Customers do not want to be spoken

to. They want to be spoken *with* and know that their voice is heard when they do business with you.

Successful small businesses recognize that when they have a personal relationship with their customers, it makes a difference in the results they experience. This, in fact, is what sets them apart from their competitors. The removal of “us” and “them” and replacing it with “we” encourages a partnership so that customers feel they have a vested interest in your business.

## Three Benefits to Your Business

### Profitability

In their book, ***Leading on the Edge of Chaos***, authors Emmet C. Murphy and Mark A. Murphy noted, “Depending on the industry, reducing your customer defection rate by 5% can increase your profitability by 25 to 125%.

A survey conducted by Dimensional Research, found that customer service not only affects revenue, but has a long lasting impact. Customer service ranks as the No. 1 factor influencing how much a consumer trusts a company.

### Build Trust

Trust is a quality that develops over time, based on interactions between one or more persons.

At a time when people seem to have lost trust in big businesses, it's more important than ever to develop the personal relationship with customers so that they clearly understand that you, as the small business owner, genuinely care about their welfare and not just see them as a means to a profitable end.

Ian Gordon wrote in ***“Relationship Marketing: New Strategies, Techniques and Technologies to Win the Customers You Want and Keep Them Forever,”*** "A meaningful relationship starts ... when supplier and customer see that it is in their interests to get together for the long term."

When you make your customers feel that the relationship is one of a partnership and you depend on them for their support, it in no way diminishes your role. Instead you increase the level of loyalty that your customers will give to you. The reality is that in our social world, customers know the level of power that they hold, and if you can harness that power to support your business, it puts you in a favorable position.

### Create Your Own Research Team

Who better to get feedback from than the persons who are already using your products or service? Research can be expensive and time-consuming. It can also be less than accurate if you're not targeting the correct demographic or psychographic market.

Your loyal customers and clients are in the best position to share with you ideas and suggestions on how your products or service could be better. They can also share how the changes and enhancements would impact their lives.

This is not a new concept. Large organizations have used this strategy. Starbucks, for one, created a website: *My Starbucks Idea* where their customers could share ideas and comment on the ideas shared by others. Genius! They even showed the ideas that they implemented based on customers' recommendations. Can you see how this type of relationship would endear you to your customers and build customer loyalty?

It takes time to get a smooth-running system in place, but the returns will be worth it when your funnel is filled with loyal customers and clients.

## **What Relationship Marketing is Not**

When you are in start-up mode, the natural desire is to get customers quickly so you can start making money. Some new business owners go further to say that they want to start making a profit as quickly as possible. It's a natural desire, but is it always realistic to assume that you're going to make a profit immediately?

In the quest to have lots of customers come through the door, if you have a brick and mortar business like a restaurant, many people get involved with 'deal' companies like Groupon.

## **What is Groupon and How Does It Work?**

Groupon is a service that offers customers a really great deal for a product or service on a daily basis.

Because they have an email list of over 10 million people, when you, as the business owner, sign up for their service, it allows you to get the word out about your business to millions of people whom you would not normally be able to reach.

There is, however, a dark side to Groupon for small business owners.

Groupon requires that businesses give huge discounts of 50% or more so as to give buyers an incentive to try out whatever you offer. The thought behind this is that when consumers get access to your products or service at a deep discount, they will keep coming back and buying from you.

While Groupon may work for certain types of local businesses, for the majority of businesses it may not be the best choice.

Here is a brief overview of how it works. Say your product's original price is \$50. In order to participate in the deal you must reduce the price by 50%, which now means you promote the item on Groupon for \$25.00. Sounds good? Of the \$25 Groupon takes a fee, and the last time I checked, the fee was 50%, which means that from the original \$50 price, you will receive \$12.50. And who pays any credit card fees? You do!

Ultimately, if you offered a service where your time is involved, can you see where this could become extremely costly and unprofitable? While I believe it could work for certain 'set it and forget it' products, it could also be disappointing.

Our goal is to build relationships rather than focus on traditional one-time sales. Therefore it would be wise to do careful research on this service, or any other like it. Don't forget to look out for "horror stories" of small businesses that were unprepared for the volume of customers that converged on their business, and the resulting backlash and loss of money.

As a business owner, you must decide if a rush of customers in the initial stage of your business is going to lead to long-term success by bringing them in at a heavily discounted rate and then try to convert them to becoming paying customers at your regular price.



## CHAPTER 2

### Doing Business with Customers You Love

#### Who is Your Customer?

It's easy to think of your customers as a **group** of people for whom you provide products or services. As a result many business owners feel that what applies to one applies to all and communicate with them as a group.

This is a critical mistake. In order to persuade a large number of people to buy your products or service, you must develop a communication style and sequence that acknowledges and "speaks to" each prospective customer in a personalized way.

Two principles from Dale Carnegie's book, ***"How to Win Friends and Influence People,"*** come to mind. Regarding the importance of enhancing relationships -

- 1) You must be aware of and speak to your customer's interest. Take time to discover and acknowledge what they're interested in so you will know how you can best serve them.
- 2) Make your customer or prospective customer feel important and do it sincerely. It would be impossible to do this if you do not take the time to get to know your customer.

Small businesses have a priceless opportunity to get to know their customers on a more personal level than larger organizations and corporations. This is an opportunity that should not be wasted.

## The Case for the “Right” Type of Customer

Customers are the lifeblood of your business. Having the **right** type of customers can make a huge difference in your business. The *type* of customers you have and the way in which you communicate and interact with them have a direct impact on every aspect of the experience you personally have in your business.

If you’re already in business, this would be a good time to evaluate who your customers are. Take an inventory of who they are and compare them with your experience and results. You may have absolutely delightful customers whom you love to work with.

On the other hand, if there are customers who’re never satisfied, even though you work hard at satisfying and exceeding expectations, it may be time to fire them. If you have customers who make you cringe when their names pop up on your Caller ID, it may be time to consider replacing them.

I know this may be hard for you to even think of doing because they may not be ideal, but they’re keeping you in business. Ask yourself, at what price? Think of WHY you began your business and how you envisioned your business would look. Are you in control of your business, or are some of your customers controlling you?

At the same time, it may be a good opportunity to do self-examination to determine if you have a role in creating a negative relationship, and identify what changes you can make to steer your customers into a harmonious relationship.

# Designing Your Business to Attract Ideal Customers

## Business Plan

The most effective way to start your business is to start with a Business Plan, which includes a Marketing Plan. In working with clients, I find that many start their business without creating either a simple Marketing Plan or a Business Plan.

The mention of a Business Plan may conjure up a 200 page document that will take months to complete. A large Business Plan will be required if you intend to seek out investors. If that's not the case, you can start with a simple plan that states your goals and dreams and the steps you intend to take to get there, including who your customers will be. This simple, but effective strategy will keep your vision in front of you, and allow you to make sure that you're staying on the path to arrive at your ultimate destination.

## Emotions are Important

As a business owner, you will encounter challenges. If you've been in business for any length of time, you know this to be true. If you're just starting your business, you can be sure that this is going to happen. Therefore, your mindset must be aligned with your emotions so that when challenges arise you won't ask, "Why am I doing this?" and give room to doubt. Rather, your attitude will be, "I know why I'm in business, and this is just an expected bump in the road. I will find ways to work through or around this problem."

With that in mind, let's look at some searching questions you should ask yourself and take time to answer honestly. Some relate to you as a person

and the owner of the business, while others relate to identifying the customers whom you desire to serve and with whom you want to build a relationship. Others relate to your long-term plan for your business. All of these are **in addition to**, not in place of, any financial calculations and projections you must make for your business.

Yogi Berra, American Baseball Player and Coach said, "If you don't know where you're going, you might end up some place else." So use these questions to make sure you've created the path and are on the path to your destination.

- What is your big WHY for having a business?
- Whom do you want to serve? Who are you interested in helping?
- What problem do they have, and what solutions do you provide?
- What do you want to be doing on a day-to-day basis?
- What type of business do you really want to operate?
- What are you passionate about?
- What are you best at and love to do?
- What are your core skills?
- How can you change the world?
- How do you want to be remembered?
- What can you see yourself doing five years from now?

- What is your 20 year goal for your business?
- Do you plan to sell your business?
- Do you have a franchise model idea for your business?
- Is this a lifestyle business or do you want it to be a global empire?
- Is there a social- or charity-related element to your business?

It's only by asking these questions (and lots more!) that you can begin to understand your own **personal motivations** for starting a business. By having a better understanding of your motivations and desires, you can then start to design the structure of your business.

## Structuring Your Business

You've probably heard the expression, "Start with the end in mind." Having an end-goal will help you in structuring your business. You may not have a clear image of this when you first start your business, and later it may call for a rebranding or re-positioning of your business. Let's look at a case study to understand this more clearly.

Corporations pay millions of dollars to purchase the rights to keep the names of companies they purchase. Those companies have recognizable names and have significant brand-recognition.

For example, Libby's – a canned food company --was founded in 1869 in Chicago, Illinois, USA. It had established itself for over 100 years as an employee of thousands and manufactured various types of foods that were sold all over the world.

Growing up in Jamaica, the best corned beef in a tin was Libby's. People paid higher prices for Libby's than any other in the supermarkets. In 1976 [Nestle acquired Libby's, including the name, and Nestle's subsidiary changed its name to Libby, McNeil Libby, Inc.](#)

Note that even though Nestle', a Swiss company, had worldwide recognition, it readily acknowledged the value and importance of keeping the 'Libby's' name. It would be able to continue to market to existing customers of Libby's products worldwide without needing to create a marketing plan to introduce the world to its new acquisition. It was good business sense.

For a small business, the likelihood of someone buying your business that is solely structured around your personal name is very slim. Therefore, if you want to grow your business and eventually sell it or establish it as a franchise model, it's important to make conscious decisions on how you structure it at the outset. Will you structure your StartUp around your personal brand, or will you create a business with its own brand, one that's separate from your personal brand?

This may sound improbable if you're just getting started. However, Michael E. Gerber, Small Business Consultant and author, suggests in his book, [\*"The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It,"\*](#) that every small business owner should go into business with the mindset that he or she could expand their business into a franchise.

Where are you in your business at this time? Do you already have a business and are now aware that you never did this groundwork? Did you make a decision to start your business without doing some self-examination and connect emotionally with what you want to do and identify the types of clients you want to work with?

It's not too late. You can evaluate where you are and decide where you want to be then take the necessary action to re-design your business. This will give you the motivation to view each day as an opportunity to serve and make a positive impact on the lives of others.

So now that you've designed your business model, who will be your customers?

### Create a Customer Avatar

Start by creating a "Customer Avatar" - an image of a person who is a combination of those highly individual characteristics that make up a good prospective customer. Then "script" the communication sequence with them, from the CUSTOMER'S point of view.

Research the most popular avatar profiles and emotional 'hot buttons' by careful review of:

- ✓ The top 10 websites in your niche
- ✓ The top 10 best selling products in your niche
- ✓ The opt-in offers of the top 10 suppliers in your niche
- ✓ The sales letters of the top 10 best selling products in your niche!
- ✓ Visit forums where your ideal customers hang out and begin to interact with them.

Another way to identify your ideal customer and create a Customer Avatar is to speak with at least one person a day for at least 90 days (or 100 people as soon as possible) and asked them about their fears and frustrations, wants and aspirations!

Send a survey to at least 100 people who fit the avatar to discover their fears and frustrations as well! Identify the common characteristics, themes, stories, words and phrases each person uses to describe his or her challenges and desires.

## Why You Need an Avatar

An Avatar goes hand-in-hand with deciding on your **niche**. Your niche is a smaller segment of your target market to which you'll give laser-focused attention.

For example, your target market may be women 30 – 40. Your niche would be a specific segment of these women who need your services.

Another example of a **niche** is the **the health and beauty category**. It's huge. Your niche may be women who could benefit from cellulite treatment, or even go narrower and cellulite treatment for women who recently had a baby.

It may seem that you're excluding many women. The reality is that you can still serve women who have not recently had a baby. However, **your message is going to be targeted** so that when the women who had their baby recently read your message, they'll say, "That's for me! She's speaking to me." *When your message is too broad, it becomes diluted and so lessens the impact.*

Allan Dib, in his book, **"The 1-Page Marketing Plan"**, noted that "when you target a tight niche (it) allows you to become a big fish in a small pond.



It allows you to dominate a category or geography in a way that is impossible by being general.”

Your targeting should be an inch wide and a mile deep. “An inch wide” is a highly targeted subsection of a category. A “mile deep” means that there are lots of people looking for a solution to the specific problem.

Before creating an Avatar, you need to identify your ideal customer. This is because your Avatar will be a representation or personification of your ideal customer.

A point to note here is that after you’ve dominated your market with your ideal customer, you can go back and add others.

So, what is your ideal target market? Work at being as specific as possible.

If you’re a part of your target market, it makes it easier to answer many of these questions. Otherwise, you’ll need to do in-depth research.

Gender, age, geography, demography, and psychography are all parts of the makeup of your Avatar. Remember to give your Avatar a name so he or she becomes real to you.

For a detailed Target Market Profile Worksheet, go to:

<http://yvonneajones.com/products-resources/freebies/> and download a copy of the worksheet.

### Who is Your Ideal Customer?

Your **ideal customer** is a combination of someone who buys your products again and again, and with whom ***you*** want to do business.

Your ideal customer is the person that over a clearly defined period will dictate how you approach your sales and marketing. She's specific to your company, the product you're offering, and the marketing campaign that you're creating. She can be specific to the problem that you're solving as well.

The benefit is that when you market to a more focused group of people, you can use their language, speak specifically to their problems, and you can connect with them on a more personal level. If you're speaking to the masses, it's much more difficult to find common ground and to tap into those buying triggers that motivate prospective buyers to click on the "buy now" button.

Existing customers are important sources of information. The more you know about them, the easier you can sell to them. And you can leverage that information to help you find and attract new customers.

Your existing customers can answer questions, like:

- What are your biggest challenges?
- What are your biggest frustrations?
- What keeps you up at nights?

Knowing your ideal customer helps you create stronger marketing messages and product packages. You're able to tap directly into what they want. Additionally, the information that you glean from your analytics and the customer persona process will help you segment your marketing. You're able to make sure that each customer receives a relevant marketing message at the right time. It facilitates powerful up-sells and repeat purchases, and reduces your marketing budget.

An added benefit of having a clear picture of who your ideal customers are is that customer retention becomes a lot easier. If you know the circumstances, the desires and the motivations for the customer you are dealing with you can easily get to the source of any problems and keep that customer happy and loyal to your business. This is not easily possible without an ideal customer portrait.

In conclusion, you will learn the most from your customers when you observe where your customers enter your funnel, their buying habits, and the types of communication that succeeds in getting each person to purchase from you.

### **Finding Your Customers**

One of the easiest ways to find out where your customers are hanging out is to ask your existing customers how they found you. When you identify where they were when they saw or heard your message, and the type of message they responded to, it will help you in targeting where you place your message.

Another strategy is to research your competitors and find out what they're doing to attract customers. This does not mean that you will be stealing their customers. Rather, you can learn what's working for them so that you can implement similar strategies. I highly recommend that you become a customer of your competition so that you can personally observe their marketing strategies. It may also require that you purchase their products so as to identify if there is a gap that you can fill. And also identify how you can make your products even better.

Many in your target market will be hanging out on various social media platforms, niche forums, and online groups. You can find many of these forums and niche online groups by doing simple Google searches. Again, if you already have customers, ask them where they hangout so that that you can increase your presence there.

If you do not yet have customers, do a search on Google to discover online groups where people in your niche hangout and what type of questions they're asking? The goal is to position yourself as a solution provider. You do this by answering questions, but also by inviting them to your home on the internet, your website to read a blog post or opt in for a free report. Or you may even go further to offer them a paid training, showing very clearly why this product can solve their pain.

## CHAPTER 3

### Build Relationships with Superior Customer Care

#### Why Make Customer Care a Priority

Every business in existence is reliant on their customers to stay alive, and so it follows that keeping those customers happy is crucial for long-term survival. One way to accomplish that is by focusing on delivering world-class customer care.

Superior customer care is important before and after the sale takes place. Before the sale it's important to understand the needs of that particular customer and offer her the best possible solution. After the sale it's important to follow-up and reply to any questions she has. Your goal is to make sure she's happy with her purchase.

Failure to provide superior customer care will almost inevitably lead to angry, frustrated customers who are not likely to come back and buy more. In addition, they're likely to tell their friends about their experience, which means they probably won't become customers either. Ignoring superior customer care can have a significant negative impact on sales and customer retention.

Superior customer care is all about making the customer associate your business with positive feelings. The easiest way to ensure that happens is to make every interaction a memorable experience. The next time she has a need that you satisfy, your business will come to mind with pleasant emotions.

Prioritizing customer care is one of the best ways to separate your business from its competitors. For example, a customer has the choice to buy a product from your company, which provides excellent customer care, and another company that's known for being difficult to deal with. Even if your company has a slightly higher price on the product, many customers are more likely to select your business because of the peace of mind your great customer care gives them. You also make them feel that they are important to your business.

### **Key Aspects of Excellent Customer Service**

Excellent customer service is a rare thing. Many businesses are too busy trying to maximize their profits in the short term to consider the long term implications of not prioritizing customer service. The truth is that providing excellent customer service does not have to be too difficult or costly.

Here are a few simple things that businesses do in order to improve their customer service and build customer relationships. You can explore many other opportunities to deliver customer service that brings people back to your business again and again.

### **Respond quickly**

This is arguably the most important part of a customer service process that generates high customer satisfaction. If a person contacts your business and speaks with a real person on the line within just a minute or so, they'll likely be quite impressed. Likewise if they get a fast response to an e-mail they sent.

Customers expectations have increased and they expect faster response time. In 2016 21% of respondents said they expected customer service to respond to them within 24 hours. In 2017 that time-frame has been significantly reduced.

A recent study by Eptica.com revealed the following:

- 77% of consumers won't wait more than six hours for an email response.
- 85% of consumers using Facebook expect an answer within six hours.
- 64% of consumers using Twitter expect a response within an hour.

This means that whether you're a Solopreneur with virtual assistance or a Startup with one or two employees, you must determine beforehand how quickly you will respond to inquiries or complaints. Failure to respond in a timely manner will cause customers to become frustrated and angry with your business.

### Human contact

These days everyone is scrambling to automate as many parts of their business as possible, including customer service. While much of it can be automated to some degree without sacrificing too much in quality, there will always be situations that require assistance from a person.

Be especially careful with how much of customer service you're willing to automate. You could easily find that in trying to save on human resources, you frustrate and anger customers who decide it easier not to jump through hoops to get their issues resolved and so stop doing business with you.

### Respect customers

Both you and your employees should demonstrate respect for customers, no matter what the situation is, or what they think of you and your company. Always remember to remain calm and never let your emotions take charge, even if a customer is pushing all of your buttons. Each time you encounter a 'challenging' customer, embrace it as an opportunity to

turn your customer into a loyal advocate by delivering superior customer care and creating a memorable experience.



## CHAPTER 4

# Customer Retention vs Acquisition

### Customer Acquisition is Half the Equation

Large and small companies have for years focused almost exclusively on customer acquisition. Corporations allocate huge portions of their marketing budget to devise and implement strategies to attract new customers and clients. While small businesses usually have a significantly smaller marketing budget, they too have continued this trend. [KISSmetrics](#) noted that *63% of marketers felt that customer acquisition is the most important advertising goal.*

### The Truth About Customer Acquisition

Every business needs to take active steps to attract new customers and clients. There will always be some attrition and it's important to replace those customers. In addition, there is always room for growth. Even if you are an entrepreneur, say a coach, and you have reached the maximum number of one-2-one clients you can handle, you can create group coaching programs or hire other qualified coaches to take care of your growing list of clients.

### High Cost of Customer Acquisition

But what is the cost to the business? It is generally accepted that it **costs seven times more to acquire a new customer** than it does to keep your existing customers happy. For many businesses that ratio may even be higher when you factor in offline marketing – like direct mail campaigns, newspaper advertising, trade show displays, networking, and online marketing strategies – like Facebook and other social media advertising, Google Adwords campaigns, etc.

## Why Customers Leave Your Business

Studies indicate that the following are some of the most common reasons:

68% - because they felt they were treated poorly

14% - dissatisfaction with products and service

9% - moved to the competition

5% - sought alternatives

3% - moved away or died

Customer acquisition is important to all types of businesses and must be incorporated into your marketing strategies to a certain extent. The other half of the equation is even more valuable to your business and that's customer retention.

## Breaking the cycle

A 'cycle' is defined as *a series of events regularly repeated in the same order*. The biggest failure of businesses in the customer relationship cycle is what they do with customers *after* they are acquired and how they are treated.

Imagine for a moment that you're planning a special event. You choose a beautiful location with lots of food and drink. You send out elegant invitations to prospective guests. Your guests arrive on time and are greeted by charming staff who welcome them as they alight from their cars. Your guests are impressed. But then they walk through the doors and... silence. No one greets them at that point, no one approaches to ask about their needs and take steps to satisfy them. No one shows that they care. Your guests are totally neglected. Sounds far-fetched? In many businesses, this is exactly what happens.

Through well thought-out strategies designed to appeal to prospects, businesses acquire new customers. But beyond that, there is no system in place to nurture the relationship and engage with these new customers so that they become emotionally attached, loyal customers and raving fans. Without the emotional factor, the likelihood of retaining customers is greatly reduced.

In “**Customer Loyalty: How to Earn It, How to Keep It**”, Jill Griffin said: “A customer is a person who becomes accustomed to buying from you. Without a strong track record of contact and repeat purchase, this person is NOT your customer; he is a buyer. A true customer is grown over time.”

### **Nurture the Relationship and Build Customer Loyalty**

According to the White House Office of Consumer Affairs, loyal customers are worth up to 10 times the value of their first purchase.

In order to build customer loyalty, you and everyone in your business must be committed to *placing your customers at the center of everything you do*. Keep in mind those survey results: 68% of people left a business because they felt they were treated poorly, including feeling they were ignored. Make sure the culture of your Startup emphasizes regular engagement with customers.

Providing value is essential to building loyalty. Ensuring that every contact with your business is a memorable experience (and a favorable one) is important, because today’s educated and informed customers know that your competition is only a click of the mouse away – and they are no longer prepared to settle for anything less than the best. In fact, it seems that declarations of loyalty to a company or business are very rare these days.

Promising things that you cannot deliver is a recipe for distrust. When making promises to customers, it’s better to under-promise and over-deliver.

Let your customers know that you appreciate them – and do this often. These can be simple Thank-You’s that tell them they’re important to you. Thank You cards delivered through the US Mail are especially meaningful. Very few people are doing it, and since most people receive only bills and

junk mail, your card with stand out and make a favorable and lasting impression.

We live in a digital world, and your business must use the various options that are open to you to engage with your customers. In addition to email marketing, mobile marketing and social media have become powerful multi-channels to stay in touch with customers, to ask them questions, get their opinion, and get feedback. Of course, it's important to find out how your customers prefer to be contacted.

Be willing to surprise your customers from time to time by giving them an unexpected upgrade or something extra.

Businesses that for years focused primarily on customer acquisition are now realizing that they would be better served if they changed their focus to customer retention. You are armed with knowledge so that you can avoid falling into this snare.

Implementing loyalty marketing strategies and nurturing the relationship will enhance the value you bring to your customers. This will encourage them to become emotionally attached to you, and be your loyal customers.

In the case of customer retention vs customer acquisition, customer retention wins every time.

## CHAPTER 5

### Channels for Building Relationships Online

#### Your Website

An offline store usually has one set of doors for prospects and customers to enter into the store. The online world is different in that there are many options for your prospect or customer to come into your funnel or online door.

They can come through social media, forums, referrals, or directly to your website from a link online or offline. This means that consistency is very important. All of your online properties should provide visitors with the same information and should reflect your brand.

Small businesses will often rely on their website for consumers to find them, so this is your opportunity to make a good impression with potential leads or returning customers. Therefore, you want to make sure that site keeps your visitors engaged and interested.

You want to make sure that your website experience will match your customer service experience. We live in a world that is increasingly mobile and so consumers expect the same shopping experience online as they would get in your store.

You should also personalize your site in a way that works for your business. Enhance your customer experience by tailoring your site to their needs. Use big data analytics to learn what your customer is looking for when they arrive at your site and then create an experience that pleases them.

Following are some tips that will ensure that your website creates and delivers a favorable first impression on your visitors:

- 1) Your Home Page should have just one Call to Action; one clear goal. If you want visitors to sign up for your free offer, have a Landing Page instead and add clear instructions on how to opt-in and claim their gift.
- 2) If you have many tabs that could create confusion for your visitors, make sure that you add a tab that says, "Start Here." Your objective should be to drive them to your free and upgraded offers.
- 3) Allow your visitors or customers to be able to contact you easily if they have a question. You can make it part of your "Contact" page, or place it in your sidebar or footer.

A seamless customer experience will include providing in-depth details on your products/service, purchasing information, easy contact, and a way for customers to quickly reach you such as Live Chat.

At the same time, customers and prospects do not want to always have to speak with you to get information on your products and services. Further, as a small business your customer service may not yet be available 24 hours per day 365 days per year. They want information **now** or they're off to your competitors' websites.

**Creating a list of Frequently Asked Questions (FAQs)** would be valuable so that your website visitors can get answers quickly and easily. As your business grows, and you track the number of visitors to your website, you may find that you need to have a way to provide 24 hour customer service.

Many options are available, including hiring and training someone in another country and time-zone that's opposite to yours so that when your business is closed, they are available to take calls. Whichever option you decide on, the ultimate goal is to make sure that you provide service that reflects your values and build relationships with prospects and customers.

It's important to remember that your website is a portal into your business which allows your customers and prospects to **engage in two-way conversation. One-way messages are no longer accepted by today's savvy customers.**

**Testimonials and Reviews** on your website are powerful in that they provide social proof and increase your authenticity. **You're** not trying to impress others about how great you are or how great your business is. Others are speaking in your behalf and that's perceived to have a higher value by your website visitors. Do not be afraid to ask for testimonials. Not everyone will respond, but be consistent and persistent in asking for them.

Testimonials will not always be formally written. Be alert to capture these on social media platforms. I missed out on capturing many complimentary things that clients and non-clients said about me and my business on Facebook, for example, as I was more focused on the traditional methods of someone writing a formal testimonial.

Don't make that mistake! Use a screen capture software, like Jing (free software), to take a simple screenshot of the comment. Those are invaluable because they're unsolicited and your visitors will appreciate them even more.

## Social Media

Your customers are on social media. Your prospects are on social media. It's imperative that you have an active presence there as well. You cannot afford to bury your head in the sand and ignore social media.

Solopreneurs wear many hats and are usually the person who single-handedly handles every department in their business. Many resist hiring someone to assist as they may be operating on a shoestring budget.

If this is you, I will still advise you to get help as quickly as possible. You will find that when you hire someone to do certain tasks that are of a lower value (in terms of cost), you can focus on higher value tasks and your business will grow faster.

While social media is not by any means a lower-value task, there are many virtual assistants who are very savvy about social media for business, and your only requirement will be to familiarize the person with your systems and culture—your goals, your tone, what is acceptable and what's not, how often you want your customers to get new information, etc.

Having that kind of assistance will allow you to maintain a consistent presence with high-quality content where you educate your fans, friends, followers, and connections. This will free you up to follow-up on comments made by others and respond in a timely manner.

Since this is a form of customer service, I recommend that you do not delegate this aspect until you've had time to train someone who understands how you want to communicate with and respond to comments and questions as a true reflection of your brand.

When you consistently engage with your customers, you encourage goodwill and build relationships with them so that they look forward to interacting with you.

Keep in mind that YouTube is a social media platform, thus good use should be made of videos on YouTube, and embedding these on your website and other platforms.



## Online Forums and Communities

Become the authority figure for your products/services in your business. Bring your expertise out in the open so that your customers can clearly see you are the expert. Offer free advice through your website, social media, online forums and communities.

In today's market the only way you can establish that you are an authority figure is to offer something of value to your customers. This type of engagement increases your authority while interaction with no value will lower your authority image.

Supporting a customer community is a good way to establish a group of buyers, but the best way for to you actually engage your customers online is have open channels that flow back to your business.

Provide access to product designers, your shipping managers, your production team, etc. all of which can offer insight into the how and why of the way things work. This is generally deeply engaging to your customers. You can even provide a 'how we get things done video' that walks customers through the steps. This type of engagement increases customer loyalty.

## E-Mail Marketing

While all of the foregoing methods of building customer relationships are valuable, e-mail marketing should not be ignored. Your list of customers whom you have attracted is priceless.

By signing up for the valuable gift you promised they'd receive, they've raised their hands to indicate that they're interesting in learning from you and want to hear more from you.

You now have an opportunity to get into their email box and have your message reach them on their devices and nurture the relationship. These persons are likely to become your customers later on.

By interacting with your list members on a regular basis, you'll be able to ask and get responses that tell you what their pain points are so that you can provide solutions that they want, and not what you feel that they need.

## Database Management

It is important to know who your customers are so that you can create messages that deeply resonate with your customers. Earlier we noted the importance of treating customers as individuals, something small businesses can do effectively. However, in order to do this, you must have information on your customers that go beyond their name and email address.

Building customer relationships is critical, as is feedback and you need to be able to balance what customers want with what you provide. Customer Relationship Management software helps you to build a complete customer profile that includes their feedback. Marketing involves existing customers and new lead generation. Here we'll focus on marketing to those existing customers and how your CRM can benefit you.

### 1. Word of Mouth – Candid Conversations

In today's world, most people spend at least part of their day on technology whether it's their computer, tablet, or smartphone. When it comes to deciding what to buy or where to buy it word of mouth has always played an important role and it still does today, just in a somewhat different format called social media.

This is also the fastest and most effective way to build trust with customers and prospects. It's also known to give the highest Return on Investment (ROI). This includes online reviews, recommendations, open questions and answers, feedback and more. These conversations and what you learn about your customers can be integrated into your CRM software.

## 2. Be Honest

One way that small business stands out over large businesses is that customers have an easier time talking to a real live human. That translates to a lot less of their valuable time used trying to get a response and the building of trust in their relationship with the company. Your CRM software helps you to see patterns that are established, such as customers that tend to complain often or who have phoned in with the same problem or complaint numerous times.

But what does that have to do with marketing? Well, as you create marketing campaigns that are targetted through social media, you will be asked questions about your product, and it is important that you answer these prospects in an honest manner as well. In addition, you need to be incorporating these questions and responses into your CRM database so that you can follow them through the pipeline and determine how long it is from the initial engagement until the second sale takes place. In some cases, this can be quite long.

## 3. Keep Track of Your Customers and Prospects

Every conversation with a customer needs to be recorded and their CRM customer profile upgraded. All of this information is key to creating marketing campaigns that correctly target the desired audience. When a customer first purchases the initial information is recorded in the CRM

database, but that profile needs to be continuously added to and built upon for marketing to be the most effective it can be.

As you read through this section, it becomes clear that database marketing or using a CRM software brings everything we've covered in the other chapters together.

You have information on your customers that will influence your communication, your marketing message, and build customer relationships.

Even as you get your business started, I strongly recommend that you start with a CRM system that has the ability to expand later on, thus you will eliminate the need to reinvent the wheel as your business grows and an Excel spreadsheet is no longer a viable option.