

# **Seven Strategies To Win Customers For Life**

A Mini Course by Shep Hyken, CSP

## **Introduction**

Before you begin...

Allow 45 minutes to complete this course!

If you don't have time now, you can come back or go to the last page and print out the entire course.

This is a short/mini course on strategies to deliver outstanding service and achieve customer loyalty. It starts with a "story" to set up the concept, and is then followed by eight segments. Do not plan to leave or take an extended break in between each segment. On the contrary, you should go through the entire course at once. To do this properly, you should allow 30 to 45 minutes to complete the course. So, take out a pad of paper and a pen (or pencil). You will need it to complete the questions at the end of each section. At the very end of the course you can print the entire course for your future reference.

Finally, I would appreciate your feedback. I am always looking for ways to bring my customers and readers value. After completing the course, please let me know your opinion. I really want to know this was valuable for you. So, with that we will begin.

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## The Concept and the Story

When I graduated college a friend came up to me after the commencement ceremony and asked me what I was thinking. I remember telling him, “Wow, it is finally over!” He then asked me if I knew the meaning of the graduation ceremony and of the word “commencement.” Before I could answer he said, “This is not the end. Trust me when I tell you, my friend, this is just the beginning.”

How right he was! Sage words for a young man coming out of college into the real world.

As I think back on this, I can't help but see the similarities between graduating college and the sales process. There is everything leading up to the sale, and then the sale itself. And that is just the beginning - commencement. Once the customer begins to do business, it is hopefully the start of a great relationship.

My friend, Dr. Larry Baker, says, “The most abused customer is the sold customer.” This quote reminds me of an old story I once heard. It's one of those “a man died and went to heaven” stories. Now, don't worry, I'm not going to get religious on you. You don't even have to believe in Heaven, the Pearly Gates, or Hell. You don't even have to be a man! I think you'll get the idea.

A man died and went to Heaven. At the Pearly Gates St. Peter said, “We are doing things a little different than we used to. Even though you qualify for Heaven, you get a choice. You can stay here, or go downstairs to Hell. It's your choice and you can even spend a day in each.”

The man spent that first day in Heaven and really enjoyed himself. It was quiet, relaxed and there seemed to always be soft harp music in the background. A nice serene and tranquil place to spend his eternity.

The next day he visited Hell. One of Satan's helpers showed him around. This was quite a wild place! Everybody seemed to be having one heck of a great time. They were drinking, dancing and having a ball. It was a non-stop party.

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The next day the man was forced to make a decision. He visited with St. Peter and told him, "As much as I always thought I would end up in Heaven, those people down there know how to have a really good time. I've always been a little rowdy, so if it's no offense to you, I would rather spend my eternity down below."

"As you wish," replied St. Peter. With that, the same man that showed him around Hell yesterday appeared and he was ushered downstairs where he was immediately taken to a brick cell and shackled to the wall.

"It is here you will spend your eternity," the man was told.

The man cried out, "Wait, you can't do this! Yesterday when I was here everybody was partying and having a good time. What happened?"

The little devil turned around and replied, "Yesterday you were a prospect. Today you are a customer."

The strategies you are going to learn in just a few moments are about the exact opposite of the above story. Once a person becomes a customer, the service side of the equation kicks in. Knowing how to keep existing customers happy is a key ingredient to the success of your company as well as your career.

Dr. Ted Levitt, senior professor at Harvard Business School says that the function of every business is to get and keep customers. Consequently, it is also the function of every employee of every business to do the same. Keeping customers long-term is key to the success of virtually every business.

No one has argued with the statement that it is much more expensive to attract new customers to a business than to keep existing ones. Every study and survey seems to prove this true. Depending on which studies you read, it can cost, on average, four to six times more to attract the new customer than to keep the existing one. So the importance of customer loyalty becomes obvious.

How can we build customer loyalty - to get that customer to come back again and again? As long as the product or service you and your company

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sell does what it is supposed to do and keeps up with (if not stays ahead of) the competition, it should be easy. Add to that the element of outstanding service, and customer loyalty takes place.

In this short course on customer service and loyalty we will cover seven universal strategies that will apply to just about any type of business. At the end of each short segment, you will be asked questions. As mentioned in the introduction, the best use of this program is to take out a pad of paper, think about the question, and write down the answers. (You can type them if you wish.) So, with that in mind, let's get started with the seven strategies.

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# Strategy One

## **Don't ever forget to say THANKS!**

It can be face to face, over the phone or via written thank you notes. Customers like to feel appreciated. Recently I bought some clothes from a local retail store. Just a few days later I opened my mail and found a thank you note from my salesman. Was I impressed? You bet. Will I go back? You bet. And, when I do, I will be looking for my salesman.

## **Questions:**

How do I say thanks to my customers? Do I just say, "Thank you" as they leave, send thank you notes, holiday cards, make a phone call, send notes throughout the year, etc?

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## Strategy Two

**Find out if you are doing a good job, and if there are problems react quickly.**

By the way, your customers will likely not tell you if there are problems. Numerous studies have shown that complaining customers don't complain. TARP (Technical Assistance Research Program) was commissioned by the White House Office of Consumer Affairs to survey customer satisfaction. They found that an average business only hears from 4% of unhappy customers. The other 96% don't complain - at least not to the places they did business. While the study was conducted a number of years ago, current independent studies are still showing similar findings. Your ultimate goal should be to try and find any problems before the customer complains. The best way is for you to simply ask how you are doing.

### **Questions:**

How do you find out if you are doing a good job? Do you follow up with a survey, call the customer/client, hold focus groups, etc? What do you do?

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## Strategy Three

**Make sure the customer knows they made the right decision to do business with you.**

Educate and reinforce that they have made a good choice. If you do something different than the competition, make sure the customer knows about it. I remember buying meat from a grocery store. The butcher proudly held up the steak he was selling me and said, “Look at that! Is that a beautiful piece of meat or what? Did you know that we trim the fat around the steak to just 1/8 of an inch? You won’t find that at the competition! Thanks for shopping with us.” These competitive differences need to be emphasized. It is your opportunity to stand out.

### **Questions:**

What makes you different? Why should someone do business with you instead of your competition?

Do you do something that makes you stand out? Be specific with your answer. Don’t say, “We give better service?” If that is the case, explain why, in detail, that you think you give better service.

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# Strategy Four

## **Guarantee your products and/or services.**

Personally stand behind everything you do. A customer doesn't do business with a company. They do business with the people who represent the company. And, make sure the customer knows you mean it. If there is a problem, don't just push it off to someone else, better referred to as the *It's Not My Department* reaction. If a customer has a problem, and you are the person that received the information, it is your responsibility to see it through. You may not make the final decision, but you are there when it is made. You may not actually fix whatever it is that might need fixing, but you are the last person the customer talks to after it is fixed. For example, I may check into a hotel. When I get to my room I find that the nightstand light is burned out. On my way out of the hotel to dinner I tell the front desk manager about the problem. The manager tells me that it will be taken care of. Now, do you think the manager is going to go up to my room to change a light bulb? I doubt it. But, this manager will call the maintenance department and ask them to do it. And afterwards, the manager will call my room to leave a message that the nightstand light has been fixed and to call if there are any other problems. He took responsibility for my problem.

## **Questions:**

How do you guarantee your products or services? Do all employees of your company have the authority to take care of a customer's problem? Are they empowered? Or, must they seek a manager's approval or push the problem to someone else?

What is your refund policy? Is it reasonable and fair? Does it favor your company or the customer?

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# Strategy Five

**Recognize that there may be others in the “buying process” that should be made to feel appreciated.**

Others may also be involved in the buying process, such as an assistant, a secretary or even a committee, but may not be the person or people you are dealing with. Or maybe it is just a bystander. Not too long ago I bought my wife a piece of jewelry. I ventured out one Saturday morning with my six year old son, Brian. He wasn't very excited about going to a jewelry store – that was until the salesperson gave him a small toy airplane. You know the kind, a couple of pieces of thin balsa wood that fit into each other to form what looks like an airplane. This probably cost the store less than a quarter, but to say Brian was excited was an understatement! He made it clear that if I ever bought anything for my wife, Cindy, I should always go back to that store. They make him feel special.

## **Questions:**

Who else, other than the “obvious” customer who is could affect the buying decision? Are there committee members, other executives – anyone behind the obvious buyer?

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# Strategy Six

## **Create a *demanding customer*.**

Now, here is an interesting concept. Creating a demanding customer means that if your customer were to go to your competition, they would not just expect, but demand, the same level of service that they get from you. Anything less from the competition reinforces that the customer made the right choice to do business with you. In other words, you have spoiled your customer. What may be standard for you, is better than the competition. Just look at the first five of these six points. By doing all of the above the first time your customer buys your product or service, you will be on your way to exceeding their expectations. The only way a competitor can take your customer away would be to match or go beyond what you have done. If you have done all of the above, you will have created a demanding customer and it won't be easy for the competition to steal him away. Customers get used to feeling special and being taken care of. The competition will find your customers not just demanding, but perhaps a bit unreasonable!

### **Questions:**

What do you do for your customers that your competition doesn't do?

Does this make you stand out? In other words, is it important to the customer?

Does it make you better than your competition?

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# Strategy Seven

## **Create Moments of Magic™!**

In 1986 Jan Carlzon, the former president of Scandinavian Airlines, wrote a book, Moments of Truth. In this book he describes the moment of truth as, “Anytime a customer comes into contact with any aspect of your business, however remote, they have an opportunity to form an impression.” These points of contact are the moments of truth in business, and they can make or break you and your company. Carlzon says these moments of truth can be good or bad, and our goal should be to take every moment of truth, even if it is a bad one, and make it great. Turn every moment of truth into a Moment of Magic™! Managing the moments of truth and creating moments of magic throughout the sales process, from the initial sales call to when the customer says yes, will help get you the sale. Creating moments of truth after the sale will help keep the customer your customer. Strive to make every moment of truth a Moment of Magic™.

### **Questions:**

No questions for this one. Just do it! This is one of the most important business concepts I speak and consult about. If you want to learn more about creating Moments of Magic™, read some of the articles on Shep's website. Here is a direct link to the article section:

[http://www.hyken.com/Shep\\_Hyken\\_Articles.html](http://www.hyken.com/Shep_Hyken_Articles.html)

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# Conclusion

So there you have it: Seven strategies to building customer loyalty. This is not just something to think about. This is something to do. You may or may not agree with all seven of these points, or you may feel the list is short and that there should be at least eight, ten or even more points. So add to it, change it or whatever. Just do it! Write them down and tape them to your desk. Look at them every day and don't ever let up on exceeding your customers' expectations. Work toward implementing them and you will find a higher success rate in keeping your existing customers for the long-term and creating MOMENTS OF MAGIC™.

## Final Exercise:

Look over your notes. What three ideas can you pick up from your notes that you can implement immediately? Write them down.

1.

2.

3.

Can you come up with more ideas?

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If you enjoyed this course, please let me know. Please email me your feedback to the following questions:

Was it easy to understand?

Was it valuable use of your time?

Would you like us to create more of these types of mini courses?

Email your feedback directly to Shep Hyken ([shep@hyken.com](mailto:shep@hyken.com))

Finally, if you liked this course, you will love [\*\*Moments of Magic™ 101\*\*](#). Learn and develop a customer service and loyalty mindset. This program will teach you:

- The Moments of Magic™ concept - one of the simplest, yet most effective ways of delivering outstanding service.
- A powerful strategy for always exceeding a customer's expectations.
- Why the customer is NOT always right!
- Why customer loyalty is NOT about a lifetime.
- And much more - including the Shep's famous cab driver story.

[Click here for more information on Moments of Magic™ 101.](#)

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