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Three Cost-Effective Ways to Serve Customers for Growth

The cheapest and easiest way to keep your customers is making them happy with caring attitude, empathy and a good helping heart. Easier said than done?

M MUNEEER | JANUARY 27, 2021 / 03:15 PM IST



Customers, some with protective masks, queue at the check out of a supermarket as people begin to stock up on provisions in Madrid, Spain, Tuesday, March 10, 2020. Spain's health minister on Monday announced a sharp spike in coronavirus cases in and around the national capital, Madrid, and said all schools in the region, including kindergartens and universities, will close for two weeks from Wednesday. (AP Photo/Paul White)

Multitude of research studies consistently found that it costs six to eight times more for acquiring a new customer than to retaining an existing one. It is also much easier in today's pandemic-hit to keep an existing customer engaged and satisfied than to convince a new customer to engage with you.

This is true for all types of businesses across the world. Take for example a fast moving consumer goods company like Hindustan Unilever, Emami or ITC. They spend hundreds of crores of rupees in advertising to reach out to new customers and also to keep the existing buyers retain confidence. In the FMCG business, out of sight normally means out of business to a large extent.

The important aspect for these marketers is to ensure that their existing customers see their brands. The cost of maintenance advertising is much lower than the cost of launch advertising for a new variant. Contrast this with an industrial marketer who makes transformers, furnaces and engages in delivering total solutions to large projects.

One of the key things for such a company will be in using existing resources and customers to drive more business from the same set. It is far easier for them to drive a CRM programme than hunting for new customers. Not that it is not important to get new customers, but the idea is to grow your business by doing both.

If it is far easier to retain existing customers in any industry, how come most companies ignore this

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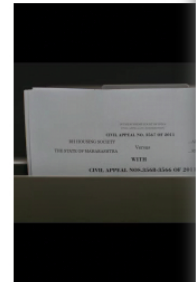
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fact and deliver lousy service? Many businesses miss the bus when it comes to customer engagement and retention. Therein lies the remedy: One of the most effective, easiest, and least expensive method to retain customers is delivering good, not necessarily great, customer service.

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Think for a minute: As customers, all of us want to feel respected and valued, we go after gimmicks like special discounts or rewards, we love to be called VIP customers, and we want most of our service providers to deliver their services with courtesy, and empathy. Of course we want them to deliver the work in a satisfactory manner too.

In order for companies to keep their clients, and get new clients by word of mouth and referrals, the fundamental values of human beings should indeed be adhered to. These include respect for each other, politeness, empathy, responsiveness and courtesy.

Let me list a few guidelines for your employees to stick to, at every moment of truth. At every contact point

with customers, whether it is via telephone, Internet or in person, these guidelines should shape the behavior.

Start making use of the muscles on your face more. What this means is this: Smile more often. And bring the smile to your eyes and heart. It can go a long way in making a customer feel comfortable and appreciated. How much effort and time it takes for an employee to give a smile? And how much will it cost the company?

And yet it can convey a lot of meaning and deliver tremendous goodwill for the employee as a person and for the company as a whole. When someone smiles at you as a customer, you feel more welcomed to approach that person. It is as if they are telling the customer that they have time for them. To start with, it is one great step.



The second guideline is about the way your employees speak to the customer. The use of one harsh word or tone can do more damage than ten good words can do for good. If the customer service representative has a bad day at work or home it will reflect in her behaviour to the customer. She can do more damage to your company while trying to retain your customers. No one wants to be treated badly. In fact, eight out of ten customers, if treated badly in a retail outlet will avoid going back to the store even if it is the closest to them.

Therefore, training employees on the method of communication and their tone will make a big difference. If an employee is having a bad day, send him or her home, or to the back office where he or she need not deal with customers.



The third guideline is all about being polite and respectful. Customer is the one who is paying your employee salary. So better be respectful and polite. It is amazing how a little politeness can win you customer hearts, if not their wallets. Train employees to be friendly, helpful, and to always be polite even when the customer is aggressive and rude. If customer service is your number one goal, customer retention has to be the number one result.

There are many more guidelines to drive customer retention and it will need a book to cover everything. And there are indeed several books on the subject. There are companies who do things like loyalty programmes, customer appreciation days, etc in a drive to retain their customers. But

like loyalty programmes, customer appreciation days, etc in a drive to retain their customers. But then the cheapest and easiest way to keep your customers is making them happy with caring attitude, empathy and a good helping heart. Easier said than done?

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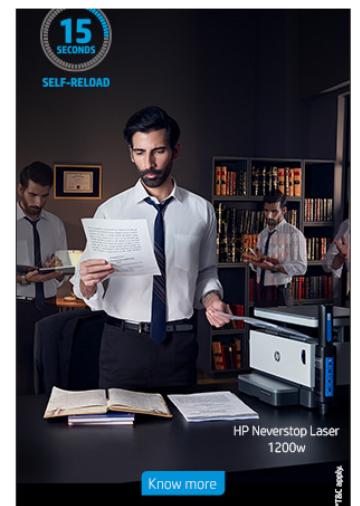


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