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Six tips for securing more repeat customers

By Geoff Mutton

There's no shortage of studies that prove the rule of thumb that it is six times cheaper to entice an existing customer back to your business than to spend money looking for new customers.

In fact, the six times rule is a little on the conservative side. In some industries, acquiring a new customer is as high as 25 times more expensive than retaining an existing one.

It makes sense. You don't have to spend time and resources going out and finding a new customer – you just have to keep the one you have happy.

More importantly, increasing customer retention rates by just 5% can bolster your profits by at least 25% and much higher.

Workshop operators need to take an interest in understanding how many customers leave and the underlying reasons why they are ending their relationship with the workshop.

Keeping such statistics could indicate that something is working well (if the number of customers who don't return goes down) or needs addressing (if the number goes up).

The idea is that when you know that more customers are cutting ties with your workshop, you can work to adjust your marketing strategy or customer service approach.

Many workshop managers will believe that giving good service is sufficient to retain the loyalty of customers. This may be right for some of your long-term customers who will always remain loyal, but loyalty is fickle these days, with other businesses constantly bombarding people, trying to entice them away from your workshop to theirs.

It is a source of constant amazement that so many workshop owners will happily spend thousands of dollars to win new customers, yet are not so willing to spend money getting their own existing customers to stay.

So in order to keep your customers, there are a number of things you will need to do. Here are six tips that could surprise you with the results they bring:

1. **Make sure you deliver on the customer's expectations, and whenever possible, exceed those expectations.** Customers expect their car will be fixed on time, at a reasonable price. Exceeding that expectation could be as simple as being enthusiastic and helpful on the phone and when greeting them at the workshop. Be organised when they drop their car off, bring the final price under the quote and walk them to their car. It's not rocket science, but these simple things need to be mandatory for everyone on the staff.
2. **Prioritise long lists.** Occasionally, you will service a vehicle and come up with a huge list of items that need attention. Don't scare the customer off. Sit down with them and go through the list and help them prioritise the issues that are really urgent, leaving the not-so-urgent ones for a future visit. Work with them to prioritise their budget as well. You are empowering the customer and building trust. The customer's perception must be that you are not just trying to make as much money as possible on each visit.
3. **Spell out the options.** You could be asking your customer to spend sometimes big money on repairs or replacements that they may not understand. Don't just rail-road them into accepting your word and spending the money. After explaining why the repair is necessary, present some options. Perhaps a second-hand part can be used instead of a new part. As soon as you present options customers will usually engage with you and ask questions to satisfy themselves that they are taking the right action. You are effectively selling the benefits of the repair, making the whole experience more comfortable for both parties.
4. **Make it sound like a great deal.** Everyone likes to think they saved some money. The easiest way to do this without discounting is to price up a more expensive option. It could be as simple as just pricing the repair using genuine parts. This will give the customer a feeling that you have gone to the trouble to come up with a solution that is going to save them money.
5. **Scheduling the next appointment.** Modern society is all about flexibility and creating situations that suit the individual. This means that setting up your system to

send out six-monthly service reminders may not be best practice. Instead, take the time to discuss with your customer when the car should come in next, taking into consideration the customer's driving habits and the health of the car.

6. **Stay in touch.** As well as a customer follow-up program, you must ensure all your customers are exposed to your brand on a continual basis. This means investing in brand building campaigns, regular newsletters, perhaps an e-news every few months with good car maintenance ideas and specials.

You can institute all the reward programs and slick marketing ideas you can dream up, but they will always pale in comparison to one simple business philosophy: Provide a great service at a competitive price and build relationships with every customer.

The place to start is www.tatbiz.net.au/resources.

Just go for it!