**Methods of Retaining Customers**

## What is customer retention?

**Customer retention** is the ability of a company to keep customers coming back over a period of time. Retaining a customer’s business indicates that a company’s product, service, or brand is pleasing to the existing customer enough for them to stay with the company rather than switching over to a competitor.

**Methods of Retaining Customers**

Converting a new customer is certainly very exciting. However, many businesses make the mistake of overlooking the valuable customers they already have and focus most of their marketing efforts on recruitment, instead of customer retention. According to Kissmetrics, it’s nearly [7 times less expensive](https://blog.kissmetrics.com/retaining-customers/) to retain an existing customer than to gain a new one.

Customer retention is not only cost effective, but also a great branding exercise to delight your customers so that they become your brand ambassadors – if they like you, they’ll refer others to you (for free!)  Here are 7 ways to keep your customers engaged and satisfied:

**1. Stay in touch and encourage their interaction.** Alert your customers to promotions, rewards programs, product updates and any other content you think they’ll find interesting and relevant. Ask people to share their stories or hold contests to encourage engagement. Stay a step ahead by anticipating future challenges they may have and suggesting new solutions. If you haven’t heard from particular customers in a while, don’t be afraid to reach out to them. Even if your efforts don’t result in immediate sales, they’ll go a long way toward keeping your brand first in your customers’ minds.

**2. Make the most of social media.** Social networks are extremely useful in maintaining customer contact after the initial sale. Social media offers great opportunities to engage your customers and build trust by showing the personal side of your business. Monitor your customers’ opinions, interests, and motivations. Pinpoint and reward your most loyal customers. Make efforts to change negative perceptions other followers may have by providing great customer service. Consumers have turned to social media platforms to ask questions, register complaints and resolve product issues. Take advantage of it to show how your brand is listening and cares about your customers.

**3. Get personal.** Many customers place as much value on the quality of your service – friendliness, comfort, and familiarity – as they do on the quality of your product. Remember that [70% of buying experiences](http://www.helpscout.net/75-customer-service-facts-quotes-statistics/) are based on how the customer feels they are being treated. Make your business a friendly and accommodating partner in your customers’ eyes. For starters, try Customize your offers around actual customer behavior via analytics rather than trying to make predictions based on general demographics, or your personal perceptions. Recognize loyal customers by name. Show appreciation with coupons, special offers, sneak previews or thank you notes. Invite them to forums or ask for feedback to let them know that you value their opinions.

**4. Problem solve.** When customers have problems, make sure they can speak with a real, sympathetic person, ideally in person or by phone. Even in our digital world, people like to communicate with other people. This desire is so strong that [75% of customers](http://www.helpscout.net/75-customer-service-facts-quotes-statistics/) believe it takes too long to reach a live agent on the telephone or an online chat. Referring already frustrated customers to a FAQ page or an email contact form will most likely worsen the situation. Empower your employees to fix problems when they arise. Employees who are kept well-informed and believe that they can make a difference will be more motivated to care and take responsibility.

**5. Take responsibility.** Your brand is only as good as the reputation behind it. When problems arise, admit to your mistakes and apologize if necessary. Honesty demonstrates authenticity. It also lets customers see that you’re willing to correct faulty processes and prevent future mistakes.

**6. Keep good time.** A survey of consumers revealed that [24 hours or less](http://www.helpscout.net/75-customer-service-facts-quotes-statistics/) is widely considered an acceptable email response time. Make sure your customer support actions are consistent with the brand image you want to convey, as well as your customers’ expectations. If you market a product or service to improve system performance, for instance, don’t take too long to respond to customer dilemmas.

**7. Bow out gracefully.** According to Kissmetrics, [71% of consumers](https://blog.kissmetrics.com/retaining-customers/) have ended their relationship with a business because of poor customer service. It’s never easy to lose a customer – but if the result is unavoidable, always end the relationship on a good note. Remember, how you handle a customer’s departure can determine whether they’ll give you another chance down the road or disappear entirely and leave you with a bad review.

Never underestimate the value of effective customer retention. Maintaining a positive brand experience is crucial to a productive customer relationship and greater ROI.

**Benefits Of Customer Retention**

Here’s a quick rundown of the benefits you’ll see from implementing retention strategies for customers:

* A five percent increase in retention rate will increase profits by 25-95 percent, according to Harvard.
* [Builds brand awareness](https://www.oberlo.in/blog/brand-awareness-tips) and reputation by word-of-mouth advertising from your loyal customers.
* Gives you the opportunity to build constructive relationships with your customers.
* Allows you to identify and fix flaws by receiving feedback and listening to your customers’ needs.
* Loyal customers are more willing to try or experiment with your new products. [Six times](https://blog.accessdevelopment.com/the-ultimate-collection-of-loyalty-statistics) more likely, according to studies.
* Your customers are more willing to be forgiving of mistakes if they feel loyal to you, which means fewer of those fly-off-the-handle angry customers.