



# Enterprising Rural Families™

This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of the University of Wyoming Cooperative Extension Service. For further information concerning the Enterprising Rural Families program or on-line course contact [information@eRuralFamilies.org](mailto:information@eRuralFamilies.org) or go to <http://eRuralFamilies.org/>.

## TIP OF THE MONTH:

Continuing to quote from Fran Rees on teamwork, there are many benefits to building a flourishing teamwork atmosphere:

- People are motivated to contribute their knowledge and creativity.
- Buy-in occurs up front.
- Complex decisions are made with adequate technical and nontechnical information.
- No one person is expected to make all the decisions.
- Those who know the most about the work have an active say in how the work is done.
- People, as a critical and expensive resource, are developed and used fully.
- “Partnership” relations are encouraged between managers and employees.
- All people are more likely to be valued, which increases the likelihood that people will contribute in valuable ways.
- Teamwork takes advantage of possible synergies.
- People are encouraged to develop more skills, and the organization benefits.
- Change is dealt with more efficiently when people are involved in planning and navigating the change.
- Responsibility is shared throughout the organization, not dropped into the laps of a few.

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## Keep Them Coming Back for More: Customer Loyalty

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Small business is based on customers. This may seem obvious, but sometimes business owners get so involved in stock turnover, cash flow, taxes and payroll they forget the reason for all that activity is to bring customers in and sell the merchandise or service to them.

How much is a good customer worth? If good customers are worth having, they are worth your effort to keep them coming back. A certain amount of customer turnover is inevitable. Some business people think they can afford to lose a few customers because they can replace them with new ones. However, attracting and retaining new customers is expensive. Marketing data indicate that it costs five times as much to get a new customer as it does to keep an existing one.

Selling does not mean just putting your merchandise on a shelf or rack and hoping that customers will notice it. Selling means getting the word out. Too often small businesses feel they are imposing on their customers if they try to sell them something. You and your staff must be convinced that the merchandise or service is well worth the price you've set and you are doing your customers a favor by showing it to them.

### Satisfied customers will spread the word

Attract new customers by getting the word out — advertising, promotions, word of mouth, e-mail, and social networks. Every time someone asks what you do, you have an opportunity to boast about your products. Promotion and advertising will bring people into your business — at least once. After that, you and your staff must turn those people into satisfied customers who return and spread the word.

### Impressions last a long time

What makes an impression on a potential or current customer? Nearly everything you do makes an impression! Your overall goal should always be to service your customers smoothly and objectively. Building a successful, positive image with your customers enhances credibility. Living up to that image creates valuable work-of-mouth publicity.

Are the physical facilities of your business clean and safe? Organize equipment and supplies neatly. When expanding or remodeling a business, make it as attractive in appearance as possible. Anything less gives a shoddy, unprofessional image.



Develop a procedure for handling customer complaints. Your responsiveness has the potential to build excellent customer relations. Consider customer complaints to be a form of constructive criticism, which you can implement to make improvements.

### **Service is the key to customer loyalty**

Customer loyalty is not an accident. It is the result of hard work. You and your staff are there for one major purpose: to find out what your customers want and help them find it. Your key to making loyal customers is service — customer service. Once you show your customers that you can meet their needs, they will come back.

In a small business, every customer expects individual attention. When you are alone in the store or business and you have more than one customer, you need to manage your attention so neither customer feels ignored. If both customers are browsing, try to divide your attention between them. If a new customer comes in while you are working with someone, try to direct that customer to the merchandise of interest. Excuse yourself to waiting customers, and explain that you will be free to help them soon. If you receive a business phone call while you are waiting on a customer, explain that you are busy, and ask the phone customer to hold or offer to call back. Do not forget to follow-up with the phone customer.

### **Eight rules for good customer service:**

- 1) **Answer your phone** – get call forwarding or an answering service. Make sure somebody is picking up the phone when someone calls your business.
- 2) **Don't make promises unless you WILL keep them.** If you say, “your new bedroom furniture will be delivered on Tuesday,” make sure it is delivered on Tuesday. The same rule applies to client appointments, deadlines, etc. Think before you give any promise – because nothing annoys customers more than a broken one.
- 3) **Listen to your customers.** Is there anything more exasperating than telling someone what you want or what your problem is and then discovering that person hasn't been paying attention and has to have it explained again? Let your customer talk and show him that you are listening by making the appropriate responses, such as suggesting how to solve the problem.
- 4) **Deal with complaints.** No one likes hearing complaints, and many of us have developed a reflex shrug, saying “You can't please all the people all the time.” Maybe not, but if you give the complaint your attention, you may be able to please this one person this one time – and position your business to reap the benefits of good customer service.
- 5) **Be helpful - even if there's no immediate profit.** The other day I popped into a local watch shop because I had lost the small piece that clips the pieces of my watch band together. When I explained the problem, the proprietor said he thought he might have one lying around. He found it, attached it to my watch band – and charged me nothing! Where do you think I'll go when I need a new watch band or even a new watch? And how many people do you think I've told this story?
- 6) **Train your staff (if you have any) to ALWAYS be helpful, courteous, and knowledgeable.** Talk to them about good customer service and what it is (and isn't) on a regular basis. Most importantly, give every member of your staff enough information and power to make those small customer service–pleasing decisions, so they never have to say, “I don't know, but so-and-so will be back at...”



**7) Take the extra step.** For instance, if someone walks into your business and asks you to help them find something, lead the customer to the item. Better yet, wait and see if he or she has questions about it, or further needs. Whatever the extra step may be, if you want to provide good customer service, take it. They may not say so to you, but people notice when people make an extra effort and will tell other people.

**8.) Throw in something extra.** Whether it's a coupon for a future discount, additional information on how to use the product, or a genuine smile, people love to receive more than they thought they were getting. And don't think that a gesture has to be large to be effective. The local art framer that we use attaches a package of picture hangers to every picture he frames. A small thing, but so appreciated. If you sell rhubarb at the local farmers market, a small recipe card with a sauce or pie recipe is an added touch.



If you apply these eight simple rules consistently, your business will become known for its good customer service. And the best part? The irony of good customer service is that over time it will bring in more new customers than promotions and price slashing ever did!

### **Customer service beyond the sale**

The service-oriented business does not stop caring about customers after the sale has been made. Customers who are unhappy with a purchase, for whatever reason, are customers who need special care. The way you handle their complaints will determine whether you have made loyal customers who will return or enemies who will tell their friends about your poor service.

### **Basic steps for effective complaint management**

Listen to your customers and acknowledge their complaints. Customers who register complaints expect action. Complaining involves some inconvenience and possible expense.

Develop empathy or show concern for the customer. Personalize your response. Ask questions to identify and analyze the problem. Obtain the customer's ideas concerning possible alternative solutions.

Resolve the complaint according to policy. Decide in a fair manner what you are responsible for and initiate some positive action to remedy the situation. Follow through with the proposed resolution. When it cannot be immediately resolved, keep the customer informed of progress and notify him or her promptly when a settlement has been reached. Keep a notebook of promised action.

Keep a record of complaints and proposed action for resolution. For most small firms, this can be accomplished simply by requiring salespeople to write on an index card each complaint handled that day. These cards should be given to the manager daily. Complaints should be studied, followed up, and tabulated periodically to determine trends.

### **What is it worth to keep customers satisfied?**

According to consumer surveys, a person who has an unpleasant experience with a business will tell 9 or 10 other people. About 13 percent will tell more than 20 other people. This negative word-of-mouth publicity can be very harmful to a business. More consumers are basing their purchasing decisions on the advice of people they know. An unhappy customer cannot be kept quiet. However, you can gain customer support by solving complaints quickly. Such customers not only may come back, but will also spread positive talk to others.



### Make a difference with an extra-special touch

There are a number of extra steps that retailers can take to show their customers they are special. Some of the more common ones are:

- **Send thank you notes.**

A thank you note tells customers that they are not just faces in the crowd, but real people whose business is appreciated. Hand write the notes or leave space on a printed card for a personal note. It only takes a minute!

- **Keep a customer file.**

Record everything you know about your customers: their favorite products, their favorite styles and colors. When they make a purchase, record it.

Some "extras" cost money. Whether you choose to pass the cost of these extras on to your customers will depend on what product you are selling and who are your customers.

This kind of special attention will keep your customers coming back to you even if the competition lowers prices. People go where they are appreciated.

### Resources

- Burstiner, Irving. *Run Your Own Store: From Raising the Money to Counting the Profits*. Englewood Cliffs, NJ: Prentice-Hall, 1981.
- Center for Apparel Marketing and Merchandising. *Customer Care for Specialty Retailers*. Stillwater, OK: Oklahoma State University, 1988.
- Flasher, Wanema. *Keeping Customers Satisfied*. Columbus, OH: The Ohio State University. CDFS-1301, 1995.
- Lusch, Robert F. *Management of Retail Enterprises*. Boston: Kent (Wadsworth), 1982.
- Ward, Susan. *8 Rules for Good Customer Service*. About.com: Small Business: Canada.

**Customer  
service**



**Our Priority**

### To Keep Them Coming Back ...

- ✓ Spread the word through customer satisfaction
- ✓ Always make a good impression
- ✓ Meet your customer's needs
- ✓ Provide customer service beyond the sale
- ✓ Listen to, and take care of complaints immediately
- ✓ Make a difference with a personal, added touch



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