



# Generating Repeat Business

RICHARD SHAPIRO

# For any enterprise to thrive, you cannot underestimate the importance of repeat business.

The vast majority of senior executives believe that providing good customer service is sufficient to obtain return customers. However, focusing on the service interaction alone is not always enough to generate repeat business; it's building an emotional connection that becomes the loyalty glue.

Repeat business does not happen automatically; it needs to be cultivated, one transaction at a time. Each encounter with a customer is a critical link in the customer loyalty process. Providing a high level of engaged customer service is key.

I have always been passionate about customer service, but it was only recently that I realized where this interest originated.

When I was in my early teens, I worked in my dad's clothing store during the busiest days of the holiday season. I was placed safely at the cash register where I not only had fun ringing up the receipts, but was able to observe as my dad engaged with his customers. If he did not know someone when they walked into his store, he certainly knew that person by the time they left. He did not gain this knowledge by asking robotic questions or having customers complete a survey; he got to know his customers by having a personalized conversation with them. He was interested in people and people were interested in him. In those years, mega-malls and e-commerce sites did not exist. For the most part, customers shopped at their neighborhood stores where the folks behind the counter were their neighbors, too. Storekeepers like my dad knew their customers as well as their merchandise. The lessons I learned there taught me to appreciate excellent customer service and demonstrated first hand how that level of service built customer loyalty and, most importantly, valuable repeat business.

Unfortunately, from a service perspective, the customer interaction—whether in person, over the phone, or via a website—is now often a series of robotic or indifferent encounters. I think it's a shame that the personalization of customer service has almost disappeared. But we do not need to abolish the malls or eradicate the internet to go back to neighborly service. We just need to focus once again on the customer as a human being, not solely the commercial interaction.

# What Guarantees Repeat Customers?

It is the special relationship that one company associate has with one individual customer that will almost always guarantee the customer will return. Relationships are created between people. Every customer is unique, with different needs. With few exceptions, customers become repeat or loyal patrons because an associate at the company has built a relationship or created a bond with them. Whether it is Sally at the food-mart, George at the bank, John at the carwash, or Mary the service dispatcher at the auto dealership, it is these individuals, connecting with their customers, that keeps the customers coming back. While these bonds can happen organically, companies need to incorporate a customer service strategy that facilitates and encourages this type of relationship building. It makes no difference if the organization is a retail store, a medical office, a museum or online outlet, the principles of establishing and maintaining a relationship to secure repeat business are the same.

Who is in the best position, and in many cases, the only position to initiate a relationship with a customer? It is always the front-line staff. It's the host at a restaurant, tellers at the bank, associates at the checkout lines, sales representatives and customer service staff.

Therefore, the key to generating repeat customers, improving profitability and dramatically increasing the number of customer advocates is to employ people who naturally engage customers at every touch point.

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Incorporating this goal of building relationships with each customer on every encounter requires a shift in thinking and realignment of the typical business paradigm. Usually, frontline associates are the least experienced and lowest wage earners within the organization. This is penny-wise and pound-foolish. Organizations need to ensure that the service being provided to the customer today is going to generate business for tomorrow.

I can guarantee that any organization which employs a Welcomer—someone who is capable of making customers feel welcomed, important, and appreciated—in their frontline, will find their business revenues dramatically increased over time. A Welcomer sees the customer as

a person first, a customer second, and will engage that person to find out what brought them into the store, prompted them to call or email.

When I use the term Welcomer, I am not referring to a company greeter. While some of those folks may have the traits of a true Welcomer, I am referring to a company associate who serves the customer at the time of the interaction, helping to select the product or service, paying for the item at checkout, or handling a teller window transaction.

Profits will substantially increase because it costs five to six times as much to bring in a new customer as it does to keep the customers you have. We can see an example of this at Zappos, the wildly successful internet company known for its customer service excellence. Zappos CEO Tony Hsieh has a philosophy of investing funds to wow their existing customers rather than funding large advertising campaigns to bring in new ones. They know and embrace the importance of nurturing their customers and those customers, in turn, are the company's greatest ambassadors, spreading the word about Zappos and its amazing customer service in ways that are infinitely more effective than any ad campaign dollars could ever be.

Here are five surefire ways to generate repeat business:

**I | Hire the Right People.** Hire frontline associates who are capable of making an excellent first impression. First opinions are formed within the initial fifteen seconds of an interaction. While customers may not be able to instantly discern if a company representative is knowledgeable, they will form an immediate impression of whether the person is caring and sincere.

You never get a second chance to make a good first impression; your frontline associates are the voice of your company.

Hiring staff with a resume of helping others can provide an organization with a tremendous advantage. I have learned through my research that many Welcomers have a history of helping people. Placing employees that have displayed a natural interest in helping others via volunteering, coaching or charitable work in frontline positions such as checkout counters, teller windows, and reception stations will increase your bottom line.

You can't help a customer find the perfect sweater or decide which Certificate of Deposit will be most appropriate for them without engaging in a meaningful dialog. A company needs to hire frontline associates who are observant and considerate. In many retail environments, the checkout position is the most important, and sometimes the only, customer touch point. Staff these positions with Welcomers who are more interested in the customer's state of mind than their method of payment. Serving customers is not the sole goal of a single transaction, but is the start of the customer loyalty process.

**2 | Communicate and Demonstrate Customer Appreciation.** Very few companies take the opportunity to thank their customers for their business. Thanking customers in a meaningful and thoughtful manner during every customer encounter demonstrates that your organization cares and values their business. Too many customers leave an establishment thinking that their sales person was robotic, indifferent or even hostile. Customers want to feel that their business is appreciated. If you don't show appreciation for your customers, they will not appreciate you.

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And even the most planned communications can feel more personal, so review your organization's telephone scripting, letters, automated voice mail messaging and email communications to ensure that they are welcoming and personalized.

Making a stranger feel wanted and appreciated can turn them into a lifetime advocate for your company, regardless of whether or not they buy anything. Even in an online environment, there are several appropriate times when the consumer can be thanked: when requesting a

new password, purchasing a product or service, or simply expressing appreciation for being a loyal customer periodically during the year. Electronic communication need not treat customers impersonally.

**3 | Treat Associates as Family and Neighbors.** When company associates are treated with respect and their opinions are valued, they will, in turn, treat the company's customers the same way. Customers notice and appreciate when a company appreciates their people. Research has shown that employee and customer satisfaction are clearly linked.

Before malls and the internet, associates who worked in a doctor's office, restaurant, dry cleaner, retail store, or bank were probably members of the owner's family, a son or daughter of a neighbor, or a friend of a friend. Too many businesses today are as indifferent to their company associates as they are to their customers. Customers value caring company staff and representatives who are knowledgeable about the services and products the establishment has to offer.

When an organization has high turnover, customers often notice that associates are inexperienced and do not have comprehensive knowledge to advise them of their best options. Customers frequently surmise that employee attrition is caused by management not treating or compensating their associates fairly. All organizations should ensure that the top manager in any store or branch location genuinely appreciates loyal associates who appreciate their customers. It's a two way street.

**4 | Segment the Customer Encounter into Three Distinct Components.** Aristotle, the famed Greek philosopher, scientist and educator is responsible for the axiom, “the whole is greater than the sum of its parts.” Taking into account this wisdom, we can say that while each of the three components described below may be equally important and can stand alone, when used together the customer’s experience will dramatically improve.

Every customer interaction should contain three segments: the greet, the assist and the leave-behind. As stated earlier, repeat business does not happen automatically, but needs to be cultivated one transaction at a time. Each encounter with a customer is a critical link in the customer loyalty process. Implementing these three phases will encourage frontline associates to deliver a more welcoming customer experience. Even sales and customer associates who currently act robotically can be trained to think and behave more like a Welcomer by viewing customer encounters in this innovative manner.

→ *The Greet.* Say hello and smile. In this era of technology, people are more stressed than ever. Getting a big warm hello can go a long way in conveying a feeling, of “hey, this person is really glad to see me.” It does not matter whether the representative has ever met the customer before. In my experience, a smile from even 20 feet away makes me feel special.

The representative should introduce him or herself, even if they are wearing a badge with their name, saying, “Hi, my name is Joan, how can I help you today?” They should ask the customer for their name and try to use it at least once in the conversation. People like to hear their name said aloud.

These simple actions help transform an impersonal first time encounter into a personalized experience.

→ *The Assist.* The primary task of any customer interaction is to help patrons find what they need or respond to an inquiry they may have. Whether it’s regarding barbecue chicken or an automobile it’s immaterial, the better the explanation, the more likely it is that the customer is going to purchase an item or be inclined to return.

Answer questions from customers by not only responding to their direct inquiry, but when relevant, provide them with additional useful information as well. Customers often enjoy learning more about a potential purchase than what’s written on a tag or in a brochure. A Welcomer will naturally provide more than a brief one-word response to an inquiry as they enjoy interacting and love to share their knowledge.

Millions of dollars are lost every year by sales and service people who answer questions correctly, but not effectively, from a business and relationship standpoint. Be sure to prepare your staff to make the most of their time with the customers.

→ *The Leave-Behind.* Leaving a positive lasting impression is just as important as providing a good first impression. The last step of the customer interaction provides one of the best opportunities to generate repeat business.

A Welcomer will invite the customer back. This magic moment can occur when the company representative communicates to the customer that they want to specifically see and assist them again. Actionable steps that will facilitate the leave-behind are informing the customer of the representative's hours, days of work, and telling them to ask for him/her by name. Calling or emailing the customer when a new shipment from their favorite designer arrives, their Certificate of Deposit is due for renewal or notifying them of about an upcoming sales event will convey a feeling that the representative wants to build upon the relationship that has been recently developed.

Repeat business is ensured by engaging the customer today and communicating about tomorrow.

**5 | Review All Compensation and Reward Policies.** Frontline associates are the “voice of the company.” Those associates who can make every customer feel welcomed and important should be continually thanked and rewarded appropriately.

Frontline associates should be viewed as a valuable investment rather than an expense. In general, customers split their dollars among multiple stores, banks, and online sites. What if your customers only shopped at your food-mart, apparel store, gas station or maintained their savings at your bank? How much would that be worth?

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If customers are eating at your restaurant solely because of Jane at the hostess station, Jane deserves to be compensated fairly so that she doesn't go to your nearest competitor... and take her customers along with her. Companies need to consider employing Welcomers as their “customer retention insurance.” All businesses purchase property and casualty insurance, and customers are more important than inventories and frontline associates are the key to keeping customers coming back. Employing a strategy of having the lowest prices does not guarantee

repeat business, but having associates who can build relationships with customers will make those customers loyal and more likely to return.

Rome was not built in a day. Finding frontline associates who are natural Welcomers can take some time. It may be unrealistic to transform your business overnight into one that is more nurturing and caring, but you can take immediate steps toward this goal. If you own a restaurant, position your first Welcomer at the hostess station. If you manage a hair salon, place your initial Welcomer at the appointment desk; at a gas station situate your first Welcomer at the register where every customer needs to pay their bill. If you own a business that employs too many robot-acting people, provide them training with the tools that a Welcomer naturally employs: the greet, the assist and the leave-behind.

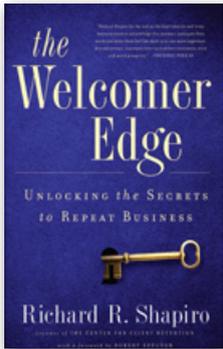
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Tony Hsieh says, “Zappos is about delivering happiness to the world.” Chip Conley, Founder, Executive Chairman, and Chief Creative Officer of Joie de Vivre Hospitality, stressed in his 2010 TED keynote presentation that the worth of a country should not be based on its ‘Gross

National Product’, but rather its ‘Gross National Happiness’. We can, by hiring Welcomers, create businesses where walking into any establishment, one would think, “They care that I’m here. They appreciate my business and treat me as a person, not just a customer.” Employing people who naturally look forward to engaging with customers could, in effect, make all of our lives a bit happier.

Little did I realize, in my teenage years while working in my dad’s store, that my father would provide me with a passion for customer service and the key to unlocking the secrets to repeat business. As his example showed me, and my subsequent years of research and experience have proven, good customer service is only good for today; having a Welcomer deliver engaged customer service will ensure repeat business that is good for tomorrow as well. 📍

# Info



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**ABOUT THE AUTHOR** | Richard Shapiro is the Founder and President of [The Center For Client Retention \(TCFCR\)](#), which provides research, training and consulting services to Fortune 500 corporations on how to improve the customer experience. As an influential force within the customer relationship market research industry, Shapiro has been interviewed by The New York Times, the Associated Press, The Wall Street Journal, the Boston Globe, Newsday, The Today Show, ABC World News Tonight and CBS News as an industry expert. His first book is *The Welcomer Edge: Unlocking the Secrets to Repeat Business*. Learn more at [richardrshapiro.com](#).

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