

**How To Gain
And Retain
Customers -
*A Plain Language
Action Guide***

Written by
James Yuille

© James Yuille, 2003

Legal Notice:

The author, his publishers, agents, resellers or distributors assume no liability or responsibility to any person or entity with respect to any damage or alleged to be caused directly or indirectly by the use and advice given in this publication.

It is recommended that the users of this publication seek legal, accounting and other professional business advice before starting a business or acting upon any advice given. This book is not intended for use as a source of legal, accounting or business advice but is *sold for information purposes only*.

How To Gain And Retain Customers - A Plain Language Action Guide is written by James Yuille.

Resale Rights License Information

By purchasing this ebook, you automatically have master resale rights to it. The recommended price is \$27. You can not give this book away free—it must be sold. You may include it as a bonus with your other products if you chose to do so.

Introduction

Over the last 30 years, I've worked in, managed and owned many different businesses. My focus has always been sales and the reason I've been successful is because I've instilled into everyone that has worked with or for me is that the task of gaining and retaining customers is not just the sales person's task, it's **everyone's** responsibility.

The nature of the business doesn't matter.

You can be running an accountancy practice a law office, a natural health care clinic; be involved in computer maintenance, dog washing or hair care; run a diner or café or as I do, a training consultancy; it doesn't matter. The fundamentals are the same.

Non-sales staff get confused because they see the function of their job, be it maintenance technician or accounts clerk, as being unrelated to the revenue generation aspect of the business.

Nothing could be further from the truth.

This is a very important concept; one that few businesses really grasp and yet it's a major cause of the breakdown in creating and maintaining long term client relationships.

The purpose of this ebook is to explain by use of genuine real-life examples, how easily the supplier / client relationship can be enhanced or destroyed.

For simplicity, throughout this book, please read the terms customer and client, and product and service as interchangeable.

My Notes

Everyone is involved in gaining and maintaining customers

Part 1.

Discussion on gaining and retaining customers.

Let's start by making a couple of general statements about running a business.

Any business owner would agree with me that the aim of the business is to generate profit; preferably lots of it.

Before that can happen though, the business has to have cash flow.

Cash flow is the result of making sales.

Sales come from customers.

Repeat sales are generated from satisfied customers.

Profits are generated when overheads and costs are less than the revenue gained from sales.

It stands to reason therefore that in order to make profits, the business needs to gain and retain customers.

In order to continue to make profits, and for profits to increase, the business needs either to generate more customers or to increase its range of products and services into other markets.

For the sake of simplicity, I want to focus on the *customers* aspect. After all, without the customer we'd have no revenue and therefore no business.

Some business planning purists would say that the starting point of the enterprise is a vision; a goal of where we want to be in two, five, ten years. That's fine but in the everyday battle of making money, those admirable aspirations are

My Notes

Cash flow and profits have a common starting point; customers

My Notes

forgotten; especially by the staff whose main motivation is the next pay check.

In real terms, we're dealing with the day to day interaction between your staff and your revenue source. Remember that most staff doesn't share your vision or aspirations. When you look at it like that, what they do and say suddenly becomes kind of important, doesn't it?

Yet typically we don't take any time to train our support teams in customer communication skills.

Take this simple example:

I tried to call a leading local business leader to discuss a socially responsible fund raising activity. I called his office and asked for him. The reply staggered me

"I'm sorry," the voice said. "He doesn't locate here".

Now this gentleman runs a large training consultancy. He teaches communication. Yet here's a member of his staff talking to me in utter gibberish. *Can you tell me what "Doesn't locate here" means?*

Needless to say, I wasn't able to talk to him.

Here's another great way to alienate callers;

"Please can I speak with Mrs xxx?"

"Do you have a name?" comes the reply.

"Yes I have."

Why not simply ask "Please can I ask who is calling?"

I'd reply with my name. I'd then

expect that when I'm connected, the recipient would know my name. Why doesn't that happen?

Simple mistakes but they all infuriate your callers. Your revenue stream. Your profit source. Likewise, clients hate it when they call you and you don't call back. If I'm looking to spend money with you, the least you can do is call me back. Today when everyone has a cell phone, a voicemail service and SMS facilities, not returning calls is inexcusable.

Let's look at generating clients. . .

Getting clients comes down to identifying what you have to offer them and packaging your advertising, marketing and presentations to meet that need. You are essentially a problem solver where the problem is the gap between where your client is and where they want to be.

By asking astute questions and listening attentively to their answers, you can find out what issues they are concerned about.

What are astute questions?

These are questions that help you identify what's going on in their business or in their lives. You're looking to uncover how you can (as Tony Robbins says) give them pleasure or help them avoid pain.

These are the simple motivators for all decisions. The gaining of pleasure or avoidance of pain. Sometimes in business, we'll hear this expressed as making or saving money. When you think about it, both expressions mean the same thing so take your pick!

My Notes

Asking astute questions

"Communication is the response you get"

In other words, ask a dumb question and you'll get a dumb answer.

Pain /pleasure are major motivators

OK, so there will be more complex theories expressed about buying motivation. Fear, hope, reward, saving face and more but when you boil them all down, they're all the same.

Pain / pleasure.

Ask yourself this question right now: "How does what I sell help generate pleasure or help avoid pain? Answer this one simple question and you're on the way to gaining loads of new customers. Make sure that you and your team fully understand this simple motivator, and you're well on the way.

What questions do you ask?

Questions fall into two basic categories; open and closed. In turn, there are two more categories; fact finding and feeling finding questions.

Fact finding questions reveal factual situations; feeling finding questions reveal emotions and opinions.

Open questions start with "who, what, when, where and why." They're designed to solicit wide ranging responses or in other words, to get the customer talking. Try asking "Who is your current supplier?" or "What do find most / least convenient about the way your current supplier does this at present?"

Closed questions look for a choice answer. This could be yes or no; this week or next; manual or automatic. Use these to seek confirmation of minor aspects of the discussion.

DO NOT use them as closing questions!!

In fact, don't try to close the sale.

My Notes

Who,

what,

when,

where,

Why.

Five questions

starters that

will get you

any information

you want

Closing the sale is the **worst** thing you can attempt do.

Look, if you're still reading sales training manuals that teach closing the sale, throw them away immediately. If your sales manager or trainer is teaching closing the sale; reeducate them. They're probably losing you more customers than they're generating.

Your buyer is not going to appreciate you using any manipulative tactics to get them to buy.

Would you like your accountant to be using 15-year old tax laws to do your tax return?

Closing questions are as relevant today as a crank handle is on your car.

Sales are generated and customers retained by a process of identifying their needs and politely showing them how their needs can be met by your product or solution. Providing you have identified a need and described how your solution fits it, and they have the funds and the authority to buy, they will generally buy. (It might not be today but urgency is another issue

I believe that there are only six reasons why someone doesn't buy. Here they are;

1. No authority
2. No money
3. No trust
4. No help
5. No hurry
6. No solution

My Notes

*Don't try to
'close the sale''*

*Six reasons why
sales aren't made*

If we take them one at a time, here's how you interpret them.

No authority. Basically you're trying to sell to the wrong person. That's your fault. Instead, identify what the decision making process is within that organization (or family) and enlist this person as your advocate. By arming them with enough ammunition, they will then assist you by influencing the key players for you.

I had a classic example of this when selling a training package recently. My contact wasn't the key decision maker but had been enlisted to make recommendations to the management committee. He took my first offer to them only to have it rejected.

Because I had taken time to develop a relationship with him, he told me how I had to repackage my offer to meet their needs. It worked out well as the second offer was both more expensive and more profitable for me.

Talk about win:win! Why did it come about? Because I had taken the time to establish trust and to identify the real problem. All that was unacceptable in the end was my proposed solution. Because my advocate wanted me to deliver the solution, he gave me a second chance.

No money. Simple. They haven't the ability to pay. Can they accept terms; partial payment for partial delivery or does it have to be postponed until next month or next year? Again, worthwhile in the early piece to let them know what the money aspect is likely to represent. You don't buy a Ferrari on a Chevy budget.

A word of caution here: money is often

My Notes

My Notes

used as an excuse when there's nothing else to consider. This is generally revealed when your customer says that's he can buy the same thing elsewhere for less.

What that tells me is that you haven't painted yourself or your company as an essential part of the solution. You need to consider your warranty / guarantee, service offering or how you've bundled your offer in terms of support materials

I have a client who owns a bike store. When I met him he complained about other stores being cheaper and that he needed to discount as a result. This guy is a serious bike rider having won titles on machines he designed and built himself.

The solution was simple. We looked at what bike buyers bought along with their bikes. He now bundles helmets, drink bottles and gloves in with the bike. He has added a free three month maintenance check where he adjusts the brakes and gears; he offers courses in bike maintenance and runs three weekly enthusiast rides starting from his shop.

He now has a point of difference over the Wal-Mart type stores and enjoys healthy profit margins too.

No trust. They don't like one or more of you, your company or your product. Maybe your phone operator asked them "Where do you locate?" Were you dressed appropriately? Was your business card thin and flimsy with a homemade look? You only get one chance to make a first impression. Do it well.

No help. They didn't believe you could be of assistance and didn't reveal their real issues to you as a result.

No hurry. You didn't identify any degree of urgency. It's essential to reach agreement on a timeline for implementing your solution.

No solution. What you offered didn't meet their needs; solve their problem; take away pain or provide pleasure. Rethink your offer.

Think back on every sale you're missed recently and I'll bet one of the above was the reason.

It's really quite a simple process. Let's summarize it in seven bullet points to make it easy for you to follow.

- 1. Identify someone who might want what you sell and get together with them.**
- 2. Establish yourself as a viable supplier.**
- 3. Ask questions to confirm that they could indeed use what you sell.**
- 4. Explain how your solution will work for them.**
- 5. Check they can make a decision and can pay for it.**
- 6. Agree to a timeline for the transaction to take place.**
- 7. Get their money.**

Ah, I hear you ask. That's all very well but how do I get to them in the first place?

Here's a thumbnail intro to marketing.

I have a theory that until you can sell your product, you can't create a marketing campaign for it.

My Notes

“Advertising is salesmanship in print”

If you can't sell, how can you write an advert?

My Notes

1-step

or

2- step

Until you've learned what you're selling; in other words, what it will do for your buyer, you can't create an advert for it. Neither can you write a direct mail piece.

A thumbnail guide to marketing tells us that marketing is simply a process that gets potential buyers to put their hands up to say "I'm Interested."

How do we do it?

Basically the options are one or two step approaches. I'm not talking about dance steps here by the way. This is not a disco!

Let me explain.

One-step marketing is where an advert or letter stimulates the buyer sufficiently that they get on the phone, send a fax, walk into your store and pull out their VISA and buy without you ever knowing who they are.

Two-step marketing involves the potential buyer in calling, emailing, visiting your website, faxing, clipping a coupon, or walking in to ask for more information.

You might offer a free report, the results of a survey, an initial free consultation, a seminar ticket or some other inducement to find out more about what you offer.

This involves no risk on their part by the way. Your task is to follow up with the information in such a way that they are influenced to buy.

The object of one-step marketing is to generate a sale. The objective of two-step

My Notes

marketing is to get a name. That's why you need a database of names so you can mail, phone or email them with further offers.

Once you have their name, you can rightly assume that they have some interest in your service so now you can maintain their interest by providing ongoing information.

Be aware that in professional sales circles, it is generally recognized that the sales is more likely to be made after four or five calls than after one or two. This varies between products and services of course.

Health care professionals generate patients on the first visit as do dog wash and lawn mowing businesses. (Funny that isn't it?)

Specialist sales such as home finance or computer installations take longer.

You'll of course know the timeframe for your business because you track and record what happens with your marketing responses already. Oh, you mean you don't?

Remember this: If you can't record it, you can't measure it.

Unless you track the response to each campaign you'll never know if it was profitable so get to it!

Start today. Get some eBooks on writing headlines and copy. See page 23 for links.

Now we're ready to move on to part two where we look at some simple case studies.

Turn the page...

Part 2.
Some simple case studies.

Over the years, I've seen some fantastic sales people in action, witnessed excellent customer retention efforts; seen some dreadful mistakes made and helped any number of people do it better.

Here are a few examples – what I've called **The Good, the Bad and the Downright Ugly!**

Let's start with a couple of goodies...

This one demonstrates an understanding of the lifetime value of a customer. Put simply, lifetime value relates to the total spend that client is capable of making with you over the years you'll do business together. I have a training client who has been with me for five years. The first sale was only about \$5,000 but over the time, their total spend has been well in excess of \$45,000 and they have generated at least five other substantial clients through referrals.

That's a valuable client!

Back to my examples.

My lawnmower man was driving down my street on Sunday and saw me pruning some bushes in the yard. He stopped, grabbed his chain saw and started to help.

I asked him how much he wanted and he said "Nothing mate. I was on my way to the tip and the trailer isn't full". He knows the value of a customer – he's cut my lawn on average 20 times a year for the last five years. I pay him \$25 per mow – that's over \$2,500 so I guess a free load to the

My Notes

My Notes

tip wasn't that much to give away. He saved me having to borrow a trailer and spend my afternoon going to the tip. He's got a lot more \$25 mows coming his way!

Read on for a couple of pages and I'll reveal how I train owners of businesses like this to build them quickly and effortlessly.

Here are two more examples of business owners who understand service and lifetime value:

Geoff opened a men's hairdressing salon (*OK - Barber's Shop*) in my suburb about 10 years ago. I went in for a haircut in his first week there and I still go there. So do both my sons, the younger of whom has never had his hair cut anywhere else!

Assume that the three of us have been there once a month over those 10 years, that's a total of 360 haircuts we've had between us in Geoff's shop. Geoff's prices are reasonable - an average of \$10 - \$12 each, so over ten years we've been worth over \$3,500 to Geoff.

Interestingly though, Geoff never sold hair care products. Imagine a ladies hair salon that didn't try to sell you shampoo, conditioner, brushes, tints etc! How much more revenue and profit was missed?

The local Optometrist / eyewear shop is similar. My wife and I both wear glasses and over the same ten year period (the Optometrist is almost next door to Geoff's and opened in the same week!) we've averaged one pair of glasses each per year. I guess we've spent over \$4,000 with them in that time. My sister, mother and many of our friends go there as a

result of our custom.

Here's another goodie:

I went shopping for a new pair of shoes. Nothing difficult about that you'd think but in just one big shopping mall I walked out of three stores. Why? No-one came near me despite actually taking shoes of the display and trying them on.

In the fourth store it was different. I took a pair of shoes off the display and a young lady called Katie came over and asked me if they were my size. Yes, I replied. Katie offered me a shoe horn to help me put them on and then said something really surprising.

Katie picked up the shoe I'd taken off (a black brogue) and said "Isn't it funny that when you put this beside a new pair how tired they look?" "Yes" I replied.

"Let me show you how to fix that" she said, reaching over to her counter. "Watch this." She took the cover off a Colorado shoe wax pad and ran it over my old shoe. It immediately looked like new.

"Great - now do the other one for me" "When you buy the new pair I will" she said with a cheeky smile and ran the pad over the brown shoe I had tried on. "See, it even makes that one look better".

"Wrap them up, I'll take them and you'd better put one of those cleaners in, too." Katie grinned, cleaned my other black shoe and wrapped them up. I never asked how much the shoe wax pad was. It was well over \$10 - adding a significant margin to the shoe sale.

Katie went one step further and got my name for their mailing list. To date I've

My Notes

fielded three special sale offers from them and have been back for two new pairs of shoes.

Here are a some not-so-good examples:

At 8.30am a wealthy client walked into a store that sells photocopiers and provides a copy service on his way to make a presentation to the local council at 9 am.

He wanted to make a back-up copy of his lengthy presentation. The shop appeared to be open - doors unlocked, lights on, etc but the young lady who met him said she couldn't do photocopies until 9 am because that's when the copy center opened for business. He went two doors down the road to the Council Library and did them himself at 10 cents per page, spending \$11.00.

Guess where he won't look for his next copier?

I walked into a bakery / cafe with a client at 4.50 pm and asked for two coffees and two slices of cake. They were told they could only have the cake to take-away as the shop closed at 5 and coffee took too long to make and drink. They left. The point is that my client is a local council aldermen and the shop is owned by the Deputy Mayor.

The owner of a local cafe went on holidays and hung a sign in the window "Have taken 10 days holiday. We knew you'd understand". I understood. I went around the corner, discovered a new cafe that has given me a voucher for a free coffee for every four I buy. I'm going *there* again.

Here's a tried and proven way to build

My Notes

revenue and customer loyalty in a café.

When you see two or more people earnestly engaged in a conversation long after their coffee is finished, move to the table to collect the dirty cups and just say "You look like you're here for a while. Shall I get you another?" More times than not, it works. Simple, effective. Profitable and it creates goodwill with customers. They come back because you've looked after them.

Here's how you can quickly create a profitable lawn mowing, window cleaning or other direct to customer service business.

1. Identify a suitable customer in a nearby street
2. Offer the first few services free
3. Visit every other nearby house with the potential to buy
4. Explain that you're doing number 46 and that if they get theirs done next time you're in the street, they'll get 10% off
5. Continue nearby homes or offices until you have a full day's work
6. Repeat again in other nearby streets until you're fully booked
7. Now you're busy every day with little or no travelling

Think it won't work?

Try it. You'll be very surprised.

Now for a couple of big bloopers. These are real duds as you'll see.

A couple of hours ago whilst writing this a telemarketer rang me. "Hello, I'm from XYZ Home Ceiling Insulation. I'm calling home owners in your area today to

My Notes

My Notes

offer them a free quote in install ceiling insulation. Or do you already have it?"
"Already has it" I replied.

I don't but what a silly question to put at the end of your opening line.

I had another telemarketer call me recently. Here's a rough transcript of the conversation. Think about it.

(Telemarketer) Hello, Mr. Yuille?

(Me) Yes?

Mr. Yuille, it's Tracy from XYZ marketing (names changed to protect the innocent).

Yes, Tracy,

Mr. Yuille, I'm calling to update our mailing list.

Yes,

Can I just take a minute to check some details?

Yes, but let me ask you; what do you want to send to me?

Ah, well, I'm just new here and all I'm supposed to do is check the database information is accurate. Can I ask you, is your Company name IMA Group and is your postal address still PO Box ...

(Interrupting) Tracy, let me ask you again what mailing list is this for and what do you want to send me?

Uh, well, I don't know. I'm just a

casual employed to make these calls ...

Thanks, Tracy - can I ask you to find out what they want to send me and call me back so I can decide if I even want to be on this list?

Uhm, no, I'm sorry but I don't know who I'm doing this work for. I'm calling from home and it's for an agency. If you like, I can delete you from the list.

Good idea, Tracy, thanks. Bye.

Goodbye Mr. Yuille.

There's a very simple message here to anyone running telemarketers: Tell them why they're doing it. It's part of what I call the "Bullet-proofing" process. What it means is that every member of your team has to know what you're about.

Each one of them needs to have a 30-second "Elevator Speech" they can deliver on cue to explain your game plan and why it's of benefit for the listener to keep listening. This experience demonstrates the value of opt-in lists!

My Notes

Part 3.
Quick summary.

In bullet point format, here seven unforgivable sins committed by people in trying to gain and maintain customers. Etch them onto your memory.

- 1. LOOKING for a "quick fix" to close more sales - sales aren't closed, they're opened.**

Solution: You must learn how to open the sale; build rapport with your prospective customer and develop an understanding of their business or of their lifestyle first. Only when you have some understanding of where they're coming from can you even hope to advocate a solution that they will be interested in.

- 2. DECEPTIVE prospecting tactics - don't sound like a bad network marketer.**

Solution: before you call a potential new buyer, consider what their reaction to your call might be. People are busy today so calling to ask if you can drop by for a chat or to talk about a mystery is pointless. Why should someone give up their time unless they believe you can do something for them?

- 3. NOT correctly identifying prospects - don't bother selling to folk who don't need what you sell.**

Solution: develop a buyer profile; know who is likely to want what you sell and what their buying process

is. Identify the key person or people and look to provide answers to their wants and needs. If you can't reach the key person, whoever you can reach has to become your ally or advocate. Talk in their terms!

4. FOCUSING on the product not the customer - what they're buying is the sizzle not the sausage.

Solution: learn to talk about benefits and what that benefit will do to ease their pain or solve their problem; how it will make or save them money. To do this you must be able to relate how each aspect of everything you sell benefits the customer. If people quickly grasp the idea and benefits of your business, it's considered to be infectious. Do people nod knowingly as you describe your company's products or services, or do they look puzzled and quickly excuse themselves? If it's the latter, you're not selling benefits.

5. TALKING, not listening - how can you listen when you're talking?

Solution: You must learn to ask questions - use open, closed and "tell me about ..." to gather information and look for pain! Otherwise you're trying to "convince" - who wants to be convinced? Guaranteed to get claw-backs. Essentially you're getting into a struggle with the customer and this is a struggle you'll never win.

6. IGNORING the customer once the sale is made - forgetting service, and back-end business opportunities.

(Back-end business is the business you generate from a client *after* you've made the first sale to them.)

Solution: you must understand the lifetime value of a customer.

7. IGNORING testimonials and referrals. In other words, always using cold prospecting techniques to find new clients.

Solution: develop "warm" enquiries and leads. New business can come from a variety of sources:

- Cold calls
- Advertising including Direct Mail and the Internet
- Loose reference groups like the school P&F, family, friends
- Tight reference groups such as referral clubs and business associations.
- Develop a referral strategy for your business. Try a "customer loyalty" scheme such as get one free after paying for five. Offer customers entry into prize draws for referring new customers. I know of a hairdresser who buys you dinner at the Hilton for introducing just five new clients.

I know I said 7 mistakes but let me make just one more observation ...

I frequently see businesses spend huge

sums of money on marketing - brochures, adverts, direct mail etc because their belief is that if they increase their enquiry rate, they will make more sales.

That's only valid if their salespeople are capable of converting those enquiries into business.

Before you spend money on marketing in the attempt to gain more sales, consider how many sales opportunities you'll **miss** if your staff can't convert the extra leads you generate into business. Wouldn't you be better to invest in some quality training to make sure you significantly improve your conversion rate?

Thanks for reading this book. Now go and put it into effect!

To your success in selling!

"The ULTIMATE Sales Training Action Guide"
© James Yuille
is published by IMA Group, PO Box 3117,
Sunnybank South, Queensland, Australia 4109.
Phone 61 7 3344 6566.

My Notes