

# Hometown Business: Keep Them Coming Back for More — Customer Loyalty

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

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 retailers and sales staff feel they are imposing on their customers if they try to sell them something. You and your sales staff must be convinced that the merchandise in your store is well worth the price you've set and that you are doing your customers a favor by showing it to them.

## Satisfied customers will spread the word

You attract new customers by getting the word out — advertising, promotions, word of mouth. Every time someone asks what you do, you have an opportunity to boast about your wonderful store. Every time someone compliments you on your outfit, you can tell them that this is the kind of merchandise they can find in your clothing store.

Promotion and advertising will bring people into your store — at least once. After that, you and your sales staff must turn those people into satisfied customers who return.

## Service is the key to customer loyalty

Customer loyalty is no an accident. It is the result of hard work. You and your sales 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.

Customers have tangible and intangible needs. Their tangible needs have to do with the product and its function: a suit to wear to the office, a chair to sit on in the living room, a toy for a grandchild.

Intangible needs are dreams and fantasies. They have to do with an image the customer wants to project. People select cars, items of clothing, furniture and other goods because they think those goods will make them look important, successful, sophisticated, younger (or older), etc. Intangible needs are an important aspect of selling. They are discussed later in this publication.

Customers have ideas of what the final results should look like. They can tell you when the item you suggest is wrong and when the next item is better but still not right. Part of your job is to find out about those ideas and find just the right item.

Customers are not just buying products. They are willing to spend money, time and effort to find the products that match the images in their heads. They expect the salespeople to appreciate their business and to help them.

The final purchase is important, but it's not the only important aspect. A well-designed store, a polite, nicely dressed salesperson and the way customers feel when they walk in the store are all elements that lead up to a final sale.

Salespeople should be neat, clean and appropriately dressed. They should be warm and friendly and make the customer feel important. You or a member of your sales staff should greet customers when they enter the store. Customers should leave the store feeling that they were served by a friendly and helpful salesperson. After all, customers bring their business to you. If you don't care, they can take their business to someone else.

In a small store, every customer expects individual attention. When you are alone in the store 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. Thank customers for waiting. 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.

## Know your products

Product knowledge is one of the most important aspects of meeting the customer's needs. Everyone who waits on customers should know:

- What merchandise is in the store and store windows. Do you have a red and black plaid shirt, or don't you? If not, do you have a reasonable substitute to suggest? You cannot sell something if you don't know it's there.
- What goes with what. What kinds of batteries does this toy use? What scarf and belt will make this blouse and skirt into an outfit?
- How to care for and maintain the merchandise. Can this dress be washed? How often will this blade need sharpening? What is the best way to get stains out of this carpet?
- What guarantees and warranties apply? Does this company have a good service record? Where and how does the customer get service?

- What is the store's return policy? Can merchandise be exchanged at full price? Is the policy different for sale merchandise? A written statement of the return policy posted near the cash register and printed on the sales receipt will be helpful to customers and will save you time.

## What your customers want

Along with a professional appearance, a caring attitude and product knowledge, salespeople must have the ability to uncover customers' intangible needs and find out what they really want. Your goal is to find something in the store that will meet the needs of your customers.

Probing is a technique for finding out what customers want. There are four basic types of probes that work in different situations and with different customer types:

- Open-ended questions will result in customers giving you a cluster of facts, opinions and some feelings. These types of questions start with "How," "Why," "What," and "Tell me more."
- Pauses are deliberate, short silences. The salesperson maintains eye contact, asks an open-ended question and then pauses, or begins a statement and pauses before finishing it (such as, "You are going to wear this dress to ?").
- Thoughtful statements show customers that you are listening and that you take their feelings seriously. These statements are especially useful for soothing an angry customer so that you can begin to solve the problem. ("I'm sure that was annoying.")
- Summary statements put information into a condensed form that shows you have understood what the customer said. They bring the crucial points into focus.

Summary statements give customers a chance to agree or to add something to the information. ("So, you're looking for a blue suit that's not too tailored.")

## Discover customers' buying styles

Customer buying styles or behaviors can be divided into four types. Remember that most people are really a blend of these four basic types and that people sometimes change from one type to another.

- **Adversary buying styles:** These customers want to be in charge. They are competitive, restless, argumentative, impatient and challenging. They have a sense of urgency and no time to waste, are very direct, make flat assertions and claim to have all the answers. They are interested in new products, are name droppers and like status symbols.

A salesperson working with adversary-buying-style customers should speak with a strong voice, keep small talk to a minimum and listen carefully as these customers describe their needs. The salesperson should use open-ended and summary probes and get agreement before moving on to present the product or service.

When you are in the position of presenting a product or service to adversarial customers, you must be concise and emphasize the tangible advantages. Focus on what the product will do to increase your customer's power and respect.

Emphasize value and advantages. Product knowledge is essential, because if you do not know the answers, this customer will win and you will lose a sale. Repeat agreements, and be positive when closing the sale. Expect an argument or a qualified "yes."

- **Protective buying style:** These customers are defensive and afraid to make bad purchases. They look for faults, move slowly and take a long time to make decisions. They are analytical, disciplined, steady and must be convinced that you have the right products.

To make a sale, you must go slowly, listen patiently and stay in control of the situation. Use many open-ended probes, and stress the products' benefits, efficiency and predictability. Be factual, invite feedback (which will be mostly negative) and give these customers lots of information. When it is time to close the sale, you should sum up the benefits and provide assurance.

Never talk down to these customers or be patronizing.

- **Acceptance seeker:** These customers want approval and acceptance. Acceptance seekers like to be the first to have something new and will try to impress you with who they know and what they have done. They seem to have all the time in the world and will chat with you about all sorts of irrelevant topics. These customers are always enthusiastic, optimistic and agreeable.

Your job is to keep the tone casual and informal, and try to control the customers' ramblings with close-ended questions.

Present merchandise indirectly — stress the social benefits, the ways that others have benefited and the ways the product will meet the customer's intangible needs.

- **Pragmatic style:** These customers expect you to find the best ways to meet their needs. Pragmatic buyers are immediately interested in information, are curious and respond well to new ideas. These buyers are considerate, self-reliant, self-assured and like to make decisions alone.

You should be businesslike, helpful and a good listener. Product knowledge is essential. Focus on why the products work. Then, let the customer ask questions, evaluate the products and sum up.

## 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.

As soon as you realize that a customer is unhappy, work toward finding the reason. Perhaps there really is something wrong with the merchandise. Perhaps the merchandise did not meet the customer's intangible needs. Perhaps the customer does not know how to use the merchandise properly.

Whatever the reason for the complaint or return, treat the customer politely.

- Find out what is really wrong. Correct the problem with a different merchandise selection if possible. Perhaps you can help the customer use the merchandise and be happy with it.
- Express regret that the customer has a problem, and show that you want to help.
- Follow up until the customer is satisfied. When a customer knows that you are really concerned about her or his satisfaction, that customer will come back to you.

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

There are a number of extra steps that retailers can take to show their customers that 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 hand written note. It only takes a minute.
- Keep a customer file. Record everything you know about your customers: their sizes, 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 your customers are.

- Provide a gift wrapping service. This service is especially important if you encourage your customers to buy gifts. Many busy people are grateful to have someone to gift wrap for them. You can pass the cost of materials on to customers.
- Provide an alterations service. A customer who needs a garment altered has to locate an alterations person and be concerned about the quality of that person's work. You may be able to hire someone part-time to do alterations, or arrange to share an alterations person with another store in the area. Few stores can afford to provide free alterations, but most customers will be grateful that you have made the arrangements.
- Provide home delivery. Large, heavy appliances and furniture generally are delivered to customers' homes. Most customers would also appreciate delivery of other large, bulky or heavy items, especially elderly or handicapped people. Even a coat in a large box can be difficult for some people to manage.

- Provide installation. Many customers find installation of electronic equipment confusing and threatening. When you deliver your customer's new VCR, air conditioner, stereo components or telephone answering machine, offer to help the customer install it.
- Include instructions. Sewing machines, cameras, do-it-yourself home maintenance and arts and crafts projects can be complicated. Invite customers to come to the store for help when needed, or set up a specific time for classes on the operation of major equipment purchases.

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. Here are some other service ideas:

- Accept checks. Many stores will accept checks for the amount of purchase. Whether this is something that you can do will depend on the size of your town and the type of merchandise you carry. Accepting checks for merchandise does not mean check cashing, although you may wish to do this for well-known customers.
- Provide engraving and/or monogramming. If you do not want to buy engraving or monogramming machines, arrange with another store to provide these services for your customers for a small fee.
- Rent major equipment. Your rental service might be for short-term needs (a visitor to the area who needs a sewing machine) or to give customers an opportunity to try out a new piece of equipment such as a knitting machine.
- Offer maintenance contracts. You might provide five years of annual cleaning and maintenance for a small fee. This will encourage your customers to take care of their purchases and also bring customers back into your store periodically.
- Offer gift certificates or a "wish list" file. If you have regular customers whose spouses or children might want to buy a present for them, keep a card file where they can record their wishes. Control customer access to the file so that a crossed-off item is not discovered too soon.
- Start a bulletin board. Encourage customers to post notices of local happenings, articles for sale, trade or purchase.
- Provide a play area for children away from the merchandise area so that parents are free to shop.
- Provide comfort while shopping with access to a rest room, a place to sit or a drink of water. If your store layout permits, amenities such as a free cup of coffee or even a drink of water are always appreciated. Rest rooms for people shopping with children may make you a friend for life. Many older customers appreciate a place to sit and rest or to wait for others.

# Evaluation

How can you know how well your customer-care activities are working?

Many stores and restaurants provide customers with response cards. Place these cards in plain sight next to the cash register, or place one in the bag or box with each purchase. Try to find out how customers are treated and if there are any problems. Ask the customers for suggestions. Tailor specific questions to your business and area.

Postage-paid response cards make it easy for your customers to respond. Postal regulations required a specific format for the postcard, so check with the post office before printing your cards.

Other ways of checking on how well you are doing include a suggestion box, a periodic questionnaire and exit interviews.

You may want to distribute a questionnaire to your customers once a year or every six months. Design the questionnaire so that customers respond to specific questions with "Agree/Disagree." Be sure to leave a space for customers to add comments of their own.

With the exit interview, you can get immediate feedback from your customers. The interviewer stops customers as they leave the store and asks them no more than three quick questions. The questions might be: "Did you find what you were looking for?" "Were the salespeople courteous and helpful?" "Are you a regular, occasional or first-time customer in this store?"

Use this evaluation information to improve your service. Customers are usually pleased to be asked for their opinions. Improved service demonstrates to customers that you really do care about them and value their ideas.

## Five steps to a sale

Use probing techniques with the following five steps of the selling process.

1. **Initial approach.** Establish rapport; find out why the customers are there.
2. **EXPLORE the customers' needs.** Customers have both tangible and intangible needs. The tangible need is the merchandise they are shopping for: a blue suit, a remote control car, a smoke alarm.

Customers usually have ideas about the tangible items they need. This is what they will describe to you.

Customers, however, also have intangible needs. The intangible needs include the pictures in their minds about what the products will do for them. You must discover your customers' intangible needs by probing. Unless their intangible needs are met as well as their tangible needs, your customers will not be happy with their purchases.

3. **Present the product/service.** The knowledgeable salesperson must be able to present the features, the advantages and the benefits of each product (known as the "FABs"). What will the product do? How do you take care of it? What goes with it? Why is this one better than or different from others?
4. **Manage objections.** The customers' objections will be the reason they believe the products will not do what they want. For instance, a customer may forget to tell you that she wants to be able to wear the pink dress to the office before the party or that it must be a natural fiber because she thinks a synthetic fiber projects the wrong image.

It may be that you have not discovered or met her intangible needs. Perhaps she needs help with accessories and alterations before the dress will project the image she has in mind.

You manage objections by showing the customer how this product will work or by finding a better alternative.

5. **Close the sale.** Many sales have been lost because the salesperson failed to close the sale. You can finish the transaction with questions such as: "Would you like this blouse or that one?" "Would you like it gift wrapped?" or "Will this be cash or charge?"

## Special attention brings customers back

Keep a card file of customers' names and addresses so that you can let them know how important they are to you.

- Send birthday cards and holiday greetings.
- Send notices of sales and special events such as fashion shows.
- Call customers to find out why they have not been in lately.
- Call or write to tell a customer that something has come in that is "just perfect."
- Ask customers how happy they are with previous purchases.

# Resources

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