

Repeating history



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Introduction

You sent emails, bought advertisements, mailed postcards, and composed tweets, posts, and pins to get them interested.

You spent time with them on the phone, online and in person, explaining your business and earning their trust. Finally, after days or weeks or even months, your work paid off: You landed a new client. Now what?

For many small business owners, the answer might be: Do it all over again and again and again. Attracting and acquiring new clients is an essential and never-ending pursuit for all businesses. But there's also another way to grow sales that can be more effective-and cost-effective: Sell to the clients you already have.

Existing clients are your best prospects. Whether they realize it or not, they've already bought into the idea of your business, making them more receptive to your next sales and marketing messages. That's why the probability of selling to them is [60 to 70 percent](#), compared with 5 to 20 percent for a new prospect, according to the book Marketing Metrics. And the more clients buy your product or service, the more likely they are to recommend your company to others-which can result in even more business.

In this guide, you'll learn:

- Why retaining clients can be even more important than acquiring them
- Methods of generating repeat business and inspiring client loyalty
- How a customer relationship management (CRM), like Infusionsoft by Keap, can help you grow repeat sales and retain clients
- Strategies used by small business owners to keep clients coming back for more

Why repeat business matters

All businesses want loyal clients. And [82 percent](#) of businesses say that client retention is cheaper than client acquisition, according to research by the digital marketing firm Econsultancy.

But despite these facts, the same businesses don't prioritize building client loyalty: [44 percent](#) focus more on acquisition than retention, while only 16 percent focus on retention over acquisition.

If you want to grow revenue, adding more names to your client list is an obvious solution. But unless you also focus on your existing clients, you could actually lose money even as you add clients. Gaining a new client probably won't make up for losing one, considering the extra time and money you spent convincing the new person to buy.

Adding new clients may boost revenue in the short-term, but retaining them often makes a bigger impact on a businesses' long-term success. Research by the management consulting firm Bain & Co. found that across most industries, client retention explained a businesses' profits more than any other factor, including market share and cost. Even a 5-percentage point difference in client retention, the business found, consistently led to profit swings ranging from 25 to 100 percent.

Client value: The long view

When you start a business—a yoga studio, for example—you simply need to get people in the door. But your goal shouldn't be to sell a class or two. Your real objective is to make the studio part of the client's life for months or even years to come.

Nearly all businesses want long-term relationships with their clients. In the quest to close sales, however, they sometimes lose sight of the bigger picture. Calculating what's known as client lifetime value helps you determine how much you can afford to spend on acquiring a client and how long you need to retain her to make the transaction profitable.

The equation looks like this:

Sales amount x Number of transactions x Average retention time

If a typical client spends \$30 on yoga classes every month for a year, her lifetime value is \$360. If you spent \$100 on advertising and offers to get her in the door, you're making a profit. But if you spent \$100 and she only sticks around for two months? You're actually losing for the sake of gaining a client.

So how to increase the client's lifetime value? [Companies surveyed by Econsultancy](#) named these tactics as the most effective:

- [Improvements to client services: 42%](#)
- Personalized interactions: 34%
- Cross-selling/up-selling: 29%
- More effective use of data: 26%
- Client segmentation: 24%

We'll cover strategies for earning more business from existing clients in the next section.

3 strategies for automating repeat sales

Back to our example: A first-time yoga class participant won't necessarily become a loyal yogi without [strategic planning around her client lifecycle](#). After the first class, how will you encourage her to sign up for the next? What else could you sell to earn more business from her? If she stops coming to class, how will you win her back? Here, we outline three ideas that any business can use to earn another sale with the help of client management software.

1. Send a welcome email—and make it count

In business, like most anything else, first impressions matter. In a survey by ClickFox, a provider of consumer experience analytics, nearly half of consumers identified their initial purchase as the most critical time for a business to gain their loyalty.

Start the client relationship off on the right foot. Set yourself up for repeat business by using client management software to [send welcome emails](#) after a client makes their first purchase or a lead signs up to receive emails or promotions from your business.

In an automated welcome email or series of emails, you could include:

- A thank you to a lead or client for supporting your business
- An introduction to your business, services, and values
- Answers to frequently asked questions
- Educational content, like blog posts or videos related to your offerings
- Suggestions for related services or products
- An offer for a discount on the client's next purchase

The messages should primarily help the lead or client feel connected to your business. But they also present a sales opportunity in that they land at the time when they may be more interested in your business than ever: Welcome emails have an open rate of nearly 58 percent, compared with less than 15 percent for other promotional emails, according to Experian Marketing Services.

2. **Ask for the upsell or cross-sell**

Although classes are the main attraction at the yoga studio, you'd ideally sell complementary products and services to gain additional business from your existing clients. As you map out the customer lifecycle, you could pair related offers, like beginner classes and yoga mats (a cross-sell) or advanced classes and an all-day yoga workshop (an upsell).

These offers have practically become standard on ecommerce sites (notice how much of your homepage real estate Amazon dedicates to them). That's because the strategy works for ecommerce sites: [12 percent](#) of website revenues are generated from product recommendations, according to Barilliance, a provider of personalized website technology.

You could also include your upsell and cross-sell offers in an email, whether it's the new client welcome email or a separate email about the products you sell at the studio. One tricky part: What if you send

a yoga mat email to someone who already bought a yoga mat from you? That's where segmentation comes in. Using client management software, you can segment leads and clients-either manually or automatically, as the result of other automated actions-that ensure your offer reaches only the people who will find it relevant.

3. **Remind them to buy again**

It's the same strategy that doctors and dentists have used for decades, except you don't need a secretary to mail postcards. With client management software, you can encourage clients to make another purchase by scheduling automated reminder emails.

A timer triggers the email to be sent after a predetermined length of time. The yoga studio, for example, could check in with clients they haven't seen in six weeks: "Hi [First Name], we've missed you at yoga lately! Would you be interested in doing a class this week? Check out our schedule here, and let us know if we can answer any questions." Include links to make things easier for your customer (and easier for you to make a sale).

It's better to be proactive than wait and hope for a repeat client. Clients may forget about making another purchase, but when reminders are automated, you never will.

How to grow revenue by focusing on existing clients

Nate Shaw, co-founder, [Brooklyn Music Factory](#) Brooklyn, N.Y.

When Nate Shaw started his business, his sales and marketing efforts consisted of one main strategy: flyers.

Having taught private music lessons for twenty years, Shaw had a client base of sixty families when he opened Brooklyn Music Factory in 2010. He wanted the school to serve more children, so his strategy seemed obvious at the time: Reach as many families as possible. "I was focused entirely on growth, so I thought, 'I'll just keep flyer-ing the neighborhood,'" he said. "I literally think that's all I did."

But over time, Shaw began to realize that leads weren't his barrier to revenue growth. At the Brooklyn Music Factory, which offers both private and group lessons, students learn through games and, as they grow as musicians, by making music together in a rock band. It's easy to convince

prospective clients that learning how to jam and write songs by playing in a band is way more fun than taking traditional piano lessons with the elderly neighbor. What's difficult is nurturing a multiyear commitment to music education, the hard work that makes the cool band possible.

Shaw's epiphany came in 2013 when more than fifty families quit the school over the course of one summer. The exodus was not only a business crisis, but a personal failure for someone whose mission is to instill in children a lifelong love of music.

"When fifty families leave, I'm freaking out about revenue streams; I'm freaking out about my employees. But more than anything, that totally bums me out," Shaw said. "That's fifty families who don't see music as a viable option because somehow, we failed them. It's heartbreaking."

Since then, Shaw has fundamentally changed the sales and marketing strategy behind Brooklyn Music Factory. When he adopted Infusionsoft by Keap in 2013, he dropped all the leads from his email list to focus on only his 130 clients. He asked parents about changes they wanted to see and invested in teacher training to ensure more consistent lessons. Instead of blasting everyone with the same message, he sends targeted, automated emails specific to students' musical interests. And he replaced his sales-heavy messaging with content that helps parents coach kids through musical challenges.

Shaw stopped trying to sell any and every client on a class, like the parents who talked about Brooklyn Music Factory as if it were a music-themed babysitting service. New clients now commit to a ten-month contract as Shaw encourages families to join his community, one he hopes will be part of their lives for as long as ten to fourteen years.

And as Shaw focused less on leads, the business growth came, anyway. Thanks to highly engaged clients who refer other families, his email list has grown to 1,900 recipients-and since implementing Infusionsoft by Keap, revenue has grown four-fold. One of the hardest business lessons he learned turned out to be the most valuable.

"In the early days, I was proud of myself because I could close a bunch of sales," Shaw said. "I wasn't focused on the right thing, which was nurturing my family."

Building client loyalty

Most clients aren't automatically loyal to a business after their first purchase. Loyalty has to be earned, and a great product or service is only part of the equation. It takes effort to make clients happy-and to make sure they stay that way.

There's no one answer as to what makes clients loyal, but much comes down to customer service and communication. Here's what consumers told ClickFox, a provider of customer experience analytics, in a survey about [what drives brand loyalty](#).

What makes you loyal to a brand?

- Quality: 88%
- Customer service: 72%
- Price: 50%

What's the best way a business can build exceptional loyalty with you?

- Providing exceptional 24/7 customer service: 34%
- Rewarding me for purchases, feedback, referrals: 20%
- Sending me exclusive and/or relevant offers and specials: 13%

Next, we'll cover strategies for increasing client loyalty with the help of client management software.

3 strategies for gaining client loyalty with automation

It's not always possible to offer personal service and communication to every client, every time (at least not without falling behind on other aspects of the business).

Client management software can be your stand-in, staying in touch with clients like you would if you had the time.

Gonz Medina, CEO and co-founder of Blue Chip Athletic in North Kansas City, Mo., uses client management tools from Infusionsoft by Keap to supplement his interactions with clients of the sports-oriented screenprinting business, which spans both retail and custom apparel. Because about 95 percent of the sports teams who purchase custom orders are repeat customers, we asked Medina to share how using client management software has helped him earn their loyalty.

1. **Keep in touch—and not only at the times you expect a client to buy**

A sports team that placed an order one September will likely need to place another the next September. But Medina wants Blue Chip Athletic to be on clients' minds more than once a year. He uses an automated e-newsletter to check in every three months and tell customers about the other ways in which the business can meet their needs—like screenprinting family reunion T-shirts during summertime.

Bonus tip: Social media platforms are great outlets for staying in front of clients. If your clients don't follow you, send them an automated email inviting them to connect. Give them a preview of what you post, whether it's photos of new products on Instagram or how-to videos on YouTube.

2. **Ask for client feedback—and act on it**

With custom work, mistakes are almost inevitable. Before Medina implemented an automated, post-purchase survey with Infusionsoft by Keap, he didn't always hear about bad client experiences. Now, the software prompts a him, or a member of his staff to call clients who submit a negative review, allowing Blue Chip the opportunity to remedy the situation.

Correcting problems, Medina said, has landed the company some of its most loyal clients. "A lot of businesses in today's world promise that they're going to conquer the world, that they're going to do A, B, and C. Once they get the sale, they do A, and that's it," Medina said. "Doing what we say we're going to do is one of our core values."

Bonus tip: Positive survey responses deserve action, too. You can gain even more from happy clients when you ask them for referrals. With client management software, a client who selected positive survey answers can be identified as a promoter of your business who will then automatically receive referral requests.

3. Send a genuine thank you

Medina wants clients to know that there are real people, employees of a small business, behind Blue Chip's products. A week after placing an initial order, each customer receives a thank-you card from his business. It's handwritten by a Blue Chip employee, who receives an automated reminder to complete it. Automated processes also identify Blue Chip's top spenders so that staffers can send them additional thank-you notes and gifts, like coffee mugs.

The reaction, Medina said, has been astonishment, especially for the first-time clients. "They're just amazed that someone sat down and wrote them a handwritten note," Medina said. "They've never had an ecommerce business do that."

Bonus tip: Your most loyal clients deserve special treatment. Consider creating a loyalty club, using client management software to segment your best customers (using factors like spend or engagement levels). Show your appreciation for members with exclusive offers, like a special discount or early access to a sale.

We hope these tips help you bring in more business from the clients you've already gained and find new ways to inspire client loyalty.

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