

Let's Talk: The X Factor



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By Loren Webb

Today we're discussing customer retention and what businesses need to do to in order to achieve the so-called "X Factor" with their audiences.

Customer experience is becoming increasingly important as the ability to share positive or negative reviews online is so easy in today's digital age - and it can be very damaging to a brand's reputation.

At the end of the day, a business only thrives if it has satisfied and frequently returning customers who are all making excellent recommendations.

We can all list at least 5 well-known, long-standing brands that are excelling at this and that we personally love and are loyal to... So what learnings and advice can take from this and share with start-ups to ensure they achieve great customer retention too?

Our forum features different opinions on the hot topic from Founders, CEOs, businesspeople, entrepreneurs and Heads of Divisions.

Alan Manly, CEO of Group Colleges Australia

In a startup situation the stress to gain a customer against fierce competition is expected but the real surprise can be in the challenges to retain customers. This is when you may learn that the enemy within is the most powerful. Driven by stress and over enthusiasm representatives of the startup, this includes your good self, can easily be lead into over committing resources and thereby causing a customer to be disappointed and move on. Better to under commit and over deliver.

Having understated your commercial capacity the next obvious action for a startup is to stay very close to your customers. Make a reason to ring and ask them how they are going. Develop a relationship such that they will tell you how you and your startup is going. At best they will appreciate your attention and tell you what you want to hear. Better still they may tell you what you don't want to before they move on.

Edwin Onggo, Founder & CEO at GiggedIn

1. Make sure your product and/or service creates a huge amount of value i.e. solves a big problem.
2. Make it as easy as possible for your customers to experience/see/feel/touch that value and remove friction that stands in their way of this
3. Leverage the power of network effects if you can

Pheobe Netto, Founder of Pure Public Relations

Treat every potential customer as an asset by identifying and meeting their needs. The rule 'do unto others...' suggests treating others as you want to be treated but ignores that you should actually treat people how *they* want to be treated, respecting and including difference. This level of attention and inclusion leaves a positive, lasting impression.

Beyond acquisition, make retention a core part of your customer relationship management strategy. Existing clients already buy your product/service, so you're doing something right. Find out what that is – ask for and value their feedback – and invest in improving those things to enhance the relationship.

Lastly, provide thoughtful and unexpected interaction with your customers. Business communication is often marketing or transaction-based; instead, take time to build a genuine relationship. You can do this through personalisation, which is as simple as including a handwritten 'thank you' note, to create a sense of loyalty and belonging.

Detch Singh, Hypetap CEO and Co-Founder

There's no silver bullet for customer retention. We stick to some key principles at Hypetap which have helped us retain our clients over many years, including:

- Take responsibility and seek constructive feedback from your customers. Sometimes you just need to ask them honestly if there's anything you can do better. If they tell you, it's likely other customers are facing similar issues, and rectifying them must be a priority.
- Provide a seamless customer experience. It's important to map out every scenario where a customer interacts with you. This helps identify the key touchpoints, what they may be lacking, and how to enhance them so customer experience is as close to perfect as possible.
- Get ahead of issues. Don't wait for the customer to come to you with a problem. Instead, proactively take the problem to the customer, front-end it, and do whatever you can to rectify it. Alternatively, go above and beyond and make their situation better than it would have otherwise been. If that means you lose a little in the short-term, look at it as an investment rather than an expense.

David Jackson, Committee Member of Sydney Angels and CEO of Blockchain Australia

The key to customer retention is to consistently under-promise and over-deliver; surprising and delighting customers, consistently.

With products quality control is key, and when delivering quality products, you must ensure the customer experience is far better than they would have expected.

When it comes to tech products, like the ones we invest in, customer experience should be augmented by great user experience. The X-factor is to surprise and delight the user by making the journey through using the product extremely intuitive and engaging. Then customer retention will be determined by how sticky it is; you need to make sure it is essential to the user's regular behaviour.

Kat Warboys, Head of Marketing at HubSpot

Customers are more independent, more impatient, and less trusting of businesses, but when you get it right, they become your most powerful marketing channel. Customer retention is driven by providing an outstanding customer experience and a great product. But how do you ensure you're delivering that? The simple answer is by asking your customers how they feel. Gather as much feedback from your customers as you can, and act on it.

At HubSpot, we believe when you prioritise the customer experience, your business will grow better. Don't wait for complaints or assume that silence is a compliment. Great companies take a proactive approach, and alongside gathering feedback, they use the data they have to predict how customers are feeling through their online behaviour — whether that might be their usage of a website or app, or a product or service. Simply asking for feedback can have a huge impact on customer retention, however, the hard part is acting on it. Companies that ask for feedback grow fast. Companies that ask for feedback and consistently act on it grow better.

Stephen Barnes, Principal of Byronvale Advisors Pty Ltd

I'm a great believer in showing respect and having good manners. Treat every customer like they are your mother. Give great service – it works both ways – customers that don't get great service are buying solely on price (lowest price), and sellers are not respecting their customers whom without there is no business. Resolve problems quickly – not every product works perfectly all the time or service meets expectations but resolving the issue rather than ignoring it will lead to greater retention. Keep in touch with your customers or clients – a simple Christmas card, or a follow up email after the sale is all that is required.

Reward loyalty – customers will return when they feel their business is important and valued. Say thank you! If you're a plumber and leave a little box of chocolates when you leave a customer's house two things are likely to happen. Firstly, they will have a warm feeling about you and if they need any further work done, you'll be the first call. Secondly, they will tell people – at the footy, and the school pickup, their extended family and friends – so you won't just keep a customer but are likely to gain a few more.

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