



How are you Engaging your Customers to Maximise their Return Rate?

By Amanda Stevens

In any retail business, your ability to engage with your customers and deliver a memorable experience is often the single differentiator between a good business and a great one.

In this article I'm going to introduce you to three strategies you and your staff need to be focused on, to ensure every customer that walks into your store becomes a 'boomerang customer' and not only returns, but becomes a loyal advocate.

1. Curiosity

Smart retailers understand that it's often the questions we pose to our customers that have a greater impact on the customer experience than the answers we give.

You and your staff's ability to ask thoughtful, unique and different questions of your customers can make all the difference when it comes to their level of engagement and, ultimately, spend and loyalty.

We've all been there – you walk into a store and you're met with a disinterested staff member who's more focused on arranging and tagging a box of stock than the customers who will eventually purchase it. Or, worse still, you're greeted with the stock standard "How are you today?" followed by an obvious disinterest in the response.

Even in cases where a staff member is attentive, most of those retail experiences can be easily separated into one of two categories: interested or interesting. Far too many retail staff spend far too long being interesting; trying to impress the customer with their knowledge or talking about themselves. Then there are those who are interested. They come from a place of true curiosity. They're truly present with each and every customer and they make it their mission to discover what's unique about each customer. They ask unique, tailored questions. Those questions might relate to a purchase a customer is already carrying with them, it might be a genuine question relating to an item of clothing or accessory they have, or it might be a question relating to what they've been doing that day.

Here's a hint: most people's favourite topic of conversation is themselves so get them talking about somewhere they've been or where they bought their fabulous shoes, and you'll find that your curiosity will be rewarded.

"I once conducted an experiment in 20 retail stores where I responded to any initial staff question or greeting with the answer 'rainbows and butterflies.' Of the 20, only 12 realised I'd given a bogus response."

2. Commonality

As humans, we're naturally drawn to people we have something in common with. It makes us feel safe. It disarms us and we inherently trust people we feel we have something in common with.

When we ask more questions of our customers, particularly if they are different and unique questions, we often get information that can be used to create points of commonality.

This could relate to direct points of commonality ("I have that item myself and I love it") or more indirect commonality ("I bought that for my sister and she loves it").

Commonality also relates to the purchase behavior of others: "Rightly or wrongly, I'm far more likely to purchase an item if it's popular with other customers". This form of social proof (and ideally direct feedback from other customers) can have a big impact on any retail sales outcome, particularly in categories like fashion and homewares.

3. Connection

Creating a lasting connection with customers is something very few retailers do well. Most retailers view their customers as a stream of one-off transactions and never really look at the lifetime potential of a customer.

Think about this, next time a customer walks into your store, rather than viewing them as a potential \$50 sale, view them as a potential five-year, \$1,250 revenue stream (which is what they would represent if they spent \$50 five times a year for five years).

Converting your customers from a single transaction to a lifetime relationship relies on your ability to connect with them from the very first transaction. Sign them onto your loyalty program and give them a reason to return within a certain time frame with a gift voucher to spend on their next visit. At the very least, engage with them using their name. 80% of consumers use a card of some sort when they pay at point of sale, so there's no excuse for you and your staff to not have a standard "Thanks Amanda, see you next time" as you process their payment and they leave your store. Current research suggests that using a customer's name increases their likelihood of returning to your store by 35%. If they use your name in return, that increases to 45%, so ensure your staff wear name badges.

A recent study by Southern Cross Austereo revealed that 40% of Australian consumers now say they get a better experience online than they do in-store. Yes that's right, two in five customers are now finding they get a better experience from a website than from a human being. That means there's never been a better time to create a memorable, highly engaging in-store experience for your customers. It could be your distinct competitive advantage!

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