

DEVELOPING REPEAT AND REFERRAL BUSINESS

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Clients select professional service providers primarily on the basis of recommendations and referrals — in other words, positive word-of-mouth in the marketplace. It is ten times more expensive to recruit a new client than to develop new or repeat business with an existing one so existing clients are an important resource. If you are successful, the majority of your work will be repeat business. Even so, you can still increase the total services purchased by these clients through one of several approaches:

- Increasing the frequency of their purchase
- Cross-selling other services to increase their range of services used
- Increasing the quantity of their purchase
- Increasing the profitability of their purchase

Ask Existing Clients for Referrals

Existing clients are your single best source of referrals, in addition to their value in terms of repeat business, because they can testify to the quality of your services based on personal experience. By targeting existing clients and their contacts, you can increase the efficiency of your marketing efforts.

Reward Loyal Clients

It is also important to consider client retention strategies that reward loyalty as, all too often, marketing attention focuses on attracting new clients. Client loyalty initiatives can include soliciting ideas and feedback or providing an enhanced level of service for longer term clients.

Manage Clients' Expectations

Remember that having a satisfied client means that the service the client experiences matches the service level they expected. Clients' expectations are shaped at three points in the service experience: their search for a service provider, their experience of the provider, and the credence they place in their experience after they have received the service. Your marketing initiatives should provide the initial shaping of expectations. In general, you want to promise only what you can deliver 99.9 percent of the time. If you exceed that promise, then you need to make it clear that the circumstances are unusual so that clients' expectations don't adjust to the new performance level as standard.

Because the service experience is a subjective one, clients continue to assess whether or not they received value for money even after the service is completed. They compare notes with others, on the basis of which they may say, "We got a really good deal," or "You certainly got a much better deal than we did." To help shape the "credence" process, you will need to maintain relationships with your former clients and develop procedures for specific client follow-up. Follow-up would include debriefing the service experience, addressing any sources of

dissatisfaction, and soliciting referrals to new clients. Client follow-up and debriefing is critical to ensure client satisfaction and positive word-of-mouth.

Identify Clients' Unmet Needs

Identifying unmet needs for professional services can be very challenging. Traditional market information which is generally known is not usually helpful. Instead what you need is more strategic, time sensitive information. The single best source of client intelligence is "complaints" -- i.e., discussions about "if only we could find ..." or "I sure wish that someone would figure out a way to" So take advantage of networking opportunities and local partners' knowledge to identify client complaints about services they wish they could get.

You will also need to have a clear understanding of why a potential client would switch to a foreign supplier. If you are considering partnering with a firm from a third country, be sure that you know whether that other party is likely to be viewed as an asset.

In order to gauge your own chances of success in meeting client needs in the market, you will need to have a clear understanding of who is succeeding in the marketplace and why. What strategies have made other firms successful and how they are positioning themselves in their target markets to meet client needs?