It may seem obvious, but by far the most effective way to make customers loyal is to treat them well. Provide a good product or service at a reasonable cost, provide friendly customer service at all times, and deal with complaints as quickly and effectively as possible. Be honest, and give the customer reason to trust you. Loyalty rarely exists without trust.

**Value** – Offer good value wherever possible. If customers believe they are getting a good deal they will be much more likely to buy from you again. Some businesses try to charge extortionate prices1 to customers. This brings extra money at the time but in the long run, customers will have no loyalty to them, and eventually they will have no customers at all.

Do not charge prices that you cannot maintain (apart from on special offers), but make sure that your customers feel they have got their money’s worth.

**Relationship** – One of the key reason customers become loyal is their relationship with the employees of the business, sales and customer service staff especially. Friendly staff make customers feel valued, and if the quality of service is also good, customers feel a personal tie to the shop.

The ability to form friendly working relationships with your customers is one of the biggest advantages small businesses have in the marketplace. Greeting customers politely (with their name if you know it) can make them feel appreciated: spending just one minute talking to each person is all it takes to get the ball rolling.

If you need to purchase an item, would you purchase it from a business you trust with staff you know, or from a business you have never used with people you do not know?

**Complaints** – Although they may not seem like it, complaints are actually one of the biggest sources of customer loyalty to businesses.

If a customer complains, or comes to you with a problem, if you fix it quickly and without hassle2, they know that they can rely on you, even when difficulties arise. If a customer can trust you when things go wrong as well as right, then strong loyalty can be built up very quickly.

Strangely, a quick effective solution to a problem often builds more loyalty than a sale that has no problem in the first place!

Replacing items or providing discounts/refunds can often seem like a cost to avoid. However, the cost of one replacement can sometimes be the difference between a customer for life and a lost customer. Not only that, but the customer will pass on through word of mouth whether they were satisfied with how you handle your problems. £20 lost on a replacement could bring in £500 over a year by creating customer loyalty.

Adapted from[*http://www.bizhelp24.com*](http://www.bizhelp24.com)August, 22nd 2009

1extortionate prices: very high prices

2without hassle: without difficulty