Transcript for Episode 146 - Boost Customer Loyalty and LTV: Proven Retention Strategies for Growth

00:00 - 00:40
Jessica Miller: Hello everyone, and welcome to this week's episode of the It's Your Offer podcast. I'm Jess Miller, and I'm so excited to have you here today to talk about boosting customer loyalty and long-term value in your business. When we think about growth, so many of us focus our attention on more people coming into our business, more traffic coming into our business, more offers that we add on, more, more, more, all in the vein of driving growth and increasing your bottom line. But for those of you who have been listening to this podcast for a long time, you

00:40 - 01:17
Jessica Miller: know that in this world, we focus on that blue ocean of opportunity in your business, which is focusing on the things in your business that are making you money, that you are doing really, really well, and leaning in to those customers that already exist in your world and cannot wait to buy more things from you and spend more time with you in order to drive the results that they desperately want in their business. One of the most robust ways to do that is to think about how to boost customer loyalty between your business and your customers

01:18 - 01:55
Jessica Miller: and also to increase the lifetime value of the time and money that your clients spend with you. When you do this, you grow your business more quickly and more easily than any other way. In today's episode, we are going to lean into some of the strategies and places that I see working with my clients that, when you optimize these areas, boost customer loyalty, increase the time that they spend with you and the amount of money they spend with you, and fast-track your business to the growth and heights that you truly desire. Dare

01:55 - 02:27

Jessica Miller: I say that this is one of those awesome levers that, when you pull it, you really do create more in your business while doing the same or less. And as we're moving into these warmer months of the year, summertime here in the Northern Hemisphere, we are looking for ways to really value our time and spend time doing things, especially with our families and other people at this time of the year where we want to take in that great weather, enjoy the time off from school, book those vacations, and want our business to

02:27 - 03:07
Jessica Miller: be efficient and to be optimized to grow without us needing to add more and more and more. And as I mentioned, boosting your customer loyalty and increasing that LTV allows you to really, you know, supercharge that growth and get people in your business to be buying more and working with you more. We all know this as business owners. I don't believe this is actually groundbreaking for anyone listening to this podcast, but I promise you that so many people, I would say 90% of the people that I work with, forget that this is one

03:07 - 03:40
Jessica Miller: of the best opportunities in their business to grow quickly. We are constantly looking outward. We're constantly listening to the rhetoric out there about adding and making things more complex, adding more workstreams, and putting new offers out there. And I am not here to suggest that none of those things are important, but hands down, optimizing around your current clients and what is working in your business and how to make that a more powerful asset that actually gives you a higher return on your investment is the place to start. Once you get

03:40 - 04:10
Jessica Miller: that to a level where you want it, then you drive all the other things, then you drive more people, then maybe you add on another offer. You do things like that, that will then help your business grow even more. But what we want is high potency, we want high quality, we want an optimized asset, and not any asset, but the asset that's driving the most money coming into your business to be on point, and then we continue to add. So today we're going to look at some of these strategies that boost that loyalty, boost that lifetime

04:10 - 04:48
Jessica Miller: value of those clients that will, 100% of the time, it is a proven, proven retention strategy to grow your business and add to your bottom line, add to your clients' results, and add to your happiness. So let's jump right in there. The first area that we see that really impacts your customer loyalty and your LTV is looking at loyalty programs as a whole. We're talking about building these long-term customer relationships between you and your clients that keep them with you in your business, make them happier over time, and overall add to the growth of your

04:48 - 05:29
Jessica Miller: business. When we think about loyalty programs, it can look like a variety of things. It can look like maybe membership programs, point-based programs, tiered programs. Different industries and different types of businesses utilize different strategies, but at the end of the day, they are programs that are tailored to increasing the loyalty of your customers in your business to keep them buying more, getting better results, and staying with you longer. An example of this I will take from more of the brick and mortar, maybe product companies. It might look like things like a point-based system. You buy

05:29 - 06:04
Jessica Miller: certain products, you get a certain number of points, and when you reach a certain level, there's a certain gift or incentive. So maybe clothing companies do this a lot. Outfitters that I've worked with do this a lot. People will come in, they will buy products, and they will get a certain number of points for the products that they buy. When they reach a certain number of points, for example, maybe they're buying a bunch of retail products like clothing, they get to 500 points and they get $10 off their next purchase. That's an example of a points-based

06:04 - 06:41
Jessica Miller: program. A company I love that's online sells nail polish, Olive and June. You get loyalty points for working with them. When you rack up those points, you get a certain amount of money off. Point systems are great for encouraging repeat buying and also giving people some sort of value or gift in exchange for whatever behavior it is that you want to incentivize. In this case, in these examples, it's buying product. They want people to buy product, and when

they buy product, they incentivize that behavior by giving you something in return. So that's a great example of incentivizing

06:41 - 07:11
Jessica Miller: people to come in more often and buy things based on this points system. And again, those number of points that you use, you can give them a certain thing, and you always want to drive it back to the behavior that you want. So if you're going to reward someone with a point for buying clothes and that's what you want them to do, great. If you want them to buy a certain type of merchandise, then you give a certain reward for that type of merchandise. Every time you buy pants in the month of June, you get a certain something,

07:11 - 07:42
Jessica Miller: for example. That's a great example of a point system that uses to make people come in, stay loyal, buy more things, and interact with your business in a repeatable way. Another thing that Olive and June does actually as well around their nail polish is they have a membership program. And when you join the membership program, not only do you get points and things like that, but you also get free shipping. So they incentivize you that as a member and you pay a fee for the year and it's, I think it's minimal, it's like $50, you

07:42 - 08:16
Jessica Miller: will always get free shipping whenever you buy. And so they're incentivizing people to buy into this membership, stay with them, pay them on this annual basis, and then get this certain reward for doing that. They're rewarding the behavior of joining the membership and giving you access to all sorts of goodies and giving you that free shipping when you buy into that membership. So that's an example for a product. I've seen this work really, really well, also seasonally. So some of my clients are Med Spa clients and they're looking to the summer as a peak time to have

08:16 - 08:49
Jessica Miller: their clients keep their skin looking its best, healthy, etc. And so membership options to allow people to buy the services either on a fixed cost per month, that's what many of the memberships will do, or you get certain incentives that are specific to this time of the year like summer that when you buy into these memberships you get access to that. I will tell you this is a huge income stream for

these types of businesses and if you're one of them I want you to listen up. One of my Med Spa clients had their biggest month

08:49 - 09:27
Jessica Miller: ever. They doubled their month-over-month revenue from a year ago, doubled. And when we looked at their numbers today, over 30% of their revenue came from this repeated membership option. People buying that membership, gaining access to that, and coming in for these services consistently. Not only did that help them from a financial perspective, the Med Spa that I had from a financial perspective, and getting those clients in the door more. But it also helped the client, because when they're repeatedly getting the service, they are getting better results. And so what happens when they get better results?

09:27 - 09:56
Jessica Miller: They are happier. And what happens when they're happier? They tell other people. So it's a ripple effect when it comes to these loyalty programs. They are very powerful in spreading the word and getting people in, but they also heavily contribute to your bottom line. The other thing that people do when they come in for these sorts of repeated services, even for what is included in that membership, is they always buy other things. There are other things that they're going to need, new products people are rolling out, and then they end up buying.

09:56 - 10:33
Jessica Miller: on top of what they're already buying. So it increases the value of the cart as well, which is really important for growth. So those types of programs, memberships or point-based programs, especially for products, are really powerful. For service-based businesses, whether it's coaching or anything like that, even online businesses, what I have seen work really well are programs that allow early access to different things that you offer. So you come into this particular VIP level of service and you get access to the other things that we roll out. One of the things that we would do with

10:33 - 11:05
Jessica Miller: our VIP clients in my business is that for many of our events, we offered a VIP tier that was only available to them. They could buy into it. Those things were only available for the people who were in the VIP community. What I'm doing in my business now is anyone who is a customer who is buying a

program of mine has access to certain special programs that are actually not available to the public. They are VIP-only for people who are either my current clients or who have been clients before. This makes it very exclusive. In those communities, they get access to me in a different way. They get access to other tools. They also get first right of refusal for a lot of the things that I have rolling out going forward. It's a powerful way of bringing people into this inner circle, keeping them loyal, making them feel exclusive, and, at the end of the day, getting them better results because they can consume things in my business more effectively than they would otherwise.

11:35 - 12:13
Jessica Miller: Memberships and community-style programs are great ways to incentivize people to stay with you, be on retainer, and get value from that. Loyalty programs that keep people happy and add value are very powerful. So, where in your business, whether you are a product-based, brick-and-mortar, or service provider, can you think about creating something like this? Again, leveraging the things that are already working. If you have something in your business, like a summer hydration facial, that is working, can you build a loyalty program around that? It's already working, you're incentivizing people to buy more of it, stay with you longer, and it's a win-win for everyone. If you're a service provider, what is that program that people love buying? Can you offer it in a way that allows people to buy into it more? So maybe you have a monthly membership and now you're going to offer an annual program. Instead of keeping them in there for one to three months paying monthly, now they've just paid for 12 months, and they're going to stay with you longer, get better results, get more value—a win-win for everyone. So loyalty programs and longer-term customer relationships are huge levers to pull when we're talking about retention strategies and boosting your growth. You always want to measure these things. As I mentioned with my client who has a Med Spa, her memberships were greater than 30% of her revenue. You want to track it. What is happening? Who's coming in? Who's buying it? What percentage of your revenue is this? Is it going up? What is happening with it to make sure that you are measuring against that success to get the ultimate outcome that you want? The second lever that I think is super powerful is pulling the lever of personalized communication and really enhancing your customer engagement by speaking directly to the segments in your business that you have. Not every person in your audience is created equal. There are different segments of people that require different touches and different ways of

engaging with them so that they can see the most value in your business and vice versa.

13:56 - 14:27
Jessica Miller: An example of segmenting this could be based on purchase history or behavior. It could be based on a variety of different things that they are incentivized to do with your business. Maybe there are certain people who always come to live events, or people who are always engaging on social media, or maybe there are people who always buy your high-ticket program, and others who buy the new thing, the early adopters. Looking at your audience and really segmenting these people, understanding what drives them, what behaviors they have, what they are incentivized by, allows you to talk to them in a very specific way. Most people talk to everybody the same way. And I am telling you, you are leaving a ton of money on the table if that's what you're doing because not everyone in your business is the same. They're going to react to different needs and desires based on where they're at. And even within the same target market, I'm not talking about creating a whole new target market or fracturing your community. Although in some ways, if people have different tiered offers, there are different people with different problems and needs. But I even mean just within your target market. What are these different people in these different segments reacting to? And what kind of language and engagement can you give them that makes it very customized and makes them feel like you are speaking directly to them? You want to really tailor that. One of the things that I did in my business, which I thought was really awesome and I heard from another friend who was in a community that I was in at the time, was I took my entire customer list, figured out who that top 20% was, and I made a list of those top 20 people. I took all of the offers that I had at the time, which I think was three, and for every single one of those top 20%, I connected them to the offer that would be perfect for them. So I went through my offers, thought about each person, what they had bought, their

16:05 - 16:39
Jessica Miller: behaviors, what their needs were, and I matched them with the offers that I thought would be the most powerful for them. Then I went out and spoke to those people directly about the offer that I thought would be a good fit. I tailored that language to be, first, super personal, and second, really focused on what problem I knew they were struggling with or had that brought them into my business, what was ongoing in their world right now. Then I tightly positioned the

offer that I had tagged to them as a solution to that problem. Let me tell you, I generated so much money and so many incredible results for those clients. It blew my mind. They were so grateful for me reaching out because, at the end of the day, people want to solve their problems. They are waiting for you to make an offer. Make sure that you do this in a powerful way. I really do think it wasn't something automated and cookie-cutter. It was very personal to them. It was speaking directly to their specific needs and

17:14 - 17:49
Jessica Miller: how this was going to help them. I think the personal aspect of that, combined with the strategic piece of it, was really powerful. I highly encourage you, if you're listening to this, to think about this. Those people are driving your business. That 80-20 rule applies to every single person on this podcast. There are no special snowflakes. How do you tailor to them? You will get your biggest bang for your buck doing that. So, thinking about segmenting your audience and engaging with them in a very specific way, leveraging your technology and different strategies for engaging with these people, is really important. In this day and age, we've got email, social media, text messaging, direct snail mail, BombBomb videos, and more. How do you leverage those different technologies and have a strategy around engaging with people in that way? It also comes down to segmenting in that capacity, knowing your audience so well that you know how they're consuming information from you, how they like to engage, and going the route where you know

18:21 - 18:53
Jessica Miller: they're going to pick up what you're putting down in the easiest way. Some people are not direct message people. Okay, well then maybe those people would not be the ones to send a social media direct message. They're not even on social media at that time. But maybe a handwritten note or something in the mail might be their thing, right? So, knowing your customer is really important. Another thing to think about with the format of your engagement and these technology or communication strategies is the perspective of touch and branding. If you get a handwritten note from someone, it is so much more personal and elevated than sending a text message, for example. Or if you send a personal gift, it's much different than sending a generic Visa gift card. It's not to say one is better than the other, but in the vein of your brand and what you're trying to convey to these clients, having it be personalized and powerful is

important. Really think about the end result. What do I want to create with this? What kind of engagement do I want this to be? How do I want this client to feel? Then marry that with not only what you're saying in these communications but in the delivery and experience of it too. That is a very powerful thing. Thinking about your customers through this lens of segmenting them, speaking to them, thinking about how to touch them in the most powerful way, and

19:55 - 20:26
Jessica Miller: allowing that to really guide how you're enhancing the value and the results and the feelings that they have working with you ultimately makes them more loyal and has them staying with you longer. If there is an opportunity for automating that, which there always is, use it. If you can automate some of these things so that you're touching people regularly and they feel like they're in your world, great. But you just want to know when you're going to do that and when it's going to be more of that personalized touch. You can automate and segment, but you want to

20:26 - 21:02
Jessica Miller: be very strategic in how you do that and the ultimate result that you want with that engagement. Personalized communications are really important when it comes to retaining clients and boosting loyalty and increasing customer value because they're staying with you longer, getting better results, and buying more. The last piece, which I think is super important and really a huge opportunity for you in your business, especially with your team, is to enhance customer service. It's creating a memorable experience with your clients when they are coming into contact with your business. This is an often

21:02 - 21:38
Jessica Miller: Overlooked area of business. And unfortunately, it really can hurt you, but it can also really help you if you do it well. So thinking about retaining your clients, the loyalty of your clients, the experience of your clients, by making every interaction with your business a memorable one. This also, in my opinion, is closely tied to the feel and the brand of your business and making sure that the things that you're putting out there when you touch your clients, including the way your team is interacting with them, every communication that's going out, what you're talking

21:38 - 22:09
Jessica Miller: to them about, if things are automated, how people are feeling when they're coming through, making sure that it is in line and on point with your brand. So I will just use myself as an example. I consider myself a luxury, high-quality, very professional brand. There are things in my business that I have held back, launches I have held back, even certain things that I was slated to roll out to my customers that I have held back because they were not at the level that I wanted them to be at. They were not at the quality and

22:09 - 22:41
Jessica Miller: the experience that I wanted my clients to have. And it is so important to me, the way people feel when they interact, that it feels genuine and aligned and high quality and like they're getting what they paid for and they're feeling exclusive and it's a luxury. That if something goes out in a way that doesn't say that to them, that they are not feeling that, I would actually rather hold it back and do it right than roll it out in the wrong way. Some of these things are very, very small. The way that an email comes

22:41 - 23:16
Jessica Miller: across, the way it is written, the language that is used, the way that someone and when they reach out to one of my clients from my team, how they do that, the language that they're using, the sound of their voice, the timing of it, when and where it's happening, all of those things add to this memorable customer experience. To that end, I think there is a huge opportunity to train and really empower your staff around the results and that feeling and the experience that you want your clients to have and allow them to be part of

23:16 - 23:47
Jessica Miller: making that possible. As I mentioned, some of these things are so small, it could be picking up intuitively because your team is maybe in a Slack channel with your clients or they're out on social media and they're connected to and engaging with these clients or maybe they're picking up on something on your group call, or they know of a milestone that one of your one-on-one clients had, or someone just bought something from your shop and they're getting the sense that we should check in with that person and make sure everything went okay. Empowering your staff to

23:47 - 24:23
Jessica Miller: understand your brand and what experience you want to have and allowing them to do that in a powerful way is one of the most, I think, awesome ways to really gain loyalty with your customers. Because what they feel is that they have been seen, they have been heard, they are important, they are a specific person and not just a number in your business, and someone especially that human interaction is engaging with them. Again, there is a place for automation and systematizing things and you can even systematize things and not have it automated. There is a place

24:23 - 24:58
Jessica Miller: for all of those things but when you are so engaged and your team is so engaged on making sure that they're creating memorable experiences for your client at every single step, the way that they engage with people and the things that they engage with them on is so much more powerful. And so delivering a high-quality service, empowering them to give recommendations if you are a, for example, a product-based business and people are coming into your world for a service or to buy something and you're empowering your team to make recommendations on buying other things that

24:58 - 25:26
Jessica Miller: are gonna enhance that experience and make it better. All of those things add to the value and the happiness of your clients. And when they are happier and they get more value and the results are better, guess what they do? I feel like I sound like a broken record, but it's true. They are loyal to you. They stay with you longer. They tell other people about you. They buy more. This is also very true in the restaurant industry or in the service industry where I can't tell you how many times we will be sitting in

25:26 - 25:55
Jessica Miller: a restaurant and the waitress will come over or the waiter will come over and they will just ask you what you want. And they're not making any recommendations, they're not telling you what their favorite things are, they're not asking you if you've ever tried this awesome thing on there because you like this other thing that you mentioned. They're not actually trying to enhance that experience. And I have to tell you, it's unfortunate for us who are sitting there

because we want to spend the money and get that result. We want that experience. The key is

25:55 - 26:23
Jessica Miller: people have to be empowered to offer it and they have to be in the mindset that actually you buying more or you engaging more or you staying more is actually a benefit to you. And a lot of people hold this back because they don't want to ask for the sale or they don't want to feel like they're putting people out or making them do something that they don't want to do. But here's the thing, we get to decide as the client. It's your job to make the offer and to be in that expert place where you

26:23 - 26:58
Jessica Miller: want to create the best experience for this person. And so you're offering these things and you're giving people recommendations based on what is going to give them the best experience. And so this really, really drives better results for your clients. And more than this tactical execution of like, always offer this thing or always give this as the buy-up. Rather than it being stiff and rigid and tactical in that way, it's really a mindset. It's a mindset of being in service to your clients. It's a mindset in thinking how do I create the best experience that showcases what

26:58 - 27:30
Jessica Miller: we do here and showcases our brand and showcases that we love our clients so that we're going to offer these things to get them the best result. And really being in that service-based mentality. Your client can always say no. They can always think that they want something else. It doesn't really matter. But I will tell you more often than not, they say yes and they are so happy that you asked. And they become raving fans. And they end up telling everyone about you, being a loyal customer for longer, buying more and you grow so much

27:30 - 28:06
Jessica Miller: more quickly. So enhancing that client experience, making it memorable, and really empowering your team and you to think in that way. Providing those feedback mechanisms for people, your clients, and your audience to tell you what they want, how they liked something, what other things they're looking for. That is also a really important thing and picking that up and really

incorporating that into your business and your strategies. The other thing is that proactive communication, asking your audience, asking your potential clients, what do they want, what are they looking for? Asking your community of buyers, what do they

28:06 - 28:43
Jessica Miller: want more of? Again, all of those things to create a more memorable and powerful experience for your clients and your potential clients will boost your growth in ways you could never imagine. So to circle back, these three levers are some of the biggest levers that you can pull in your business to boost your customer loyalty and the long-term value of your customers and really dial in those proven retention strategies that grow your business fast. The first thing we talked about was loyalty programs. How do you build long-term customer relationships through loyalty programs? Is it a point-based

28:43 - 29:16
Jessica Miller: system? Is it a membership? Is it exclusive access when you're a certain type of customer? What is it that allows you to boost that loyalty and really get people to stay with you longer and to spend more money with you getting better results? The second thing was personalized communication and understanding how to enhance customer engagement by speaking directly to the different segments in your world. Not everyone is created equal. There are different people in your audience, in your buyer pool that you need to speak to in different ways. And the better that you do that

29:16 - 29:47
Jessica Miller: and you cut through the noise, the more you speak to them, the more loyal they are, the longer they stay with you, the more money they spend, the better results they get. It is awesome. And last but not least, it is creating an exceptional customer service experience. Create that memorable experience for your client by empowering your team and you to think about what is going to provide the best result for that client and making sure you offer them that. Don't hold back and think that you're putting your customer out or they're going to say no or

29:47 - 30:19

Jessica Miller: whatever it is, make sure that you think about that memorable experience. You have that service-based mentality in mind that you are in service to the client and giving them the best opportunity

and make sure that you pull that through. Really, again, enhancing their experience, creating loyalty, and having them stay with you longer and buy more. This is one of the most powerful ways that you can boost growth in your business, now and forever. So take some time, go into this place, ask yourself these questions, and even if you just pull one of these levers, I promise you,

30:19 - 30:30
Jessica Miller: you will be blown out of the water by the amount of growth and the amount of satisfaction your clients have. It is win-win all over the place. I cannot wait to hear all of your success stories and until next week, everyone, have an awesome week.