

The Empowered Entrepreneur Show

Episode 026

<https://empoweredentrepreneurshow.com>

Intro: Welcome to the Empowered Entrepreneur Show, discover your life's purpose, reprogram your mind for success and attract an abundance of paying clients to your business. Now here's your host, Tom Tenaglia.

Tom Tenaglia: Aloha, Empowered Entrepreneur. I am Tom Tenaglia and you're listening to the Empowered Entrepreneur Show. And today I want to talk about retention. Now we've talked about a couple of things in previous episodes. If you haven't listened to the episode on surprises and if you haven't listened to the episode on refunds, I highly encourage you to listen to them as well because that content fits very well into a retention strategy.

I wanted to talk about retention because I started noticing an interesting phenomena with entrepreneurs. They get this product or service out, they get customers and they're delivering their product or service, and then all of a sudden when it comes time to if people want to leave or whatever that they go through this whole, "Oh my God, what do I do? How do I respond to this person? They're asking me this. They're asking me that. They want to get a refund, they want to leave." And I just look at them and, and I read the answers and some of them are trying to come up with these creative ways of slyly keeping them.

And I'm like, look, I did a refund episode where I said, here are ways I surprise people by giving them refunds. And here's the type of surprises that you do want versus the ones that you don't want, as I talked about in the surprises episode. And so I'm looking at... Here's an interesting thought that I had when I saw this common theme of people that all of a sudden they want to keep these people in their business and they're looking for a way to do it. And I'm like, why don't you just do the things that would keep them during the time that you're running your business as opposed to trying to keep them when they want to leave?

And I started doing that more in my business as well. I started doing that more, I started bringing in even more surprises, bringing in things that would be like, oh, here's a way I can... Not just to keep them but to just over deliver on value. And that's what the refunds episode and surprises episode go in depth on. And so there is a time to just say, okay, yeah, sure. Okay, go. Somebody posted, I saw a on social media, somebody said, "Hey, they want a refund. What do I say? What do I do?" I mean, of course in my refund episode I go in depth about how to handle that. But here's an interesting idea. Why not give it to them? Here's a way you can surprise them by giving them the refund as well.

And actually that person wasn't even asking for a refund. They were just saying, can you stop my auto renewal? And I'm like, that's even better. They're even asking you for a refund. I mean, they're just saying, I don't want to continue. I'm okay with that. And there are ways to surprise them as they go. But I'm doing all sorts of things to keep them along the way because I want to over deliver to my

ideal customers and to people that are getting value and I'm willing to take feedback. I'm willing to be like, okay, if they're saying they want to leave because of this other thing, or they're not sure if they're getting value. "Hey, do you still have a goal to achieve this thing that this product or service was created for you to achieve?" And if they do, "Hey, let's hop on a call. Let's do some one on one work. I can help you, if you think that would be value add."

And then what I'll do is I'll apply the feedback that you've given me into the program and this way other people can benefit from the way that you learn as well. Because everybody learns differently and if they're willing to do that, great. Then we hop on the call. And if they're like... Sometimes the answer of, "Yeah, I still have that goal, but I kind of just..." Sometimes there's a hidden reason behind the reason and at that point I'm okay with just saying, "Okay, I'll move on." See some entrepreneurs have this understanding or this thought that it's kind of, and some monetary values have kind of proven it over time, where it's easier to keep a customer than it is to go find another one.

And that may or may not be true depending on the business. Customer acquisition is often seen as higher in price than customer retention. Well, look, I know some businesses who do products basically on the back end that are basically self-liquidating and so their customer acquisition cost is either zero or profitable. And so I have a hard time believing that customer acquisition is more expensive than customer retention. Customer retention takes time, takes effort. It takes connecting with your customer. It takes over delivering. I think customer acquisition can be extremely profitable. And so I'm okay with finding other customers, especially if I'm growing that business.

Now if it's a closed group of people and I'm deciding to scale this offer with them and just this closed group and I'm not opening it up to other people. Yeah. Then, okay, it's a little bit different in terms of the math and I really want to work with those individuals. And so it's truly, "Hey, what would make this a nice win for you? What could I do for you to help you out?" And so I'm thinking, well, there's the customer acquisition costs, but there's also the impression left behind of a customer who wants to leave. Sometimes the more you try to keep a customer, the stronger they get in their position to want to leave or the faster they want to leave.

And so the interesting thing is when you factor in the math of, okay, just say hypothetically that customer acquisition is more expensive than customer retention. Well if the customer retention resorts in your effort to try to keep somebody and they leave anyway and now they go tell people what the horrible experience they had trying to leave your business. Well, the cost of customer retention just skyrocketed. And the effect of that is actually on customer acquisition. Here's what's interesting for people that sometimes have high customer acquisition, it could be because of how they possibly attempted to try to retain customers to begin with. Because it's a cycle, because it's a process. So,

the more time they spend on trying to retain customers who ultimately do better leaving anyway, their effect of telling people or whatever can cause an issue with customer acquisition. Because now you have to overcome that.

Versus if you're just like, "Yeah, you know what? It was easy. I could leave whenever the heck I wanted. They gave me my money back. They were so easy. In fact, they gave me a bonus as a result and they told me that if I ever wanted to come back, hey, here's something that would be value add if I ever wanted to come back. Whatever they could do and they'd still allow me to be an affiliate. They still allow me to tell friends and family that might be in the right target market. They were just so nice to me on my way out." That actually brings more people to you. That totally brings more people to you. And that's how I tried to be with every single one of my customers, just over-deliver. All of a sudden our customer acquisition can go down. I don't have to buy ads. People are coming to me, in that case. I'm speaking hypothetically in this case. In those types of situations, the amount of ads that you necessarily have to buy could be diminished because people are just going to because they're hearing it from other people.

Your traffic source... It's interesting to think about your web traffic source as being a previous customer. Your previous customer is helping you and your current customers are helping you to bring those people in. And so basically, looking at how can you go out of your way to keep that customer while they're your customer? So much easier to do that. "Hey, what's a way I could wow you?" And just thinking about it, anticipating their needs. Surprising. So, it ties into the surprises episode. And just doing those things that are going to make a difference. Because retention, sometimes they're no longer a fit and then, okay, you let them go. And other times, it's a matter of qualifying your message upfront. "Hey, here's who this is for, here's who this is not for." Now in copywriting, I like to write the who this is not for in a way that does disqualify, but it actually gives additional benefits.

So, if I were to say, who is my marketing strategy call not for? Well, it's not for you if you really want to sit down and digest a hundred books and come up with your own plan and put it into action. It's not for you if that's what you want to do. It is for you if you want to collaborate with somebody who's been there, who can help you see what might be blind spots, and give you ideas to further the ideas that you have, and also act like a sounding board. So, both of those styles explain the benefits of somebody who is in the target market.

I don't take an example, like let's say I'm selling lemonade. I don't give an actual disqualifier. It's not for you if you're hungry, but not thirsty. Well, no, that's an actual disqualifier. I'm not actually looking to do that. The lemonade, well, it's not for you if what you want is an ugly tasting drink, a bad tasting drink. If you want a bad tasting drink, it's not for you. It's not for you if you basically... So, it's kind of this... I mean, I love lemonade. So, it's one of those things where it's how

do I communicate the benefit in a not for you type of scenario? But what it does is it further solidifies who your ideal customer is and the person gets to say, "Ah, this is for me."

And then there are times and places even where you do put real qualifiers on there. If there is a real qualification. Like I did a copy review for a woman who is selling an exercise program for pregnant women. She was certified out the wazoo for fitness and nutrition and all sorts of things. And I did copy review for it. Well, okay, it's not for you, maybe... I mean, she actually had categories of each trimester and her program was trimester based. But maybe she was only focusing on the first trimester. So, she's like, look, it's not for you if you're beyond the first trimester. That's totally okay. Because you don't want somebody to come in and go, "Oh my gosh, I'm not in the first trimester." And then ask for a refund later. So, you can do that level of qualification where they read it and they understand, okay, look.

So, retention helps by saying, okay, here are the ways that you can over deliver and here are ways to retain. And also following up, "Hey look, how much value are you getting from this? Or can I over deliver with you? What can I do better? Where can we improve together? How are you benefiting from this particular product or service?" Asking questions, paying attention to support tickets, paying attention to what somebody asks, or how they inquire. Sometimes customers, especially if you have a good connection with them, they'll give you pretty in depth answers, especially if they know how you're going to use it or if you can use it to benefit the service.

Especially if you come back with... I gave a company that had a piece of software, I gave them a bug report. I indicated something that went wrong. And in the release notes he put, "Thanks, Tom." When he wrote the actual bug, because it was a pretty longstanding bug in a very specific situation. But he was like, "I can't believe that bug was there and no one reported it." And so he wrote back to me personally and he said, "Oh my God, thank you so much." And then in the release notes, and it's still out there on the internet, that it says, "Fixed. Blah, blah, blah, blah, blah. Thanks, Tom." And I'm like, wow, that's a guy who appreciated that feedback and that bug report. Because I actually opened a support ticket and said, "Hey, here's what I'm trying to do. I'm trying to follow this documentation. Here's the behavior I'm getting. Here's the version I'm on. Clearly I'm missing something." And he wrote back and said, "You're not missing anything. That's a bug. Thanks for finding it."

And so it's that recognition of do you recognize that these are people and that you're working together on this journey, your mission for your business and your purpose in this world. Your customers are there to help you do that, to help you live that purpose and that path. And so they're a blessing. And when I told my, I have an inner circle club of people that I do some very cool astrological things with, the idea... I call it Astro Club. It's not open to... It's not a

public thing and I haven't reopened it, yet. I probably will at some point. But I've been taking a small group of people through a really nice in depth process. And when I told them, "Look, I appreciate you guys, I appreciate each one of you." I mean, it's truly heartfelt, because they're able to help me grow and develop just as much as I'm able to help them through what we're doing.

And the more that that's reciprocated in, the more than that, that is truly felt, the more likely they are to stay around to begin with. And retention is nothing more than keeping that connection going. Think about it in the concept of a relationship, a romantic relationship, what retains the relationship? The things that basically help each person feel that they're getting value from it. People feel that they're satisfied in the relationship, they're getting what they need, they're able to be who they're meant to be. Everybody has their own reasons. And basically big picture, it's as long as those reasons are fulfilled from both parties with each other, then the relationship stays on.

And it's the same thing in a customer model. So, are your customer's needs getting fulfilled? And how can you over deliver even more value? And basically ask where retention comes from. Retention is not a thing you do when a customer says they want to leave. Retention is what you're doing throughout your entire process, throughout everything that you're doing to deliver value to them. And by doing that, you're actually able to... They then choose, "Oh my God, I'm going to stay with him because he just did this. He just did that. Oh my God, here's how I'm getting even more value. Oh my God, this is fantastic." And it's just over delivered, over delivered, over delivered. And it's great.

Now some companies, they look at volume and they go, "Well, customers fade and then I get more customers." Well, right. Yeah, that's true. There is an endless supply of people, but things can get harder if you didn't treat an initial set of customers right. And so I always say that, you know what? The best customers for you are the ones that you currently have. People sometimes spend more time on getting more customers and less time on who they actually have as customers. How can you do more for the customers that you already have and then for the customers that you bring in? How can you apply the lessons from the customers you already have to the people that you're going to bring into your business tomorrow?

And that's basically how you continue, how you over deliver. And that's what retention is really all about. So, with that, I hope that helps. And if you want help with retaining your customers, if you want to brainstorm ideas that you can surprise them and brainstorm ideas of ways that you can strengthen your retention, by all means, go to empowerdentrepreneurshow.com, click on the resources tab, scroll down, schedule a marketing strategy session. Just you and me on a Zoom call. We brainstorm and you'll walk away with a strategy to implement that for your business. So, with that, I will talk to you again in the next episode. Aloha; a hui hou. Talk to you again soon.

The Empowered Entrepreneur Show
Episode 026
<https://empoweredentrepreneurshow.com>

Outtro: Thank you for listening to the Empowered Entrepreneur Show.