

The Definitive Guide to Clienteling





A Tectonic Shift.

Great customer service used to be the secret sauce to retail. Fast. Friendly. Consistent quality. That was enough to keep customers coming back in the door. There were even retail sales training courses on smiling and using pleasant, positive language. The most successful retail stores deployed customer service strategies that were honed by behavioral psychologists. While still useful today, smiles and pleasantries and upsell strategies aren't enough in the current oversaturated retail environment.

Yes, customers still want quality and great service. But studies show they want more. They want a relationship with somebody they can trust. They want more than product reviews. They want an expert, somebody who knows their tastes, budget, upcoming needs, and will let them know when the things they want are on sale.

The data is clear that there has been a shift from products to relationships. In addition, today's customers are sophisticated. They use technology to enhance human relationships. Retail has to keep up or die. And in a lot of cases, it has died.

It's easy to see the tectonic shift in the way people view the selling process. Call it the Amazon effect. In order to buy online consumers had to be reassured that their purchases could be trusted. So, we saw a big shift away from traditional advertising being the trusted voice to peer-to-peer trust.

81%

Of consumers are more likely to give a retailer repeat business after receiving good customer service.

American Express Global Customer Service Barometer

In fact, nearly 80% of consumers say they don't trust advertising. But they do trust their peers. So, Amazon smartly created the user review. Products with the best reviews garner the most sales. Reviews became all the rage.

Reviews still work well, but they are losing a bit of their luster. Some brands are gaming the system by building up armies of reviewers. And while retail stores rely on reviews, they rely more on relationships.

In summary, in order to survive and ultimately thrive, converting customers to long-term clients is imperative. But first, let's look at the difference between a customer and a client (because there is a big difference).



The Difference Between a Customer and a Client

In historic Boston there is a place to buy fresh produce every Friday and Saturday. Haymarket sits next to Faneuil Hall and caters to students, young families, tourists, and old time Bostonians. It's been around since the 1700s and is the best place in town to get fresh produce from local farms and beyond. You'll see a lot of customers lined up at the various stands. They drop in, make a purchase, and step out, happy with the day's find.

These pushcarts and the fruit stands have been at Haymarket for a few hundred years. And only a few have grown into full-fledged businesses. They are content to sell a day's worth of produce to whoever is buying and that's it. And one thing you'll never hear uttered by any of the purveyors is the word "client."

On the other hand, clients become part of the family, trusting you to not only deliver the best product and service, but to know their needs before they do. Clients rely on you to remind and guide them. They trust your taste, your advice. They appreciate your attention to the details in their life and the occasions you make better.

So, ask yourself. Are you running what looks more like a fruit stand or a high-end retail establishment? If you're running your retail store like a fruit stand - keeping the product fresh, starting each day with a smile, hoping the lines will be long and that your genteel salespeople close more sales than they lose, then you stand to lose about 40% of your profits.

Acquiring a new customer is anywhere between **five to 25x more expensive** than retaining an existing one.

Harvard Business Review





Turning Customers into Clients requires Trust and Personalization

Business guru Stephen Covey famously said business transactions happen at the speed of trust. That means the first interactions with a customer are paramount.

Sales associates have to quickly put walk-ins into one of three categories:

1. **Need something today.**
2. **Just looking but will be interested later.**
3. **Buying for someone else.**

Since everybody who walks in is a potential client, uncovering as many details as possible about the customer will enable future communications, especially if the customer is in category 2 or 3.

We won't go into detail here about what your sales process should look like but suffice it to say your associates should ask the right questions and just listen. And by all means, get the customer's name. 75% of customer are more likely to purchase from a retailer who knows their name.

If someone needs something that day, don't stand in the way. But ask yourself if you'll ever see them again. Try to get a little info and get on with the sale. If they are just browsing, get an idea of what they like. Let them know when sales are coming up. Keep the conversation going and collect as much info as you can.

75%

Of customers are **more likely to purchase** from a retailer who knows their name.

PSK Future of Retail Report

79%

Of customers will only engage with personalized offers.

Forbes

And if they are buying for someone else, first try to relate to who they are buying for; what products are popular in that demographic. Ask about personality, likes and dislikes. Again, collect data and create trust. Relate stories about other customers who faced similar situations.

Remember, the more information you have the more you can personalize communications and offers. Why is personalization important? According to Forbes, 79% of customers will only engage with personalized offers.

Typically, personalization means one-on-one communication, relevant and timely offers, and tailored product recommendations.



Introduction to Clienteling

Now, that we've established that trust and personalization are key to building long-term relationships and repeat business, how do you put it into regular practice within your sales team?

This is where clienteling comes in. By definition, clienteling is a technique used by retail sales associates to establish long-term relationships with key customers. In other words, clienteling is relationship-based selling. And retailers that are good at it retain more customers, which means more profits. In some cases, upwards of a 25% increase for every 5% of customers who are retained.

For the remainder of this guide, we'll give you a deep dive into clienteling, including activities, best practices, barriers, and how to scale your efforts with the right tool.

Increasing customer retention rates by 5% increases **profits by 25%.**

Bain & Company





Clienteling Activities and Best Practices

There is a myriad of clienteling activities – those activities that give you a reason to communicate with your clients. The following is a list of common clienteling activities. How many are you doing?

- Birthday reach-outs
- Anniversary ideas
- Service reminders
- Weekly sales opportunity follow-ups
- 6 month clean-and-checks
- Spouse birthday
- New inventory
- Wishlist items on sale
- Child birthday
- Graduation event
- Holidays
- Review request
- Post-sale thank-you
- General check-in
- In-store visit follow-up
- Special update follow-up
- Store event reach-out
- Item complete alert





Barriers to Clienteling

In order to grow sales, your sales team needs to be actively involved in clienteling. So why isn't it done consistently? We suggest the main reasons:

Reason 1: Sales associates don't know how.

The reason clienteling doesn't stick with some sales associates is because they simply don't know how. They've never been taught what clienteling is and what is involved. Often this isn't their fault, but rather the store manager or sales manager who has neglected training sales associates on this critical way to build relationships with customers.

If sales associates are to do well, it's the leader's job to give them every tool and training and encouragement they need to be successful.

Reason 2: It's hard and time consuming.

For too many retail stores and their sales associates, clienteling won't scale and is a very manual process (assuming there is a process at all). Sales leaders and store owners don't want to invest the time in technology that makes the process easier and scalable. For them, a yellow notepad and folder stuffed with notes works just fine. Until it doesn't.

To have the same output as clienteling software that can automate so many things, sales associates would have to be pounding out communications 24/7 instead of greeting your clients on the sales floor. Sorry, it's the bicycle versus the sports car. Not going to happen.

Reason 3: They're paranoid.

It's no surprise sales associates can be a bit protective of the relationships they develop. They want to keep the relationships personal and private. It's not that they are greedy or self-interested, they just want to be successful.

The Real Reason.

While these reasons are all valid, there is a more common reason sales associates won't clientele. They're lazy. It's easy to get a paycheck, grab a few sales that wander in the door and be done for the day. Some associates are happy with the minimum effort in life. Those people shouldn't be working for you.

Clienteling begins with the support of the rest of the store. In other words, everybody has to be clienteling. Sales associates who embrace clienteling develop a reputation for taking good care of everybody that walks in the door. They get good reviews. They get more client referrals. Everybody benefits.



How to Scale Clienteling with the Right Tool

When sales associates spend less time trying to stay organized and more time with existing clients it results in higher conversion rates.

But a good sales associate could have between 500 and 1,000 clients, depending on the industry. That's a lot of personal notes, texts, and emails to write; and a lot of anniversaries, service dates, and product updates to remember.

Nobody can do any of this with a yellow pad and a pen or an email list alone. To scale and automate clienteling retailers need a powerful tool.

Clienteling software must remind and follow-up the sales associate of all the important dates and events in a client's life, including their past product history, their wish lists and product interests. It must help the sales associate know not only when to follow up but what to follow up with.

The simple answer is to just automate a lot of these things. But customers are pretty adept at recognizing automated and robotic notifications. These impersonal mass messages don't really scream "you know me" to a client.

As such, clienteling software should be flexible enough to work within a sales associate's existing processes yet empower and drive personal relationships. And do so at scale.

Conversion rates on existing customers are **more than 2x** than those of new customers.

The Friedman Group



Avoid the Upcoming Sales Slump

3 Counterintuitive Tips to Increase Off-peak Season Sales



In Conclusion

So, what have you learned from this guide?

First, you don't want to be running your retail store like a fruit stand. Second, you need to build trust and personalized offers to drive repeat business from long-term customers. Third, clienteling is the way to do this. And finally, you need the right clienteling tool to reach scale.

We get it. No technology can replace the personal touch. What's saving retail stores is the experience of connecting with another human who cares about the buying choice the customer is about to make.

That's why we created Clientbook. So, your sales associates could automate the mundane tasks and free up more time to give their clients the personal touch.



To learn more about clienteling and see Clientbook can do for your retail store(s), schedule a personalized demo by visiting **www.clientbook.com**