

In association with:



Understanding...

Winning and retaining customers

How to keep customers and attract more to maximise profit



Contents

03 Winning and retaining customers

PART 1

04 Making the most of your existing customers

06 Making yourself flexible – and available

10 How software can improve your service

PART 2

16 How to attract new customers

PART 3

20 Bringing it all together

Understanding... Winning and retaining customers

Welcome to 'Understanding... Winning and retaining customers', one in our series of guides designed to help small businesses increase their confidence and productivity whatever the economic climate.

In this guide we aim to demystify key topics by:

- Explaining how to service your existing customers better
- Demonstrating how technology can help improve customer service
- Showing the best ways to attract new customers to increase profits
- Outlining how to use the web to tap into a new customer base
- Helping you choose the right, integrated approach

For further advice about technology and how it can help your business compete and thrive, and to access case studies and articles or to download copies of the other 'Understanding....' guides, go to BT Business Insight, a unique online resource for small businesses, at www.bt.com/insight

Additional support and guidance can be found at The British Chambers of Commerce (BCC). Go to www.britishchambers.org.uk.



Making the most of your existing customers

Talk of the credit crunch and economic downturn continue to dominate the media – but one way to beat the gloom is by ensuring you make the most of what you already have. Your customers are your lifeblood, and in an uncertain economic climate it's more important than ever to protect these most precious of assets.

So why focus on customer service? As a small business, customer service is intrinsically linked to what you do day-to-day. It's a crucial part of how you work and an important way to differentiate yourself from your competition. Good customer service means referrals, repeat business and ongoing success – and ultimately, makes great business sense.

However, unlike larger companies, small businesses can lack the resources to maintain a clear view of their customer interaction. Consequently, it can be all too easy to disregard the value of regular feedback, new marketing techniques or improved technologies that could make a huge difference to your relationship with customers.

So in order to serve your customers effectively, it's essential to stand back and look at all the ways you interact with the outside world, as well as looking at your internal procedures and systems. This will enable you to see what improvements need to be made – and really benefit your business in the long run.

Part one of this guide will take you through the benefits of face-to-face interaction with customers, and how small businesses can achieve this through flexible working; how to use new communication technologies to improve customer interaction; how to use software to improve customer service; and how to go the extra mile to keep your contacts happy.

CASE STUDY

Radio at the heart of the local community

Pirate FM is a commercial radio station serving communities right across Cornwall. Managing Director, Beverley Warne, believes that balancing the station's commercial interests with a commitment to operating as a true community radio station is critical to its success, **“Being in tune with local people is what keeps us relevant and entertaining, but it is also vital to securing our commercial success through advertising.”**

In 2000, Beverley was keen to move the station's engagement with local businesses onto another level, to strengthen relationships and open up new commercial opportunities, **“We have always walked side by side with local businesses, but we really wanted to walk arm in arm.”**

Beverley was aware of the networking opportunities open to members of the Cornwall Chamber of Commerce, and decided to get Pirate FM involved. **“The Chamber represented an ideal opportunity to forge closer links with businesses of all shapes and sizes and stay up to date with local news and issues. What's more, it promised to be a useful source of business leads, especially from hard to reach businesses.”**

Joining the Cornwall Chamber of Commerce has helped to strengthen Pirate FM's bond with the local community, whilst providing access to a network of businesses from across the region.

“We've been able to really up the ante in terms of our engagement with businesses. We meet decision makers rather than gatekeepers, which has obvious benefits for our commercial activities, but also opens the door to a wealth of knowledge and experience both face to face and via a dedicated email system for Chamber members.”

Pirate FM is going from strength to strength. It is a Patron of the Chamber and often working together to promote Pirate FM's charitable arm, the Pirate Trust, which raises money to help those in need throughout Cornwall. Pirate FM has twice been named Station of the Year at the prestigious Sony Awards with judges describing the station as, **“totally at home in its area. Skilful at getting out and about and providing a great sounding board for its audience.”**

Making yourself flexible – and available

The most fundamental way to ensure you have a good relationship with your customers is – quite simply – being available to communicate with them. Flexible working isn't just about being able to strike a better work-life balance or being able to check your emails from the train. It's also crucial in dealing with the varied needs of your customers.

It's true that we're living in a more globalised business environment – and this is great news for small businesses. Today, even the smallest company can reach a potentially unlimited audience and work to its own schedule, but it's essential that communication between company and customer – and the service offered – improves as a result.



Improve customer service – with calls over the web

The latest technologies have been designed to help you create a more flexible, adaptable and responsive business. Voice over Internet Protocol (VoIP) is one of them. Put simply, VoIP is a technology that allows you to make calls over a high-speed internet or broadband connection. Its benefits are becoming better known, and are usually associated with cost cutting. However, VoIP can also deliver major customer service benefits.

- Through VoIP, calls are directed to a phone rather than a location, so it's ideal if you travel or work from home regularly. Incoming phone calls are automatically routed to wherever you've logged onto the internet, so you can make and receive calls from a single number – regardless of your location.
- As VoIP is a digital service, it can also be integrated with other business systems – so as well as caller ID and voicemail, smaller companies can take advantage of advanced functions like video conferencing, Instant Messaging (IM) and integration with Outlook. So essentially, you get a unified but diverse range of options to help you deal with customers whichever way you like.
- Furthermore, mobile VoIP services are now available – ideal for businesses without a permanent office or those based from home. Wi-Fi-enabled VoIP phones combine traditional mobile capabilities with wireless VoIP – so they work like a mobile when used out of the office, while allowing calls made in the office or Wi-Fi hotspots to be routed over the web. As well as cutting costs, this allows business users to receive calls over one number, wherever they are.
- The right VoIP service providers will also offer additional numbers which reflect the geographical location of the company or target audience, enabling companies to create a wider, more locally focused presence.

Ultimately, using VoIP is much more than saving money. It allows businesses to take advantage of accessible communications with their customers – regardless of size or budget.

CASE STUDY

UK's first virtual law firm speaks out on VoIP

As little as a decade ago, few people knew what the internet was and fewer still saw the true extent of potential benefits to businesses. Arguably, the same can be said today of VoIP (Voice over Internet Protocol) services, particularly the opportunities they can offer for smaller businesses to transform the way they work and the cost of their communications.

One of those that did see the potential of the internet was Andrew Woolley, who first experienced the power of 'online' in 1996 when the Midlands-based firm of which he was then a partner took the plunge.

Realising how technology could revolutionise his business, Andrew was inspired to set up his own law firm, Woolley & Co. The new company, which specialises in small business and divorce law, became the world's first true virtual law firm.

Rather than being based in an office, the company's ten partners all work from home, and are equipped to work flexibly on the move. This dramatically reduces costs, allows them to provide excellent service and be available whenever clients need them, no matter where they are. At the heart of the company's success is its use of broadband, combined with Voice over Internet Protocol (VoIP) services.

Woolley & Co. is using BT Business Total Broadband to give its team everything they need to get online, be secure, work on the move at BT Openzone hotspots across the UK and Ireland and collaborate across the company. The company also makes the most of a VoIP line that's currently being offered free as part of the standard BT Business Total Broadband packages. This gives them access to an additional telephone line along with great rates to local, national and international destinations. It also gives a range of special functions such as online call forwarding, conferencing and voicemail. This means that whether they're in the office, working remotely or on the move, Andrew and the other partners can take or respond to calls from clients, colleagues and other lawyers.

"What many small businesses don't realise is that the benefits of making calls over the internet extend far beyond cheap calls," explained Andrew. "Using VoIP allows my team to work from wherever they have a broadband connection. Yes, there are cost savings to be made, especially when we're calling internally between partners, but it's equally about the convenience of not being tied to a desk."

Businesses can also use a single handset to make and receive both VoIP and mobile calls. Whether users are in the office or out and about, BT Business Fusion allows them to make capped price calls and have the convenience of only having to carry one device, as Andrew explains:

"I can give clients one number, so they can contact me wherever I am. When I'm in the office, my Fusion phone connects my calls via broadband, so I get the benefit of fixed line rates, and everywhere else it switches into a standard mobile phone. What's revolutionary is that when I'm in a BT Openzone hotspot I can also make calls over the internet and the handset works out what the cheapest option is for me."

Andrew explains the importance he attributes to selecting the right services. **"This is my livelihood we're talking about. The epiphany for me was realising how important it is to invest in services that are specifically designed for business. It's critical that the products are reliable, secure, fully supported and designed to integrate with all elements of my company's communications. The options I've chosen I've thankfully found to be simple to use and have required very little technical knowledge. I get the benefits of the technology without the hassle of having to manage it, which means I can focus on servicing my clients without distraction".**

How software can improve your service

Collaborating and communicating with your customers isn't just about talking over the phone or writing emails. Technologies have been developed to allow smaller businesses to take advantage of software traditionally reserved for larger companies with bigger IT budgets.

Web-based collaboration tools, for example, allow you to share information with employees easily and securely over the internet, helping you to manage projects and improve customer relationships. Customers can even be invited to participate, sharing key discussions and providing invaluable feedback.



Why should you embrace Software as a Service?

In the past, businesses paid for their software through an up-front licence fee, and then paid for ongoing maintenance and upgrades. This meant lump sum investment – which can prove difficult for smaller businesses and start-ups. Similarly, it meant that companies had to buy more software as their business grew.

Over the last few years, however, business software has been revolutionised by the advent of Software as a Service (SaaS). SaaS applications allow you to use the latest business-grade software developed specifically to meet the needs of your company on a subscription basis.

This removes the need for upfront capital investment in terms of hardware and software – not to mention eliminating upgrade costs – and means you no longer need to manage and support critical business applications in-house. But the real benefit of SaaS is that it allows you to remain accessible and flexible, regardless of your company's size.

- Firstly, the SaaS model makes applications available on a pay-as-you-go basis, so that small businesses can choose how much they need and upgrade as they grow. Some applications are even available for free.
- The additional flexibility offered by these services allows considerable customer service benefits. Being web-based, they are available from any location, even through a PDA or other mobile communication device. Users can be switched on and off according to need, meaning that customer service costs are kept in check and you only ever pay for the number of people actually using the software.
- One example of a SaaS model that can help small businesses improve their customer service is online administrative software. Tools like BT Business Builder allow you to put all of your basic administration – from payroll to planning – on the web. These services are designed to address the core financial, legal and administrative elements of business management – helping smaller companies to run efficiently and professionally.

What is CRM and how could it help me?

Customer Relationship Management, or CRM, is a term that describes software that helps you manage interactions with your customers and prospects. Back when a rolodex of cards was enough to manage customer relationships, we didn't have technology such as email, web conferencing and e-marketing to contend with.

Nowadays, the internet has introduced entirely new ways to interact with customers – but with them come new challenges. So how does CRM help?

- **Accuracy.** Ensuring every interaction and transaction is logged and monitored is the first step in a successful and fruitful customer relationship. It not only helps you understand more about your customers' buying habits and their likes and dislikes, but it means that every time you speak to them you can pick up where you left off.
- **Service.** Think of your own personal benchmark for customer service. Is it the call centre that has your complete history at its fingertips, or the local shopkeeper who knows your first name and favourite brands? CRM software can help you do both – ensuring that you're interacting with every customer on the appropriate level, no matter how quickly your business grows.
- **Marketing.** Personalised marketing is the most effective – when you can speak to a single person and offer something they need at the appropriate time. CRM can help you plan marketing activity, then segment it by customer profile, immediate need or sales history.
- **Sales.** It's easier to sell more products to existing customers than it is to win new ones. So a better understanding of your customers can create a huge opportunity to sell more and help them make the right decisions about your products and services. No matter what market you're in, the ability to recommend products or services, and even predict when a customer may need them, is a vital sales tool.

CASE STUDY

Integrated Management Suite supports eco-tourism growth for Way Out Experiences

Way Out Experiences creates and runs environmental projects that tackle global issues such as the extinction of orang-utans in Borneo. It is vital that accurate and timely information about volunteers is transferred between the UK communications office and the Malaysian sites, so that logistics and medical details are passed on correctly.

Afzaal Mauthoor, Marketing Director at Way Out Experiences, explains: **“It's like spreadsheet tennis at the moment, going back and forth. We were looking for some state of the art technology that can collect all the information to one central depository so that anyone in the company can view it at any time and communication is more efficient.”**

Afzaal was in negotiations to buy a Customer Relationship Management (CRM) system from a local company when he went to the BT Business Experience, an event showcasing innovative technology to small and medium sized businesses.

Way Out Experiences had assumed it could not afford a top flight CRM system until Afzaal met the BT Business Applications team at that event.

NetSuite, provided by BT, is a powerful web-based application for running any business and includes accounting, Enterprise Resource Planning (ERP) and e-commerce features as well as CRM. The main benefit for Way Out Experiences is the ease and speed with which employees can now communicate information.

Afzaal says: **“With NetSuite, every person, no matter how remote they are, has access to real time information about each customer. If a customer calls we're able to view their details immediately. It saves us time, and enables us to share information accurately and promptly.”**

Using technology to improve customer service

While customer data should be at the heart of every business, technology doesn't stop there when it comes to taking service to the next level.

Other innovations to help you speed up your transactions, improve interaction with customers and ultimately boost customer service include:

- **E-signature technology** – allowing customers and partners to 'sign' documents over email with an e-signature removes the need to rely on faxes or post for contracts.
- **Virtual phone systems** – freephone or local rate numbers are a convenient way for customers and prospects to get in touch. You can also have call queuing, music and messages while people wait, and even create custom voice menus to make you appear like a much larger business.
- **Web 'call me' buttons** – why not let all those visitors to your website get in touch by phone with just one click? 'Click-to-call' services provide a seamless way for customers to call – just embed a small piece of code on the site and let the technology do the rest.
- **Voicemail and beyond** – having voicemail is a convenient way for people to register their interest in your company, even if you're not around to take the call. Technology can take this a step further – now, email alerts and playback over the web means you never need to miss another message.
- **Next-generation tracking** – while CRM tools can help you analyse customer behaviour, tools such as BT's Smart Marketing can show when certain customers open emails and visit your website. This can be vital information in registering interest or reaction from important prospects and really help to make the sales and marketing effort more targeted and personal.
- **Unified communication** – integrating VoIP technology with other business systems can extend beyond a unified messaging capability. By integrating a range of IP-based IT and communication services including voice, video, data, security and wireless networking, smaller businesses can improve collaboration between colleagues, partners and suppliers, regardless of location, to be more productive and meet customer needs quickly.



How to attract new customers

Advertising and marketing are no longer restricted to big-budget companies. The internet has completely changed the market for small businesses – not only in the way they operate, but also in the way they are perceived. Now, businesses with no budget whatsoever can reach out to a potentially unlimited customer base, simply by using all that Web 2.0 has to offer.

Don't be scared off by terminology. Web 2.0 simply means user-generated content and collaboration online. So if you're au fait with Facebook and YouTube – and even if you're not – there's no reason why Web 2.0 can't help you reach out to more people, wherever they are.

How can people find my site?

Using the web to attract new customers isn't just about having a great website – it's about making sure the right people find it. A good way to start this journey is by choosing your domain name carefully. Your domain name is essentially your online address (as well as being part of your email address).

Getting your domain name right is crucial because it reflects your company's identity online. So make sure whatever you choose is easy to remember, easily connected with your brand and – most importantly – easy to spell. Once you've chosen your domain name, you'll need to check if it's available through your Internet Service Provider (ISP).

It's always a good idea to purchase the main variations of a domain name, particularly if you have a reasonably obvious name. It's not unheard of for competitors of a business to buy .co.uk or .net variations in order to pick up customers that forget the extension or misread the web address.

Once your website is up and running, it's worth adding interactive elements to it to help you attract more customers. A good place to start is by having a free web consultation and optimisation service – like the one offered by BT – which will look at your site in detail and pinpoint areas that can be improved in line with your business objectives.

Can social networking help my business?

Social networking sites are a very popular way to get online, share information and make new contacts. However, they can also be used in exactly the same way by small businesses: as a first foray online, giving visitors information about your products and services, and as a way to attract new business.

There are now social networking sites – such as www.bttradespace.com – that have been specifically designed for small businesses, and allow you to take advantage of the latest Web-based technologies to help build your online presence. Tradespaces are free and quick to set up, even for those without any technical expertise. Users simply fill in the details and upload images and logos, and choose the community they wish to join.

Each Tradespace also includes a blog, photos, podcasts, contact information and maps. You can choose to add extra services like Click-to-call functionality or multiple communities for a low monthly fee. In addition to creating an online presence, BT Tradespace users can sell directly to consumers using the PayPal element of the service to process payments for goods and services securely.

How can I share ideas with other businesses online?

Whether it's the butcher, the baker or the greengrocer, local businesses have a long tradition of sticking together – to share ideas, promote each other's companies and refer loyal customers. It's no different online.

Using the web – particularly social networks and business forums – small businesses can link up with similar companies to share news and ideas. By choosing a relevant community on BT Tradespace, you can build relationships with complementary businesses while keeping an eye on your competitors.

BT Tradespace also allows you to link to other companies and in turn they can link to you. This works particularly well between businesses with similar products and services. So if your company sells paper, for example, it's a great idea to link with a printer or ink seller, to cement a mutually beneficial business relationship.



What is search marketing?

Once you've built an online presence, one of the challenges you'll face is how to drive people to your site. Search engine marketing is a great way to make sure you get maximum online exposure.

Most people who use the web are familiar with search engines – and use them to find exactly what they need, whether locally, nationally or internationally. As a result, once you have your interactive site working the way you want, search marketing is the logical next step to generate sales leads from existing search engines like Google.

In order to use search marketing successfully, you'll need a detailed understanding of search and continual tweaking. This can be both time-consuming and costly – in fact, some larger companies employ teams specifically to concentrate on search marketing.

However, smaller businesses can still take advantage of search marketing by using a subscription service. BT Web Clicks, for example, gives you expertly chosen keywords and professionally written advertising copy to boost your searchability from just £20 a month. Using this type of service allows smaller businesses to ensure that visitors who come to your site through a sponsored link are looking for the exact products and services you offer – and are likely to make a sale.

Search Engine Optimisation (SEO) is another way to increase your business's searchability. In its simplest form, it is the process of designing your website in a way that will make it appear high up in search engine rankings. This includes fine-tuning a range of different elements on your site (both visible and invisible), including using targeted keyword phrases related to your business and ensuring those words are in the site's copy.

SEO is something you can take on yourself – but again, it can be complex and time-consuming, and it can take a considerable amount of time to notice its results. There is a range of web agencies that offer SEO, so it's worth shopping around and doing some research to pick the right SEO package for you.



Bringing it all together

This guide has taken you through the basics of holding onto customers and attracting new ones – from using new technologies to building networks, this information should help you gain business confidence and meet the challenges of an uncertain economy.

However, it's important to remember that no two customers – and no two businesses – are alike. Every consumer has his or her own approach to buying, preferred means of communication and unique personality. A one-dimensional strategy, therefore, could be a huge stumbling block. It's all about choosing the right approach.



In order to grow, every small business needs a multi-faceted, integrated customer service that takes all foreseeable preferences into account. So when looking at how to retain customers and attract new ones, follow this five-step guide:

1. **Be fast** – ensure that the technology mix and culture of the organisation are geared for speed. Put yourself in your customer's shoes. How quickly would you want a response from a supplier?
2. **Be flexible** – customers have their own ways of working, and their preferred channels of communication – from phone and email to IM and fax. Make sure you're prepared to deliver quality services through a multitude of media.
3. **Be open to new ideas** – just because you're used to working one way, doesn't mean that you can't experiment. Make sure you undertake regular performance reviews and look at how you can improve. It's also a good idea to keep an eye on additional tools and new technologies that might help you work better.
4. **Be responsive** – offer a consistent service and a consistent consumer experience wherever your staff may be, whether it's in the office, at home or on the move.
5. **Be organised** – Make the most of technology to ensure that key customer service data is captured and used appropriately. Use Software as a Service as a fast, flexible and affordable way of getting these systems in place.

Offices worldwide

The services described in this publication are subject to availability and may be modified from time to time. Services and equipment are provided subject to British Telecommunications plc's respective standard conditions of contract. Nothing in this publication forms any part of any contract.

© British Telecommunications plc 2009
Registered office: 81 Newgate Street, London. EC1A 7AJ
Registered in England No. 1800000.

Printed in England.

PHME 56699/06/09

