

Client Loyalty

Building Brand Relationships That Last

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"Your website isn't the center of your universe.

Your Facebook page isn't the center of your universe.

Your mobile app isn't the center of your universe.

The customer is the center of your universe."

— BRUCE ERNST, LEADiD SVP OF PRODUCTS

CLIENT LOYALTY IS A BIG CHALLENGE for many spa owners and marketers today. Technology advancements place the power of easy access to extensive information and choices in the hands of consumers who are less inclined to stick to just one brand.

Consumers tend to be finicky because they now have more choices and fewer reasons to remain loyal to a brand. They come with heightened expectations of brand experiences and will not hesitate to voice their disappointment or distrust of a brand over multiple digital channels.

A brand without loyal customers, however, cannot stay competitive and profitable in the long run. So the need for building strong brand loyalty and following is crucial for spas if they want to stay competitive and visible within their market space.

The Real Cost of Retention

What is the financial cost of building client loyalty? Although an expanding client base is a core business goal, the cost associated with attracting new customers is much higher compared to cost of retaining existing clients. According to the Gartner Group, 80 percent of your company's revenue will come from just 20 percent of your existing customer base. In fact, *Leading on the Edge of Chaos* authors Emmet C. Murphy and Mark A. Murphy, estimate that, depending on one's industry, a simple five percent increase in customer retention can deliver an increase in business profits between 25 and 125 percent.

There is no doubt that client retention can be extremely challenging for most brands; however, it is an attainable goal.

Three areas of specific focus to build client loyalty include:

1. Focus on creating an amazing customer experience. While spas need to keep an eye on their bottom line, it is equally important to ensure that brand policies do not negatively affect the client experience. No issue is too big or too small; if it involves improving client experiences, then it is worth considering.

Tech giant, Apple, for example has built a culture of excellent customer experience. By closely analyzing consumer "likes" and "dislikes," the company has actively addressed a number of customer issues and areas of potential future concern. Below is a good example of how they do this:

Instead of making their customers wait in line for a clerk to service them, Apple came up with the idea of a Genius Bar at their retail stores where customers have the option of scheduling appointments with a "Genius." With zero wait time, the customer is free to schedule his or her other appointments at convenience. This is just one example of how the company gives its customers top priority.

PAUSE FOR THOUGHT: Taking the Apple example, how are you putting your guests' convenience top-of-mind even before they step into your spa? Do you offer them easy ways to set up appointments, whether through an app or a mobile-responsive website? While waiting for a treatment, what complimentary amenities do you offer guests to not only make them feel welcome, but also help them disconnect from the outside world? If Apple has a Genius Bar, have you thought about offering a Detox or Vitality Bar where guests can either unwind or learn about wellness while waiting for

their scheduled treatment? Thinking about every touchpoint of your guests' experience ensures that you'll leave them with a unique experience that would drive them back to your spa.

2. Appeal to the trillion-dollar client base. With an estimated spending that is close to US\$600 billion, millennials are a consumer force that no brand can afford to ignore. This "always-connected generation" strives for a healthier lifestyle and is not swayed by big brand names. Talk to them about farm-to-spa and organic products, or antioxidants and probiotics, and you just might manage to raise their interest.

Being tech-savvy is a boon and almost a default attribute with millennials. However, it brings with it the risk of mental and physical exhaustion that can manifest itself in a number of ways. Spas can use this opportunity to build a loyal following by offering services and products that are completely organic and customized to specific millennial concerns, including stress and insomnia.

If there is one brand that has played a pivotal role in changing the perception of working out in the minds of health-conscious millennials, it is Nike. The company tailors its campaigns and products to align closely with the interest and affinities of its audience. Nike is not just a sneaker company. It represents a lifestyle transformation for most millennials.

Air Jordan, for example, is a prized possession and carries massive iconic appeal. For shoppers, an equal part of the appeal is having the option to use colors and materials and customize their sneakers. With powerful taglines like "If you're brave enough to try, you're strong enough to finish," Nike is effectively championing the cause of exercising to stay fit for women who want to balance work and personal life without compromising their health.

By blending personalization with an almost organic appeal in its product offerings, Nike speaks to its customers on a personal level. And that is what millennials crave.

PAUSE FOR THOUGHT: Taking cues from Nike, have you created a marketing initiative targeted at millennial spa guests? If you haven't yet, it may be time to add this to your marketing plan. Consider taking a simple survey as part of either your intake or post-visit form that look into millennials' personal preferences in order to gain insight

into what may draw them back into your spa or business. Are they looking for treatments that use organic products or do they want the latest high-tech treatments? How are you training staff members so that they are able to customize treatments when guests demand for it? Since millennials are always connected, are you engaging them in digital channels that they frequently use, whether that's Instagram, Facebook, Twitter or Snapchat? Like Nike, the way to connect with millennials is to understand their unique demands for individuality and authenticity.

3. Walk the talk on your client service policy. Client satisfaction is the foundation for building a loyal client base. While most brands talk big about client service experiences, very few walk the talk. In a study conducted by Accenture, findings suggest that the top areas that frustrate customers are:

- failure to quickly resolve an issue;
- lengthy hold times;
- interacting with representatives who cannot provide a solution.

While these three are core issues for ensuring great client service and building client loyalty, it is necessary to ensure that all areas of brand interaction extend client satisfaction experiences. Just like how detoxification works from the inside out, brand loyalty and stellar client experiences work best in the same way.

PAUSE FOR THOUGHT: Have you reviewed your spa's resolution procedures lately? It may be time to update some policies to further improve your team's ability to

respond to guest-related issues? Since online reviews matter to today's digital-savvy guests, do you have someone in your staff trained to monitor and respond to reviews in order to address negative online feedback accordingly? Aside from training staff members on general spa policies, what other types of trainings do you offer in order to equip your staff with the knowledge and tools to properly and immediately resolve issues? More importantly, given clients' common frustration of speaking with representatives who cannot offer real solution, how do you empower your staff members so that they will have the confidence to immediately resolve issues and win unhappy guests back to your spa?

Personalized Touches

The delivery of personalized client experiences is the most effective way of creating client relationships that can stand the test of time. Building brand loyalty revolves less around reward and recognition programs. The focus for spas should instead be on building high-value client relationships through compelling and personalized client experiences. Spas that understand their client expectations and pain points are the ones who are in the position of delivering service experiences that encourage client loyalty. ■



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KEY THINGS TO KEEP IN MIND

HIRE PEOPLE-FRIENDLY PERSONNEL who come with not only the right kind of skill sets, but are also committed to truly delivering excellent client service. Having the right mindset and attitude to do a job is an absolute necessity when it comes to impressing and pleasing clients.

TRAINING FOR STAFF ON DELIVERING STELLAR CLIENT SERVICES should be a core brand policy as it helps in ensuring that the staff are in a position to not only answer service and product queries, but are also trained to deal with difficult situations.

EXCELLENT CLIENT SERVICE should be a business-wide culture. When the leadership defines and walks the "client experience is a top priority" talk, it sets the precedence for always delivering on a brand's commitment to excellent quality of service.

EMPLOYEE SATISFACTION is crucial to client satisfaction. Brands with happy employees have the advantage of an engaged and loyal staff who serves as motivated brand ambassadors. Happy employees are more willing to go the extra mile to ensure client satisfaction.