



UNLOCKING THE VALUE OF YOUR CUSTOMERS

One of the greatest thrills in business is acquiring a new customer. Many businesses are too caught up in the excitement of acquiring new customers that they do not spend enough time or money on unlocking the value of their existing customer base. It surprises me how often business fail to regard their existing customers as one of their most valued assets.

There may not be the same excitement in getting orders from existing customers, BUT this is where the real profits are made. It is generally accepted amongst most marketing experts that it costs at least five times more to acquire a new customer than it does to get an order from an existing customer. There are many ways that you can unlock the value of your existing customer base and in this article, I will explore some of those ways with you.

The first thing a business needs to do is develop the mindset that their customer base is their most valuable asset. Customers need to be treated like gold because that is what they are to your business. Responding to the needs of your existing customers must take priority over prospecting for new customers.

To unlock the value of your customers requires that you have a range of products that will fulfil their needs. Products should be carefully chosen to ensure they are of the right quality and will meet customer needs. Your customers will often tell you what they need if you listen to them carefully and with respect. This can save you a lot of time and cost in market testing of new products.

Stay in contact with your customers. There are a variety of ways to do this and the Internet provides a cost effective means to do so. A regular newsletter for customers providing them with useful information is the most common way. However, you need to know what your customers want to make this truly effective.

Gather the preferences of your customers and monitor their buying habits. This can provide you with very valuable information. To get valuable ideas, look at some of the things Amazon does. For example, Amazon allows people to subscribe to updates on various different types of books and products. That way, they are able to provide information on a regular basis that the customer is interested in.

Amazon also had an author update service. You tell them who your favourite authors are and, whenever there is anything new by that author, you receive an email notification. They also have a facility that suggests other titles or products you may be interested in. This is based on what you are considering purchasing and what others who purchased the same item also purchased.

Do these features generate more sales from their existing customers? You bet they do! How can you use these concepts to unlock the value of your customers?

Consider ways that you can make it easy for your customers to re-order. Simple things such as not having to fill in all their details again on the order form help. That way, customers only need to advise you of changes to their details and the order process is a lot quicker.

Regularly review your customers' buying habits. This can reveal information on offers that you can make that meet their needs. Providing them with a solution to their problem will lead not only to further sales but also strong goodwill.

Customer service can be one of your strongest weapons in the battle to retain your customers. Make every effort to personalise responses to customer enquiries. Do not send standard form emails if you can avoid it. While this will take more time, the rewards will be far greater.

Be quick to honour guarantees. This will show that you mean what you say and will build strong credibility. Too often, tardiness and slow responses lead to lost credibility and lost future value of a customer. When you are treating your customers as the most important people to your business, they will find the experience rewarding and will return often.

Each business is different and has its own specific ways that can generate greater value from their existing customer base. Through this article, I hope I have helped you to start thinking more about how you can unlock the value of your customers.

Remember, the more you put into looking after your business's major asset, the more profit you will make. A side benefit is that your customers may even refer their friends and associates to your business resulting in a steady flow of new customers with a very small customer acquisition cost.