



# CRMTIPS! #9

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## CRM: Making Loyalty Your Customer Strategy...

In many companies, there is an odd paradox about their customer relationships. They work extremely hard to get new customers. They spend good money to do advertising, create fancy proposals, buy lunches, do demonstrations, build prototypes, and much more... and then, once they have the customer, they turn them into some type of orphan that goes un-noticed and un-nurtured. The big problem for companies that exhibit this paradox is that their profits correlate to the customers they keep instead of to the new customers they get. Loyal customers spend more, cost less to service, and provide inexpensive advertising and PR.

*“Organizations with loyal customers had profits up to 60% higher than those of competitors, and were twice as likely to exceed forecasts.”*

Gartner Group “How to Approach Customer Experience Management”

Creating loyalty requires a clear customer strategy. This, in turn, requires an understanding of exactly who your customers are and how they are different from one another. Your customers need to be categorized according to their profit contribution and then appropriate sales, marketing, service, and administrative strategies must be developed for each category. Then, those strategies can then be supported by appropriate CRM software and technology. Customer loyalty also hinges on addressing both the customer’s need for

tangible benefit as well as the way your business makes them feel. This kind of emotional loyalty is achieved by turning customer problems into opportunities for success. This means making sure the customer is convinced you have their best interests at heart. This comes from, among other things, being convinced that your company understands their needs, is fair and honest, is committed to their success, and fully appreciates their business.

*“Consumers are driven far less by tangible attributes of products and services than by subconscious sensory and emotional elements derived from the total experience surrounding the transaction.”*

Dr. Gerald Zaltman, Harvard Business School, Laboratory of the Consumer Mind

This is what Customer Relationship Management (CRM) is all about. Good CRM results in high loyalty, customer loyalty, and – in most industries – much better profits. An automated CRM system is often the best ways to execute your customer loyalty strategy. It ensures that everyone in contact with your customer understands the importance of that customer category and can deliver a level of service consistent with your customer strategy. Moreover, a CRM system can ensure that company customer policies are applied consistently and that every employee engaged in customer contact delivers a clear message to the customer that says: “We appreciate your business.”

RB Data Services is fully certified to sell and support Microsoft CRM, GoldMine Corporate/Premium/Enterprise Editions, and SalesLogix.

**Grow Your Business Through Better Customer Relationship Management – Stay Informed!**

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