

Recognising, rewarding and retaining your 'high value' customers

In an increasingly tough economic environment, businesses must do all they can to not only attract new customers, but look after existing ones - especially those who are categorised as 'high value' or absolutely essential to the survival of the business.



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“Online research suggests it’s an average 20% of customers that fall into this specialised category. They need extra attention because their contribution is considered inextricably linked to the sustainability of operations,” says Frik van der Westhuizen, marketing director at software solutions provider and CRM firm LoyaltyPlus.

Catalysts for growth

“We’ve also seen another formula advocated as a measurement tool for customers, based on a ranking system, from highest to lowest over a twelve-month period... customers that contribute as much as 80% of total value are high value,” he adds.

They essentially bring in the most value to the business because they are catalysts for growth, additional customers and greater profits. “They are hugely influential and their influence carries over to other like-minded customers. So, in the case of ‘high value’ customers, word-of-mouth carries major weight.”

Van der Westhuizen continues that it's important to recognise these people and what makes them stand out. They're profitable and worth considerable time and investment by businesses because they are generally less sensitive to price changes, are brand-conscious, do not need intensive after-sales service and are interested in new market developments.

He believes the more 'high value' clientele a business has, the better for the business and the higher the chance of its survival in trying economic times.

What should businesses do? Primarily business owners should focus on customer experience and ensure customer satisfaction.

"This is really about knowing your customer, understanding what drives them, what their behaviour is and why." Van der Westhuizen adds that: "This is why big data analytics is being integrated into software functionality and application. Data extracted from software can provide businesses with valuable insight and answers, which empowers them to make the right decisions and act accordingly."

A proactive approach to customer service

The main reason that business owners leverage data analytics is to respond and react to customers to improve service delivery and enhance the experience for them.

But, as LoyaltyPlus explains, not all customers are alike and it is important to factor in personal taste, different requirements and different aspirations.

"This means that aspects like audience segmentation become critical. It is not only important to understand the customer, appreciate their independent thinking and use behavioural analysis to improve the customer experience and add value, it is equally important to use automation and nurture relationships," notes van der Westhuizen.

Businesses are advised to automate systems that deal with client account issues if and when they arise, and take a proactive approach to customer service. This includes pre-sales, sales, post-sales and relevant feedback facilities.

"Make sure every interaction counts, engage the customer fully and try to manage each step of the process so that issues are dealt with quickly and effectively. This will help develop high-value customers, and that equates to many more years of operation and a healthier bottom line," van der Westhuizen concludes.

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