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Twelve quick ways to build customer loyalty – a Key Account Management Approach



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Customer retention is clearly one of the most important priorities on the minds of most executives today. The payoff from keeping customers loyal is just too large to be ignored: you avoid the expensive marketing costs of attracting new customers, and getting them into your systems; loyal customers are more willing to pay more for, and buy a wider range of, products and services; they encourage and invite others to do business with you, and protect you from attacks by other customers; competitors find it far more difficult to lure them away; they share ideas for innovations and improvements with you; they are more willing to cooperate with new systems and procedures; and they also treat your staff and associates with more respect and care.

The Peppers & Rogers Group, a management consulting group focused on customer-based business strategy have suggested that you identify at least three different groups of customers in your business: the Most Valuable Customers, (or MVC's,) the Most Growable Customers, (or MVG's,) and the “Below Zeros”, (or BZ's,) which are the customers where you are losing money by doing business with

them. We also suggest that you do some analysis of the “long tail” which comprises the rest of your customers.

For the MVC's and the MVG's, you need to develop specific strategies to build loyalty. So what can you do to keep them for far longer? Here are some of the ideas:

- Learn more about your customers' markets and business environment by talking to their customers, their staff, their suppliers, and maybe even their competitors. The more information you can gather about their needs and attitudes, and also about the key people, the better your chances of success.
- Develop (together with your key customers) a preferred-customer pricing strategy and “special service” options to show them how important they are, and to forge deeper business links. You may even go one step further to develop a joint marketing and/or business strategy for both companies. Develop three- to five-year business plans with your customers so that there is mutual growth and benefit.
- Constantly and continuously find ways to add value for your customers, and to build better relationships with them.
- Actively recognise, thank and reward your best customers, and also those who refer more business your way. Don't forget that you can also pass more business to them too with you other contacts.
- Assign one company representative to stand in for the rest of the company and also all of the products for your key accounts, to allow for “one-stop shopping.”
- Go away on a “Bosberaad” (a South African word for an out-of-town “retreat”;) with your best customers in order to share your learnings and best practices, and to get them to share information with you, and possibly with each other too.
- A different type of “retreat” can also invite your customers to a focus group for generating ideas for improvements in your products, services, procedures and processes, systems, and even for training your staff.
- Encourage your customers to give your staff ongoing seminars and workshops about their company, products and services, or even industry. Do the same for their staff.

- Send your people to work at the offices and factories of your best customers for a week, a month, or even forever.
- Reward sales and customer care people in your company for business generated for more than three to five years from the same customers, or on increases from your customers' sales and profits.
- Partner with your customers in joint research work or major research projects.
- Participate in your customers meetings, events, exhibitions and trade shows.

Of course, all of the ideas mentioned have the additional benefit of building better relationships and an emotional bond between your staff and those of your customers. The potential payoff for your company is vast.

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About the Author

Aki Kalliatakis runs The Leadership LaunchPad, a business focused on customer loyalty and radical marketing that he founded in 1989. He helps companies to implement customized service and loyalty strategies and lectures at executive development programmes for a number of business schools of both local and international universities, though he believes practical ideas are more important than academic theory. He adds value at training programs in Africa and around the world.

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