

Unit 217 Develop Customer Relationships

Developing Relationships with Customers



Customers remember the way you have treated them and are more likely to return if you have provided a positive and helpful service, maybe going the 'extra mile' for them.

Building a good rapport not only benefits the customer, but also the organisation and its staff.

- Customers will trust the products and services provided and will become loyal to the organisation.
- Customers will 'spread the word' about your business, giving positive feedback and encouraging others.
- The risk of conflict will be reduced, resulting in fewer complaints and prompt resolution of problems.
- Staff morale will be improved in a friendly atmosphere with positive attitudes from both customers and staff.
- The business will benefit from healthier sales and will remain competitive in the marketplace.

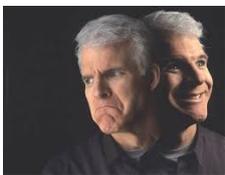
Loyalty and Customer Retention

Retaining customers means keeping them. Loyalty and customer retention is a valuable asset for any business and should be one of its most important objectives.



- The business generates regular income and the opportunity to provide additional products and services to loyal customers.
- Your costs of advertising can be reduced, since promoting products and services is often done by word of mouth.
- You prevent customers from moving away to competitors.

Changing Expectations



People change and thus their expectations of a business and its products will also change. This may be because of something that happens to them or because of external influences within society and the world at large.

Short-term Expectations

On arrival, every customer has expectations about what service they will receive. When the normal situation changes, the customer's needs and wants may change as well.

Short-term expectations can change because:

- They receive poor standards of food, drink or service.
Example: they want a replacement product or a discount.
- They want something you cannot offer.

Example: they don't like what they see on the menu and ask for a specially cooked dish.

- Their thoughts and actions are affected by drinking too much.

Example: they start to make unreasonable demands and seek attention.

- They become ill or in difficulty and need extra help.

Example: they need first aid or an ambulance.

Long-term Expectations

You cannot rely on customers always wanting the same thing. As much as regular customers enjoy your products they may become bored and want something new. Furthermore external factors have an influence on what they expect from you.

Long-term expectations can change because:

- Due to frequent visits, they are bored with the products you offer or the facilities within your organisation.

Example: they want to try new dishes or drinks, or hear new music.

- They have been influenced by fashions and trends.

Example: they have read about new healthy cocktails or smoothies which they want to try.

- Ethical issues affect their decision making.

Example: They want to see organic products or items from sustainable sources.

- They have seen or experienced products and services from competitors.

Example: Another similar restaurant is offering special lunch deals.

- Economic factors are affecting their spending power.

Example: High inflation can lead to customers 'tightening their belts' and wanting to spend less.

Customer Feedback

Asking for customer feedback can provide extremely valuable insight about your business and products. Results of analyzing feedback can influence what is working and what changes may need to be made to improve service delivery.

Asking for feedback helps to build customer relationships so that you can:

- **Learn what your customers like and don't like.** If you know what's working for your customers and what isn't, you can provide the best mix of products and services to meet their needs.
- **Make customers feel important and involved.** By asking for your customers to provide you with feedback, you're communicating that you value their opinion, and you care about what they have to say. Your customers feel important because you're treating them as such and they feel involved in shaping your product.
- **Constantly improve.** You can consistently improve your products or services, adding to them to meet the ever changing demands of the marketplace. This will ensure you are in touch with what people want.

Customer Relationship Management Systems



Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. CRM systems are designed to compile information on customers across different channels -- or points of contact between the customer and the company -- which could include the company's website, telephone, live chat, direct mail,

marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

CRM products are normally bought as a 'package' from specialist suppliers and offer many features and tools. Suppliers of such products present their information on websites and in brochures and it is important for a company to spend time selecting the product which is most suitable for their needs.

The uses of a Customer Relationship Management System are:



- Sales analysis, where it can automate tracking of a client's account history for repeated sales or future sales.
- Coordinating departments such as sales, marketing, call centres and retail outlets in order to in order to give clearer insight into customers' needs.
- Using technology to collect and organise complex data so that companies can monitor customer behaviour and changing needs and expectations.
- Helping to manage unpredictable growth and demand and implement a good forecasting model to integrate sales history with sales projections.
- Developing and maintaining client relationships by offering greater customer contact.
- Tracking and measuring marketing campaigns over multiple networks, for example analysing 'clicks' on sales websites and social media.

Regular Communication

Successful development of customer relationships will require regular communication. Customers often receive a lot of care and attention when purchasing their first product or when signing up to a service. They soon become disappointed if the follow-up service dwindles, or they have difficulty contacting organisations when they need help.

Regular communication is important because:



- Customers will trust you and continue to use your products and services.
- Customers will not become disappointed and move to a competitor.
- You will be able to gain useful feedback to help you develop your business and address problems promptly.
- Staff will feel more confident in their role because they know and understand their customers.
- The organisation will be in a better position to promote additional products and services, upsell and cross-sell.
- It will help the business to build a good reputation as a supplier of excellent on-going service.