

Insights From Analytics

Customer Bonding Programs

How To Keep
Customers for Life



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Tom's insights accelerate sales performance.

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“You can treat your customers two ways: 1) You can make them feel loved; 2) You can make them feel like crap.

If they feel loved—and honestly believe you care about them—they will make you rich.”

-- Denny Hatch



What are customer bonding programs?



A way to create and nurture customer relationships so you'll have "clients for life" – assuming you want to have clients for life?

It's the ultimate form of customer relationship management, as well as a great way to enhance relationships with customers and prospects.



Premise

The most valuable asset to any successful business is its current customers. They need to know they are the most valuable asset and be treated as such.

In order to do that, employees must be empowered to treat customer well and to provide a consistently outstanding experience.



“If your current customers are your most important asset, why are you spending 80% of your marketing dollars on new customers and only 20% on current customers? How much are you spending empowering your employees?”

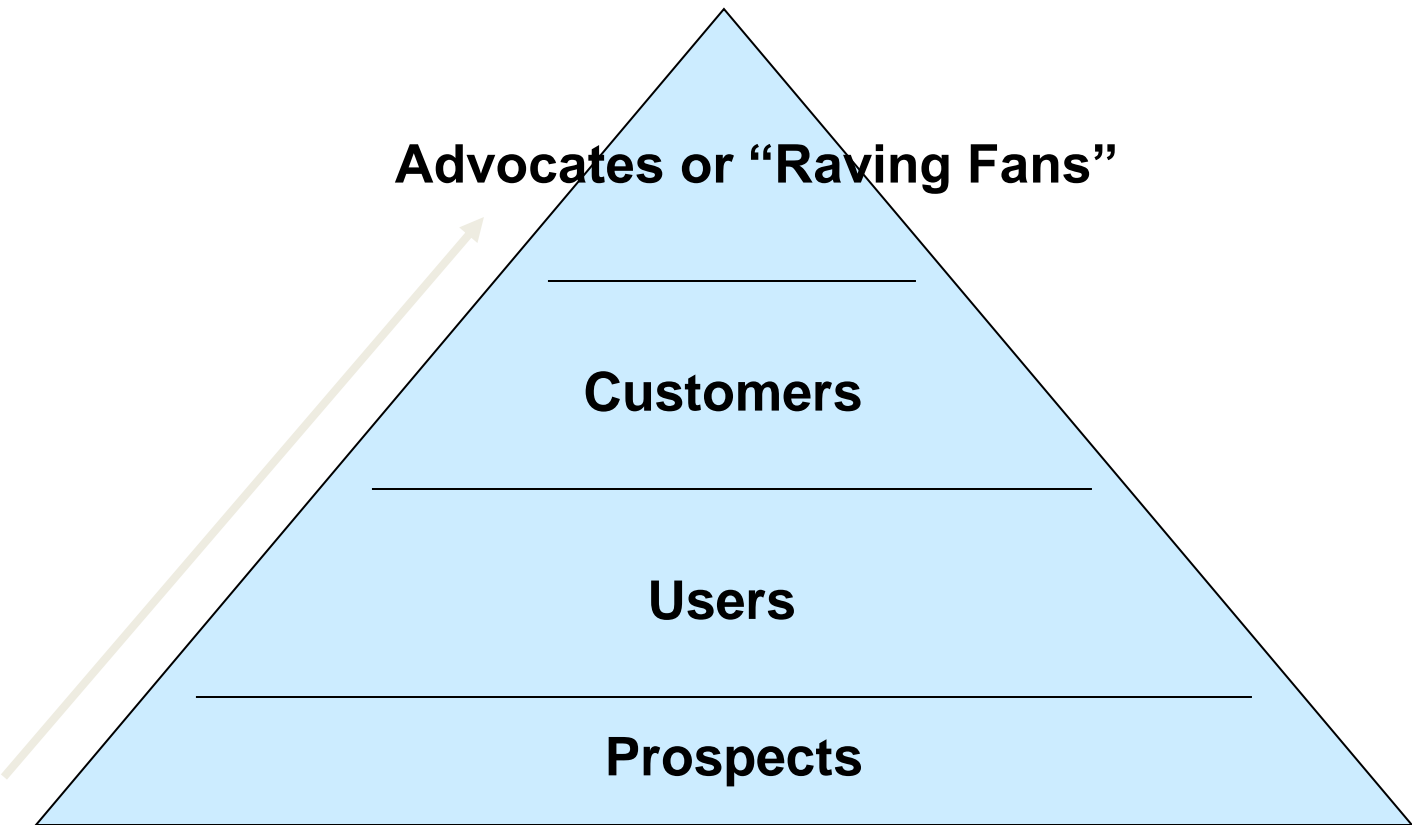


Objectives

- **Move customers up the customer hierarchy** pyramid so they become raving fans and do your marketing for you.
- **Increase lifetime customer value** – if you don't know what it is, create a model and figure it out. How else will you know who your most valuable customers are?
- **Increase “share of wallet”** by upselling, cross-selling and providing an outstanding customer experience – so outstanding your customer doesn't have a reason to go anywhere else.
- **Go beyond “share-of-mind” to “share-of-life.”**
Establish an emotional connection with the customer. This requires having an ongoing relationship and dialogue.
- **Reduce churn.** Churn is expensive. Encourage your customers to complain. If you're able to resolve their complaint, those customers are less likely to leave than those who never complain.
- **Engender loyalty.** By engendering loyalty you generate an inventory of goodwill which mitigates problems that will arise during the relationship. Loyal customers will defend you against trolls or detractors.



Customer Hierarchy



The goal is to move prospects up the customer hierarchy so they become "raving fans." You can never have too many customers – especially raving fans.



Strategies

Relational Database

A CRM database like Microsoft Dynamics CRM or Salesforce.com is critical for produce and maintain an accurate record of your customers and everything you do with and for them.



You need to treat your customer like a real person – know their likes and dislikes, as well as the products and services you've provided them in the past as well as their feedback, comments and suggestions.



The Ritz-Carlton does a great job of knowing their customers' wants and needs, regardless of which property they are visiting.



Customer Bonding Programs

Net Promoter Score®



CSMI (customer satisfaction measurement & improvement)

Over the course of my career, I've become a big proponent of NPS (net promoter score) because of its simplicity and repeatability.

I ask three questions that take the customer **fewer than 5 minutes** to answer:

1. On a scale of 0 to 10, with 10 being "very likely," what is the likelihood that you would recommend our product/service to a family member, friend or colleague?
2. Why did you give us that score?
3. What would we have to do to earn a 10?

These questions let the customer know we care about what they think about the products and services we provide and opens the door to have a conversation about how we can improve.



Customer Bonding Programs

Provide Value

What's value? Ask your customers.

What do you find valuable in what we offer?

We can we give you more of?

What do you want less of?

Cell phone users may want more minutes or free texting.

Accounting clients may want your professional opinion on a personal accounting matter.

Parents may want a lollipop for their kids.

I liked it when Amazon used to give away bookmarks with books – yes that was before Kindle.



Customers For Life

When I suggest having a customers for life philosophy, I don't expect to literally have the customer for my, or their, entire life; however, I do want a lifetime relationship with them.

As such, when I am no longer the best source of a product or service, I want to help them find the best source and maintain a mutually beneficial relationship for the rest of our lives.

WINNING CUSTOMERS
FOR LIFE



Demonstrate Empathy and Sensitivity

You develop sensitivity about individual customers' needs and wants by creating an on-going dialogue, getting to know your customers as individuals.

Empower your employees to do the same. Empowering your employees will result in more satisfied employees, more satisfied customers and more revenue for your business.

By taking the reins off your employees, you'll learn who you can entrust with the future of your business.



Target Audience

Who should you target for your customer bonding programs?

Everyone. Customer bonding programs can be implemented for:

- Current customers: Retail and B2B
- Prospects: Retail and B2B
- Sales: Internal and External

Identify those with the highest value and those most likely to churn.

By treating prospects like customers, you increase the likelihood of them becoming customers

It's also important to engage sales people, VARs, jobbers, dealers.

The elements of the customer bonding program will vary depending on the target audience and your objectives; however, it's still important to make them all feel special.



Tactics

Again, these will vary based on your objectives and target audience, but the following will provide some ideas:

- **Events** -- Organize events around the interests of your customers (e.g., car clubs, Harley Owners' Group)
- **Cause related marketing** -- What are the common interests of your customers you can support?
- **Welcome kits** -- We appreciate your business and want to make sure you know how everything works. Are your customers realizing the immediate benefits of your product/service that they were expecting?
- **Newsletters and e-newsletters** keep customers apprised of product, service or industry news about which they may be interested. Consistently provide information of value. Ask customers what information they find valuable.
- **Customer satisfaction studies** – as previously mentioned, I believe NPS is a fast and easy way to let customers know you value their feedback and a great way to begin or continue a dialogue.



Prototypical Program

- 1. Welcome kit** -- Program introduction – user guide, helpful hints, FAQ, customer support contacts
- 2. CSMI** -- Benchmark to ensure no lingering problems – determine preferred method of contact, offer premium for response
- 3. Check-in** -- Letter, e-mail or phone call – update on new offerings, provide information of value, ensure usage, getting value expected
- 4. Cross-sell** -- New product information, incentive to purchase
- 5. Free gift/trial** -- Reminder that we care about you (e.g., Amazon post-its) – sales aids, items consistent with campaign
- 6. “Refer a friend”** -- referral program – word-of-mouth or social media, incentive for leads
- 7. Contract renewal** -- Rate plans, incentive for early renewal, recommendation based on usage to date
- 8. Anniversary** – Thank you, gift, free tune-up, upgrade



Next Steps

How can your clients benefit from a customer bonding program?

For whom can you write a recommendation or provide a referral?

If you're interested in a free consultation of how to create a customer bonding program to improve your relationship with customers, prospects, channel partners or suppliers, please click on the link above to schedule a call.

**Click Here To Schedule
a Free 30-Minute Consultation
to Discuss Marketing or Sales Issues**