

14.4: Understanding customers

Customers should be seen as the most important stakeholders in a business. Without customers purchasing goods or services, most businesses would not have a revenue stream. It can be difficult to shift from realising this important fact to implementing it in day-to-day business decisions and strategy.

A successful relationship with a customer is based on meeting or even exceeding their needs. It is in determining what problems the customer has, and in providing solutions, sometimes before the problem occurs. It depends on continually giving the customer a reason to transact with your company above any other.

CRM should not only mean implementing customer-centric processes and consider technology, but embracing customer-driven processes. Through innovations in digital technologies, enhanced customer engagement, social listening and the introduction of mass personalisation, the customer can often drive the business.

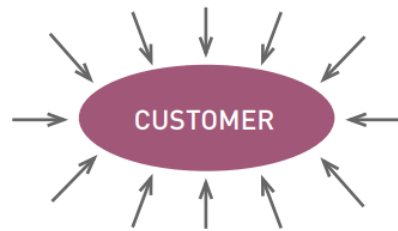


Figure 14.4.2: A customer centred approach keeps the customer as the focus of all business activities *Adapted from Bullhorn, 2016*

Consumer touchpoints

Consumer touchpoints are all the points at which brands touch consumers' lives during their relationship. This is the starting point for all CRM, a brand needs to speak with one voice across all of these touchpoints and deliver a rewarding and relevant experience every time it interacts with its customers. CRM can drive the anticipation of customer needs. Touchpoints can be brand initiated, for example, a brand sending an email newsletter, or customer initiated, for example, the customer making a purchase in a store or calling a call centre.

Note

A good CRM infrastructure must ensure touchpoints for dialogue.

A consumer touchpoint can be as simple as a print or banner ad. It can also be as multifaceted as a conversation between a call centre agent and a customer. It can be a timely tweet, or an outbound email giving the customer details about their account. Even statements and bills are touchpoints and need to be managed carefully to ensure that the brand continues its relationship with the customer successfully.

Customer touchpoints can generally be divided into three spheres or phases, prepurchase, purchase and post purchase.



Figure 14.4.3: Examples of touchpoints at each stage in the purchase process *Adapted From Wotsthebigidea, 2017*

Pre-purchase or pre-usage covers the various ways brands and prospects interact before the prospect decides to conduct business with a company. The brand's goals here are to:

- Gain customers

- Heighten brand awareness
- Shape brand perceptions or to highlight the benefits it offers over competitors
- Indicate how the brand provides value and fulfils the needs and wants of consumers
- Educate consumers about products and services
- Ignite the possibility of a relationship.

Purchase or usage covers the touchpoints at which the customer decides to purchase a product, use a service or convert according to set criteria, and initiates the brand-customer relationship. The key goals are to:

- Instil confidence
- Deliver value
- Reinforce the purchase decision
- Heighten brand perceptions
- Facilitate ease of purchase
- Reduce post purchase dissonance.

Post-purchase or usage covers all the post-sale interactions between the brand and customer. Now, the brand wants to:

- Deepen the relationship
- Maximise the customer experience
- Deliver on the brand promise
- Increase brand loyalty
- Remain top of mind
- Invite repeat purchases.

Customer loyalty

The main objective of any CRM strategy should be to gain customer loyalty over the long term. But what is loyalty? This may mean different things for different organisations. Ultimately, it is about acquiring and retaining customers who:

Note

Think of a brand that has extremely loyal fans, for example, Apple, Nike or HarleyDavidson. What do you think the brand did that encouraged people to support them so vocally?

- Have a projected lifetime value that makes them a profitable prospect to your business
- Buy a variety of your products or use your services repeatedly during their time as a customer
- Share their positive experiences with others
- Provide honest feedback on these products and services, and their experiences
- Collaborate with you on ways to improve their experiences.

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