

A three-step formula to improve customer retention and drive lasting loyalty

Jim Bergeson

Vice President
Customer Engagement
BI WORLDWIDE

In today's competitive market, building strong relationships with customers is more important than ever. Customer appreciation is an effective way to increase these connections.

Here are some tips to help.

1 Personalize customer appreciation

Personalization goes beyond just using the customer's name.

Recognizing a customer for achieving a milestone or engaging in a critical touchpoint should be specifically acknowledged.

Start by gathering meaningful customer data. What kind of information are you collecting about your customers beyond their name and contact details? Are you recognizing first-time buyers, repeat customers, or long-time patrons? Do you track customers who have achieved various milestones such as anniversaries, spending levels, engagement across a full product line, learning, referrals, or other activities?

Recognizing a customer for a specific achievement, behavior, or action tells them they are important. It shows you value them and understand who they are and what they have done. The more you know, the more it shows you care. This can be a real step towards building a relationship with your customer beyond the transaction.

2 Make appreciation timely

Have a plan for customer appreciation or recognition in place. Determine the critical

touchpoints or milestones you can track, those behaviors important to you and your business, and then be ready to act upon them in a timely manner.

Receiving recognition for something they've done or achieved months after the fact lessens the importance of that customer's engagement with you. The closer to the time a touchpoint or milestone is achieved and then recognized, the more favorable the impression will be made with your customer. It demonstrates you're on top of things and truly value what your customer has done or accomplished.

3 Make appreciation rewarding

Craft your communication so that it is personal and specific to the behavior or achievement.

Try to make an emotional connection. Tell them how important they are to your business, how much you appreciate what they have done or achieved, and that you are there to serve them in any way you can to keep their business.



A three-step formula to
improve customer retention and drive lasting loyalty

Make gifting part of your appreciation and recognition strategy. Studies show customer gifting can increase retention rates by more than 40%, and over 50% of businesses have reported sales increases after starting a gifting program. A well-crafted message along with a gift can surprise and delight your customers. After receiving a gift, customers are more likely to engage further with you and your company. They are also more likely to recommend your brand to others.

As the adage goes, it is not the gift that counts but the thought behind it. Being thoughtful about appreciating and recognizing your best customers can go a long way to increased retention and deeper loyalty to products, services, and brand. Budget dollars earmarked for customer appreciation and recognition is money well spent when the design of your program is personal, timely, and rewarding.

Visit our blog to read or share this article.