WINNING CUSTOMER LOYALTY: 5 WAYS DATA HELPS

By Jeff Larche

Research shows that feeling appreciated, valued and happy are the most important emotions associated with building customer loyalty, according to Forrester. So "satisfaction" will no longer cut it. Customers need several reasons to stick with a brand, and that's where data can help.

Make the cost of switching to a competitor too high

The Pareto Principle, which says 20% of your customers provide 80% of your revenue, is probably not too far off. Data can help you cater to your best customers to such an extent that they're not tempted to hop over to a competitor.

Tailor products to specific client segments

Data will tell you: Customers want different things from you. And it their product and service needs fit your business model, data can help you grow their loyalty – and typically expand into yet other promising markets!
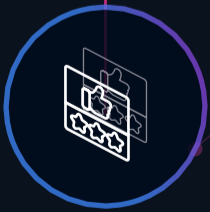
Surprise and delight customers with unexpected rewards

Ask any casino: Random rewards build loyalty. Campaign management systems can leverage your data to make these treats truly random – and optimally effective.

Know your customers' true value – and communicate that value

If measuring lifetime value (LTV) accurately were easy, everyone would do it! But by working your data strategy toward that goal, you can better spend to keep your best customers – and find others just like them.

Invite them to recommend you to others

The premise of a net promoter score (NPS) is that if someone says they like you enough to recommend you, they'll be more likely to remain loyal. Some research suggests the opposite is also true. Ask them to endorse you and see if this solidifies their loyalty. The data will let you know if this inexpensive technique works for your business.

\ THE BOTTOM LINE:

There is no better time to invest in improving how you're using customer data to deepen loyalty to your brand. Your revenue stream will thank you!

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