

We will also talk about what you need to know about your profitable customers.

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When we talk about CCS, we are talking of ways by which an organization tries to do business from customers' perspective. Whatever form an organization adopts in order to be customer-centric, it is always aimed at acquiring new customers, customer retention and increasing customer profitability.

## Acquiring New Customers

If an entrepreneur wants to start a new business, he first has to think up the right idea. You have to make sure that you are producing what is needed by prospects and customers in your vicinity. One thing you should know is that a portion of your resources should be committed to acquiring new customers for your products and services.



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## **OBJECTIVE OF THIS ARTICLE**

In this article, we are going to look at Customer-Centric Strategy (CCS). We will also be looking at what an organisation needs to do in order to evolve into a Customer - Centric Enterprise. We will be looking at this under two main headings.

- acquiring new customers
  - Retaining customers.
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In customer-centric enterprise, acquiring new customers is one of their top priorities. You should understand that organizations operate a competitive environments where they have to compete for existing prospects and customers the market square. They always achieve this through superior customer in service and increase in customer experience. They take even' opportunity to delight their customers.

In acquiring new customers, communication is very important. You must be able to get the right information to the right target in the right manner. The organization must be able to project the right image about the organization. They would achieve this by projecting the profiles of the companies' best customers.

## **Retaining Customers**

Once an organization acquires a new customer, they have a more serious task at hand, which has to do with retaining the customer and preventing loss of customers to competitors. In retaining your customers, you have to understand the relationship between the company the brand, the channel of distribution and the customer. Competitors always try to draw away customers through innovation and incentives which are meant to draw customers from another life cycle.

In a survey conducted by Deloitte and Thuche, it was discovered that it cost five times as much to acquire a new customer as it does to keep an existing one. Another research conducted by Fredrick Reicheld reported that five percent retention in customers over their lifetime results in an 85 to 125 percent increase in company margin over that same time period.

In retaining customers, the organization must be able to communicate information about new products and innovations to the customers in real time. They must do this throughout the entire tenure of the customer with the organization. This must also be passed through the appropriate channels that the customer prefers.

The firm in retaining with their customers, must be able to know their customers very well. They have to study customer interaction and use the knowledge to their own advantage. They must be able to know when their customer is changing and utilize the knowledge in formulating a better CRIVI for them. they must set up an appropriate messaging process aimed at getting repeated purchase from their customers.

A customer-centric enterprise must keep track of the satisfaction level of their customers through appropriate feedback mechanism aimed at knowing the response of their customers to their products and services. They should be able to suggest to customers more ways of deriving more benefits from the product. When an organization can increase the utilitarian benefits of their product, it will make customers to come for more of such product/services.

In order to retain customers, organizations must come up with loyalty programs aimed at increasing the frequency and involvement level of the customer One of the ways of measuring this involvement is Life Time Value (LTV) which aims at assessing the profitability of customer over his life time with the organization.

Lifetime value is measured in terms of historical and projected lifetime value. It allows the organization to begin to allocate marketing resources by segmented group and individual levels.

In CRM, through the aid of technology you can calculate what you can invest in

a particular segment over a particular period of time. For example Etisalat Nigeria can decide to invest more money on the youth segment than the working class or elite segment.

Note: Reactivation or retention is critical to the success of customers-centric *enterprises*.

If a customer is perceived to be profitable, the enterprise will require five kinds of information to be gathered. These include:

- Customers' want and needs
- Customer purchase cycle
- Customer interaction opportunities
- Customer profile
- Customer life cycle

## **DIAGRAM**

***Fig. 9: Diagram showing the basic information***

**Customer Purchase Cycle:** This is the period between the customer's first purchase and the next purchase. The organization must also take note of the likelihood of additional purchase and the nature of purchases made by the customer

**Customer Interaction Opportunities:** To water to enhance customer loyalty, customer-centric organisation must maximize interaction with the customer organisation. This is where touch points became necessary.

**Customer Profile:** Any organizations that wish to relate and retain its customers must have a robust customer support services in order to have a formidable customer service. The organization must have enough information about their customers. It might include the relationship they have, the size.

**Customer Life Cycle:** The customer life cycle of an organisation traces the lifetime of customer as it relates to his product use. It starts from the use of the product to the time that the customer disengage or die as the case may be. The organisation must be able to predict the behaviour of its customers and predict his next move in order to prolong his stay in the organization's life Cycle.

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The purpose of evolving into a customer-centric is not for profit motive but it can help in saving costs through increased effectiveness of the organisations' internal processes. If the internal process is well developed, it will increase the return on investment of a CRM initiative.

## **SUMMARY**

In this chapter, we have looked at customer -centric strategy. We focused our attention on how to gain new customers and how to retain your customers. We also said that it is better to focus on how the organisation will not lose customers to competitors, because it will cost more to acquire new customers than to retain them.

We talked about what you need to know about your profitable customers. These include:

- Customers needs and want
- Customers purchase cycle
- Customers interaction opportunities
- Customers profile
- Customers Life Cycle

## **BRAINSTORMING SESSION**

- Discuss the relationship between Internet and CRM.
- Discuss CRM and Globalization
- Do you think CRM can work without technology or software?

**Action PointPS:** I know you might agree with some of the points that I have

raised in this article. You might not agree with some of the issues raised. Let me know your views about the topic discussed. We will appreciate it if you could drop your comment. Thanks in anticipation.

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