



## Customer Relationship Management Tools

A customer satisfaction survey is a common tool in customer relationship management. For a survey to be effective, it must identify problems with products/services. It should also collect information about what the customer would require to be satisfied. What is necessary to rectify the problem? How could the problem have been avoided in the first place? This is basically a tool to “listen” so that future communications and interactions with the customer are improved.

Many companies implement formal quality programs to manage and optimize the quality of their products and services. The customer relationship should also be formally managed and optimized. Six Sigma is an example of a program that seeks to minimize errors and increase quality.

One aspect of providing a quality customer service experience is to have a customer service program that treats each customer differently. If you think about it, every customer is slightly different in their needs and expectations, so it makes sense to treat each differently rather than try to force every one of them into the same mold.

Like it or not, social networks are evolving very rapidly and every business will eventually need to engage and embrace the implications of these networks. In the past, many companies could stay “at a distance” from the customer and were not required to interact in ways other than advertising, or communications via the telephone or mail, or possibly a retail store where employees would be face to face with customers in “real-time.” These have been the interfaces and they have allowed many companies to stay “disconnected” from their clients. The Internet and social networking websites have changed this in multiple ways.

For example, let’s consider Twitter. It is a tool that allows a company to stay in constant contact with its customers. Customers can get a twitter account and elect to “follow” the company (or some subsection of that company). The customer then gets periodic updates via twitter. Twitter

can be the mechanism to announce new products or a way to communicate company direction and other relevant business topics.

Facebook and LinkedIn are other popular venues where businesses communicate with their customers. These venues REQUIRE that the company be more interactive and remain connected in an entirely new way. Updates and communication between company and customer happen in real time, so there is less time to prepare, and communications tend to be more “organic” and natural.

Losing customers is bad business. Here are some reasons why:

- The average disgruntled customer will tell more than ten people about the situation.
- If you make explicit efforts to rectify customer complaints, you will retain the customer more than 75% of the time.
- It can cost up to ten times as much to get established with a new customer as it does to retain an existing one.
- Not only did you lose the revenue from the current transaction, you lost the revenue from an unknown number of transactions in the future.