

The Importance of Customer Communication

If it costs four times more to get a new customer than to keep an existing one, why do companies ignore the customers they already have?

To service your customers well, you need to be a good communicator. It is important for you to have a Customer Relationship Management plan as part of your overall Brand Strategy, which will outline who you should be talking to, about what, and when. Communicating with your existing client base should be one prong of your overall plan.

So how do you do that? Here are the basics for developing your customer communications plan:

1. Determine what types of communications tactics are needed to build relationships with your customers.
2. Determine the frequency needed for these different types of communication; be consistent and stay in touch without becoming a nuisance.
3. Have a mechanism to ask for feedback from your customers. This will make you aware of potential issues that could save a relationship. And, if nothing else, they will appreciate being asked!

The chart below illustrates a plan that includes the above three points.

TACTIC	PURPOSE	HOW TO MEASURE
E-newsletter	For sharing expertise or tips; highlighting customer successes or testimonials; updates on the industry or your company that affect customers. Start with all customers automatically receiving the newsletter. Have a way for prospects and vendors to opt-in on your website.	Start as monthly, bimonthly or quarterly; monitor open rates, opt-ins and opt-outs for newsletter and refine content accordingly.
Social Media	Use social media platforms like Facebook, Twitter and blogging to show your expertise and promote your business, but also to recognize customers and leverage testimonials.	Have tangible goals for number of Likes, followers or viewers. Be consistent and respond to all posts.
Business Communications	Ongoing communication related to a project, product or service, e.g., confirming deadlines, notifying of delays, announcing milestones, etc. All employees should be trained to regularly update customers on progress, good or bad, to keep lines of communication open. As simple as it seems, proactive communication with clients has a big effect.	Periodically ask customers if your firm is meeting expectations; good topic for lunch or coffee meetings (below).

TACTIC	PURPOSE	HOW TO MEASURE
Personal Communications	Sending birthday cards to customers, “FYI” cards or emails with interesting information related to that customer’s industry, or congratulations cards for personal or business successes, whether they are directly related to the work you do for them or not. Using snail mail is effective for this communication; we don’t receive many things in the mail anymore—it’ll stand out!	Anecdotal feedback from customers. Don’t expect a specific “thank you” for this type of communication.
Lunch or coffee	Finding time outside of regular work communications and tasks to develop your relationship with customers and get to know them on a personal level. Could be added periodically to a regularly scheduled meeting or a special time set aside specifically for this.	Good tool as an annual event to check in with customers; ask for positive and negative feedback; take it constructively and use information to get better at servicing customers.
Phone Calls	Have criteria when a phone call is mandated (rather than email), e.g., when there has been a mistake on a client program, to avoid additional issues. If it’s a larger issue, have customer contact call, then have a follow up from manager, as appropriate.	Tracking client feedback and continuing business after there has been an issue.
Surveys	Schedule a survey to get feedback from customers to ensure they are getting the level of service they expect, and to pinpoint any potential problems with systems, personnel or quality control that you may not know about otherwise. Use written or electronic methods, depending on what works best for your audience.	Annual, biannual or after a certain duration of work for a new customer.

So what is the cost to get a new customer as opposed to keeping an existing one? Is it four times more?

This rate may vary—I’ve seen it quoted as high as 10 times, as low as two—depending whom you ask and what industry you are in, but the importance of communication cannot be underplayed no matter what your company does or who your customer is. You have customers, clients, donors or constituents that keep you doing what you’re doing. Talk to them. Build those relationships and everybody wins.



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