

How to manage customer relationships

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Understand how to build, manage and measure customer relationships. Learn how to use a customer relationship management system and feedback process to create loyal customers.

Customer relationships are key to any business. Once you find customers, you must consider how to manage your relationship with them.

A good customer relationship will create loyalty towards your business. These customers will return to your business time and time again.

1. Build customer relationships

Strong relationships with customers will benefit your business in a number of different ways:

- You'll build goodwill and increase the value of your business.
- Your customers will remain loyal to your business.
- You'll attract new customers with good word of mouth.
- The investment in after-sales service shows that you value your customers.
- You can drive innovation and increase profitability.
- Customers and the information they provide help you plan for long-term success.

Define your customers

Market research and customer profiles help you define your ideal customer. This will allow you to identify their pain points and how you can solve them.

Communicate with your customers

If you communicate regularly with your customers, their trust in you and the knowledge you share with them will grow.

Learn the best ways to communicate with your customers.

→ HOW TO COMMUNICATE WITH CUSTOMERS

Focus on service

Your customer service is important in building customer relationships. Your service encourages customer to return and purchase from your business again.

As part of good customer service practices in your business, you may develop policies and procedures to encourage a customer-focused culture with your employees. This could include procedures for greeting and serving customers to resolving customer complaints.

Seek feedback

Feedback allows customers an opportunity to tell you what they like and dislike about your business, product or service. This gives you valuable insights into your business to help you improve your offering.

2. Maintain strong customer relationships

When your business grows, so will your customer base. You will need a method to manage your customer relationships. One method is to use a customer relationship management (CRM) system.

A CRM system tool collects and manages the information and interactions your business has with customers, sales leads, suppliers or other businesses.

CRM systems can help you:

- track the success of your marketing activities
- identify and follow up on prospective customers
- maintain relationships with customers
- group customers to develop personalised communications
- analyse which customers engage with callouts, offers or promotions
- track customer behaviour and purchases of your products or services
- record contact information and customer feedback

Most importantly, CRM systems allow you to have a history of all interactions with your customers. This allows you to build and maintain strong and personalised relationships. Remember that any information you store on your customers must abide by privacy laws

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3. Measure customer relationships

Your customer service is the foundation of your customer relationships. Customer satisfaction is a key indicator of customer service. Occasionally, you will need to measure your customers' satisfaction.

You can measure your customer service in several ways to understand how your customers view your business. You can:

- ask customers what their thoughts or opinions are on your business
- place customer surveys in store or provide a questionnaire or feedback form online
- hire secret/mystery shoppers to try your service and gain feedback
- read online review websites or forums
- observe interactions between employees and customers

This information is just one data point in the larger picture of the overall customer satisfaction. You should also record this information against the customer in your CRM to understand the customer's individual experience of your business.

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