

Unleashing the true value of customers

By [Estelle van Tonder](#)

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Defining and managing customer life time value is critical for business success and long-term survival. However, companies often underestimate the true value of their customer base, by mainly concentrating on profit potential and average purchase value within a given time period.



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In reality customers also perform several other roles outside their normal business transactions. Accounting for these roles and approaching customers as “strategic business partners” may effectively contribute to greater business growth and a win-win situation for all stakeholders involved.

Besides purchasing products or services, customers also act as business advocates, recommending companies that are doing well or products that may effectively serve other customers’ needs.

These conversations often take place within online brand communities and as such are well recognised by marketers. However, there are also many conversations taking place offline, between family members, friends, colleagues and neighbours, on a daily basis.



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Hence, the question begs, are we doing enough to support and influence these informal, offline conversations between customers? Or are we perhaps too focused on digital marketing strategies and social media influencers, tasked with steering customer decisions in a given direction? What measures do we employ to build strategic partnerships with customers, who regularly influence the purchase decisions and perceptions of their family members, friends etc. and recommend good deals to them?

Helper roles

More importantly, customers also perform helper roles within their social circle, especially when a service employee is not available to offer assistance. These voluntary behaviours add value to the business, given that more customers may be prone to use a service or product, knowing assistance from a fellow customer is available when needed.

This phenomenon is especially important within emerging market countries, where not all customers have previously had equal opportunities to develop and being exposed to new innovations.

Subsequently it is imperative for companies to also allocate budgets to the development of customers helping other customers and to equip them with the necessary knowledge and skills to fulfil their important strategic partner roles.

The added benefit is that customers training other customers to use products or services may promote customer loyalty and also themselves become more loyal towards the company whose products they endorse. Thus, a win-win situation is created for all.

Companies may benefit from enhanced customer lifetime value and in return valuable products or services are provided to a broader customer base. However, one must ask again, are we doing enough to support and influence customer helpers and guide them in their conversations with other customers?

Feedback behaviour

A third important customer role that should not be neglected is feedback behaviour. Outside online brand communities, customers often have informal conversations with family members and friends, sharing their thoughts about the service experienced and ideas for service improvement.

What measures do we employ to build strategic partnerships with these customers? Are we mostly relying on short customer experience surveys that are often limited to a fixed set of questions, to which respondents should merely indicate their level of agreement? Or are we approaching customers as strategic business partners, recognising them as value co-creators and innovators for the company?



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Perhaps it is time to formulate a formal job description for customers, serving as “strategic partners of the business”.

In addition to making provision for digital marketing budgets etc., companies should take a closer look at strategies that could be employed to facilitate and support customer advocacy, helping and feedback behaviours, which often occur offline, outside the scope of online brand community conversations. Ultimately this approach may aid in unleashing the true

value of customers over their lifetime.

ABOUT THE AUTHOR

Estelle van Tonder is a Professor of Marketing at the University of South Africa. She holds a DCom degree in Marketing Management and is an NRF rated researcher. Her research focuses on customer citizenship behaviour. She is particularly interested in advancing understanding of the social support and help customers provide to other customers in the retail environment and has initiated and managed several collaborative research projects with international colleagues in this regard.

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