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How to grow your business through customer relationships in 2020

At the Zendesk Sell Atlanta Closing Time Tour, 59% of attendants said their biggest challenge in 2019 was how to grow their small to medium-sized business. There are a number of generic ways to do so, such as managing your contacts or improving your website.

However, we argue that true, sustainable growth begins with relationship management.

Why is relationship management crucial to company growth?

Strong customer relationships are directly correlated with high customer engagement, which impacts how much your customer is willing to spend, which impacts your company's growth.

Relationship between engagement and spend
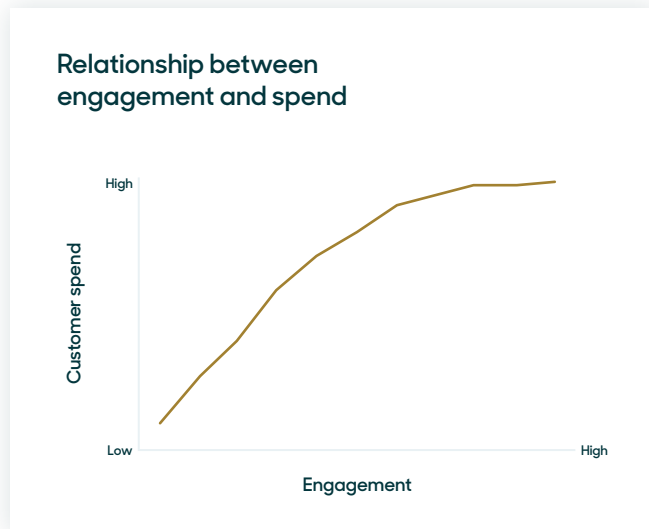
Truly engaged customers can also be defined as **"high-value customers."** These customers have "bought into" your product or service and are less likely to switch brands. They also generate the most revenue.

But how do you ensure that high-value customers stay engaged? Consider the 2020 customer who, according to Walker's 2020 report, share the following qualities:

- **Savvy and highly informed.** The internet makes the customer more educated and selective with their purchases. Armed with knowledge about other products, competitors, and the industry, 2020 customers "expect companies to know their individual needs and personalize the experience."

- **Ecosystem, not individuals.** More stakeholders are involved in purchasing decisions, and more decision makers mean additional needs and priorities must be considered. Companies will have to recognize these needs and address each customer's ecosystem.

For businesses wanting to create and maintain customer relationships, these new customer expectations mean being proactive with communication.

A CRM can be used to successfully grow and manage customer relationships, thanks to its organizational capabilities and streamlined communication features: According to a Capterra CRM user survey, 47% of respondents say that their CRM is a major factor in customer retention. These respondents also said customer satisfaction is increased because of their CRM.

With a CRM at the helm of your customer relationship efforts, you can grow your business through relationships with existing customers, new customers, and churned customers.

Nurture existing customers

It's expensive to gain new customers. In fact, it costs five times as much to obtain a new customer as it does to retain one. Customer retention should be a main focal point of your business.

Below are six relationship strategies to retain high-value customers in 2020.

Follow the 80/20 rule

While every customer is important, every customer is not created equal. According to the 80/20 rule in sales, 20% of your customers provide 80% of your profits. Invest in the ones that provide the most revenue.

For example, let's say your company offers a software subscription service. One customer pays $500 for your company's basic package. Another customer pays $2,000 to access all service features. If you're devoting the same amount of energy and resources toward $500 customers as toward $2,000 customers, you're not truly nurturing your high-value customers.

To dedicate the proper amount of attention to the right customers, segment your customers based on economic value. One way to do this is to measure customer lifetime value (LTV), which can be calculated as follows:

Lifetime Value (LTV)

Average total revenue generated over customer lifetime — average associated costs per customer

Example:

$10,000 – **$2,000** = **$8,000**

average total revenue | average associated | LTV

LTV tracks the amount of money that a customer brings in during his or her time with the organization. Calculate the lifetime value for each customer to get a better idea of how to segment and focus on your top 20%.
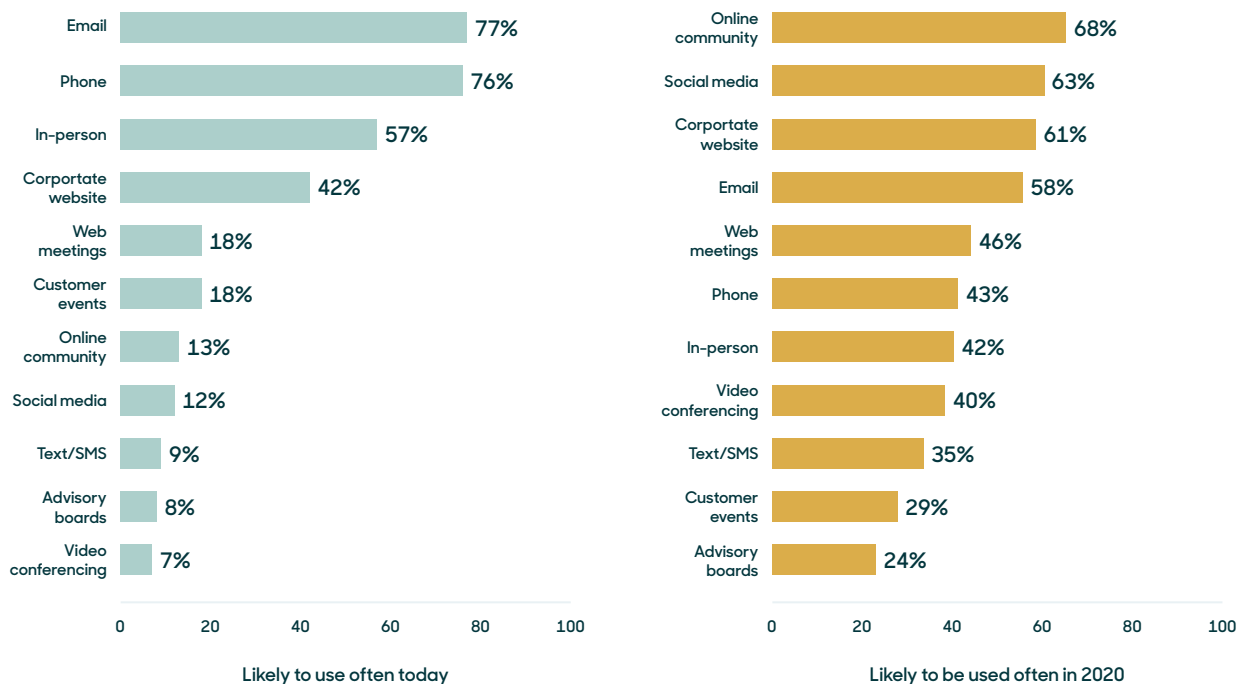
Offer an omnichannel experience

According to the Walker report, "customers will want to do business with companies that provide a consistent, informed and superior experience across all channels of communication, taking into consideration that customers will have different preferences."

Walter predicts that in 2020, online communities, social media, and the corporate website will replace email, phone, and in-person meetings as the top three communication channels.

Communication channels – today and in 2020?

Channel	Likely to use often today
Email	77%
Phone	76%
In-person	57%
Corportate website	42%
Web meetings	18%
Customer events	18%
Online community	13%
Social media	12%
Text/SMS	9%
Advisory boards	8%
Video conferencing	7%

Channel	Likely to be used often in 2020
Online community	68%
Social media	63%
Corportate website	61%
Email	58%
Web meetings	46%
Phone	43%
In-person	42%
Video conferencing	40%
Text/SMS	35%
Customer events	29%
Advisory boards	24%

Your company should offer various communication channels because customers will expect to interact using their preferred method. Take into consideration your target buyer and which channel they use based on age, demographic, etc.

Also in 2020, more brands will be creating omnichannel content strategies to better guide their marketing endeavors. Let's say a customer contacts your company on social media about a problem they're experiencing with your product. An omnichannel experience means that their issue could be resolved within chat on your website without the customer having to explain their problem all over again.

An omnichannel experience is possible by mapping out how customer information will be communicated internally, regardless of how or where customers reach out. Follow McKinsey's four steps to create your own successful omnichannel transformation.

Communication should also be seamless and consistent across departments. According to a LinkedIn State of Sales survey of 1,009 salespeople and buyers, nearly half reported often or always experiencing different messaging from sales and marketing teams.

Use your sales CRM to track conversations across channels and departments as well as identify opportunities for customer retention and upsells through current conversations. With Sell, you can integrate support tickets with sales and ensure that no opportunities to close a deal are missed. You also ensure that communication is seamless for the customer.

For example, if a current customer asks support a purchasing question, support can simply tag sales within the customer's record. Sales can then contact the customer.

By offering multiple communication channels that are connected across departments, you meet the 2020 customer's expectations and ensure that every customer receives a seamless, personalized experience.
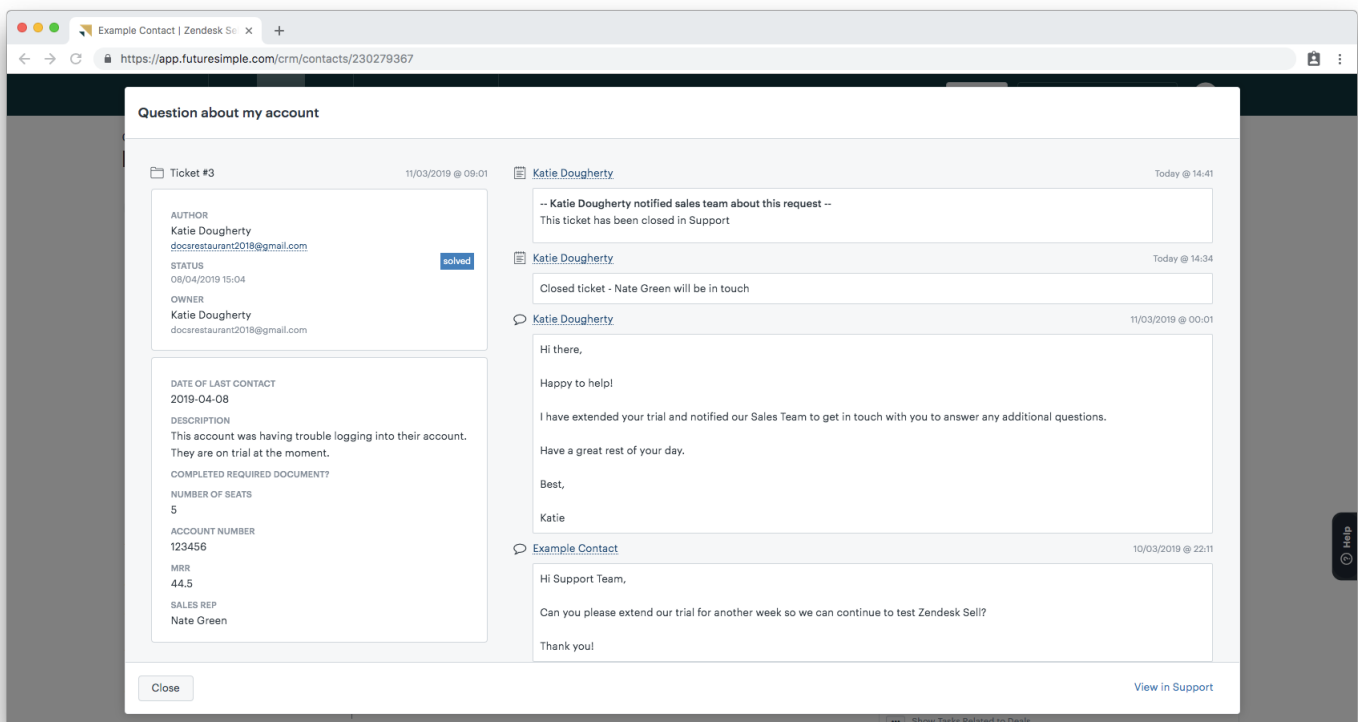
Provide targeted resources to current customers

In 2020, Walker predicts that there will be a shift from "solution selling" to "insight selling." Sales reps will need to be invested in the customer's success outside of their product or service. This means transitioning from a "sales" mind-set and starting to think and behave as a trusted adviser or consultant for your customers instead.

One strategy is sending resources that help the customer deal proactively with problems. Resources should be well researched and speak to a specific customer need.

This approach pays dividends: 78% of consumers trust a brand more after they've received customized content. Customized content tells the customer that you're concerned with their success, incentivizing them to stick around.

For example, instead of telling the customer about a new product or service feature, your rep could research industry trends that might impact their customer's business. They could then send a customer email that says something like, "Are you aware of the financial regulations that are impacting customers like yours? Here is a 2020 guide on what those regulations look like."

In addition to industry trends, have your reps spend 10-20 minutes per customer looking at the customer's website or LinkedIn profile. Is the customer building a marketing department from the ground up? Is the end of the quarter approaching? Send an ebook or guide that provides a marketing team framework or suggests how to proactively deal with end-of-the-quarter stress.

As the founder of a communication company writes, "We must be able to predict what the customer wants next. Today, it is more reactionary, after the fact. In 2020, customers will expect firms to be ahead of them, knowing what they need before they themselves have shown the need." Offering valuable resources that help with a customer's immediate or future needs speaks volumes about your dedication to the relationship.

Ask for referrals, upsells, and cross-sells

As long as your focus is on improving your customer relationships and their satisfaction, don't be afraid to ask for a referral, upsell, or cross-sell. Consider it an efficient opportunity to increase revenue.

Let's start with referrals (i.g., asking a current customer to recommend you to a peer). Despite the fact that 91% of clients say they'd happily give a referral, only 11% of salespeople actually ask for one. If you're concerned about being pushy, there are ways to ask graciously:

- Refer to your list of high-value customers (aka your top 20%). Referrals from these customers should lead to other high-value customers.

- Strike while the iron is hot. If these customers recently gave good feedback or had a positive conversation with you, ask if they would be willing to recommend you. Avoid asking customers who are struggling at the moment.

- Ask via email, phone, or in person. "Do you know anybody who is facing similar problems?" is one way to lead up to your referral ask with a customer, without simply saying, "Can you refer our company?"

- Make it easy for your customer to refer you. If you're asking over email, provide an introduction template after they've agreed to the referral.

If your customer has expressed satisfaction with their relationship with your company, check if they'd be willing to upgrade (e.g., upsell) or add on another feature (e.g., cross-sell).

Sales reps can ask for an upsell or a cross-sell by first reviewing their customer's needs. Have needs changed in any way since the customer bought your product or service? Next, sales reps should connect company offerings to these needs. For example, if your customer bought your bookkeeping software for their three-person team but recently expanded to a five-person team, your deluxe team package might be a great upsell.

Avoid listing what your product's features can do. Tie your upsell or cross-sell offering back to the customer's needs. Focus on benefits, not features, when suggesting the upgrade or add-on. Limit the number of options that you pitch to the customer. They'll likely become overwhelmed and not purchase at all if faced with too many offerings.

Make sure that whatever you're offering will truly benefit the customer. Never put your customer relationship in jeopardy for the sake of closing another deal.

# Develop long-term relationships with new high-value customers

A long-term relationship begins before a prospect has even become a customer. Implement customer relationship- centric strategies like the ones below to attract and close deals that are committed right out of the gate.

Create a clear sales process

A clear sales process ensures that your reps aren't jumping from different sales stages of your pipeline (e.g., prospecting to quote) without first building customer trust.

According to Chuck West, former program director and lecturer for sales, advanced management, and leadership training at UW–Madison's School of Business Center for Professional and Executive Development, a sales process focused on the customer will be essential in 2020. "Companies will need to choose which sales process best fits their customer's needs and future buying preferences," he

says. "Companies will have to change their sales process and sales support systems to give them a competitive edge in the coming decades."
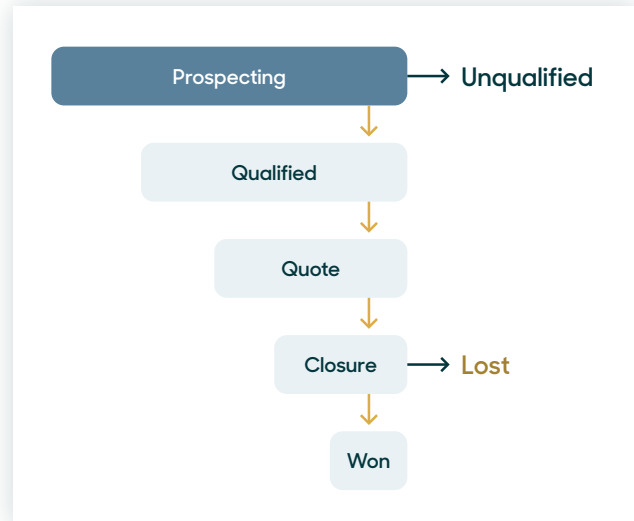
Lay out a standardized sales process to help your reps build strong relationships with high-value customers at every stage of the customer journey.

Prospecting

The goal of the prospecting stage is to engage with qualified leads who would benefit most from your product or service. Generate quality leads through customer-centric sales lead generators:

- Solve specific problems on Quora.

- Create videos with a built-in lead-generation form.

- Source leads from support-ticket conversations.

- Offer a helpful email course.

- Interact with potential customers on LinkedIn Groups.

This stage needs a strategy by itself (consider it a pocket-sized road map). Have clear buyer personas for your reps to ensure that you are attracting the right leads and that they are clearly interested in what you're selling.

Qualified

Developing a relationship at this stage means showing your prospect that you understand their problems and want to solve them. If the potential customer meets your initial requirements and is the key decision maker, set up an initial appointment or sales meeting.

The purchasing decisions may be made by key executives, based on price, volume, volatile market conditions, or other reasons specific to their industry. Speak to these points in your meeting.

After that initial meeting (or during, depending on what makes sense), present a demo of your product/service to the key decision makers. Sell the potential customer on what you're offering.

Quote

At this stage of the customer journey, you and your potential customer are ready to seriously discuss terms and prices.

Send a quote to the potential customer, and then wait for a confirmation. If the client agrees to the terms of your quote, you can move to "Closure" and draw up the contract.

Closure

After the quote is confirmed, negotiate the final terms (e.g., tailored subscription or membership) and seek to close the deal. The success of this stage will be reflected in your company's revenue.

Communicate again the problem your product/service solves for your potential customer specifically and what value would be gained. Put what you've discussed into writing, and then send it to the potential customer. You should present a mutually beneficial agreement for both you and the customer.

Won/Lost

If you won the deal, deliver what you promised. Also make sure that you communicate the terms of the deal with customer support so they can smoothly continue the customer journey and relationship.

If you lost the deal, review the reasons why. Pinpoint what's working and what's not in order to improve sales. As a manager, this stage also provides you with a view of the performance and the skills that your sales reps need to develop.

And remember, just because a deal may be lost now, that doesn't mean that you can't contact the person and their company in the future. Track actions, and record them in your CRM for follow-up later on.

Map out your onboarding process

Your relationship with the customer doesn't end at purchase. That's only the beginning.

According to Appcues, "one of the biggest determinators of where your churn flattens out to in Week 10 is the first impression you make in Week 0, during user onboarding." If your new customer can't figure out how to use your product or service or doesn't feel like your company is offering a great experience, you'll likely lose them early on.

Map out how your sales team is currently introducing your product or service, what the handoff looks like to account managers and customer support, and how you can improve the process.

Although every customer onboarding process will depend on the business, we recommend the following steps for creating a successful onboarding experience (especially if you're a B2B company):

- **Prep internally before your kickoff call.** All team members should meet before they meet with the customer. Share prior conversations, give context on customer needs, provide sales notes, and documents on who needs to do what.

- **Meet with the customer on a kickoff call.** This is when sales hands off the customer to account management. During this call, spend less time talking and more time listening and asking questions. In addition to introductions and contract discussions, Haley Bryant, VP of operations at Animalz and a former team manager at Apple, says that there should be enthusiastic alignment during kickoff calls. "Communicate that you understand what their goals are, how they fit into their broader business mission, and how you can help move stuff forward. Let them know that the team is excited about their business. This attitude is, hopefully, infectious."

- **Send supporting materials to new customers.** Although welcome emails are important, marketing should also be sending other resources to help new customers succeed. Things like product videos, feature demos, and educational webinars are essential to educating the new customer on using your product service.

- **Track the onboarding experience.** Even after account handoff, ensure that your sales reps are checking in periodically with new customers, asking about problems and whether they can help.

A carefully planned onboarding experience makes sure that the customer relationship is smoothly transitioned to the next company team member or department.

Scale with your sales CRM

A sales CRM ensures that you can manage all of the moving parts of your customer relationships without sacrificing customer satisfaction.

One top capability of a sales CRM is automation. Reps can automate time-consuming tasks and focus on building the customer relationship. For example, Sell's Automated Actions feature allows you to automatically create tasks every time you add a new contact, lead, or deal or when a deal moves stages.

Reps are automatically reminded to, for example, send a follow-up email to a new contact.

Also track sales rep activity with customers. Activity reports within Sell's CRM should provide this information. Review rep activities, such as the following:

- Calls made

- Emails sent

- Appointments held

- Tasks completed

- Notes taken

- Text messages sent

- Visits

As a sales manager, you can use these reports to view the time individual reps and your team as a whole are investing in customers.

Also enable your reps to communicate with potential customers at any time. With Sell's mobile app, reps can view everything from their sales pipeline to their tasks, all while on the go. Reps can also call and record calls with prospects, as well as log the outcome of the call.

All information from the mobile app is automatically available on the desktop version of Sell.
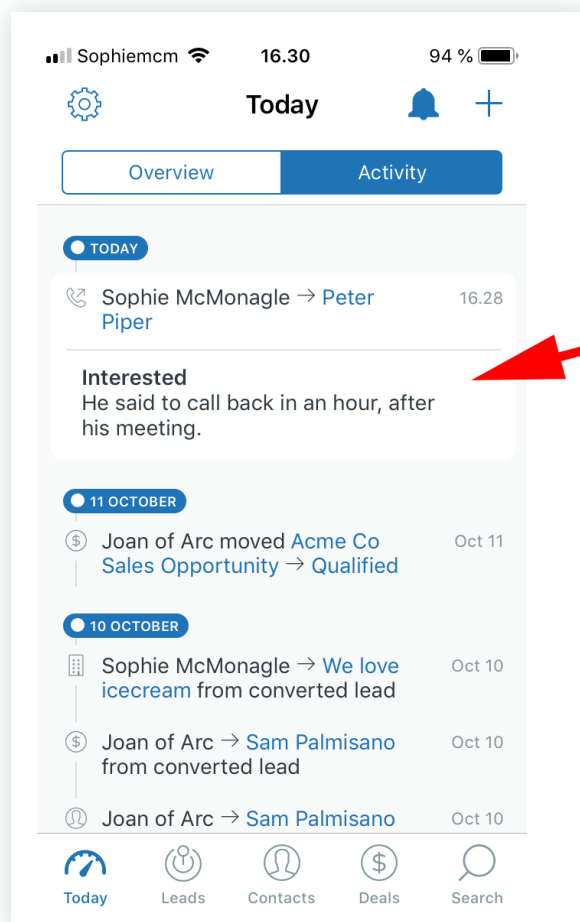
Reach out to churned customers

Former customers aren't always lost forever. Revise your approach in 2020 to spark a renewed relationship. Going after the right churned customers and sending personalized resources are two ways to win back lost business and grow your company.

Determine who to Approach based on past behavior

Don't go after every lost customer. Be strategic and focus on high-value customers who are more likely to return.

According to Harvard Business Review, "Many companies try to regain every lost customer, but this can sap marketing dollars; firms will be more efficient if they focus on people whose prior behavior suggests a predisposition to return. The researchers found that customers who have referred others, who have never complained, or who have had complaints that were satisfactorily resolved are the best bets."

Consider common reasons for customer churn:

- Bad onboarding
- Poor customer experience
- Price
- Competition
- Loss of key user

Review all customers who churned over the past year to identify why they left. If they churned because of price, this can be remedied easier as compared with a customer who churned because of a bad customer experience.

Once you have your list of churned customers likely to return, segment further by potential revenue. How much did each one generate when they were customers? What is their potential of upgrading if they return? Prioritize high-value prospects, and target with resources, incentives, and conversations.

Send personalized content

Sending personalized content, such as specific guides and ebooks, to churned high-value customers aligns with Todd Caponi's advice, "Always be giving." This strategy works for both current and churned customers. Solve their problems, and show you're invested outside of your product or service.

Work with marketing on resources that align with why these customers churned in the first place. For example, one common reason for churn is the loss of a key user. Maybe your primary contact left your customer's company. The new contact wasn't as invested in your product and churned as a result, citing price as the problem.

To engage with churned customers, create an email drip campaign targeted directly at churned customers. Let them know that you have solutions that relate to their objections. For example, send a drip campaign with content about product or service benefits connected with new pricing packages.

Send at least three reengagement emails before removing churned customers from your list.

In addition, find out what the new contact cares about on a personal level, as well as what the company is currently struggling with. Maybe the new contact is trying to improve their email marketing strategy. Email resources, such as an email marketing guide for SaaS marketing managers.

Include their name and reference their problem so they know that the message is personalized. Also send these resources to additional team members so you have a strong network even if the primary contact leaves the company.
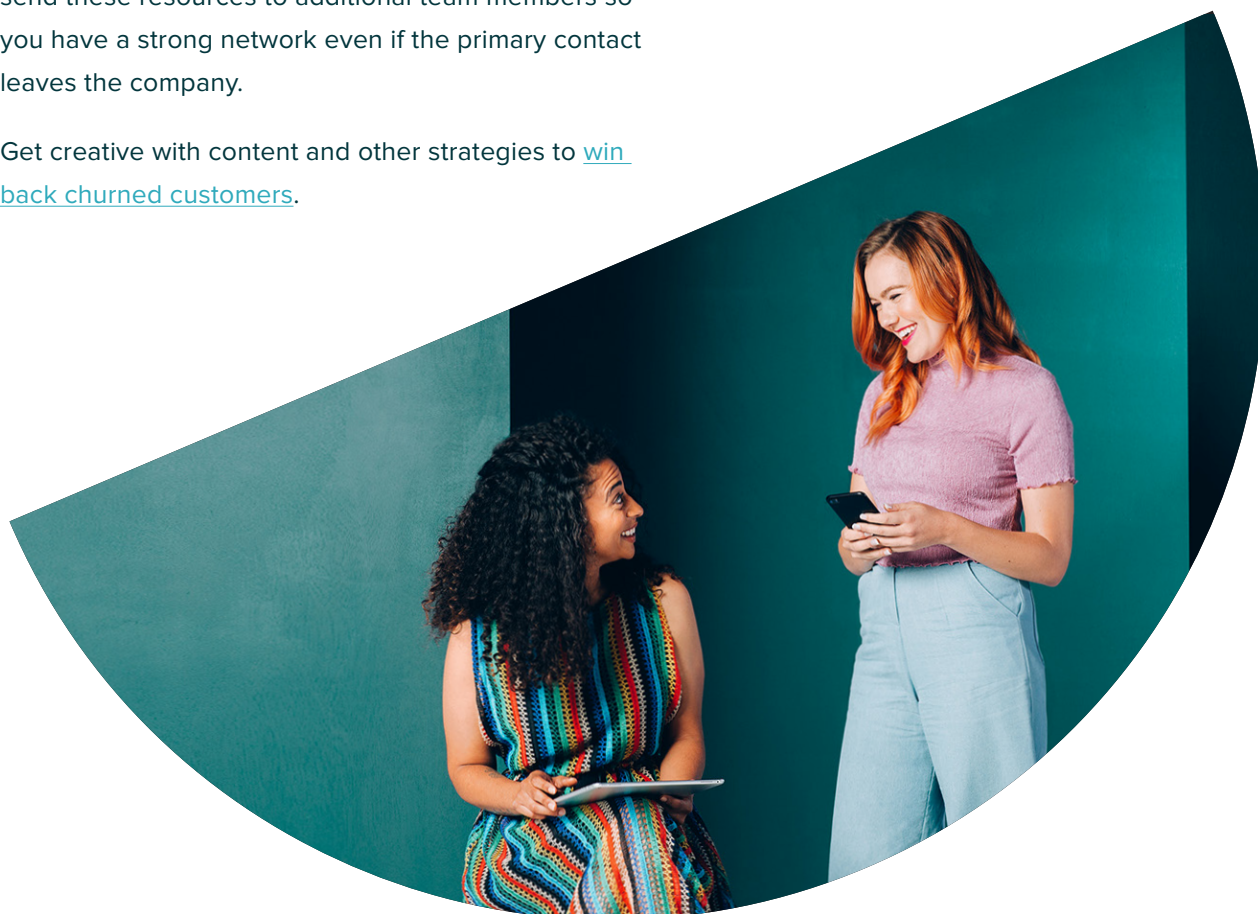
Get creative with content and other strategies to win back churned customers.

How many re-engagement emails do you send before removing someone from your list?

- 1   ● 2   ● 3   ● 4+

34.5%

37.9%

6.9%

20.7%
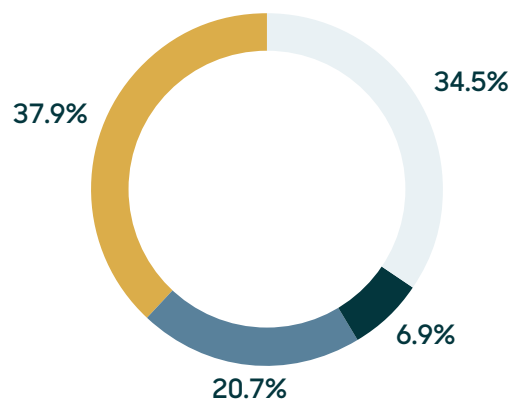
29 responses

Grow your business through high-value customers

High-value customers who are continually nurtured will be engaged, spend more, recommend your products or services to others, and increase your company's revenue. In other words, happy customers will grow your business.

Successfully creating and managing customer relationships will be essential for growth in 2020 and beyond. Equip your sales team with the right tools by using Sell. Try us out for free!

To learn more about Sales CRM that can enhance productivity, processes, and pipeline visibility for sales teams, head over to Zendesk Sell.

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