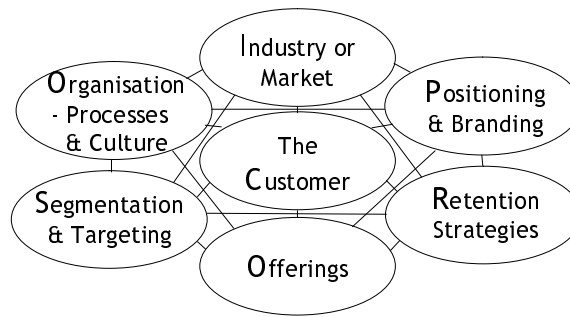


Scorpio market strategy

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Retention

The value of customer retention has been researched, written about, conferenced and discussed - but rarely applied. The systems and structures of most organisations make it difficult to do much more than talk about 'lifetime value' or 'relationships' although, over time and with increased competition, this will change.

Also changing are accepted ideas about strategy. Generally, the older (1980s) ideas are being replaced by new thinking. Today's markets are too fast moving to allow any of us to stand back from the competitive battle long enough to draw elaborate plans and 'emergent strategy' is starting to make an impact.

However, speed of response should not be confused with customer focus, nor should the search for increased value imply that the mantra 'Cheaper-Faster-Smaller' is all there is to retention. Recent adoptees of some of the CRM systems currently being sold will soon appreciate that there is more to creating and maintaining relationships than cutting costs among front-line staff!

The strategic checklist for your organisation is:

1	How important is 'Retention' in our market?	<i>Do the numbers, you will convince nobody otherwise</i>
2	How big is the 'problem' and the potential gains?	<i>Exactly how much money will you get back from improved retention?</i>
3	Is retention just about customer satisfaction?	<i>No. Its about commitment.</i>
4	Do accounting and reporting systems impede retention activities?	<i>Yes. How can you get round them?</i>
5	How good is our Marketing Information Systems (MkIS)?	<i>How do you hope to get more customers to stay longer without understanding what they want more of?</i>
6	What is the strategic role of Customer Relationships?	<i>If it doesn't fit into strategy it won't be done</i>
7	How are we planning to invest in our primary asset?	<i>Your customers are your primary asset and under threat from competition every day.</i>