

How to Build Better Relationships with Your Customers

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Owning and operating a small business is a great way for you to pursue financial freedom and, possible, untold riches. However, managing a company isn't as easy as you might hope, and there are numerous factors that can be detrimental for new business owners who often don't know how to recognize and deal with them. Here are the tips that every small business owner needs to know in order to achieve long term success.

Understanding Your Customers

No business can survive without their patrons, and that means that company that gets to know its customers can succeed where others fail. [Market research](#) is a great place to start, because it can give you an overview of the need to know information about your audience that can inform your business at several levels. Market data can help you to build more informed marketing campaigns that are universally more effective than shot in the dark advertising, and that means that you'll need a qualified PR team on hand to conduct surveys and employ various research techniques that can give your company an edge when it comes to giving the people what they want. An understanding of your target demographics is essential for creating the optimal business model and successfully pitching your product to the public.

The Importance of Customer Concentration

On the other hand, your face to face interactions with customers will also play a major role in your business's success. For instance, your company's customer concentration rating will have an impact on how your business gains revenue and the form that customer interaction will take. [The risk of customer concentration varies](#) from one company to another, and the effect of concentration likewise depends on the business model in question. For example, a retailer will typically have lower customer concentration, and this comes down to two major factors. For starters, retail businesses are always in demand for providing basic supplies such as food or cleaning supplies. These low cost items are universally needed, meaning that a lot of people will spend a small amount of money at your place of business. On the other hand, companies that provide larger services to a smaller number of clients

will have a higher concentration of customers. The higher the concentration of your customer base, the more important it is that each customer is made to feel like a valuable member of your "family," which increases the need for affable personalities and people skills for you and your employees.

How Effective Marketing Drives Profits

Marketing is the cornerstone of commerce, because you can't sell a product if no one knows you're selling it. However, all marketing is not created equal, and marketing is a complicated field that utilizes numerous tools and techniques. Advertising and press releases are the most well known forms of marketing, because they represent direct statements of purpose from the business to consumers. However, these are just a drop in the bucket. More foundational is branding, because [your business's brand](#) will be the face of your company. In the case of mascots and spokespeople, this is more literal, but branding itself entails numerous aesthetic factors that will become inexorably linked to your products and services. Hiring a marketing agency will be the best option for your business, because it provides your marketing campaigns with the level of polish needed to create compelling advertising and branding that will appeal to your audience. Effective marketing will make the difference between a company that finds only middling success largely thanks to word of mouth and a business that is destined for greater things thanks to competent marketing that fuels profitability and growth.

Building your business is no easy feat. However, there are well known, proven solutions to almost any problem a business owner will encounter. These tips will help you improve your relationship to customers new and old, and that will form the basis of a company that will thrive for years to come.

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