

Why customers are important

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Customers are the most important people for any organisation. They are the resource upon which the success of the business depends. When thinking about the [importance of customers](#) it is useful to remember the following points:

1. Repeat business is the backbone of selling. It helps to provide revenue and certainty for the business.
2. Organisations are dependent upon their customers. If they do not develop customer loyalty and satisfaction, they could [lose their customers](#).
3. Without customers the organisation would not exist.
4. The purpose of the organisation is to fulfill the needs of the customers.
5. The customer makes it possible to achieve business aims.

Customer satisfaction

Customer satisfaction is at the heart of the selling process. One estimate is that it costs five times as much to attract new customers as it does to keep an existing one. The relationship between the customer and the [organisation](#) is, therefore, an important one.

Building [customer relationships](#) can be seen as moving up a ladder. At the top rung of the ladder are your loyal customers (advocates).

The ladder consists of four main rungs (with 4 being the highest):

- * 4 - Advocates
- * 3 - Regular customers
- * 2 - Occasional users
- * 1 - One-off purchasers

The extent to which customers move up the ladder depends on how well they are treated by the organisation. Well focused sales methods and attention to individual detail is likely to encourage customers to move up the ladder.

The Times 100 focuses on [organisations](#) which illustrate excellence in building relationships with customers over time such as Argos, which spends a lot of energy, and time on finding out what customers want. Other organisations like Nestle and Cadbury Schweppes place great store on building strong links with all their stakeholder groupings and with their customers through extensive market research.