

Brand loyalty is dead

In 1970 Simon & Garfunkel released a song called 'Keep the Customer Satisfied'. It didn't do particularly well for them - in fact, it only made it onto the music charts when it was covered by other singers. Its main claim to fame was that it appeared on the B-side of the folk duo's famous hit single 'Bridge Over Troubled Water'.

 By [Tess Sulaman](#) 5 Jan 2016

'Keep the Customer Satisfied' tells the story of the lengths the band would go to - the travelling, the exhaustion, being away from home - to perform to their fans. The song reflects the sentiments they sing about in another of their songs, 'Homeward Bound'. Interestingly, though, Simon & Garfunkel never sing about fan acquisition, only fan retention. Keeping their existing customers (or fans) satisfied was their primary focus.

In 1981 the group put on a free concert in Central Park, New York, that drew an audience of around 500,000 fans. That's in one city. Granted, it's a big city, but a turnout like that is nothing to be sniffed at. Keeping the customers satisfied clearly worked out well for Simon & Garfunkel.

The same can be said for business. Your existing customer base is far more likely to support your brand than new clients are. Treat your customers well and you'll develop a loyal following of people who are likely to keep buying from you year after year, and in increasing volumes. You'll also have a ready-made target market for cross-selling other products or brands in your business. In addition, loyal customers are less likely to shop around and you can usually rely on them for word of mouth marketing, which in itself is likely to bring new customers on board.

This is not to say that companies should not be dedicating resources to customer acquisition. Growing your customer base is vital in any industry in order to expand your business, or even just to keep your head above water.

Estimates vary wildly - between three times and 70 times - as to the difference in costs between retaining

client and acquiring a new one. But all commentators agree, keeping an existing customer is way cheaper than converting a new one.

The key is building brand loyalty

The key is building brand loyalty, a quality that is growing more and more rare in today's always-on economy. Price wars are among the greatest threats to brand loyalty - and technology is a great price war enabler. First you got to buy your plane tickets online, giving you the chance to compare prices easily and conveniently, and move to a new airline without even thinking. Travel agencies have almost become a thing of the past. Then the price wars came to the insurance industry, and people started switching brands in an instant, cutting out brokers in the process. New technology is currently being tested in retail stores in the United States that sends messages to shoppers on their mobile devices when they come in range of certain products, alerting them to specials, discounts and coupons.

So what is the answer, then? Where are we headed in this fiercely competitive tech world, and how do we keep our customers satisfied?

The good news is that tech actually helps to attract new customers for a lot less money. The flipside of this, of course, is that it's equally easy for everyone in the market, so no real competitive advantage there. Where businesses can really differentiate themselves is in the way they engage with existing clients.

Firstly, do something that's never been done before. In 1981, staging a free, open air concert in the middle of New York City was a novelty. It received worldwide recognition and the resultant album, *Concert in the Park*, which was recorded at the concert, sold millions of copies around the world.

Secondly, keep reinventing yourself. Simon & Garfunkel had officially split in 1970 but reunited for the 1981 concert. They held a few more revival concerts in later years. Paul Simon, one half of the duo, reinvented himself as a solo artist with great success in the 1980s.

Thirdly, put the effort in to give your fans what they want. It's not going to happen by itself. It takes hard work, creativity and guts to remain ahead of the pack and build a base of loyal brand fans who are prepared to stick with you no matter what your competitors are up to. Otherwise you're likely to end up on the B-side of someone else's hit song.

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