
**A LOYAL CUSTOMER: ASSESSING THE TECHNIQUES FOR RETENTION AND A
CONTINUED PATRONAGE**

By

CLARK J. Lion, Ph.D.
Department of Vocational Studies
Faculty of Education
University of Rochester
Rochester
New York City

And

AKPAN, E. Ebenezer, Ph.D. FCICN, AP, PPGDCA, PHDCDPM
Corporate Institute of Research and Computer Science
140 Ikot Ekpene Road
Uyo, Akwa Ibom State

ABSTRACT

Customer loyalty is one of the cornerstones of sustained business success, driving both profitability and competitive advantage. This study examines the techniques for retaining loyal customers and ensuring their continued patronage, focusing on various strategies employed across different industries. Key approaches include personalized marketing, exceptional customer service, loyalty programmes, and effective communication channels. The study emphasizes the importance of understanding customer needs, building strong relationships, and continually adapting to changing market conditions. This study aims to provide actionable insights for businesses seeking to enhance customer loyalty and achieve long-term growth. The study concluded that businesses that stay ahead of these developments and remain focused on delivering remarkable customer experiences are well-positioned to achieve sustained customer loyalty and continued patronage. One of the recommendations provided was that businesses should harness the power of big data analytics to gain deeper insights into customer behaviour and preferences.

KEYWORD: Loyal customer, customer retention, Techniques and continued patronage

INTRODUCTION

The state of being true or faithful to allegiance is called loyalty. Businesses have focused on creating client retention and loyalty programs because they recognise that devoted consumers are their most valuable assets. Achieving customer loyalty and retention is essential to the company's success, but gaining new clients must be viewed as just as important to the customer retention process. According to Basse, Onobrakpor & Nnah (2015) informing and educating the populace is a priority mostly in relation to policies and objectives that involves people. Providing outstanding customer service is one of the cornerstone strategies for keeping customers. According to Nyarko, Agyeman-Duah, and Asimah (2016), service quality has also been associated with customer loyalty. It has also been found that the development of good relationships with customers also plays a key role in generating customer loyalty.

In today's competitive economy, when client acquisition costs have increased and customer

retention has become increasingly difficult, customer loyalty is a critical component of corporate success. Additionally, personalization has become a key strategy for keeping customers. By understanding customer expectations, empowering and training staff, personalizing the customer experience, maintaining consistency across touch points, communicating clearly and promptly, concentrating on continuous improvement, and rewarding customer loyalty, businesses can increase customer loyalty through quality of service. Grewal, Roggeveen, & Nordfält (2021) mentioned that personalized marketing efforts, such as targeted emails and product recommendations, significantly enhance customer satisfaction and loyalty. By making customers feel understood and valued, personalization fosters a deeper emotional connection with the brand.

Another critical technique is the implementation of loyalty programs. These programmes, which reward customers for repeated purchases, have proven to be highly effective in fostering customer loyalty. Liu-Thompkins and Tam (2017) mentioned that well-designed loyalty programmes can increase customer retention by creating a sense of value and appreciation among customers. These programmes often include point-based rewards, exclusive discounts, and special offers, which incentivize customers to continue their patronage. Lastly, maintaining open and effective communication channels with customers is essential for retention. Akpan, James & Nwokoro (2022) mentioned that communication in all ramifications has opened doors for organizations to increase brand awareness and facilitates contact with customers. Regular engagement through social media, newsletters, and feedback surveys helps businesses stay connected with their customers and address their evolving needs. Companies that actively seek customer feedback and act upon it can improve customer satisfaction and retention rates. This proactive approach to communication ensures that customer's feel heard and valued, leading to sustained loyalty (Verhoef, Kannan, & Inman, 2019).

CONCEPT OF A CUSTOMER

The term customer is derived from the Latin term 'custom, which simply means 'practice'. In other words, the term customer means a person who is habitually buying goods frequently. Customers are the backbone of any business, engaging in transactions that drive revenue and growth. A customer is simply a person or business that buys goods and services from another business. A customer exchanges something, usually monetarily, for a good or service. According to Kris (2013), customers are key players in business ecosystems and an important source for product development projects, and their input is critical to ensuring product success. They can be individuals buying for personal use or organizations acquiring for operational needs. In its more basic sense, it refers to those who use goods and services for the satisfaction of their personal wants, thus excluding buyers who purchase for manufacturing purposes or for resale. Customers are focused on obtaining a product or service in exchange for payment. The relationship between a customer and a business is primarily transactional.

A customer has been well defined by several researchers. Ali (2020) defined a customer as one who makes use of the paid product of an individual or an organization. This is typically done by purchasing or renting goods or services. Denomme (2023) explained that customers are people or businesses that are currently purchasing, have purchased, or may be interested in purchasing a product from another individual or company. Customers help to generate profit by buying products and services, and the entire business, marketing, sales, and profits depend on customers (Rosli & Nayan, 2020). Businesses can neither survive nor thrive without customers. Every business fights to get customers by advertising their products heavily, cutting costs to get more customers, or making unique products and experiences that people love. Making a proper business plan for your business enterprise, you will be laying down a solid foundation for your business success (Basse, 2019).

CONCEPT OF A LOYAL CUSTOMER

Customer loyalty can be defined as a customer's deeply held commitment to repeatedly purchase the same brand or set of products in the future, which is the industry's goal. Alternatively, it can be understood as the intention of repurchasing goods and services. One of the most important aspects of a business' success is seen to be customer loyalty. Loyal customers are the most valuable asset for the company in improving its profitability. To be able to make loyal customers, emphasize the importance of the company's ability to seize new customers and retain them. The company need a high level of commitment, both in terms of funds and human resources, so that the product quality is really in accordance with the wishes of customers.

Tariq (2013) explained that loyalty is a phenomenon that has received a great deal of interest among marketers. Customer loyalty is the commitment held by customers to repurchase or subscribe to a product or service in the future. Customer loyalty is seen as one of the key factors in a company's success. A necessary premise, among others, to gain customer loyalty is how the customers perceive the customer service. Ganiyu, Uche, and Elizabeth (2012) defined loyal customers as the adherence of customers to a company. Even if businesses make mistakes, loyal customers will not leave. Customer loyalty, as a consumer behaviour, is built on positive experience and value, which leads to buying products even when they may not appear to be the most rational decision. Customer loyalty is also dependent on a number of customer-related factors, such as how customers perceive the business rather than what the business really does.

A key factor in the long-term viability of small and medium-sized businesses is customer loyalty. Dependent on client happiness, loyalty is a crucial customer-focused marketing technique. The quality of products, the price strategy used, and the effectiveness of customer-business communication all have a significant impact on customer loyalty. The primary goal of strategic business marketing planning is loyalty, which is also essential for client retention.

CONCEPT OF PATRONAGE

Patronage can also be defined as the support, encouragement, privilege, or financial aid that an organization or individual bestows on another. Patronage is a socio-economic and political system in which resources, benefits, and opportunities are distributed by individuals or groups (patrons) to others (clients) in exchange for support and services. Patronage has historically been common in many civilizations, impacting social dynamics, culture, and governance. Patronage was a fundamental component of the social system of ancient Rome. Rich and powerful people, referred to as patrons, offered chances, security, and financial assistance to their clients in exchange for services, allegiance, and political support. This relationship was mutually beneficial and reinforced social hierarchies and political stability.

During the Renaissance, patronage played a critical role in the flourishing of the arts and sciences. Wealthy families and the Church funded artists, scholars, and scientists, leading to remarkable cultural and intellectual advancements. The Medici family in Florence is a quintessential example, as their patronage supported artists like Leonardo da Vinci and Michelangelo, fostering the period's artistic renaissance.

In contemporary contexts, patronage often manifests in political systems, especially in developing countries. Political patronage involves the distribution of public resources, government contracts, and employment to individuals or groups in exchange for political support. This can perpetuate corruption, inequality, and inefficiencies in governance. Studies on patronage in modern democracies reveal how it can undermine institutional integrity and democratic processes by prioritizing loyalty over merit (Keefer, 2017). Patronage, while providing short-term stability and

support, can also entrench power dynamics and inhibit meritocratic principles. Its influence on culture, politics, and society underscores the complexity of its impact across different historical and contemporary settings.

CONCEPT OF CUSTOMER RETENTION

A company's capacity to hold onto its clients over time is referred to as customer retention. Maintaining long-term connections with clients instead than just obtaining new ones is a crucial component of corporate strategy. In order to provide long-term value for the client and the business, customer retention highlights the significance of customer loyalty, satisfaction, and engagement.

According to Ranaweera and Neely (2003), cited in Artha, Zahara, Bahri, and Sari (2022), customer retention is the propensity of the customer to stay with their service provider. Customer retention can also be seen as a company's ability to turn customers into repeat buyers and prevent them from switching to a competitor. Customer retention is a metric that measures customer loyalty, or an organization's ability to retain customers over time. It identifies the number of loyal customers and can reflect or predict customer satisfaction, repurchase behaviour, customer engagement, and emotional ties to a brand.

The number of clients that stick with a certain firm over an extended period of time is known as customer retention. It is what shows that a company can encourage clients to spend more money on their goods and services over time and make repeat purchases. The term "customer retention" describes the initiatives and practices used by businesses and organizations to lower the rate of customer attrition. Helping businesses keep as many customers as possible is the aim of customer retention programs, which frequently involve brand and customer loyalty campaigns.

Furthermore, Aspinall, Nancarrow, and Stone (2001), cited in Hanaysha (2018), defined customer retention to simply mean customer 'loyalty' or 'commitment'. Customer retention measures how many customers make repeat purchases with a company over time. It is a key metric that helps gauge loyalty and assess how satisfied customers are with a product or service. Quality of service determines the consistent use of such services (Bassegy & Umoh, 2023). Customer retention, simply put, is the ability of a business to retain its customers. Retention is measured by the percentage of customers a company keeps over its total number of customers within a specific timeframe. Customer retention refers to the rate at which customers stay with a business for a given period of time. Customer retention is the ability of a company or product to retain its customers over a specified period of time. Customer retention can be improved by customer satisfaction (Simanjuntak, Putri, Yuliati, Sabri, & Wright, 2020).

Customer retention is the ability of an organization to retain its existing customers. A high retention rate shows how valuable a product or service is to customers. Customer retention describes the ability of a company to maintain its current customer base after acquisition. The goal of customer retention is to increase revenue by generating repeat sales from current customers rather than sinking costs into acquiring new customers. Customer retention strategies revolve around improving metrics for customer lifetime value (CLTV), customer satisfaction (CSAT), and Net Promoter Score (NPS), among others. Customer support, customer success, marketing, or sales teams can all be involved in customer retention efforts. Customer retention is "continuity," which is when a customer continues to interact with a firm (Eva, Scott, Oded, Zachery, Peter, Sunil, Bruce, Aurélie Barak, David, Foster, and Rom, 2016).

HOW TO RETAIN A LOYAL CUSTOMER FOR CONTINUED PATRONAGE

Retaining loyal customers is crucial for business success. Customer loyalty is characterized by

customers repeatedly purchasing from a brand without considering competitors. This loyalty is typically cultivated through excellent product offerings, personalized marketing, and outstanding customer service. Loyal customers are invaluable, as they contribute significantly to revenue and can act as brand ambassadors through referrals and positive word-of-mouth. Here are some strategies to foster customer loyalty and encourage continued patronage, as mentioned by many scholars, including Nasir (2015) and Rane, Achari, and Choudhary (2023):

- **Build strong customer relationships.**

Building strong customer relationships is crucial for retaining continued customer patronage. When businesses invest in understanding their customers' needs, preferences, and pain points, they can tailor their products, services, and interactions to meet those specific requirements. Personalized experiences, consistent communication, and prompt responses to inquiries and complaints foster a sense of trust and loyalty. By actively engaging with customers and showing genuine appreciation, companies can create an emotional connection that goes beyond mere transactions. This emotional bond encourages customers to return, as they feel valued and understood. Moreover, strong customer relationships lead to positive word-of-mouth and referrals, which are powerful drivers of new and repeat business. Satisfied customers are more likely to recommend a company to friends, family, and colleagues, expanding the customer base organically. Additionally, loyal customers are less price-sensitive and more willing to forgive occasional mistakes, as their overall experience and satisfaction with the company outweigh isolated issues. By building and nurturing these relationships, businesses can ensure a steady stream of repeat customers, which is essential for long-term success and growth. The following are the key points for building strong customer relationships:

- Personalized Experience
- Excellent customer service
- Active Listening
- Consistent communication
- Prompt responses

- **Reward customer loyalty**

Rewarding customer loyalty is an effective strategy for retaining continued patronage, rooted in the principles of relationship marketing theory. This theory emphasizes the importance of long-term engagement and customer satisfaction as the foundation for business success. By offering loyalty programmes, discounts, exclusive offers, and other incentives, businesses can reinforce positive customer experiences and encourage repeat purchases. These rewards not only make customers feel appreciated but also provide tangible benefits that enhance their overall value perception of the brand. As customers accumulate rewards, they develop a stronger attachment to the company, making them more likely to return and continue their patronage. The following are the key points for building strong customer relationships:

- Loyalty Programmes
- Exclusive Offers
- Discounts
- Birthday and Anniversary Recognition

- **Foster a strong brand identity**

Fostering a strong brand identity is a powerful strategy for retaining customer patronage, as it creates a distinctive image and emotional connection that customers can relate to and trust. According

to brand loyalty theory, when a company consistently presents a unique and coherent brand identity, it helps customers identify and differentiate it from competitors. This identity encompasses the company's values, mission, visual elements, and customer experience, all of which contribute to a memorable and recognizable brand. When customers perceive a brand as authentic and aligned with their values, they are more likely to remain loyal and continue patronizing the business. Fostering a strong brand identity is a powerful strategy for retaining customers' continued patronage. A well-defined brand identity creates a memorable and distinct image in the minds of consumers, making it easier for them to recognize and choose the brand over competitors. Consistency in messaging, visuals, which includes radio, social media and television. James (2018) stated that for decade's television has been a functional channel of information, education and entertainment as well as culture promotion. When customers repeatedly encounter a brand that consistently advertise and delivers on its promises, they develop a sense of loyalty. This loyalty is reinforced by the emotional connection that a strong brand identity can create, turning one-time buyers into long-term advocates. The following are the key points for building strong customer relationships:

- Consistent brand messaging
- Storytelling
- Community Engagement

- **Provide exceptional value**

Providing exceptional value is a critical strategy for retaining customers and ensuring their continued patronage. When businesses go above and beyond to deliver products and services that exceed customer expectations, they create a competitive edge that encourages loyalty. Similarly, training employees to prioritize customer interactions and ensuring they are friendly, attentive, and helpful is essential for retaining customers. A positive customer service experience can significantly influence a customer's decision to return. This exceptional value can come in various forms, such as offering high-quality products, providing outstanding customer service, and ensuring excellent post-purchase support. By consistently delivering more than what customers expect, businesses not only satisfy their immediate needs but also build a reputation for reliability and excellence. This reputation fosters trust and keeps customers coming back, knowing they will always receive superior value for their money. The following are the key points for building strong customer relationships:

- Quality products and services
- Competitive Pricing
- Continuous Improvement

- **Leverage Technology**

Leveraging technology is a powerful strategy for retaining customers' continued patronage. Advanced customer relationship management (CRM) systems allow businesses to gather and analyse customer data, enabling them to offer personalized experiences and targeted marketing. By understanding customer behaviour, preferences, and purchase history, companies can create tailored promotions, recommend relevant products, and anticipate future needs. Automation tools enhance communication by providing timely updates, reminders, and personalized messages, ensuring that customers feel valued and engaged. This level of customization fosters a sense of loyalty, as customers appreciate the convenience and relevance of their interactions with the brand. The following are the key points for building strong customer relationships:

- Customer Relationship Management (CRM)
- Personalization
- Omni channel Experience

CONCLUSION

The techniques for retaining loyal customers are continuously evolving, driven by technological advancements and changing consumer preferences. Businesses that stay ahead of these developments and remain focused on delivering remarkable customer experiences are well-positioned to achieve sustained customer loyalty and continued patronage. By integrating these strategies into their operations, companies can not only retain their existing customers but also attract new ones, ultimately leading to long-term success and growth.

TYPES OF REWARD TO A LOYAL CUSTOMER

Rewarding loyal customers is a crucial strategy for businesses aiming to retain their customers and foster long-term relationships. Here are various types of rewards that can be offered to loyal customers:

- **Discounts and Coupons:** Discounts and coupons are among the most effective and widely used rewards for loyal customers, offering immediate value and incentivizing repeat purchases. Discounts can significantly influence consumer behaviour, with loyal customers perceiving them as a direct acknowledgment of their continued patronage. Coupons, in particular, are highly appreciated as they provide a tangible benefit that customers can redeem on future purchases, creating a sense of anticipation and satisfaction. According to Nielsen (2020), 73% of consumers feel more loyal to brands that offer personalized promotions.
- **Loyalty Programmes:** Loyalty programmes are a strategic tool used to reward and retain loyal customers by offering various incentives based on their purchasing behavior. These programmes typically involve point-based systems, tiered rewards, or punch cards that encourage customers to make repeat purchases to earn benefits. Demoulin and Zidda (2018) noted that customers enrolled in loyalty programmes spent 12–18% more than non-members. Well-implemented loyalty programmes can significantly enhance customer retention rates and increase overall spending.
- **Exclusive Access:** Exclusive access is a highly effective reward for loyal customers, offering those unique privileges and experiences that are not available to the general public. This strategy involves providing early access to new products, special sales, or limited-edition items, creating a sense of exclusivity and value for loyal customers. Exclusive access can include invitations to private events, such as VIP meet-and-greets, special workshops, or appreciation dinners, fostering a closer relationship between the brand and its loyal customers.
- **Personalized Gifts:** Gift can be defined as the action of giving (Basse & Umoh, 2020). Personalized gifts are a thoughtful and impactful way to reward loyal customers, demonstrating that a business values and recognizes their individual preferences and milestones. These gifts can range from customized products to tailored experiences, designed to resonate personally with each customer. Personalized gifts can mark special occasions, such as birthdays, anniversaries, or significant purchase milestones.
- **Referral Bonuses:** Referral bonuses are a powerful way to reward loyal customers while simultaneously attracting new ones. This type of reward system incentivizes current customers to refer friends, family, or colleagues to a business in exchange for bonuses such as cash rewards, discounts, or free products.
- **Cashback Rewards:** Cashback rewards are an attractive and straightforward way to reward



loyal customers, offering them a percentage of their spending back as a rebate. This type of reward provides immediate, tangible value, which can be especially appealing to customers looking to maximize their purchasing power.

- **Recognition and Appreciation:** Recognition and appreciation are powerful forms of rewards that acknowledge loyal customers' continued support and foster a deeper emotional connection with the brand. This type of reward can take various forms, such as personalized thank-you notes, public acknowledgments on social media, or featuring customers in newsletters and other marketing materials.

RECOMMENDATIONS

- Regularly seeking and acting upon customer feedback is essential for continuous improvement. Businesses should implement systematic feedback loops, such as surveys, reviews, and social media listening, to gather insights into customer satisfaction and areas for enhancement.
- Loyalty programmes should be continually evaluated and updated to meet the changing needs and preferences of customers.
- Businesses should harness the power of big data analytics to gain deeper insights into customer behaviour and preferences. By analyzing purchasing patterns, browsing history, and feedback, companies can create highly personalized marketing campaigns that resonate with individual customers.
- Companies should leverage social media platforms, online forums, and brand communities to facilitate interactions between customers and the brand.

REFERENCES

- Akpan, U, James, C & Nwokoro, C. (2022). Perception of brands and outdoor advertising of smartphones by residents of Benin and owerri in Nigeria. *AKSU journal of communication research (AJCR)*. 8(2): 61-76.
- Ali H. (2020). Definition of Customer. Available at: <https://www.scribd.com/document/436952924/Defination-CUSTOMER#:~:text=A%20customer%20is%20someone%20who,key%20differentiator%20in%20competitive%20markets>.
- Artha, B., Zahara, I. B. and Sari, N. P. (2022). Customer Retention: A Literature Review. *Social Science Studies*, 2(1), 30-45.
- Bassey, M. M. & Umoh, M. S (2023). Libraries: Transforming the educational process through total quality management (TQM) in akwa ibom state. *Information horizons: American journal of library and information science innovation*. 1(5): 14-25.
- Bassey, M. M. (2019). Issues and challenges of entrepreneurship education in library profession. West and Solomon publishing. Anambra state.
- Bassey, M. M., & Umoh, M. S. (2020). Acquisition of School Library Resources: Information Services and the School Media Centre. *Afrischolar Discovery Repository (Annex)*.
- Bassey, M., Onobrakpor, U., & Nnah, F. (2015). The Role of Public Libraries in Enhancing Information Literacy for Sustainable Development: In Eboro Umoren and Uduak Enang (eds), *Trending technologies in Library and Information Science*. Afrischolar Discovery Repository (Annex).
- Demoulin, N., & Zidda, P. (2018). Drivers of loyalty program effectiveness: An empirical analysis. *Journal of Retailing and Consumer Services*, 40, 25-35.
- Denomme D. (2023). Customer Definition & Types. Available at: <https://study.com/academy/lesson/what-is-a-customer-definition-overview.html#:~:text=A%20customer%20is%20generally%20defined,from%20another%20individual%20or%20company>.
- Eva A., Scott, A. N., Oded, N., Zachery, A., Peter, S. F., Sunil, G., Bruce, G. S., H., Aurélie L., Barak, L., David, N., Foster P., and Rom, S. (2016). *In Pursuit of Enhanced Customer Retention Management: Review, Key Issues, and Future Directions*. A paper presented at a workshop on 'Customer Retention' as part of the 10th Triennial Invitational Choice Symposium, University of Alberta, 2016.
- Ganiyu R. A., Uche I. I., Elizabeth A. O (2012) Is Customer Satisfaction an Indicator of Customer Loyalty. *Australian Journal of Business and Management Research*. 2 (7)15
- Grewal, D., Roggeveen, A. L., & Nordfält, J. (2021). The future of in-store technology. *Journal of Retailing*, 97(1), 107-122.
- Hanaysha, J. R. (2018). Customer retention and the mediating role of perceived value in retail industry. *World Journal of Entrepreneurship, Management and Sustainable Development*,

14(1), 2-24.

- James, C. (2018). Indigenous television programme and the aesthetics: analysis of Akpasa mmi on NTA. Uyo. AKSU journal of communication research (AJCR). 3: 101- 110.
- Keefer, P. (2017). Clientelism, Credibility, and the Policy Choices of Young Democracies. *American Journal of Political Science*, 51(4), 804-821.
- Kris M. Y. (2013). Exploring Customer Definition and Representation in Market-Driven NPD in ICT Industry. *International Journal of Business Development and Research* 1(2):22
- Liu-Thompkins, Y., & Tam, L. (2017). Not all repeat customers are the same: Designing effective customer loyalty programs. *Journal of Marketing*, 81(2), 21-36.
- Nasir, S. (2015). *Customer Retention Strategies and Customer Loyalty*. Customer Relationship Management Strategies in the Digital Era. IGI Global.
- Nielsen. (2020). *the importance of personalized promotions in customer loyalty*. Nielsen Research Report.
- Nyarko, I. K, Agyeman-Duah, O. M & Asimah, V. (2016). Measuring Customer Loyalty Using Retention, Advocacy and Patronage as Key Denominators. *International Journal of Scientific and Research Publications*. 6(2): 375-380.
- Rane, N., Achari, A., and Choudhary, S. P. (2023). Enhancing customer loyalty through quality of service: Effective strategies to improve customer satisfaction, experience, relationship, and engagement. *International Research Journal of Modernization in Engineering Technology and Science*, 5(5), 427-452.
- Rosli N. & Nayan S. (2020). Why Customer First. *Journal of Undergraduate Social Science and Technology* 2(2):2
- Simanjuntak, M., Putri, N. E., Yuliati, L. N., Sabri, M. F., & Wright, L. T. (2020). Enhancing customer retention using customer relationship management approach in car loan business. *Cogent Business & Management*, 7(1).
- Tariq K. M. (2013) Customers Loyalty: Concept & Definition (A Review). *International Journal of Information, Business and Management*. 5 (3)168
- Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2019). From multi-channel retailing to omni-channel retailing: Introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91(2), 174-181.