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Methodological Approaches Tomanagingrelationships with Consumers

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Annotation: The article analyzes the criteria for identifying a profitable client, provides effective ways to assess customer loyalty, as well as methods for calculating the value of a customer base for a company. It is concluded that it is necessary to apply an integrated approach to studying the loyalty of the company's customers.

Keywords: consumer, loyalty, client, base, value, consumer, indicator, analysis.

The reason for the pandemic is that the crisis in world economic life has affected enterprises of different sizes and activities. This process is especially challenging for consumer, retail and service-oriented companies during times of crisis. The problem of long-term and sustainable cooperation with the customer becomes especially acute, as the possibility of survival and survival of the business in terms of consumer loyalty in an unstable economic situation remains in question. However, these cases are also temporary. However, in such conditions, the concept of customer relationship management, which involves the company's strategic activities to create a stable and loyal customer base, is becoming increasingly relevant. Collection of information about customers based on the concept of CRM (Customer Relationship Management),

Customer Relationship Management (Visual)- customer relationship management (strategy for creating a sustainable business based on a customer-oriented approach).

This function consists of the process of generating information about customers, making efforts to improve the quality of the service offered, building customer loyalty, and improving the level of customer service. An important factor in the effective use of motivational tools for the implementation of the promotion-loyalty-loyalty chain is the identification of consumer groups that are important for the company when investing in them [1].

When researching customer loyalty, the key criteria for a valuable customer for a company are:

- high costs in each reporting period;
- buy less than other competitors;
- high frequency of monthly visits to the shopping center;
- purchase of goods with a high average volume of purchases;
- to produce highly profitable goods;
- purchase goods from different categories and departments;

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- Low operating costs (large orders, few listing requests, and low return losses). Majority researchers thought according to consumer's loyalty Problem Shaping Investing in a high value customer makes more sense than investing in a low value customer. The loyalty of high-value customers to the company will be permanent, which will require significant changes in the behavior of low-value customers in order to attract the company. B.B. Wolf's study found that high-value consumers make up the 12th largest customer base.

25% and 40-65% of sales [10].

There are several factors that determine the profitability of a client.

The first is the size of the basket. Uddaburon customers want to make a larger purchase in a single store visit. This means that the unit cost or average money spent will be less, but the contribution to turnover will be greater.

Second, frequency. The most valuable customer for the company frequents the retail store. Frequency is known to be the main motivating factor for increasing sales. The researcher found a positive correlation between the frequency of store visits and the level of shopping spending. 70-80% of the total increase in sales will be due to an increase in the frequency of purchases, the remaining 20-30% - due to an increase in purchases. There is a simple explanation for this phenomenon: Frequent shoppers are more familiar with the store's product range and location, so they can satisfy most of their needs in a single sale.

*Thirdly, the interval of purchases or the duration of the purchase (privilege).*The fact is that the fewer prescriptions a consumer has to visit a retail store, the higher the likelihood of a long-term relationship with him. Customer relationship management efforts require the introduction of special customer retention and return programs that allow the customer to determine when he stopped buying, what caused it, and also take measures to restore lost positions.

*Fourth, profitability (yield).*The results of many companies show that not all customers receive the same amount of income. In fact, some people mostly use time-names of expensive goods, and some customers simply look for and buy goods at a discount. Even if customers in this category spend the same amount of money as customers in the first category, they incur more losses than benefits to the company. Unfortunately, modern business rarely works on a discounted unit of goods and one transaction they do not pay attention to the definition of costs. These companies do not realize that there are no significant loss items on their balance sheets [10].

There is an RFM method for segmenting and evaluating the customer base based on the above customer value criteria. This method focuses on three indicators:

- *novelty*(duration) - the time when the client last bought something in the company for the analyzed period;
- *frequency*(frequency) - the number of purchases made by customers in the analyzed period;
- *Monetary value* (cash value) - the total amount of money spent in the analyzed period.

All customers are ranked on each of these three dimensions from top to bottom and then divided into equally sized segments. Thus, the client base is sorted three times. The base is first estimated by the period of the last purchase, then by the frequency of purchases, and finally by the average volume of purchases. Each stage is divided into five parts and is evaluated on a five-point scale in descending order. Thus, each client is evaluated according to each selected criterion (in terms of frequency, frequency of visits and costs). This calculation creates 125 possible combinations (5*5*5). Of course, this computing system demonstrates its complexity from a retail point of view.

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In this regard, there is a need to simplify the RFM methodology. Instead of dividing the customer base into quintiles, you can separate the main customers from the rest and sort both groups according to the above criteria. If this technique is demonstrated in the retail sector in supermarkets, the distribution will be 70/30, as studies show that 30% of consumers make up 70-80% of revenue (Pareto rule). The result is an eight-part matrix (2 x 2 x 2) that is easier to work with.

Some companies divide consumers into three groups: upper, middle and lower segments. The result is a matrix of 27 parts (3*3*3).

Using the RFM methodology allows you to measure the total cost of the customer base, predict changes in the cost of the customer base, and determine the target audience for campaigns and promotions.

Because the components of RFM are related to customer loyalty and future purchasing behavior, this method can be used as a simple way to calculate the return on investment in customer loyalty and customer relationship development.

The CLV (Customer Lifetime Value) method takes into account the total profit or loss received from a given customer during the period of active cooperation with him. This method is the most effective way to calculate the future value of customers, as well as the long-term return on investment in increasing customer loyalty.

CLV is a new concept. This figure was introduced by postal trading companies in the 1940s. Not only did they continuously monitor customer retention and promotional response rates, but they also turned the data into a common way to calculate past, present, and future customer value from the customer's point of view.

Among the many definitions of the term CLV, the following can be distinguished: CLV is based on the net value of all payments from the moment the marketing activity begins to affect the potential consumer until the partnership with the company is terminated.

The definition of CLV uses the term intrinsic value. This means that payments due at different times in the future will be made on a specific date (say

At the beginning of marketing activities in relation to a potential consumer) a certain interest rate, for example, should be calculated at a discount from the company's interest rate. (This means that Rs 1000 spent in ten years is not as important to the company as Rs 1000 spent today).

The definition uses the concept of payments instead of income and expenses, since the customer is of value to the company only after payment. If two consumers buy the same product at the same price on the same day, but consumer A pays with cash and consumer B with a credit card, the former will undoubtedly have more value from the company's point of view. If the consumer has difficulty paying or is unable to pay at all, the cost difference will widen. All costs (postage, service) must also be calculated taking into account discounts at the time of investment.

The definition of CLV includes the concept of consumer life cycle stages. From the company's point of view, a customer will be available until it is registered in the customer database. If the customer incurs costs (marketing stores, etc.) but does not buy, this negatively impacts profitability. Therefore, it should be removed from the client base.

In practice, in terms of future relationships, it is difficult to determine when the client will now benefit. Using a non-refundable client program can turn them into more profitable ones. Such companies will at least have information about consumers who responded and did not respond due to their use of CLV, and they can also know in advance which consumers should invest and which money should not be spent.

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Calculating a client's CLV, for example, calculating the net worth of a stock investment is almost no different. But the company invests in consumers who they think will benefit from future purchases, referrals to friends, and so on. If it is determined that the net profit expected from a particular customer is to generate that net profit, the customer's life expectancy, adjusted to the present moment, can be mathematically calculated for a multi-period period as follows:

CLV= $_{T}\ t = 0\ (pt{-}c_{t)}\,_{rt}(1 + t)^{t}$ -AC

According to the formula, the total discount on net income expected in each period

Divide by a factor. The discount rate can be determined based on the interest rate g for this company. Data for all periods is then added, allowing the client to calculate the CLV.

As you can see from the formula, CLV depends on three main indicators:

- ✓ interest rate;
- ✓ net profit for each period;
- ✓ Duration of cooperation with the customer (customer life).

Thus, the duration and value of cooperation are interrelated indicators. However, it should be kept in mind that a very high net worth over a short period of time may equate to a very low net worth over a long period of time. Typically, investment in leads is high at the beginning of a relationship, meaning that it is not possible to estimate the future profitability of a customer without using this method of calculation.

Although it is not difficult to detect CLV in theory, it is much more difficult to use this indicator in practice. The biggest problem is that it is very easy for a client who has completed an affiliate cycle with a company to calculate CLV. The need to know the value of the consumer arises when it is necessary to decide how much investment will be required, in other words, it must be known well before the start of the partnership. The answer to this question is to use a statistical formula. Agar

If a company has data on long-standing customers in its customer base, it can be used to calculate an average CLV, which can serve as a starting point for predicting a similar customer's CLV. It may be difficult to calculate CLV for each consumer individually, but the CLV calculation seems to be very appropriate for groups of consumers with similar characteristics. if a company has data on long-standing customers in its customer base, it can be used to calculate an average CLV, which can serve as a starting point for predicting a similar customer's CLV. It may be difficult to calculate CLV for each consumer individually, but the CLV calculation seems to be very appropriate for groups of consumers with similar characteristics.

Often the results of the work of the customer loyalty system are considered in combination with the results of using other marketing tools, seasonal market fluctuations, as well as other factors that distort the real situation, making it difficult to understand how successful this or that scheme is. . To justify financial investments in the program, it allows you to control, measure and analyze the level of consumer loyalty before, during and after the implementation of the program. Using only statistical and mathematical methods allows you to evaluate the effectiveness of the system to increase loyalty.

Since the concept of loyalty or benevolence is often interpreted in different ways, it is very difficult and sometimes impossible to measure its effectiveness. In addition, loyalty is made up of emotional content, which further complicates the measurement process.

However, the need to measure results later led to the development of several formulas that have become standard for calculating fidelity scores. One of the standard indicators of goodwill is the coefficient of protection. This ratio is compared with the number of outlets provided to the consumer (taking into account

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outlets where the consumer buys a certain category of goods during a certain period of time) and outlets (competitors in this product category) in which the consumer regularly makes purchases. :

PI= (n+1) - R*T*

Where P*I*- customer loyalty ratio /; n - specific in the observed period the number of stores available to the buyer to purchase the product of the category;

RT- the number of outlets that the buyer regularly buys. Absolutely with precision, the indicator will have a value equal to it. For example:

- ✓ there are three shops, in one of which purchases are made, so that the friendliness index is equal to one (absolute fidelity);
- ✓ there are three stores, all three where shopping is done; therefore, the coefficient is 0.33;
- ✓ there are three stores, in two of which purchases are made, so the coefficient is 0.66;
- ✓ if the buyer buys the product in the only store where it is in stock, the ratio is also the same.

The main disadvantage of this formula is that it is impossible to track the change in the content of purchases or the direct content of loyalty during the analyzed period. For example, a client could partially go to a competitor, while another client, on the contrary, could go from a competitor to the requested company. In this case, both clients can have the same ratio.

In addition, in a situation where the buyer has no choice (for example, if there is a single outlet offering certain products within the existing product limit), the indicator captures the absolute level of loyalty, and not its value. Significant.

Both of the above methods have not yet found wide application in the practice of our country.

Consistent use of these methods, especially in the banking sector, is considered appropriate.

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