

# Value Exchange Optimization™: The Secret to Unlocking Your Customers' Profitability Potential

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Jan 12, 2015

*"We believe that customers are no longer happy to be "sold to," by companies. Instead, the most successful customer experiences are the ones where the customer feels they have been "helped to buy."*

- **Steven J. Hoffman, President & CEO**

Value Exchange Optimization, the philosophy that is the basis for our intelligent customer engagement programs, offers businesses the opportunity to let their customers tell companies how to spend their marketing dollars more effectively.

By giving customers choice in the types of incentives that will drive changes to their behavior, our innovative, intelligent customer engagement programs allow customers to increase their own profitability. The secret to unlocking that profitability lies in optimizing the value exchange process.

## What is Value Exchange?

*"Companies embracing the principles of value exchange are operating on an entirely new playing field."*

- **Alan W.H. Grant, Exchange Solutions founder**

A value exchange between a business and a customer is, simply, the basic transaction of swapping one form of value for another form of value. It is a way of facilitating transactions and improving the connection between customer and organization.

The opportunity to leverage the power of value exchange Optimization to drive profitability is now more prevalent than ever before. Advancements in technology have allowed companies to offer their customers value in ways that extend far beyond traditional mass discounts and promotions, and those companies that do, continually demonstrate a superior competitive edge.

Where interacting with customers in a personalized, one-to-one manner was traditionally considered a "nice to have," now, it is one of the most valuable strategies in modern marketing. Businesses can't afford to not deliver customers the value they want, when they want it.

Without using the power of value exchange, companies will get left behind, suffering poor returns on marketing investment, low customer engagement and retention rates. They will not achieve the full profit potential of their customers.

## **How Value Exchange Optimization Works**

Achieving the full profit potential of your customers requires an intelligent customer engagement program. This involves first recognizing which customer behaviors create value for your company, and then quantifying how much value. Our intelligent customer engagement programs listen for “white spaces” in customer activity – what your customers are not doing, rather than what they are doing.

The next step is to decide how much of that value you want to invest in each customer relationship to encourage that new behavior, and tailoring the incentives to each customer, making sure they are targeted.

We then create custom rules tied to your specific business needs, and deliver your customers personalized, incentive-based messaging, giving them a choice of which behaviors to perform and how they wish to be rewarded. This is how we optimize the value exchange. Our platform works to enhance the customer’s experience at every touch point, in real-time.

## **How Value Exchange Optimization Unlocks Profitability**

Unlocking customer profitability requires a customer-centric strategy – the generalization of customers, providing all with the same level of service, is not profitable. In terms of generating profit, not all customers are equal. Applying the principles of Value Exchange Optimization in your business will lead to stronger customer engagement, higher retention rates, and increased customer lifetime value.

### **Stronger Customer Engagement**

Optimizing the value exchange process allows businesses to gain a deeper understanding of their customers, which results in a stronger, mutually beneficial relationship. Knowing which types of incentives drive each customer’s most profitable actions and being able to deliver them in the right form, at the right time, to exactly the right person, allows customers to feel helped, not like they are being sold to by the company.

Our programs turn traditional notions of push-marketing on its head, by putting the customer in control of the conversation.

### **Higher Retention Rates**

Companies that optimize the value exchange process are able to retain their existing customers for longer periods of time and continually save money on customer acquisition costs.

Value Exchange Optimization helps companies to retain their customers effectively by delivering the right type of incentives, in the right amount, at the right time. Satisfying customers’ needs with targeted incentives leads to repeat business, with no wasted marketing spend on the company’s part.

### **Increased Customer Lifetime Value**

When companies offer their customers more of what they want, customers are more motivated to act profitably. Companies are able to increase average basket size, increase purchase frequency, and upsell customers. Customers are not only more profitable, but are more likely to spread positive brand awareness for you and refer new customers too.

Value Exchange Optimization cultivates a deeper customer-to-company relationship, greater customer retention, and maximum share of wallet. It is our way of giving your business the tools to achieve true customer loyalty and unlock customer profitability.

Optimizing the value exchange process with an intelligent customer engagement program is the secret to establishing lasting, mutually beneficial relationships between you and your customers. Find out how to start intelligently engaging with your customers quickly and easily, by learning more about our Customer Engagement Roadmap.<sup>1</sup>

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<sup>1</sup> For more information about the Customer Engagement Roadmap, visit [www.exchangesolutions.com/getstarted](http://www.exchangesolutions.com/getstarted)