



# SMART PRICING STRATEGIES THAT IMPROVE CUSTOMER LOYALTY

Article from [Revalsys Technologies](#)

This article explains about the smart pricing strategies that improve customer loyalty

In the business scenario, customer loyalty is an important factor to make a business successful. The willingness of a customer to continue buying from a store over a longer period of time and recommending the store's products to family or friends can be termed as loyalty in the business context. So, you should focus on making your customers have good experience shopping from your store and have the willingness to return for more purchases.

Customer loyalty encourages customers to feel positive about their shopping experiences, shop more consistently and spend more money buying your products or services. When you have more loyal customers, your marketing expenditure also decreases as it costs less to retain existing customers than acquiring new customers. The probability of the loyal customers to go elsewhere to do shopping is likely less.

In order to have more loyal customers, you need to make them come back to you. Let's check some smart pricing strategies that will help you to retain your customers:

- **Give a reward after they make a purchase**

Rather than offering discounts or coupons to first time customers, you can offer discount coupons on their next order so that the existing customers don't feel alienated. Once the purchase is done, you can send the customers with discount coupons on their emails. When you make the post-purchase offer attractive, you're more likely to get back the customers. This strategy shouldn't be limited to only first-time customers, make it available to all. When the customers know that you're interested in offering rewards, they also become interested in becoming loyal customers.

- **Reward customers for bulk purchases**

When customers make bulk purchases, they expect to get products at a price lower than the original price. Getting larger units at a lower price allows such customers to fulfil more of their demands. This is an effective loyalty-inspiring pricing strategy for customers making bulk purchases.

- **Promotional offers**

Promotional offers are another sales tactic that not only helps you gain new customers but allows you to retain your existing customers, as well. In retail industry, promotional offers are vital as it helps in making better sales, profit, revenue and customer loyalty.

- **Reward customers purchasing a specific number of times**

If a customer buys from you around five times or more, you can place them in a separate group that gets a specific percentage of discounts. You can make different groups based on the number of purchases and offer discounts through special coupons periodically.

- **Differential pricing**

Also known as multiple pricing, differential pricing is a pricing strategy in which a same product may have different prices. The pricing of the product is set based on the quantity ordered, type of customers, payment terms, delivery time etc.

- **Dynamic pricing**

Also referred to as real-time pricing, dynamic pricing allows you to reward customers who take smart buying decisions. This is totally automatic done using pricing software in response to the demand of the market. With the availability of big data analytics, a customer's data can be analysed properly to predict more accurately about the price the customer is open to pay. Sometimes, this pricing strategy is also offered as personalisation service.

- **Customer loyalty schemes**

Customer loyalty schemes are used by businesses to provide perks to the customers who are most loyal. It helps in establishing a positive relationship with the business.



# CONTACTS

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