

Building customer loyalty





Customer loyalty

- Today's customers have access to an endless amount of information about different businesses.
- They are ready and willing to stick with companies who go above and beyond to create a fantastic customer experience.
- Short term customer loyalty is often achieved through offers, discount coupons, rebates and other kinds of rewards.
- Long-term customer loyalty can only be created by making customers feel that they are your number one priority.



Behaviors and attitudes

- ◆ Repeatedly purchase from the organization (preferring and choosing it to others).
- ◆ Have a high level of satisfaction with the company.
- ◆ Will recommend the company to others.
- ◆ Will trust the company.
- ◆ Will be committed to the company



Customer service and Customer Loyalty

- ◆ Industry has discovered the value of loyal customers: they buy more, buy more often, are cheaper to serve, have higher retention rates, and are more profitable than newly acquired customers.
- ◆ Marketers have discovered that it is possible to influence the level of customer loyalty through two methods: recruit the right kind of customers to begin with, and treat them very well once acquired.
- ◆ Excellent customer care is the most important method for improving customer loyalty. Customer service personnel are the front line troops in the battle to win customer's loyalty.
- ◆ To provide good customer care, customer contact personnel have to be empowered with information and the authority to make decisions and to act in the customer's behalf.

Why?


- ◆ Research shows that customers place a priority on receiving great service.
- ◆ People are willing to spend more with companies they believe provide excellent customer service.
- ◆ The way that small business owners can compete is by great customer service.
- ◆ News of bad customer service reaches more than twice as many ears as praise for a good service experience.





Selecting the right customer

- ◆ Some customer service advocates consider that organizations should provide the same excellent service to all of their customers, but all customers are not alike.
- ◆ Some are loyal and put all their trust in us. Others are indifferent, and spend most of their money elsewhere. Many customers cost money, and will never be profitable.
- ◆ “...just 2.5% of shoppers for the average brand make up 80% of brand sales.”



Why should the organization spend money trying to retain the bottom quintile when they are robbing the company of value and hurting the enterprise?

Customer Loyalty Formula

- ◆ **Customer Loyalty = Connection * Value * Experience**
- ◆ **Connection** means how connected the customer is connected with the brand? Can customers easily and conveniently communicate with people who represent the brand?
- ◆ **Value** is the perception of what the brand offers to the customer in the context of what the customer wants and expects. Are customers getting what they want or more? Do they feel the brand offers them the best combination of features and benefits for the price?
- ◆ **Experience** here means how have customers experienced this brand? Have they been treated well by the people involved? Do they have a positive emotional feeling associated with the brand?



Developing a Customer Service Model

- ◆ Define Customer Service
- ◆ Develop a welcoming strategy
- ◆ Institute training programs
- ◆ Create plan for after sales follow up
- ◆ Make management available
- ◆ Multichannel communication
- ◆ Resolve customer complaints fast and efficient.



Final considerations

- ◆ Make customer centricity a priority
- ◆ Invest in the right people and technology
- ◆ Reward customers on an ongoing basis
- ◆ Invest in the journey, not quick fix
- ◆ Clear customer service measures and incentive system.