

## [ Promo Power ]



## CUSTOMER LOYALTY...priceless

**W**e all like to think that our customers love us and wouldn't consider defecting, right?

A study covering a range of industries by the CMO Council found that nearly 30% of people who called themselves "loyal customers" in 2007, switched loyalty to a competing company in 2008. And, that's people who identify themselves as loyal!

There are many different ways to encourage customer loyalty. The airlines are famous for their frequent-flyer programs. American Airlines led the industry with their program back in the 1980s. All competing carriers soon followed, taking the advantage away from the "AAAdvantage" program. They all continue to offer frequent-flyer miles to everyone and preferred-customer perks to their most frequent travelers.

Anyone who travels regularly has a preferred airline. It's not because they love the airline. It's because they enjoy the benefits that come from concentrating your business with one carrier. In other words, they buy our loyalty.

The problem with buying loyalty is that someone else may offer more, and the customer is gone. There's also the fact that the customer is not loyal because they think you're the better option, but because of what you pay them for their loyalty.

Real customer loyalty can only come from solid relationships. And, what many businesses seem to forget is that everyone in the organization can make (or break) those relationships. You may think that the only relationship your clients think about is the one they have with you. Not so.

You probably have an organizational chart for your business somewhere, even

if only in your head. There, you are at the top, with a kind of pyramid below you. It may only have a couple of layers; it may have many.

Think about who your clients first come into contact with when they walk in, or call in, to your office. In most offices, it's the person at the bottom of that pyramid. How they treat your clients day in and day out is a major key to client loyalty.

Even in a company that relies on loyalty-bribery programs like the airlines' loses customers every day, because of interfaces between their customers and their bottom-of-the-chart employees.

That means it's important to provide proper training, motivation, and recognition to the people who will be face to face or on the phone with your clients.

*The quality of your relationship with your front-line people will be reflected in their interactions with your clients. If they're not happy, it's highly unlikely they're going to make your clients happy.*

If there is tension between you and your staff, your clients will feel it. They may answer the phone with a script, but the tone of their voice tells the client how glad they really are (or aren't) that they called. They may greet the walk-in with a "smile," but betray their underlying emotions with body language.

As you look at plans to improve your business in the coming year, don't just think about what you can do to bring in new customers. Spend some time and effort on keeping your current customers coming back. To make that happen, you have to make them feel welcome and appreciated with every contact.

That means every person who comes into contact with them in any way has to care about the customer as much as you do. They don't teach them that in school. They have to learn it from you. They have to understand that the money you pay them each week came

from the customer, not from you. That makes the customer the most important person in their financial life. ■



### CUSTOMER RELATIONSHIPS

**What kinds of things can you do to get your staff to care about customer relationships?**

**1.) Regular staff meetings.**

People perform best when they know what's going on. What is the organization trying to accomplish? How does each employee contribute to the goal? Why should they care? You need "buy-in" from your employees, and only you can sell that.

**2.) Performance rewards.** Create standards and rewards for exceeding them. It doesn't even have to be cash. In fact, an old study showed that the number one thing people wanted from their employers was recognition.

**3.) Give them a stake.** Customer loyalty is good for your bottom line. If it's good for your staff's individual bottom lines, they'll pay more attention. Measure repeat business and post the results. Then, add something to everyone's paycheck to reflect your success.

**4.) Ask for input.** If employees have a hand in creating policies and programs, they'll be much more supportive.