

Let's Talk About How We Create REAL Customer Loyalty

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There is a conventional view that, if they are to achieve long-run growth, companies should create as many loyal customers as possible. It is also acknowledged that customers move through a series of stages en route to that exalted state where they are commonly known as "advocates." In fact, we may view the notion of customer loyalty along a continuum ranging from "blissfully unaware" at one end to "single-mindedly loyal" at the other. As part of a customer loyalty strategy, companies must have some idea of how to move customers successfully along the continuum.

But, first, let's disabuse ourselves of the notion that all customers are destined to become "advocates" or "raving fans." In fact, only a small minority of customers will become truly loyal. Some will try our products and services once or twice, having been attracted by our advertising or a special deal, and, having found us lacking, will decamp for the competition. Others, initially satisfied, will come back to buy again, until such time as a more attractive suitor comes along, or we do something really stupid and they leave disgruntled, dismayed, and disappointed.

Those that stick it out must have found something they like about us. The quality of what we sell is pretty good; they actually enjoy dealing with our people; we don't trot out a lot of stupid rules or hoops through which we have them jump; and we're actually pretty easy and nice folks to deal with. Compared with the competition, we actually meet their expectations with respect to product and service delivery.

So, now we have lots of regular customers, which is not the same as saying that we have loyal customers. There is a fundamental difference between the behaviorally loyal and the genuinely loyal. Those folks who continue to deal with us on a regular basis may or may not feel any form of connection to our company or brand. We regularly create high levels of customer satisfaction, but there is still that nagging sense of vulnerability. Sure, we are doing everything they might expect of us, but we're not really going above and beyond — we're not impressing them very often.

But, we will succeed, if we truly understand and are focused on customer loyalty, in converting a certain percentage of these "regulars" to "staunch advocates" — customers who will tell their friends and associates how well we treat them, will give us a higher share of their category spend, will pay less and less attention to the prices we charge, and who won't delay buying until products go on sale.

To achieve this status of genuine loyalty amongst a certain percentage of our customer base, we need to have a customer strategy that begins with understanding which customers are most likely to become "advocates." This will require some well-targeted customer insight that will allow us to understand how well we are doing in building a connection with customers and which ones are likely to be most receptive to becoming fans and supporters.

We will also need to have within the company a deep understanding of what will represent real value creation for these customers. We need to understand what's missing in their relationship with our competitors, and indeed what we are failing at in terms of building that connection that leads to loyalty. We need to set out to make an impression on our regular customers that leads to the creation of emotional value. We must stand out from others within the industry and not only think outside the box, but conduct ourselves differently as well.

I have developed a number of rules of thumb over the years that I have seen succeed in companies with whom I have worked. These approaches to customers are likely to impress and to strengthen the connection. Here's a partial list.

1. Customize and personalize: treat customers as individuals, demonstrate that we know them and what they are trying to accomplish; send the message that we're here to help.
2. Pay attention to detail: focus on the little things; customers are impressed by genuine gestures of thoughtfulness and helpfulness, and by the occasional "nice touch".
3. Behave like a partner: help them get things done; understand that what we sell represents a means to an end; show how we can help them deal with the challenges they face.
4. Get them involved: invite them to events and sponsor things that are relevant in their lives and that will "strike a chord."
5. Connect with things that are important to them: customers are people and their lives revolve around their kids, their careers, taking care of themselves, and looking forward to weekends and vacations. The more we can help them be successful and enjoy these things, the closer the bond between us.
6. Set out to surprise them every now and then: we should have a strategy that involves creating customer surprise occasionally; creating that "Wow!" goes a long way to building that connection.
7. Hire well: the most important factor in building customer loyalty is our employees; selecting those who are genuinely helpful and enjoy people will serve us well.

Not every customer is destined for loyalty. But thinking deeply about how we really need to treat customers and deal with them, and then behaving appropriately will succeed in moving a larger percentage toward that end of the continuum labeled "genuinely loyal."