

Why customer loyalty is only achieved by raising your customer service standards



By Darrell Hardidge

Have you ever noticed a billboard with a ‘100% satisfaction guarantee’? How about ‘our customers are completely satisfied with our products/service’? There’s a significant flaw in these headlines that are commonly used. It’s an assurance you’ll get what you expected and what you paid for. Building customer loyalty upon a fragile belief is very risky and often can only be supported by reducing prices.

THE MYTH

Number one companies see customer satisfaction as the starting point, while their competition see it as the goal. The game of customer loyalty is both won and lost right at the starting line. For most sales and marketing executives, they aren’t aware of the myth that achieving customer satisfaction will only deliver the best average and keep them irrelevant.

To stand out above the constant disruption of media and marketing channels that are always fighting for your attention, requires a unique and individual strategy, one that can’t easily be replicated. For a company to define a unique point of difference, it must engage directly with its market to discover the heart connections that make them highly relevant. If you’re not relevant, you’re not remarkable, and if you’re not remarkable, you’re not memorable.

THE KEY

Companies spend a fortune trying to be memorable, yet rarely will their strategy outlast the next one-trick pony that outwits their game plan. Knowing how to design and deliver a service standard that goes predictably beyond satisfaction is the most effective and most memorable.

The key is knowing what your market appreciates about doing business with you.

When you understand this distinction, you have a very powerful resource that enables you to stay ahead of the game.

Appreciation is a heart connection with your market and defines the human engagement that creates unshakable loyalty. When a company can inspire its team to deliver predictable service standards that go beyond their competition, they enter the realm of unshakable loyalty. Unshakable loyalty is the objective most companies are in the constant pursuit of, yet rarely achieve. It’s the holy grail of predictable revenue, where customer retention and wallet share are firmly on the balance sheet.

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LOYALTY = SECURITY

With the downturn in the economy, customer loyalty is the one factor a company can take charge of. Getting into a price war rarely has any winners, rather than battling on price, smart companies battle on service. The ability to use service excellence as a winning strategy will deliver long-lasting benefits, and everyone wins from the process. The challenge is knowing what clearly defines excellence from the independent market perspective of the customer.

A common approach to drive revenue is to invest in customer acquisition. Most companies look to increase their marketing budgets and often it’s a price-driven strategy with customer satisfaction the reward.

Few companies invest in defined customer retention strategies, where they first look to protect the existing customer relationships to shore up revenue. Most business managers know the view that it’s at least six times more expensive to sell to a new customer than it is to sell to an existing one.

Yet very few can demonstrate how they can predictably generate revenue from their existing customer base. Most struggle with the ability to even connect with their market due to very poor CRM data. If you cannot communicate with your most valuable asset, you will have to keep buying them back and lose margin.

BECOME UNSHAKABLE

Unshakable loyalty is the result of achieving customer appreciation. Customer appreciation is the result of knowing how to go beyond the expectations of your market.

Going beyond the expectations of your market is the result of knowing what they value. Knowing what they value is the result of a very specific process that must understand your emotional connection.

To understand your emotional connection, you must engage in real-time conversations. At no point can this ever be the internal beliefs of the company. It must be from carefully crafted customer feedback, and this cannot be achieved by blasting people with emails for feedback.

Whenever you think about customer loyalty, ensure you remove the concept of satisfaction. Unshakable customer loyalty is only achieved from their appreciation of your customer service standards, and they must be designed to achieve a 10/10 experience score.

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