

# Satisfied but still not loyal

## How to create loyal customers?

*Nowadays a good product or a reliable service is not enough, customers expect something totally different. Increasingly, marketers have to tap into their customer's emotions in order to influence them.*

A customer's satisfaction is not enough to gain their loyalty. Research conducted by Harvard Business School shows that 85% of satisfied customers are inclined to turn to competition. Does this mean we should remove the word "loyalty" from the business dictionary? No, it simply means that concentrating a company's efforts solely on customer satisfaction will not lead to retention so what can be done to keep these customers and provide the company with permanent benefits?

### Two ways to create true customer loyalty:

1. Total satisfaction by perfection.
2. Customer experience management (CEM).

Let's face it there's no such thing as perfection therefore that leaves us with option two. CEM is the creation of unique, unforgettable experiences/sensations at the most important points of the customer's contact with the company. This is cost effective, guarantees a quick return on investment (ROI) and most importantly, it can be implemented practically in any business.

In today's highly competitive economy companies are constantly racing each other, observing what the competition does and copying ideas. In order not to fall behind, competing companies all do the same things with only small differences. The result is that instead of differentiating themselves, they become similar to each other. The effect customers can't distinguish between products/services offered by different companies so they end up going for the cheapest option. This can be seen when we look at mobile telephone operators: they offer the same services, the same phones and the style and quality of customer service is also similar. Whenever one operator has an interesting promotion another follows the lead. The effect customers tempted by the promotions bounce from one operator to another.



### Management through experience

In the CEM concept, the customer is the centre of attention together with his or her expectations, feelings. The aim is to provide them with unforgettable, differentiated experiences which will move the senses and evoke positive emotions.

Customer Experience Management phases:

- I. Understanding the customers
- II. Defining the brand promise and the desired customer experience
- III. CEM communication inside the company
- IV. Brand communication outside the company
- V. Maintain desired level of experience

The first step is to gain a **deep understanding of your customers** this can be done with a customer experience audit. Evaluate key customers in individual segments and

determine significant factors influencing their satisfaction and loyalty.

The second phase is **planning and creating a new experience**. On the basis of the audit and the knowledge of what is most important for your key customers a decision should be taken on which elements to strengthen, what resources can be devoted to this task, how to improve processes and how the company will define itself on the market - what will you do that is different to the competition and how will you make your customers aware of this difference). Establish the brand associations your company desires and define your brand promises. Here are some examples of various brand promises:

“100% satisfaction or your money back”

“Always professional, always on time”

“The most comprehensive offer on the market”

“Perfect product, perfect service”

### Fulfilled promises...

Stew Leonards, an American network of dairy shops specialising in customer experience management, created two simple but incredibly effective promises of its brand:

Rule 1. The customer is always right.

Rule 2. If the customer is ever wrong reread Rule 1.

This simple but telling marketing message was placed on a big stone which stood in front of each of their shops. A company does not need other advertisements; the constant fulfillment of a brand promise made to the customers has been for many years the guarantee of their success.



**CEM communication inside the company** is the third phase of CEM. At this phase each employee of an organisation should get to know, understand and as a consequence be able to provide the desired experience. This is the moment when the CEM internal communication plan is created and CEM training takes place.

**CEM communication outside the company** when your company is ready to fulfill its brand promise and your employees know how to provide your customers with the desired experience this is the time to start boasting about it outside the company. This is the moment you should draw up new marketing messages.

**Constant maintaining of the desired level of customer experience**

“The experience you deliver to your customers every day, through every transaction, direct and indirect either builds

value for your brand or destroys it,” said Shaun Smith.

This is why constant monitoring of customer experience is so important and if changes are needed to meet your customers' expectations and feelings then reactions must be quick.

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