

How to Improve Consumer Loyalty

A Full-Day Workshop

Customer loyalty is a misunderstood and abused marketing idea that has by now lost nearly all connection to business reality. We all know that having loyal customers must be beneficial to a business. And as customers ourselves, we know what it means to be loyal to our favorite products, services, and brands. But few companies are genuinely good at maintaining and improving customer loyalty, tracking it, or measuring its actual benefits. This workshop is designed to help consumer-facing businesses improve the loyalty of the customers they sell to.

Note: While this agenda is topically accurate, *all* sessions and exercises in this workshop will be tailored to the needs of the client company.

Session 1. What is Customer Loyalty, and Why Does It Matter?

Before any serious customer loyalty improvement effort can be successful we need to know what success looks like. But this will depend on how we define the problem to begin with. So in Session 1, we'll first review two conflicting definitions of customer loyalty and discuss how they're related. Then we'll learn how to track and evaluate each type.

- Attitudinal vs. Behavioral loyalty
 - Making emotional connections with your customers (Jason Sadler story)
- The economics of behavioral loyalty
 - Two kinds of customer value – short-term and long-term
 - Loyalty's increasing rate of return
 - What's your Return on Customer?
- The economics of attitudinal loyalty
 - How to use (and not to use) NPS, CSAT, and other nonfinancial metrics
 - The role of trustability in creating customer advocates
 - How to survive disruptive technological or regulatory changes in your category
- Group Exercise: Maximizing the value created by each customer

Session 2. Getting the Most Out of Your Loyalty Program

In the United States, there are three and a half *billion* individual loyalty club memberships, which amounts to more than 30 for every American household. Not just airlines and hotel chains, but retail stores, credit cards, banks, and other consumer marketing companies in virtually every business category have loyalty programs. But fewer than half of these billions of memberships are active. So what makes for a good loyalty program – one that can actually help a company improve the loyalty of its customers? And is there any business, industry, or category in which having a loyalty program may *not* be the right idea?

- The I-D-I-C model
 - When loyalty programs are indispensable
 - Understanding “longitudinal customer behavior”
- Group Exercise: Creating a Customer Differentiation Matrix
- Best practices of loyalty programs
 - Insight: Never waste an opportunity to gain insight about a customer
 - Modularity: An effective program is modular, enabling participants to mix and match aspects to their own preferences
 - Openness: Consumers value openness. They want a service or program that works with other programs
 - Relationships: A loyalty program should be managed around customers, not products
 - Simplicity: Your program can be as complex and intricate on the inside as you need, but keep things very simple for the consumer, to ensure a frictionless experience
- Group Exercise: Removing friction from a loyalty program

Session 3. Improving Loyalty by Creating “Learning Relationships” with Customers

Some companies try to buy their customers’ loyalty with points and awards. But if you can establish Learning Relationships with your individual customers – that is, relationships that are based on constantly improving the “context” of the relationship – then you won’t have to buy your customers’ loyalty at all. Instead, you can sell it to them.

- Needs-based differentiation of customers
- Customizing the customer experience
 - “De-commoditizing” your product or service by expanding the need set
 - Re-drawing the Customer Differentiation Matrix
- Group Exercise: Devising a platform for Learning Relationships with your customers

Session 4. There’s a Person in There Somewhere: Front Line Workers

You can’t write a line of code or a business process rule that will guarantee that an employee will delight the customer. The employee must *want* to delight the customer. In the final analysis, your customers’ loyalty to you will be in the hands of front line, customer-facing workers. Whether these are retail clerks, or service technicians, or contact-center associates, your employees level of engagement will have a direct effect on customer loyalty.

- First, are you loyal to your customers?
 - Treating customers the way you’d like to be treated, if you were the customer
- Creating a self-organizing company
 - Engaged employees
 - Enabled employees
- Group Exercise: Empowering front-line worker

All sessions are customizable. We work with clients to understand and address specific needs and objectives of the organization to insure goals are met.

For more information on booking a workshop with Don Peppers or Martha Rogers, contact Michael Dandrea at 732.470.8004 or email mdandrea@cxspeakers.com