

Attracting Loyalty

From all the new customers.



by Chip R. Bell and John R. Patterson

TODAY'S CUSTOMERS GET TERRIFIC SERVICE in pockets of their life, and use those experiences to judge everyone else. When the UPS or FedEx delivery person walks with a sense of urgency, we expect the mail carrier to do likewise. Customers also have choices. Shop for a loaf of bread, and you're confronted with 16 brands and 23 varieties packaged 12 different ways.

Today's customers are smarter buyers. Considering Sleepwell Hotel for your next vacation trip? You can get web-based information complete with evaluations from 40 previous guests. Everyone is everyone's *Consumers Report*. Watchdog websites can give you the lowdown on why one company is better than another. It means companies must monitor all the details (now transparent to customers) and get early warning on emerging glitches.

Figuring out how to attract and retain loyal customers today is not easy.

Five Loyalty Drivers

Five loyalty drivers fit most customers most of the time about most services.

1. Include me. Customers' loyalty soars when they discover they can be active participants in the service experience. Harley-Davidson created the Harley Owners Group (HOG) as a forum to bring Harley loyalists together for education and recreation. Membership comes with the purchase of a Harley. Managers often join in the fun and fellowship as HOG members reunite around a barbecue or motorcade on a Sunday afternoon.

Dealers for BMW's Mini-brand automobile mail to buyers a "birth certificate" once the customer pays a deposit. The customer then receives a link to go on line and follow their car's production. Build-A-Bear Workshop with their interactive build-a-stuff-toy experience has grown to 200 stores worldwide in 10 years. If customers know they have a chance to be included, the impact is almost as powerful as

if they actually put "skin in the game."

2. Protect me. A value proposition is the complete package of offerings a seller proposes to a customer in exchange for the customer's funds. It includes the product (or outcome), the price, and the process (or experience) involved in getting the product or outcome. There are certain qualities or features all buyers assume will typify that value proposition—the products they buy will be as promised, the price fair, and the process comfortable. These are "givens"—taken for granted unless removed—but they do not make us happy campers. If the commercial plane we board lands in the right city, we do not cheer; but, if it lands in the wrong city, we're upset. We assume banks will be safe, hotels comfortable, and hospitals clean. Customers are loyal to organizations that make sure the basics are always done perfectly.

3. Understand me. Service goes deeper than just meeting a customer's need. All needs are derived from a problem to be solved. Great service providers are great listeners. They know that unearthing the essence of the problem will point to a solution that goes beyond the superficial transaction. It takes building rapport with customers to engender trust. It entails standing in the customers shoes to get sense their hopes and aspirations.

Understanding customers takes more than surveys and focus groups. It means viewing every person who comes in contact with the customer as a vital listening post—a scout who gathers intelligence about the customer's changing requirements and provides early warning about issues and concerns. It involves gathering customer intelligence and mining the intelligence from front-line contacts.

4. Surprise me. Today's customers want sparkle and glitter; a cherry on top of everything. They want all their senses stimulated, not just those linked to the buyer-seller exchange. Features have become far more titillating than function; extras more valued than the core offering. Attracting customer loyalty today requires thinking of service

as an attraction. Examine how Cabelas and Bass Pro Shops decorate the service experience. If your enterprise was "choreographed" by Walt Disney World, a Lexus dealership, MTV or Starbucks, how would it change?

Think of the service experience like a box of Cracker Jacks. What can be your "free prize inside?" The power of surprise lies in its capacity to enchant, not just entertain; to be value-unique, not just value-added. Service innovation works best when it is simple and unexpected. Hotel Monaco puts a live goldfish in your room; Sewell Infiniti dealership programs in your radio stations from your trade-in; servers at Macaroni Grill introduce themselves by writing their name with a crayon upside down (right side up to the customer) on the butcher paper table cloth.

5. Inspire me.

Customers are tired of plain-vanilla service. It attracts their loyalty if it reflects a deeper purpose or destiny, befitting of the organization's values—not just its strategy. Service with character means a sense of innocence, naturalness, purity—a solid grounding. We like being



charmed by what we don't understand; we do not enjoy being hoodwinked by what we should have understood. Such service need not be obvious to customers in its design, but it must never feel devious in its execution.

What makes service inspirational? It moves us when it comes from people who are passionate about their work. We are stirred by professionalism and pride when it reflects a zeal to "do the right thing." It leaves customers wanting to return when they've had an encounter with goodness and purity.

Loyal customers act as a volunteer sales force, championing you to others at home, work, social circles, blogs, bulletin boards, and web sites. Because they feel committed to you and see both emotional and business value in the relationship, they'll often pay more for what they get from you.

The formula for creating and sustaining loyalty comes through inclusion, trust, understanding, joy, and character. Put these in your customers' experience, and watch their admiration soar along with your bottom line! **LE**

Chip Bell is senior partner of The Chip Bell Group. John Patterson is president of Progressive Insights, a CBG alliance company. Their new book is Customer Loyalty Guaranteed! Visit www.loyaltycreators.com.

ACTION: Earn customer loyalty.