

Great Expectations: Customer Loyalty and Company Profitability

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In today's business climate, what is the difference between a dying business and a thriving business? CUSTOMERS, CUSTOMERS, CUSTOMERS! And what does it take to keep customers loyal so they'll come back time and time again? It's all in understanding customer expectation and customer experience.

Today's consumer has many choices wherein to spend a dollar. What keeps that customer coming to your place of business? Let's take a look 3 key elements.

1. The CUSTOMER

Take a quantitative look at *your* customer. Can you afford to lose even one? What is the value of your customer? Consider the following equation:

$$\begin{aligned} & \text{Average Customer Transaction Amount} \\ & \quad \times \\ & \text{Number of transactions per year} \\ & \quad = \\ & \text{Yearly dollar amount spent with your company} \\ & \quad \times \\ & \text{Expected years as a customer} \\ & \quad = \\ & \text{Lifetime value of your customer.} \end{aligned}$$

What have you done to strategically plan to retain *your* customers?

2. The RELATIONSHIP

Relationship is a vital key to every interaction with your customers. A basic human need is to be valued by another human. Being valued is part of relationship. And relationship is what builds customer loyalty. Do you value every one of your customers-- even those 'difficult' ones? When was the last time you actually thought about and strategized *how* to build a relationship with each customer that calls or walks through your door?

3. The EXPERIENCE

As you build relationship with your customer, your customer begins to measure the experience with you. The customer's experience is not measured in numbers, it is measured in *feelings*. How did the customer *feel* when working with you? In fact, "Customer service is not measured by what *you* have done for your customer. Customer service is measured by how your customer *feels* when interacting with you," (Kathleen Randall, *Customer Service Excellence*. 2009).

If a customer's experience with you is below what is expected, that customer will likely not return. If the experience is satisfactory and what the customer expects, that customer may *consider* coming back. However, if the customer's experience *exceeds* what was expected, that customer will not only keep coming back, he / she will spread the word! The E³ Factor, *E**xperience* *E**xceeding* *E**xpectations*, has now created a loyal customer.

While Customer Service builds on procedure, Customer Loyalty builds on relationship and experience. Customer Loyalty is what keeps a business thriving despite the economy. What are you doing to bring the skills to *every* person in your organization in order to build customer loyalty and affect company profitability? Give Kathleen a call. She can provide you the insight, tools, and strategies that will bring you more credibility, more trust, more loyalty, and more profitability! ■

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