

5 Simple steps to building loyalty

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A decade ago, noted loyalty expert, Frederick Reichheld, said “Loyalty is dead.”

At the time, U.S. corporations were losing, on average, half of their customers in five years, half their employees in four and half their investors in less than one. He further asserted that we seemed to face a future in which the business relationships will be opportunistic transactions between virtual strangers. (Harvard Business Press, September 2001)

Ten years later, Reichheld’s statement seems to be even more applicable in the business-to-business environment. Buyers are under significant pressure to minimize the impact of revenue and profit shortfalls by reducing costs throughout their system. Companies are evaluating and re-evaluating cost centers on a more frequent basis than ever—often utilizing on-line bidding tools that reduce human interaction and interpersonal influence to ensure that all proposals are measured equally against similar criteria.

Such trends have left many suppliers of goods and services ready and willing to agree that loyalty is, in fact, dead—and there is nothing that can be done about it. While that dismal outlook often may seem the case, the reality is that business-to-business buying decisions are still made by human beings.

In today’s environment, providing quality products backed by excellent customer service at competitive prices are the minimum requirements to compete. However, in a “most things being equal” environment, people and companies will still choose to do business with the providers they believe deliver the most intrinsic value or relative worth—and loyalty could be the deciding factor.

Assuming you’re in a position to meet the minimum requirements in quality, service and price, the following five simple, but cost-effective steps will put you and your organization on the right track to deliver inherent value and build loyalty:

1. Be responsive.

- Seek and respond to customer feedback – improve your business processes or practices where it makes sense.
- Know your customers’ pace and be flexible to their timelines. Doing so has the potential to advance your business opportunities.
- Utilize all of today’s communication tools to be easily accessible to your customers.

2. Build trust and credibility.

- Demonstrate integrity by delivering on your commitments on time or ahead of schedule.
- Share your personal knowledge and bring additional resources that position you and your company as experts.
- Reward valued customers with access to key people and resources in your organization.

3. Create added value.

- If minimum value is delivering what they pay for and expect, then an example of added value could be in solving a problem for the customer that delivers no direct benefit to you.

- Provide access to specialized resources, organizational competencies, shared learning.

4. Go above and beyond.

- Deliver human value in acts and gestures that build your personal relationship.
- Simple and effective relationship building gestures can range from providing a referral for personal goods or services, sharing a reference to a personal or professional interest, having a rich conversation about a common interest—or just taking the time to listen.

5. Generate deep organizational commitment.

- The responsibility for customer loyalty cannot be only the responsibility of your frontline sales team.
- Build a “Customer First” culture engaged in delivering inherent customer value.
- Ensure that all employees must understand the value and importance of customer loyalty, as well as how their roles contribute to the overall experience.
- Empower, reward and recognize your teams for delivering customer value everyday.