

Customer Loyalty

Sales Booster



Theme

Today's customers have many buying choices. That's why building loyal customers means increased profitability for your business. Would your customers give your sellers a high customer satisfaction rating of 10? If not, those are customers who, given the opportunity, will seek out alternatives to your products and services. And that can be costly to your company. As soon as sellers take the right actions to ensure customer loyalty, your customer satisfaction levels and referrals soar.

Approximate Preparation Time

- 15 Minutes



Materials

- Prepare 1 flip chart as per outline
- Flip chart and markers
- Success Achievement Plan worksheet - one per seller



Success Set-Up Tips

- Visit these websites for background on The One Number You Need to Grow referenced in this session.

Intuit Site

Harvard Business Publishing Site

Bain & Company Site

Wikipedia

Customer Loyalty



Time	Session Outline	Dynamics	Visual
	Opening: Taking Things for Granted Welcome to today's sales booster, Customer Loyalty. In our first activity, please use your watch, cell phone or a piece of jewelry. Remove the item and set out of your view. Instructions for the exercise: 1. On the back of the Success Achievement Plan worksheet, draw the face of the watch, the front of the cell phone or your jewelry item with as much detail as possible. (Allow 2 minutes) 2. Now, look at the watch, cell phone or jewelry item and compare it to the drawing. 3. To select today's discussion leader, it will be the person who has the most siblings in their family. If there is a tie, figure any way you want to break the tie. 4. Discussion leaders, in your table group, please share your observations from this exercise and ask everyone at your table to do the same. At the end of your table group discussion, please be ready to present some of the highlights. (Allow 4 minutes) 5. Leaders, please share highlights from your discussion. <i>Possible highlights:</i> • <i>What's in front of you isn't always what you think it is</i> • <i>See it every day and stop really seeing it</i> • <i>May not pay as much attention to things as you think you do</i>	Large Group  Individual  Table Groups 	The Back of the Success Achievement Plan Worksheet 
	Taking Things for Granted Debrief 1. How does this exercise relate to you and your customers? <i>Possible responses:</i> • <i>We take them for granted</i> • <i>We may not give them the attention they need</i>	Large Group 	

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	2. What affect can this potentially have on your business? <i>Possible responses:</i> • They go to a competitor • Instead of getting ahead, I may be investing time on just replacing business • It can affect my reputation 3. Now let's think about when you are the customer.	Large Group 	
	Customer Satisfaction is Big Business 1. Raise your hand if you have received any type of customer satisfaction or How Did I Do With You? survey from a restaurant, hotel, car dealership or business in the past 60 days. 2. What type of companies did you get them from? <i>Possible responses:</i> • They come from everywhere • Something I ordered on-line 3. We get them all of the time and they come in a variety of ways: in the mail, through email, on the back of receipts or with a telephone call. What's interesting about these surveys is there may be 5, 10 or 20 questions. It really doesn't matter how many questions are on the survey. It's found that only one question really provides pertinent information to determine the future growth of the company. 4. In 2003 Frederick Reichheld's article, The One Number You Need to Grow, was published by the Harvard Business Review. Based on his research, the results of just one question are correlated to the future outcome of a company's results. Just one question... And the question is... How likely is it that you will recommend (your name or company name) to a friend or colleague, on a scale of 1 - 10?	Large Group 	Flip Chart With the Question: How likely is it that you will recommend (your name of company name) to a friend or colleague, on a scale of 1 - 10? 

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	Understanding of the Categories and Ratings Reichheld positioned the response ratings into 3 categories: 1. Promoters 2. Passively Satisfied and 3. Detractors Let's look at each of the 3 categories in greater detail. 1. Promoters: Promoters give the highest scores of 9 – 10's. What does it mean to have a promoter for you, your product or your business? <i>Possible responses:</i> • They are ecstatic about you and your services. • They recommend you and tell people not to use anyone else. • They sing your praises from the mountaintop. • They come to you when they need something. 2. Passively Satisfied: Passively Satisfied are nice numbers of 7 – 8's. That is above average, right? We might think that is good enough. When many companies were queried as to what numbers on a scale of 1-10 would be acceptable many said 7's and 8's. However, passively satisfied means they are happy, it's okay, and yet they may still be open to your competitor and price wars. Example: A home remodeling business took care of installing hurricane shutters. When people asked the homeowner for the name and number of the person used, the homeowner provided the number. The homeowner also suggested to get quotes from other people. Did the hurricane installer do a good job? Yes, the shutters are installed and work. Only the homeowner is not jumping for joy or praising him because the installation date repeatedly got changed on short notice.	Large Group 	

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	The product is fine, only the experience wasn't spectacular. That makes the homeowner Passively Satisfied. 3. Detractors: The word speaks for itself. They give scores of 6 and below. These are the customers who have a bad experience, don't use our services again, and tell everyone who will listen about their bad experience. Notice the 5 rating is neutral and they are still a detractor if they rate 6 or below. What does this tell us about an average or below rating? <i>Possible responses:</i> • A number like a 5 or doesn't sound so bad. Only according to this it can really hurt a company • The bad stories spread faster than the good stories • Can very quickly verbally hurt a company. Very easy to do on the internet today.	Large Group 	
	Personal Snapshot Let's take a quick snapshot to see where we stand using the one number we need to grow as a standard of potential for success. 1. Use the Success Achievement Plan worksheet. As you complete this exercise, reflect on the answers in relation to your activity last week. 2. Think about how many customer contacts you had in a day. That number represents external and internal customers. You can guess the average number. Write that number in the space next to My Customer Contacts per Day. 3. Now multiply that number by 5 for five working days in a week. Write that number in the space in front of Customer Contacts One Week. This is your approximate total of customer contacts for the week.	Individual 	Success Achievement Plan Worksheet 

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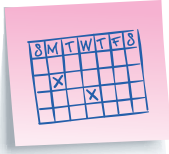


Time	Session Outline	Dynamics	Visual
	4. If a marketing company were to call your total number of contacts from last week and ask: "On a scale of 1 – 10, how likely is it you will recommend (insert your name) to a friend or colleague?" what is your estimated AVERAGE score? Now remember, 9 & 10's mean you are PERFECT every single time. There's no right or wrong. Be very thoughtful and honest as you determine your average number. Write that number where indicated on the Success Achievement Plan. 5. This is your snapshot of your Customer Loyalty factor.	Large Group 	Success Achievement Plan Worksheet 
	Reflection on Your Number 1. Reflecting on your number, complete the next item on the worksheet: Customer Loyalty Actions I Can Take to Earn, or continue to earn, 9's or 10's. (Allow 2 minutes) 2. Discussion leaders, please share the actions you plan to take to grow your rating and see that everyone has a chance to do the same. (Allow 4 minutes) 3. Once you've completed discussing in your group, each leader will present a few highlights. (Allow 3 minutes)	Table Groups 	Success Achievement Plan Worksheet 
	Success Achievement Plan Worksheet Sellers complete the remaining items on the Success Achievement Plan worksheet.	Individual 	Success Achievement Plan Worksheet 

Reinforcement tips



Customer Loyalty



Reinforcing the Message

- First opportunity: 1 - 4 weeks later
- Repeatability: Once per quarter.

Facilitation Ideas



- Ask sellers to bring their completed Success Achievement Plan worksheets.

Use the following statements or questions to lead either table group or large group discussions:

- Please share the actions you have taken to earn (or continue to earn) the 9's or 10's we are striving for.
- What is the reaction when you take these actions?
- Identify an upcoming customer interaction. Select a specific action you will take in that interaction to strengthen the loyalty factor.
- Sometimes we get caught in the mind set that we need to do extra-ordinary things to earn the 9's or 10's. What are some everyday actions that you notice is missing in customer contacts these days? How can we incorporate these personally and as a company?



Next Sales Booster

- From *Now to Wow* or *Clever Delivery* found at www.30minutesalesmeetings.com

Success Achievement Plan



Customer Loyalty



How likely is it that you will recommend _____ to a friend or colleague

The scale is 0 - 10. (10 is most likely)

9 - 10 Promoters

7 - 8 Passively Satisfied

0 - 6 Detractors

Loyal Customer - Someone who is willing to make an investment or personal sacrifice in order to strengthen a relationship.

My Customer Contacts Per Day _____ **X 5** = _____ Customer Contacts One Week

Example: 35 Customer Contacts Per Day x 5 = 175 Customer Contacts In One Week

If a marketing firm were to call your total number of Customer Contacts in One Week and ask: "How likely is it that you will recommend (your name) to a friend or colleague?"

On a scale of 1 –10, the estimated average score would be: _____

That number is your Customer Loyalty Factor.

Customer Loyalty Actions I can take to earn (or continue to earn) 9's or 10's:

The resources I may need to implement the Specific Action: (people, time, dollars)
