



THE IMPORTANCE OF HAVING LOYAL CUSTOMERS

"A satisfied customer is the best business strategy of all." — Michael LeBoeuf

Customer relationship management has been a hot topic in the world of business today and with it comes an increased and heightened focus on the concept of customer loyalty. But more than just a sales & marketing concern, customer loyalty is at its best when it becomes the priority of the entire organization and when every employee invests in it regardless of department or function. And despite a number of customer relationship fads entering and exiting the stage over the years (e.g. customer satisfaction surveys), customer loyalty is a perennial measure of success as it relates to not what customers are saying but rather to what they are doing (e.g. repeat purchases).

What is customer loyalty made of?

Albeit different, satisfaction and loyalty do have some things in common, and both can be broken down into five strands: price, product, delivery, service, and recognition.

You may have noticed that price and product are based on logic; service and recognition are based on emotion; delivery is based on both. The new wave of marketing is increasingly focused on delivering the emotional aspects of brands on top of satisfying the logical.

Price

Although price plays an important role in the decision-making process, it shouldn't be of primary concern to the consumer. If an organization wants to thrive, the significance of price should be a diminishing factor in the minds of consumers and has to be replaced with value.

Product

Simply put, there are no substitutes for producing a quality product or delivering excellent service. When products deliver value and services delight, customers usually return the favour by coming back and being loyal to the business.

Delivery

Delivery is a fairly new and slightly different concept from distribution because it pertains to enterprises that are less product-driven. It relates to organizations that perform a series of transactions over time as a means of providing a service and



therefore there are multiple touch points at which a company needs to do one thing: deliver the company promise. That often means being available outside of traditional business hours, and when handled well, it can create loyal customers who feel empowered and inspired by the 24/7 commitment.

Service

When it comes to service, smaller organizations more often than not have the upper hand over larger organizations. The smaller size allows some companies to be exceptional at delivering service and allowing a higher level of customization and responsiveness. Not to say that a larger organization cannot adopt the same customer-driven culture, but the process is more difficult as a company of this size has to address things like management culture, organizational structure, and human resources among the rest.

Recognition

Recognition is an important soft element of loyalty because on a fundamental level, we all love to be recognized, not just for who we are but also for other things about us.

In summary, a delicate focus on each of these five strands, especially on the ones that are based on emotional elements allows a company to stay on top of loyalty and move from simply measuring satisfaction. A truly customer-driven culture will visit and revisit these five items in order to be consistent with its corporate promise, ensuring that it cultivates loyalty among its customers.

THE FUTURE OF LEADERSHIP

"If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea." Antoine de Saint-Exupéry

Today organizations are faced with a significant challenge where the top executives who are also part of the "baby boom generation" are retiring, and we have no adequate way of replacing that talent. As a possible solution to this demographic problem comes the idea about *leaderful* organizations from Don Blohowiak where in order to compensate for this trend, we need to create organizations where employees at every level are trained to act as leaders — not to serve a title but simply as a way of life.



resides for the organizations of the future. Training this group of employees to act as leaders at every level creates the ideal conditions for organizations to thrive today.

MINI CASE

A great example that supports the idea of *leaderful* organizations is the Marine Corps. They constantly perform under the real threat of its formal leaders being lost when they are needed most. Training leadership mentality at each rank and teaching personal leadership is vastly important, and they consistently

highlight and celebrate the values of honour, initiative, and accomplishment by the team.

THE NEED FOR NEW LEADERSHIP

The idea that organizations can only grow and prosper by increasing and optimizing speed, efficiency, innovation, value, quality and the like is a thing of the past. It seems as though all of these benefits stem from the right leadership, and that means having people who can provide clear vision and direction, people who are decisive, adaptable to change and open to new trends among the rest. If leadership is weak, it can often mean the organization is condemned to death.

LEADERSHIP VOID

At a time when C-level executives are retiring and are few and far between, their tenure is also constantly getting shorter as investors look for ever more aggressive targets in an already fierce economic global climate. And the irony here is that results come far from the executive suite and are delivered by the many of line workers sweating in the trenches day in and out. According to Blohowiak, this is where all the power

BUILDING LEADERSHIP IN YOUR ORGANIZATION

There is no universal formula for developing leadership at every level, but there are best practices that you can follow in your organization. Giving opportunities to practise leadership is important, evaluations from both objective (data) and subjective sources (peers) are also important, as well as teaching and instruction from credible and experienced leaders can make all the difference.

CONCLUSION

Leadership seems to be the secret ingredient to success, but the good news is that it can be cultivated by deliberate action. It requires commitment and providing quality instruction, useful feedback, and a clear rewards system.

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