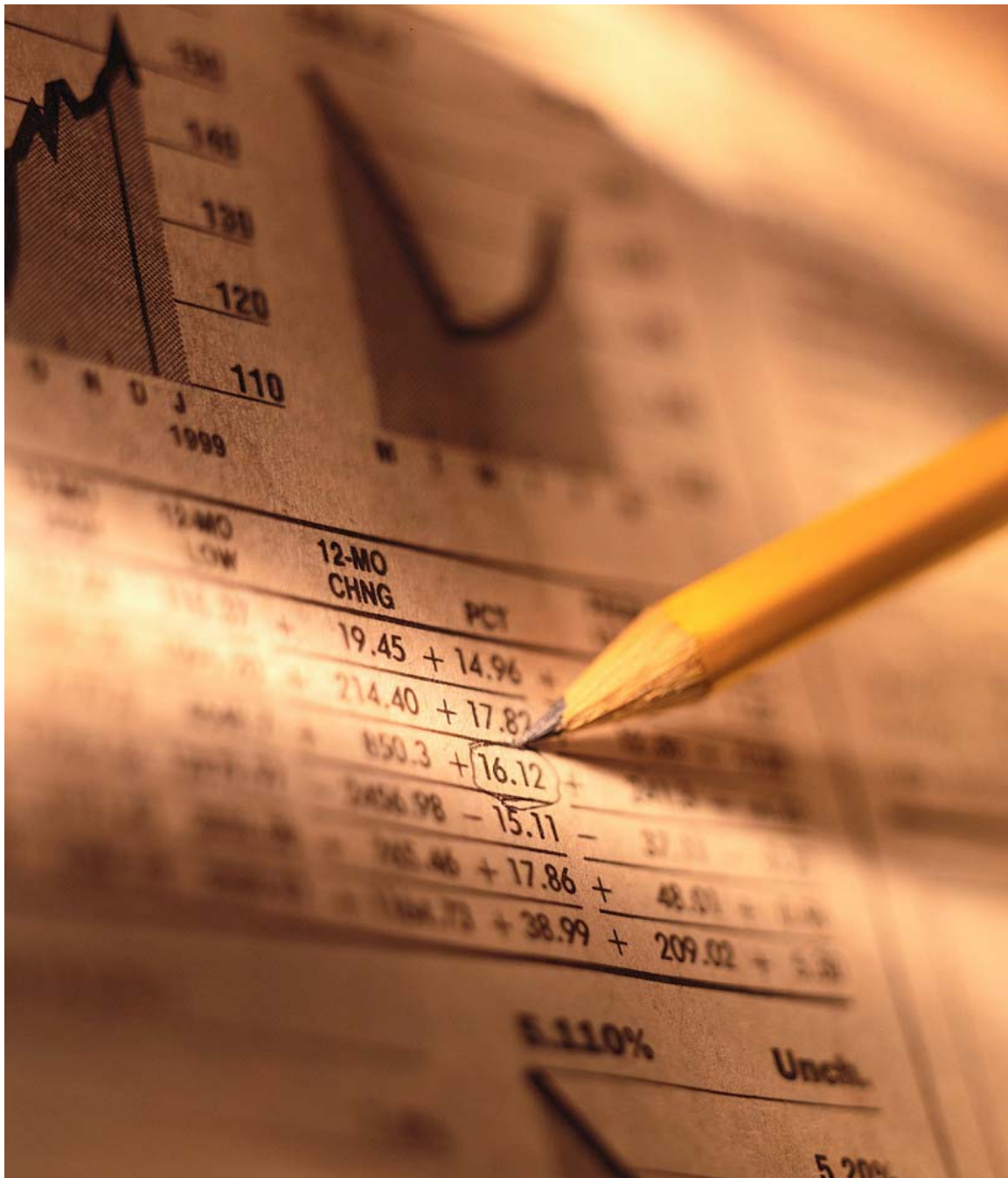


Investing in Customer Loyalty

COMPANION GUIDE TO CUSTOMER LOYALTY SALES



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1. DIFFERENTIATING CURRENT AND TARGET MARKETS
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- RECOGNIZE YOUR EXISTING MARKET AND YOUR TARGET MARKET.
HOW WELL DO YOUR CURRENT METHODS MATCH THE TARGET?**

 - IDENTIFY THE KEY DECISION MAKERS (BUSINESS OR CONSUMER MARKET).
MATCH YOUR BENEFITS AND VALUE STATEMENTS ACCORDINGLY.**
 - ✓ **GAIN ACCESS TO THE KEY DECISION MAKERS**
 - ✓ **USE ANXIETY QUESTIONS TO CREATE AN EMOTIONAL RESPONSE**
 - ✓ **WHEN YOU HAVE THEIR ATTENTION, BUILD YOUR CREDIBILITY**

 - HOW HIGH ARE YOU ON THE LOYALTY LADDER WITH YOUR CUSTOMERS?**

 - COMPARE THE COST OF LOYALTY BY CUSTOMER TYPE**

 - COORDINATE COMPANY RESOURCES TO LEVERAGE CUSTOMER DATA**

 - DEFINE YOUR ACTIONS & INVESTMENT OF TIME / EFFORT BY CUSTOMER TYPE**

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CONSUMER MARKET OR BUSINESS MARKET

Is your approach catering to your customer type?

Check the boxes on either the right or left side of the column (most applicable).
Are you consistent?

Current Situation

Consumer Market	Business Market
Large Number of Buyers, Similar Wants	Fewer Number of Customers
Similar Wants / Needs / Desires	Customized Products or Services
Numerous Transactions of Small Value	Fewer Transactions, Higher Price
Products Mass Produced	Customized Products or Service
Customer Perception Determines Value	Use Determines Value
Focus on Managing the Brand	Focus on Managing the Relationship
Short Selling Cycle	Long and Complex Sales Cycle
Focus on End Users	Focus on Use and Buyer
Retail, Reseller, Distribution, On-Line	Buyer Preference
Communicate Product / Service Features	Communicate Savings or Value
Mass Communications / Advertising	Direct Contact, customized to ONE
Best Deal at the Time of Purchase	Tangible Value Builds Loyalty

Desired Situation

Consumer Market	Business Market
Large Number of Buyers, Similar Wants	Fewer Number of Customers
Similar Wants / Needs / Desires	Customized Products or Services
Numerous Transactions of Small Value	Fewer Transactions, Higher Price
Products Mass Produced	Customized Products or Service
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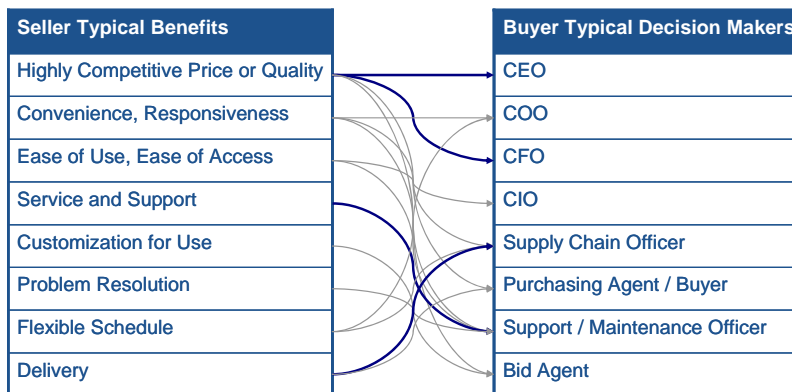
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THE BENEFIT STACK

Improve the effective communication of your offer by connecting the specific benefits statement to the corresponding Decision Makers.

Then identify which ones have the highest priority.

Example:



Your turn:

1. List the primary benefits of your products or services.
2. List the potential decision makers for your target customers
3. Make the connection between benefits and decision makers

Your Primary Benefits

Buyer Target Decision Makers

Note: The decision makers may vary by individual customer or situation. Select a sample customer for this exercise and adjust as necessary for individual cases.

CREATING ANXIETY QUESTIONS

Anxiety Questions create an emotional response.

The customer may temporarily experience the consequences of not having your product or services

Identify “What’s in it for the customer” motivation

Examples:

- ❖ *“How much does it cost every time that your field representative can not work for a day? What is the combined cost of their time, travel and interruption of billable hours for work not performed?”*
- ❖ *“How much faster can your competition adjust to changes in the market, and how much can one week of sales impact your bottom line?”*
- ❖ *“What would happen if you missed that deadline?”*
- ❖ *“Is there a connection between this process and your profitability?”*

Create your own Anxiety Questions

1. What is the product or service that you need to sell?

2. What is the Customer Value? (What is in it for them?)

3. What would happen if they did not have your product or service?
(Negative impact, cost, loss, damage, reputation, speed, etc)

4. Create an anxiety question for an emotional response.

5. Compare to the competition, does your phrase still work?
(Why is yours better, stronger, faster)

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BUILDING CREDIBILITY

Place a checkmark next to all of the items that apply to you.

Important Factors for Building Credibility	Average Score
Ability to Coordinate or Obtain Resources	4.44
Understands Business Groups and Objectives	4.40
Responsiveness to Requests	4.36
Willingness to be Held Accountable	4.32
Knowledge of the Products or Services	4.08
Demonstrates Ability to Solve Problems	4.00
Works Well with Customer Staff	3.96
Knowledge of the Customer Industry	3.88
Knowledge of Your Own Industry	3.76
Track Record of Accomplishments	3.60
Understands Customer Personal Issues	3.32
Source of Information About Competitors	2.84
Length of Service in Current Position	2.48

* University of North Carolina, Keenan-Flagler Business School

The “Average Score” reflects the results of a customer survey for which items give them the most confidence, on a scale of one to five.

How high did you make it up the scale?

How many of these items apply to you?

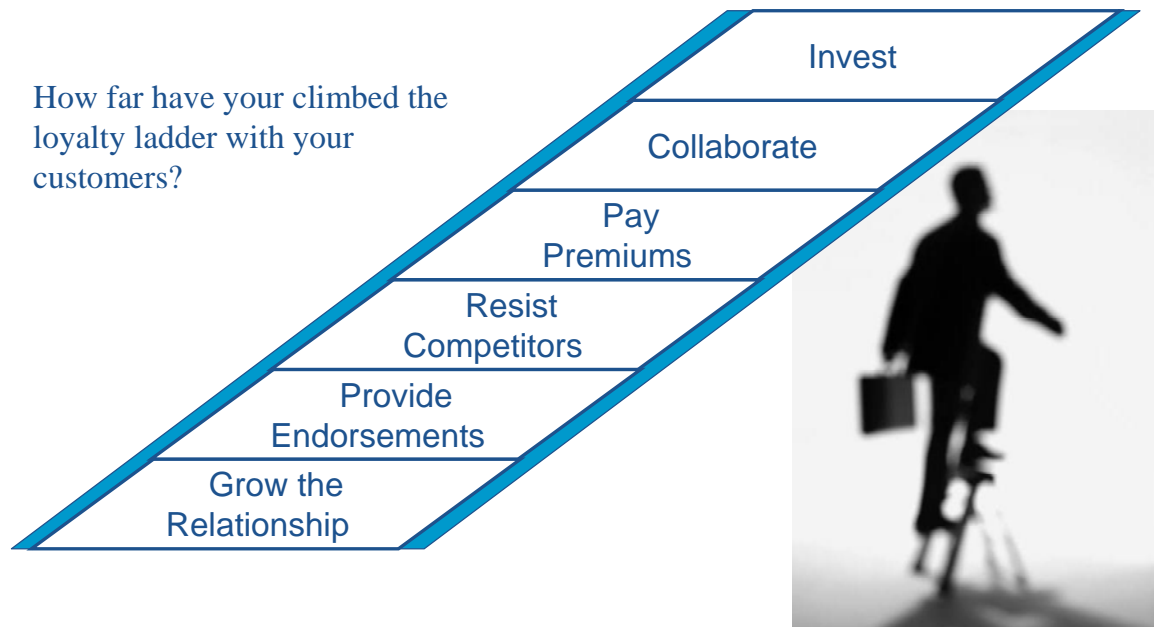
Were you able to check *at least eight* of the items above?

Were you able to check **more than ten** items?

How does your score reflect to your ability to build your credibility **quickly**?

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THE LOYALTY LADDER



How far have you climbed the loyalty ladder so far?

How far do you want to climb up the ladder?


What can you do today to get to the next step up the ladder with your customers?

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USING CUSTOMER INFORMATION

Draw a circle around your description that best fits your current situation.

Cultivating the Customer Relationship requires collaboration between all functions of the organization



	Stage 1 Communal Coordination	Stage 2 Serial Coordination	Stage 3 Symbiotic Coordination	Stage 4 Integral Coordination
Primary Organization Objective	Collect Customer Information	Study and Understand Past Behavior	Forecast and Anticipate Future Trends	Develop Real-Time Response
Coordination Requirement	Coordinate Shared Customer Information	Coordinate Analytic Experts and Direct Line Contacts	Symbiotic relationships, analysis and front line employees	Integral coordination of all employees
Focused Leadership	Corporate Strategy for Customer Information	Leaders collate expert analysis and marketing	Leaders share analysis throughout the organization	Cross-business and cross-boundaries integration

What Customer Information is most important to you?

Information	How can I get it?	Do I have it TODAY?	What can I learn from Past Trends?	How can I predict Future Performance?	How can I be more responsive?







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ACTIONS BY CUSTOMER TYPE





Recognize and define the Customer Potential.

Act Accordingly with your investment of time and effort.

High Profit	Butterflies  <ul style="list-style-type: none"> ❖ High Profit Potential ❖ Company Offerings meet Customer Needs ❖ Not Loyal, not a long term partner Actions: <ul style="list-style-type: none"> ✓ Provide Ease of Transactions ✓ Support Accounts when Active ✓ Cease investing effort when customer is lost 	True Friends  <ul style="list-style-type: none"> ❖ Highest Profit Potential ❖ Company Offerings meet Customer Needs ❖ Loyal, a long term partner Actions: <ul style="list-style-type: none"> ✓ Communicate Consistently ✓ Develop New Concepts Together ✓ Delight, Defend and Nurture Customer
	Strangers  <ul style="list-style-type: none"> ❖ Lowest Profit Potential ❖ Offerings do not meet Customer Needs Actions: <ul style="list-style-type: none"> ✓ Every Transaction should make a Profit ✓ Make no investment in time or effort 	Barnacles  <ul style="list-style-type: none"> ❖ Low or No Profit Potential ❖ Loyal, but not Profitable Actions: <ul style="list-style-type: none"> ✓ Focus on Cross-selling and Up-selling ✓ Impose strict Cost Controls
	Short Term	Long Term

Name your Customers by Type.

What corresponding actions will you take?

High Profit	Butterflies  <ul style="list-style-type: none"> ❖ _____ ❖ _____ ❖ _____ Actions: <ul style="list-style-type: none"> ✓ _____ ✓ _____ ✓ _____ 	True Friends  <ul style="list-style-type: none"> ❖ _____ ❖ _____ ❖ _____ Actions: <ul style="list-style-type: none"> ✓ _____ ✓ _____ ✓ _____
	Strangers  <ul style="list-style-type: none"> ❖ _____ ❖ _____ Actions: <ul style="list-style-type: none"> ✓ _____ ✓ _____ 	Barnacles  <ul style="list-style-type: none"> ❖ _____ ❖ _____ Actions: <ul style="list-style-type: none"> ✓ _____ ✓ _____
	Short Term	Long Term

DESIGNING YOUR STRATEGY

What actions can you do to turn Strangers into Butterflies?

What actions can you do to turn Butterflies into True Friends?

What actions can you do to turn Barnacles into True Friends, or at least make them profitable?

What actions can you take to protect your True Friends?

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DEFINE COMPELLING VALUE STATEMENTS FOR KEY DECISION MAKERS

DEFINE CUSTOMER	VALUE STATEMENT	

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LIST THE MILESTONES TO IMPLEMENTATION

MILESTONE	METHOD OF MEASUREMENT
MILESTONE 1	
MILESTONE 2	
MILESTONE 3	
MILESTONE 4	
MILESTONE 5	
MILESTONE 6	
MILESTONE 7	

Congratulations.

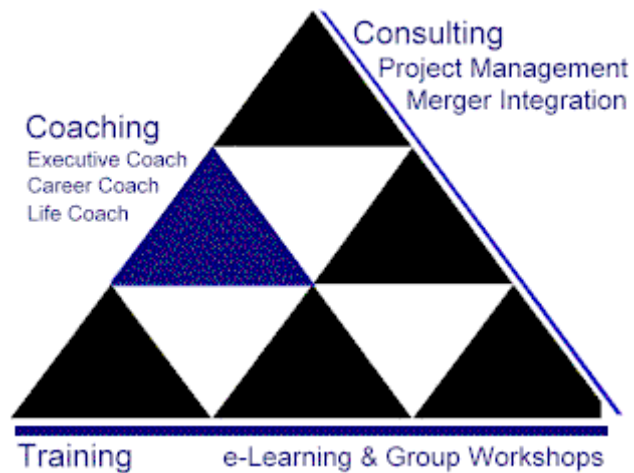
Create a list of follow-up measurements and frequency to stay on course and measure your success.

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