

## Beyond Satisfaction to Customer Loyalty

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Satisfaction is fulfillment of a need or want; but loyalty is a state of unswerving allegiance. Your business cannot exist without satisfied customers who help sustain revenues on a year-to-year basis. But it is the *loyal customers* who bring about growth, skyrocket your reputation, and propel you as a world-class organization in your industry.

Customer support organizations need to think beyond customer satisfaction to customer loyalty. You can satisfy a customer with a single act. Loyalty, however, is built over time with a series of actions. Customer satisfaction is a tactical solution while building customer loyalty is a strategic solution.

Loyal customers tend to forgive more and brag more. They are the Coca Cola drinkers who cancel their drink order rather than swallow Pepsi, travelers who describe their first flight on Singapore Airlines with awe, photographers who love their old Nikons and their new ones, and diners who reserve the same table at their favorite restaurant. In their loyalty to your company, they aren't swayed by your competitors' marketing campaigns; and they are quick to act as your advocates.

Building customer loyalty is a strategic decision that you make as an organization. It takes an understanding of not only who your customers are but also who your *best customers* are and why they choose you. As a service and support organization, there are actions that you can take to do your part in moving beyond customer satisfaction and reap the rewards of customer loyalty.

1. **Define your focus and direction and use this vision to guide the decisions you make and the customer service you provide.**

A clear vision drives behavior and guides how you should proceed.

- Is there a clear and compelling vision that is understood by all stakeholders to the level of "what does it mean to me"?

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- Are key stakeholders committed to your vision?
- Is your vision based on documented assumptions about the future external environment?
- Have you clearly communicated the “what” and “why” of your vision to your customers?

## 2. **Identify the common characteristics of your customers.**

Understanding the characteristics shared amongst your high-value customers helps you target and meet their unique needs within the marketplace.

- How are your customers similar?
- What characteristics define your highest-value customers?
- Based on your vision, what is the best way to group these customers?

## 3. **Build your scope of services around your customers’ needs.**

The scope of services is defined within current, modified or new services that can be offered within a specific customer segment or across all segments. This allows you to design specific services and identify relevant resources that better meet your customers’ needs. Designing services that meet common needs for specific customer groups helps you optimize your resources while improving customer service.

- What are the fundamental needs/wants you will meet?
- What are the needs you will explore?
- What are the attributes (characteristics) that will describe all of your services?

## 4. **Strengthen your competitive advantage by understanding your customers.**

It is important to understand and focus on what your customers see as your greatest advantage and the reason they return. By understanding your competitive advantage, as seen by your customers and in relation to your competitors, you define your strengths and weaknesses.

- What are some differentiators in your space?
- Who do you see as your competitors?
- What are your advantages and disadvantages from your customers’ perspective?
- What will cause your customers to keep coming back?

## 5. **Build capabilities to support your competitive advantage.**

Identify and fill gaps in your organization’s capabilities (process, skills, equipment and facilities) that will support your competitive advantages minimize disadvantages.

- What infrastructure will you need to achieve the vision?
- What new capabilities will you need?
- What capabilities will you need to improve in order to achieve the vision?
- What skills and knowledge will you require to support your competitive advantage?

## 6. **Create a culture of trust and appreciation.**

Culture is a product of behaviors and attitudes and is the way you do things. It is an essential ingredient in implementing your vision. Creating a culture of trust and appreciation enhances respect and confidence and allows an organization to operate in a fair, open, and honest way. There is a high correlation between satisfied, loyal customers and satisfied, loyal employees. Culture starts with the behaviors of the leaders. Leader's viewpoints and actions are a major influence on the culture.

- To what degree does the leadership tolerate mistakes?
- To what degree does the leadership reward/recognize excellence?
- To what degree do employees trust management?
- To what degree do employees feel appreciated?
- To what degree do your customers trust you?
- To what degree do your customer's feel appreciated?

## 7. **Execute your vision flawlessly.**

Executing your vision can be overwhelming. Often short-term targets must be sacrificed for long-term, high-value goals. To achieve your vision, you must identify and prioritize your major initiatives. A key component of execution involves clearly identifying initiatives that are already underway, initiatives that will need to change in scope or direction, and new initiatives that will need to be planned.

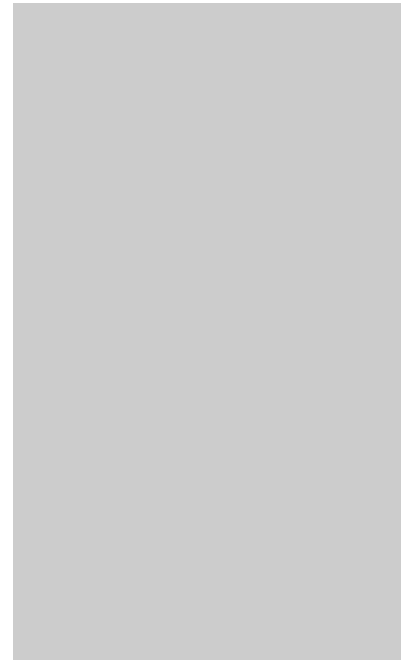
- What is your capacity to take on the initiatives to achieve your vision?
- How are you going to prioritize these initiatives?
- When will they need to be launched and completed?
- Who will manage the initiative?
- How will critical issues be managed?
- How will you communicate progress on your vision?

Developing loyal customers takes time and effort. Creating customer loyalty begins with developing a clear, customer-focused vision and then executing that vision flawlessly with full commitment from all your key stakeholders. The result goes beyond customer satisfaction. It builds customer lifetime value that results in long-term growth and increased market share.

**About Shellina Damji.....**

**Shellina Damji** is a senior consultant with Kepner-Tregoe, Inc. Her primary focus is on strategy formulation and implementation, the facilitation and delivery of critical thinking skills, and analysis of organizational processes.

**Kepner-Tregoe** (KT) helps organizations dramatically improve strategic and operational outcomes. Combining proven technologies, capabilities, experiences, and a way of doing business—the KT Way drives predictable, measurable results. KT collaborates with organizations to diagnose their greatest needs and design effective solutions. KT brings together just the right resources to deliver rapid results. Because the work is collaborative, improvements are sustainable and add lasting value. This approach offers a more effective alternative to traditional business consulting.



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