

5 Ways to Increase Customer Loyalty

Customer service has been getting a lot of print these days, however, not a lot of practice. Think about the last time you had an extraordinary customer service experience, one that left you thoroughly delighted at the way you were treated and singing the company's praises to anyone who would listen? Like me, you haven't had one of those experiences in some time. Instead, you are more likely to have had mediocre to bad customer service experiences that left you feeling disrespected, betrayed and frustrated. So what? Well, according to the Harvard Business School (www.hbs.edu) an increase of just 5% in customer loyalty can increase profitability by 25-80%. That's a pretty amazing statistic, but then again, think about your own extraordinary customer service experience and the loyalty you have for that company. Now ask yourself about your company. How loyal are your customers? Does your company provide that kind of extraordinary service? If not, it's time to get started!

Take these 5 steps to start your company on its way to extraordinary customer service and increased customer loyalty:

1. Create an environment where frontline employees can make decisions about everyday customer service issues.

When customer service representatives (CSRs) are encouraged to make decisions about customer service issues, they feel trusted by their company. Along with that trust, comes loyalty to the company and an increased feeling of responsibility, which results in decreased employee turnover and increased customer continuity. In 1999, inbound call centers had an annual turnover rate of 26% for full-time CSRs and 33% for part-time CSRs (Purdue University, <http://www.e-interactions.com/newsite/index.tml>). Trusted, loyal, long-term CSRs can and will do a lot more to promote customer service that delights which directly affects your customer's experience.

Let's look at an example of how a frontline customer service representative can make an effective decision:

A customer purchases something for \$20 and finds, on receipt of the item, it's not exactly what he ordered (wrong color, pattern, etc.). The customer calls the service center and explains the problem to Mary. Mary tells the customer he must send the item back, and although the company will pay for the shipping, she can not send the replacement until she receives the item he has in his possession. The customer can not wait, as the item is a gift he needs to give on Saturday. Although Mary would like to do something more, she must abide by company policy.

What's wrong with this picture? In the customer's mind, the company shipped the incorrect item in the first place. The policy of not shipping until the returned item is received instills distrust between a company and the customer. Mary knows this customer is in a bind, but can not ship out the correct item right away because it's against company policy. The customer is frustrated and will most likely tell Mary to forget it - he will send the item back, but he wants a refund. He will get his present elsewhere.

2. Train your staff to keep their commitments and only make ones they can keep.

If a customer is told they will have something by 5:00 make sure they do. If a customer is told they will have a callback within an hour, make sure it's done. The trustworthiness of your company depends on it! There is no bigger detractor from a great customer experience than missed deadlines. This step seems like common sense, but you might be surprised at the number of missed commitments your company has in the span of a week. Although this is one of the most important steps, it's also one of the easiest to resolve. Make deadlines realistic - customers would rather wait for the correct resolution to their issue than get put off time and again. If commitments are being missed consistently, try adding 15 or 30 minutes to the time promised until they are consistently met.

3. Train your employees on email etiquette.

Email can be a danger, so get some etiquette! Since the advent of email, customers and employees alike have been trying to get their point across, and unfortunately they're not always successful. Let's face it, an email taken the wrong way can be an end to a customer relationship. Since it has become such a large part of our everyday conversations, it's a good idea to develop some e-mail guidelines and provide e-mail etiquette training for your entire company.

4. Create a user-friendly website.

Do you have a website? Have you ever tried using it? I suggest you take a look at it. If you have problems with navigation or using your search capabilities, imagine how your customer feels! There are a lot of companies that make web-based tools available to their customers to reduce the number of calls and emails coming into their call center. The problem is, there aren't many customer-centric, user-friendly sites out there. This generally occurs because although programmers and IT folks excel at creating websites, they don't usually pay attention to ease of use or navigation. As they are the ones who develop the website, naturally it's difficult for them to find fault with their work. My suggestion? Have several people who are not affiliated with your company look at your website and use their suggestions to make it user-friendly. Furthermore, include your employees in this process so they can understand their purpose as it relates to the company's customer loyalty philosophy. Lastly, don't forget to get your customer's input, as they will be the ones using your website the most.

5. Use your customer feedback and suggestions for future product offerings and changes in your support organization.

Companies collect all kinds of information from their customers and employees, but only those customer-centric companies actually use it. A customer-centric organization makes changes in its product or service based on customer and employee suggestions, thereby gaining loyalty from both. To incorporate your customer and employee suggestions, conduct surveys or send out feedback forms, and then use the suggestions you receive. Make sure you include guidelines regarding how you are going to use the feedback so your survey audience understands in advance what you are going to do with that information. Once you have your plan of action, communicate it. Don't do what most companies do, which is send out a survey, ask people to spend valuable time participating, and then do nothing with that information. There is no greater damage to relations than when an opinion is asked for but not heeded.