

7 KEYS to...

BUILDING A LOYALTY-ENHANCING REPUTATION FOR FAIRNESS

Customers have emotional needs that affect their supplier loyalties more strongly than sheer satisfaction with their purchases, Benjamin Schneider and David Bowen wrote in "Understanding Customer Delight and Outrage," in the Fall 1999 issue of M.I.T.'s Sloan Management Review.

Customers certainly expect vendors to deliver on orders when and as promised. Yet up to an astounding 90% of a business's satisfied customers will change suppliers when they order in the future. So satisfaction with past transactions, though surely important, is not the chief factor in building customer loyalty.

Schneider and Bowan say that customers tend to remain loyal to a supplier who:

- Maximizes satisfaction of their psychological needs.
- Minimizes the pain they must endure to maintain the relationship

Customers need to perceive that they are treated fairly...

One of the most powerful human needs is for fair treatment, Schneider and Bowan write. They cite seven strategies that will enhance customer perceptions that your business is fair to them:

1 -Keep promises. To enhance customer loyalty, your company should honor its commitments-especially when

they involve time.

2 -Stay flexible. Companies whose customers perceive it as fair honor reasonable customer requests-even slightly oddball ones.

3 -Come to the rescue. Customers credit suppliers with fairness when they willingly supply help when it is needed.

4 -Fix problems fast. To bolster loyalty, accept customer needs and solve problems quickly, with no blame implying questions asked.

5 -Be friendly. Customers that perceive that a company is open and warm when addressing their needs tend to stay loyal to it.

6 -Tell the truth. Customers will respect candor, even if the news is bad.

7 -Be polite. Your mother was right. People react positively to courteous, respectful treatment.

Idea from Wheeler's Printing:

Immediately after every customer contact, write a note-either using the personalization of digital printing, or a hand written note-to remind your customer of what you have done, how he or she is better off than before because of your actions, and your eagerness to continue to provide service. Don't assume that your customers will connect such loyalty-enhancing dots themselves!

"To earn loyalty from customers, a business must go beyond reliability. It also must satisfy their desires for responsiveness and assurance."

