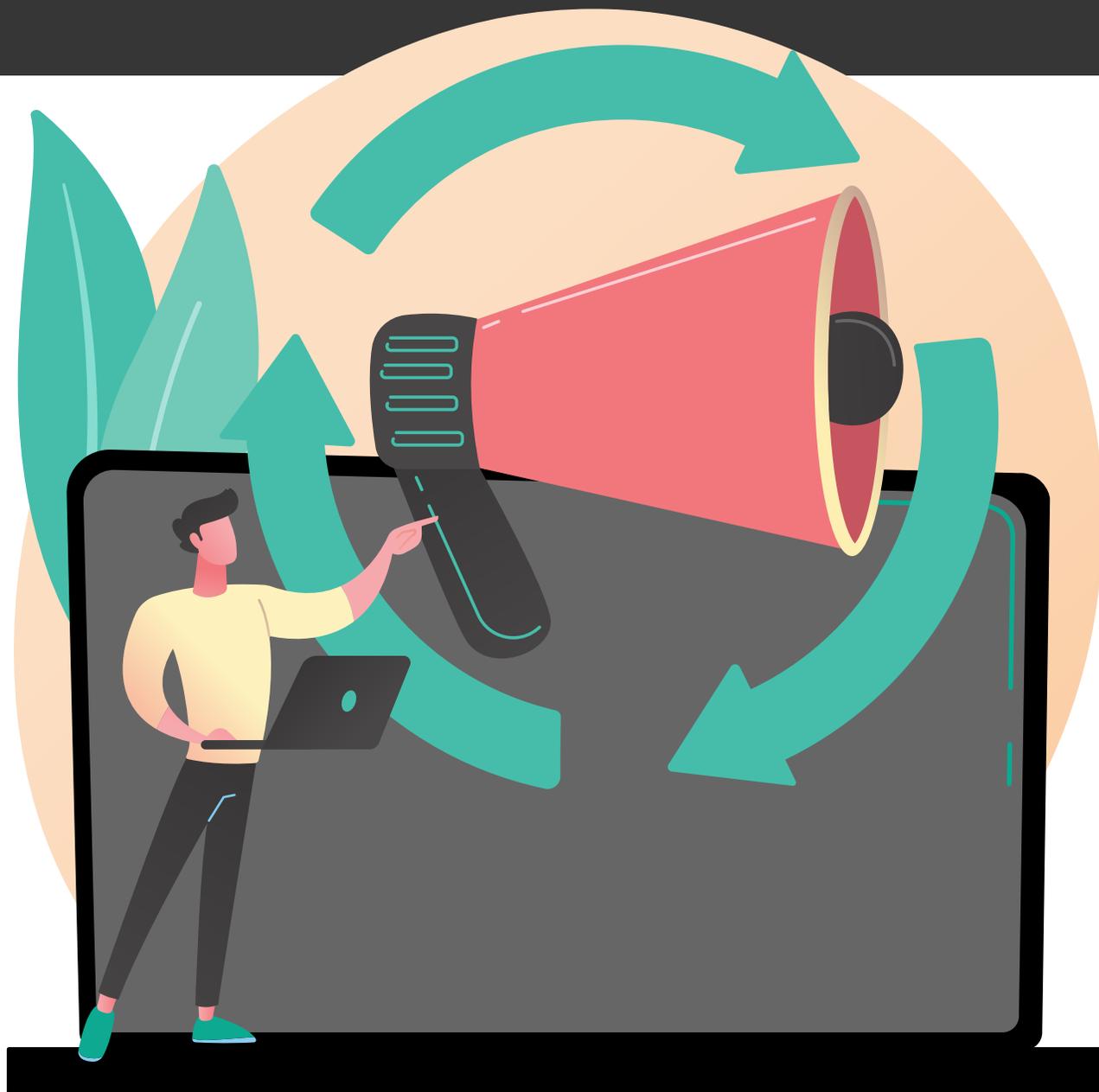


HOW TO IMPROVE **Brand Loyalty and Gain More Devoted Customers**





Introduction

“Do what you do so well that they will want to see it again and bring their friends.” – Walt Disney

Sure, it might be easy for the creator of the happiest place on earth to say, but what happens when it suddenly seems as if your customers aren't as happy with your brand as they used to be? You might be experiencing lower referrals or a decrease in sales or worse, you are losing your share of the market to your competitors. If you suspect that you aren't keeping up with your customer's expectations, you aren't alone. **Overall customer satisfaction is at an all-time low** – in fact, it has dropped in nine of the past ten quarters according to the American Customer Satisfaction Index and is at its lowest level in 15 years. (ACSI, May 2021). While we'd love to blame the pandemic and the disrupted global supply chain, this decline in customer satisfaction began in late 2018, much before the COVID-19 pandemic began. So, what gives? And more important, what can be done?

In this eBook, we will outline the reasons why customers aren't staying loyal, how you can determine where your business stands amongst the competition, and what can be done to rectify the situation before it's too late. But first, what does it mean if a customer is satisfied and how does that differ from, or affect, customer loyalty?"

Satisfaction vs. Loyalty

"Satisfaction is a rating. Loyalty is a brand."

We love this quote from Shep Hyken, NYT and WSJ best-selling author and customer service and experience expert because it is so accurate. We all make purchases, big and small, every day. And we often really like that purchase, but then – something new and shiny comes along and we think we'll really like that too. So, we buy it. And we like both – we are SATISFIED with both. But we start to like the first item we purchased a little bit more. Because when we had a question about it, they had a quick answer for us and solved our problem fast. Then they surprised us with a personal word of thanks and an exclusive offer for our business. So, we bought another one. Months later, they are still delighting us with personalized customer experiences, and we keep buying from them. Now we can't live without it, and we tell all our friends about it. We are LOYAL. Nothing will ever make us change...except, hmmm... look at that new item. Should we try that?

What made us consider that new, competing brand? Was it price? Was it a new feature? Are we starting to become less satisfied with our favorite brand? And if so, why?

Brand leaders and marketers would love the answers to these questions from every single one of their customers to prevent them from switching to a competitor. While it might be impossible to understand every customer's thought process when they decide to move on, you can (and SHOULD – often!) gather data to develop insights as to why your customers are making the choices they are – about your brand and your competitors. More about that later. Let's first dive into why it seems that customers aren't as faithful as they used to be.



Your Cheatin' Heart: Why Customer Loyalty is Decreasing

When there is no trust in a relationship, it's bound to break down. This also goes for the customer-brand relationship. Eight out of 10 consumers in the US say that they will continue to buy a brand they trust, but only 34% say they can trust most of the brands they buy or use.⁽¹⁾

At a time when consumers have more choices than ever before and the world at their fingertips, customers are expecting more from the brands they choose to be loyal to. They expect excellent quality, convenience, service, value, societal responsibility – they want to trust that they are getting the full package. Brands that are losing customer loyalty are not providing the complete, amazing customer experience consumers today are expecting.

Let's dig into the relationship baggage one by one, shall we?

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Poor Quality of Product or Service



This one is obvious. If your product or service does not hold up to expectations, customers will move on. How do your customers feel about the quality of your offerings? Have changes been made lately that they are unhappy with? Do they wish there was another feature included? All great questions to better understand what factors would make your customer keep buying from you. Figure this out first – then you've won half the battle.

Not Convenient Enough



Besides poor quality, this may be the biggest mistake a brand can make. A whopping 97% of consumers have abandoned a purchase because the service wasn't convenient enough⁽²⁾. In an increasingly digital marketplace, consumers can shop however and wherever they choose and if your brand isn't making it as easy as possible for them to find you and complete a purchase, you'll risk losing them.

But convenience isn't one-size-fits-all. Consumers are discovering and engaging with brands across a variety of channels, expecting a seamless experience wherever they go. They want to be able to make purchases from email, social media, in-app, and website – toggling back and forth if they wish – with their preferences and shopping cart staying constant wherever they go.

Customers turn to an average of nine channels to browse inventory, seek advice, and make purchases with 76% of customers preferring to use different channels depending on context.⁽³⁾

Customers expect a variety of convenient delivery and return options too, especially post-pandemic. The option to buy online, pick up in-store (BOPIS) has become a popular shopping experience with 70% of consumers agreeing that this method has improved their shopping experience⁽²⁾ and 56% of shoppers planning to continue using BOPIS after COVID-19.⁽⁴⁾ Customers are looking for improved return processes with another 56% of both online and in-store shoppers citing that they want easier ways to make returns.⁽²⁾ Now more than ever, it's crucial for businesses to understand how they can make the purchasing journey more convenient for their customers.

Mediocre Customer Service

Even if you have a fantastic product, if your customer service is sub-par, chances are your business will struggle. Sixty percent of customers will stop doing business with a brand after just one poor service experience⁽⁵⁾. But on the flip side, providing a good customer service experience can often work harder for you than many other tactics can.

Keeping your customer service team happy and arming them with ways to delight your customers is crucial to providing positive experiences for your customers. These employees have a direct line to your customers and if they themselves are unhappy, it will be hard for them to make your customers happy – especially when that customer already has a problem that needs a solution. As a best practice, it's always a good idea to check in with your employees to gauge their satisfaction level with their job – remember, happy employees are 13% more productive than unhappy employees!

Allowing your customer service team the ability to offer discounts or free gifts to concerned customers is an excellent way to delight them and move them from a potential state of dissatisfaction to a satisfied, maybe even loyal, customer who will talk about their positive experience with others. In fact, 72% of customers will share a great customer service experience with six or more people.⁽⁵⁾ We know that a referral from family and friends can be a key influencer in a purchase decision because they are trusted sources.

And don't forget, as we said in the convenience section, customers expect to be able to reach your brand whenever and wherever they need assistance so it's important to make your customer service capabilities an omnichannel experience as well as your purchasing capabilities. If you are consistent with a helpful, positive response to your customers' needs, you are on your way to making them loyal customers that will refer others to your brand.



No personal connection

Customers buy products and services that will help them solve their individual problems. If you are constantly sending your customers offers for the items YOU want them to buy versus offers for the products they are interested in, you risk them looking elsewhere for a solution. The digital age has made consumers accustomed to personalized recommendations, tailored content, and customized experiences. They expect to be personally rewarded for their loyalty to a brand with recognition and gratitude.

But while 91% of consumers are more likely to shop with brands who recognize, remember, and provide them with relevant offers and recommendations ⁽⁶⁾, there is a fine line between being helpful and being creepy – and consumers expect brands to know the difference. While you might have tons of data on a customer's habits, you don't need to use it all - and always give customers the chance to opt out of data collection. If your brand is not respectful of your customer's boundaries, expect a swift breakup.



Societal and environmental responsibility

A relatively new factor impacting customer loyalty in recent years is whether a brand's values and beliefs align with its customers. These days, more customers expect that brands hold certain standards in protecting the environment, maintaining ethical business practices, and being socially responsible. If your brand's values don't mesh with your customers', they will move on and find one that does.

Almost half (49%) of people say they have switched brands to "take a stand" in response to a brand's behavior amid the social justice crisis this past year. Seventeen percent stopped supporting a brand due to their response to social issues, while 25% started supporting a brand because of the way they approached an issue. ⁽⁷⁾

Loyalty to a brand is built on an emotional connection along with trust – and there is no surer way to dissolve a relationship with your customer than showing them that your core values aren't aligned.

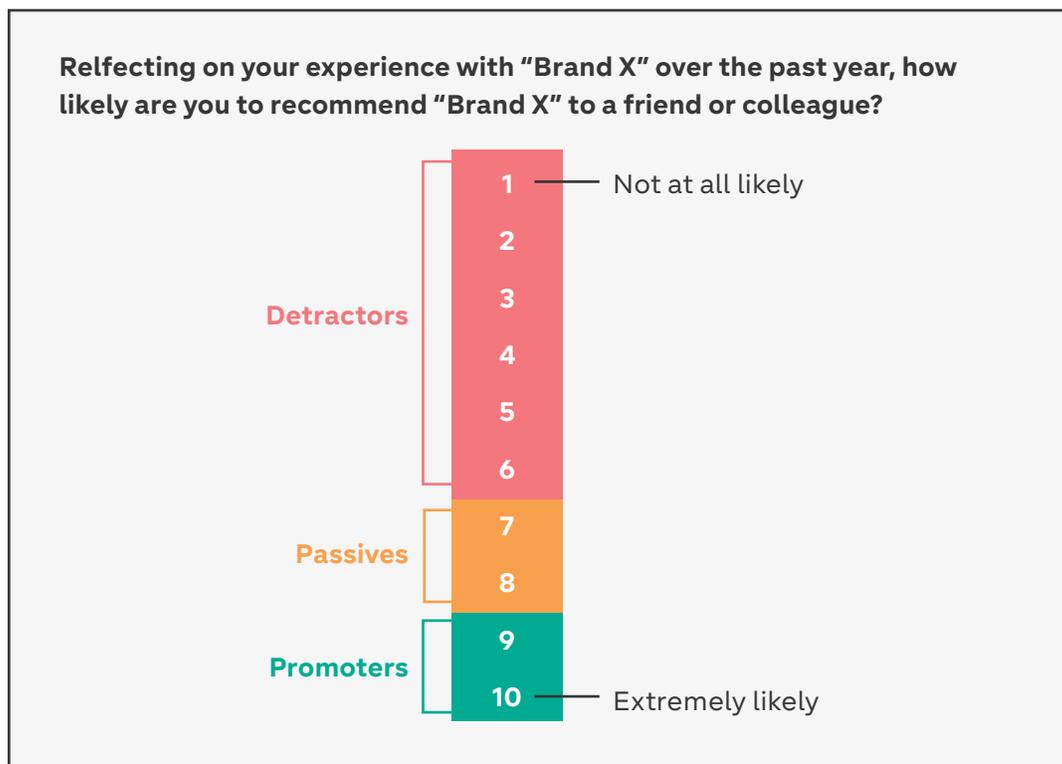
Let's Stay Together:

How to Turn Detractors into Promoters

Now that we've explored why your customers might be leaving, it's time to stop them from doing so. And when attracting new customers costs five times more than retaining existing ones, you'll want to keep as many around as you can! Enter the **Net Promoter Score (NPS)**, often considered the gold standard of customer experience metrics.

NPS is a great tool for understanding a customer's loyalty to a brand or company. Based on where a customer's response falls on a scale of 0-10 on the likelihood of recommending to a friend, they are grouped into three segments: Promoters, Passives, and Detractors. "Promoters" are your loyal customers who will not only keep buying but also recommend you to others.

"Passives" are generally satisfied customers, but can be swayed by the shiny, new offering of your competitor. "Detractors" are unhappy customers who are a potential risk to growth by sharing their negative experiences with others. The NPS is calculated by subtracting the total percentage of Detractors from the total percentage of Promoters.



Calculating your NPS sounds pretty simple, and it generally is as oftentimes your survey requires only one question, as shown in the image. It's increasing your NPS that requires greater insight and understanding than the score alone can provide. Some tips to improve include:

Monitor your score often. You should be evaluating your favorability level as your customers move through the various stages of their journey to ensure you are satisfying their needs and can make any improvements required before they become passive. This can be done after a specific transaction or interaction takes place between the customer and the company, like a purchase, product installation, or a customer service support call, and gathers feedback on a very specific instance in the purchasing cycle. It's also beneficial to do NPS surveys on a more regular basis (i.e., quarterly, or annually) to gauge how your customers feel about your company or brand overall, providing a great benchmark for year-over-year analysis.

Solicit additional customer feedback. So now you know who your supporters are and who isn't – but do you know WHY? A basic NPS survey and score won't ever tell you this, so you must ask directly. Additional questions or even separate surveys with questions targeted to each segment can help you learn why a customer is or isn't completely satisfied with your brand. Chances are, there is an issue in the categories we outlined in the last section so you should have questions around these topic areas, like quality, customer service, and convenience. Be sure to ask open-ended questions – you'll want feedback in the customer's own words. Interviews are also a great way to get feedback, but keep in mind that you may need to work with a third party to get real, honest answers from dissatisfied customers.

Below are examples of how to ask your different segments to elaborate on the WHY:

Detractors: What changes could "Brand X" make to earn a higher rating from you in the previous question?

- Make sure that account representatives are 'actually' **following up with clients**. We had to reach out and ask for service from a higher up because our representatives was not responding. It's cleared up now.
- **Technical support for existing customers needs to improve**. It seems there has been an influx of new staff at "Brand X", as it is growing, which is good. However, they need to be more experienced.

Promoters: What does "Brand X" do well that earned them such a high score from you in the previous question?

- They are **responsive and professional**.
- **Dependable** platform. Priced **reasonably**. Support staff is **very responsive and professional**. Problems are **solved promptly**.
- **Consistent high quality** of service and **quick turn around** on requests.
- **Familiarity and transparency**. I don't feel like just another number. When problems happen, they indicate where things when wrong so we can understand the issue and know they'll fix it.

Engage with each segment separately.

Similar to the follow-up ‘why’ question, subsequent communications you send to your Promoters should not also go to your Detractors. If the message seems to pretend everything is fine, you will come off as being insincere. It’s better to address problems head-on in your attempt to win Detractors back. A standardized complimentary gift might not do the trick either, you’ll want to get a real understanding of how you can make it right. Sometimes, a simple, yet sincere apology will do the trick. And remember those insights you gathered from the additional feedback of your Promoters on WHY they are loyal to your brand? Use them to guide your strategy in increasing satisfaction with Passives and Detractors.

And don’t forget to occasionally thank your Promoters for their loyalty with exclusive or special offers and sincere appreciation for their continued loyalty – you want to keep them as an advocate after all!

Take action.

Insights are meaningless without action. If customer service is the cause of most of the unhappiness, perhaps additional training is required for your service team. If convenience is the problem, maybe you need to provide easier ways for the customer to complete a purchase or return. Develop an action plan, get the support of the appropriate stakeholders in your organization to help push it through and implement the changes your brand needs to retain supporters and convert Passives and Detractors into Promoters.

Conclusion

The Net Promoter Score is a simple, yet extremely valuable tool that can proactively assist you in keeping customers loyal to your brand or business when used correctly and often - and by correctly, we mean on an ongoing basis. Deploying NPS as a one-and-done survey won’t give you insight into how market issues, new company or brand initiatives, or new players in your category can influence customer loyalty over time. Consistent monitoring also allows for swift action - and the faster a brand can react to negative customer feedback, the greater their ability to protect the reputation of their brand.

If you’d like to get started on taking a closer look into how satisfied your customers are and gathering the insights required to improve loyalty and referrals, please reach out to Vennli for information on how we can help. We have years of experience helping our partners build deeper relationships with their customers and increasing revenue. We look forward to speaking with you!

SOURCES:

- (1) 2019 Edelman Trust Barometer Special Report, Edelman 2019
- (2) “Convenience is driving e-commerce growth and influencing consumer decisions” Smart Insights, Jan 2020
- (3) “Perspectives on retail and consumer goods”, McKinsey, August 2020
- (4) “State of the Connected Customer” Salesforce, August 2020
- (5) “Why Customer Service is Important: 16 Data-Backed Facts to Know” HubSpot, Sept 2021
- (6) Accenture survey, 2018
- (7) Omnicom Media Group, 2020 survey

We Help You Win.

We work with you to deliver market research insights and innovative strategies to beat the competition, measure loyalty, identify your most profitable segments, communicate brand value, identify the ideal pricing strategy, differentiate offerings and services, and win in the workplace.



Creative Testing

Communicate more effectively by testing creatives, including messages, images, and videos, that highlight your competitive advantages by understanding what resonates with and influences decision-making.

Satisfaction & Segmentation Analysis

Identify how best to improve so you have strong advocates for your brand and organization. Drive growth by segmenting your audience and finding the most effective ways to reach them.

Sales Effectiveness

Discover how to “win” at each stage of the buying process, grow your brand, increase market share, and ultimately earn new business on the right terms and in the right timeframe.

Competitive Positioning

Visualize the competitive landscape from your customers’ point of view so you can set your brand and organization apart and focus resources to achieve the greatest impact.

Optimal Pricing Analysis

Examine and evaluate what price customers are willing to pay for a product or service, including what price is too high to even consider and what price is so low customers would question the quality.

Products & Services Development

Learn what features and benefits your customers value most, capture unique points of difference, and discover emerging unmet needs in the market.

Employee Engagement

Understand how committed your employees are to the values and ideals of your organization, what motivates them, and where their priorities reside regarding their own well-being.

Want to learn how to build customer loyalty?

See how Vennli can help you gather the insights you need to measure and improve your customer satisfaction and loyalty scores - and make improvements. Sign up for a free consultation today.

[Improve Customer Loyalty](#)

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