

# Seven Steps To Build Customer Loyalty

by Greg Smith



**PRIDESTAFF**<sup>®</sup>





**M**ost businesses spend more time and energy trying to find new customers instead of retaining those they have. The logic behind customer retention is simple – it costs far less money to keep customers happy than to spend much more money recruiting new ones. Loyal customers tell their friends about your business and will spend more money than new customers.

I dread eating at airports. If you travel as much as I do, you are probably familiar with the “3 b’s” as it applies to airport fare – bad food, bad attitudes, bad timing.

I had an early flight to catch at the Ontario, California, airport recently. I found myself standing outside the closed and gated doorway to an Applebee’s restaurant ten minutes before they opened up. I just knew they would be late and expected to receive the usual grumpy service common at most airports the world over.

**I was wrong!**



# Bam!

The clock struck five, the lights popped on and this charming lady opened the doors. She greeted me with a smile, a warm “hello” and told me to sit anywhere I wanted. I never had seen such a positive attitude at 5:00 in the morning.

For the next hour, I watched Felicia cheerfully greet customers, many of which she called by name. They were the “regulars” she said. Felicia was the remarkable person who made that small restaurant pleasant and memorable. Next time I return to the Ontario Airport, I guarantee you this is the restaurant I am going to first.



A photograph of three business professionals (two men and one woman) sitting at a conference table, looking towards the right. They are dressed in business attire. The image is partially obscured by a white overlay on the right side.

# Here are seven steps to build customer loyalty.

## 1 Select the right people.

In the book, *From Good to Great*, Jim Collins said, “People are not your most important asset, the RIGHT people are.” Most businesses do a poor job of hiring people. They hire just anyone and place them on the front line with customers. Spend more time recruiting and hiring the right people with good personalities. Focus on those who are friendly and demonstrate an interest and enthusiasm for the job. Consider using personality profiles as part of the hiring process. These profiles help identify true personality characteristics of your applicants.



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## 2 Sensationalize the experience for your customers.

Good service is not good enough. A Gallup survey showed a customer who is “emotionally connected” to your place of business is likely to spend 46% more money than a customer who is merely “satisfied” but not emotionally bonded.



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### 3 Set performance standards.

Outline the behaviors of how employees should act, speak, and respond to customer needs and requests. One of our clients developed a list of twenty customer service commandments that outline actions he wanted his service people to demonstrate.





## 4 Sustain ongoing training and reinforcement.

Good customer service skills are not natural for most people. Effective customer service training must be reinforced and taught on a recurring basis. For example, the Ritz-Carlton hotels provide a thorough customer service training program for all of its employees during their orientation. Then each supervisor conducts a daily “lineup” to review one of the commandments with his employees ten minutes before each shift.



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## 5 Specify incentives for good behavior.

Yes, employees want to be paid well, but they also want to be treated with respect and shown appreciation. The front-line supervisor has the greatest impact on motivating and retaining employees. Reward those who exceed the standards and provide development for those who do not.







## 6 Survey your customers and reduce your defection rate.

On average, businesses lose 15-20 percent of their customers each year to their competition. All businesses encounter this defection rate, but few do much about it. To improve retention, one client sends out a customer service report card to its top customers every month. This requires an evaluation based on four specific criteria. They tally the results and make sure employees see the scores. This motivates the employees to do a better job.





## 7 Seek customer complaints with enthusiasm.

For every complaint there are at least 10 other customers that visited your business who have the same criticism.

A portion of those 10 people just took their business to your competitor. Look at customer complaints as an opportunity for improvement.



# PrideStaff's Commitment to Customer Service

In a competitive industry like staffing, success results from listening to our customers, understanding their needs and developing creative solutions to the problems they face. Over the years, PrideStaff has been a consistent industry leader, developing technology and service processes that allow our organization to deliver superior performance.

## **Our greatest asset is our people and their dedication to our core values:**

- Act as a Trusted Partner to our clients, employees and franchise holders.
- Maintain honest, open and ethical relationships with others.
- Never be satisfied with “good enough.” Continually strive to set higher standards for performance.

## **Our Mission:**

Consistently provide client experiences focused on what they value most.



## About the Author:



Greg Smith's cutting-edge keynotes, consulting, and training programs have helped businesses reduce turnover, increase sales, hire better people, and deliver better customer service. As president of Chart Your Course International, he has designed and implemented professional development programs for hundreds of organizations globally. He is a former examiner for the Malcolm Baldrige National Quality Award, the nation's highest award for business excellence. He has authored eight books including his latest, *401 Proven Ways to Retain Your Best Employees*. For more information, visit [www.chartcourse.com](http://www.chartcourse.com) or call (800) 821-2487 or (770) 860-9464.

Visit Greg's website to download a free employee retention organizational assessment and a Cost of Turnover Calculator to determine how much turnover is actually costing your business. Please go to: [www.highretention.com/cost-of-turnover.html](http://www.highretention.com/cost-of-turnover.html) for more information.

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