

# 101

Ways

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to Build

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Customer

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Loyalty

by Debra J. Schmidt

*“The #1 loyalty killer is the difference between a customer’s expectations and his or her actual experience.”*

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# Customer Loyalty Pays

Customer service is the responsibility of every employee in an organization. It is earned by building positive relationships, one customer and co-worker at a time. It is far more cost-effective to build lifetime relationships with existing customers than to keep replacing them. It costs 5X more to gain a new customer than it does to keep an existing customer, and it costs 16X more to get a new customer to the same level of profitability.

Many companies today are task-oriented rather than relationship-oriented. That is, employees are rewarded by the volume of calls they take instead of the quality of those calls. People in business are so focused on their tasks—all of the *things* they need to get done each day—that they forget about building relationships with the very people who keep them in business.

Loyal customers are more pleasant to deal with. They purchase more products, refer new customers and are more forgiving when problems occur. Loyalty-focused companies consistently outperform their competitors.

The tips in this book will help you to recognize missed customer relationship opportunities and give you ideas for increasing customer and employee loyalty.

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# 5 Keys To Customer Loyalty



## 1 Family

- ◆ Use your customer's name at least three times in every conversation. Keep it natural sounding.
- ◆ Remember personal details such as birthdays, children's names and accomplishments.

## 2 Friendly

- ◆ Smile every time you are on the telephone.
- ◆ Demonstrate sincere enthusiasm when helping your customers.

## 3 Flexible

- ◆ Think of yourself as your customer's partner.
- ◆ Look for ways to bend the rules and remove service obstacles.

## 4 Follow-up

- ◆ A follow-up phone call or handwritten note is a powerful loyalty-building tool.
- ◆ You can never thank your customers or co-workers too often.

## 5 Fast

- ◆ Time is a person's most precious commodity. Respect your customer's time and schedule.
- ◆ On the one hand, your customers want fast service. On the other hand, once they have your attention, they want you to *take* time with them.



*"Never, if possible, lie down at night without being able to say: I have made one human being, at least, a little wiser, a little happier, or a little better this day."*

– Charles Kingsley



# Relationship Builders

1 Pick one customer loyalty “key” (page 3) to work on each week. Practice at work and home. Your customers and loved ones will notice the difference.

2 Take time to acknowledge each customer before you begin your service task. “Hello, Mrs. Newland. I’d be happy to help you with that today.”

3 Take ownership of your customers’ problems—even if you are not the cause of them.

4 Be careful not to lump people into segments. All salespeople are not alike, all women are not alike, all seniors are not alike, etc.

5 Try to go the extra mile for your customers, rather than looking for service shortcuts. It will set you apart from the competition.

6 Find ways to surprise and delight your customers and co-workers.

7 When speaking to a customer, use his or her formal name (Mr. Johnson, Ms. Schmidt, etc.) unless you know them well or they have given you permission to call them by their first name.

8 It is perfectly acceptable to ask your customers how they would prefer to be addressed and the correct pronunciation of their names.



*"One of the hardest things in this world is to admit you are wrong. And nothing is more helpful in resolving a situation than its frank admission."*

– Benjamin Disraeli



*9* Fax articles or other materials to your customers, if you think they can benefit from the information.

*10* Provide your customers with respect, friendliness and knowledge...plus the products or services you sell.

*11* Stand up when customers approach you. Shake their hand and offer them a seat whenever possible.

*12* Thank your customers for waiting and apologize for any delays.

*13* Show complete understanding for each customer's concerns, even if you don't agree with them.

*14* Look for ways to bend the company rules for your customers—instead of using them as an excuse to do as little as possible.

*15* A minute on the telephone seems like forever. When you are looking up information for customers, keep talking to them. It's an excellent time to build relationships.

*16* Ask yourself each time you are providing service, "Is the way I'm handling this situation going to improve my long-term relationship with my customer"?





*Startling Statistic!*

*“65–85% of customers who say  
they are satisfied—SWITCH  
to the competition.”*



*17* Mistakes do not make customers leave. It is the way problems are resolved that can make or break the relationship with the customer.

*18* Vendors are customers, too. Treat the people who provide you with products and services with the same respect you treat your paying customers.

*19* Follow-up with every customer who was upset or had a complex problem

*20* Make a sincere effort to remember personal details about your customers, such as birthdays, children's names, their jobs and accomplishments.

*21* When customers see that you are willing to admit a mistake, they are more likely to accept responsibility for their actions.

*22* A big part of customer service is common sense.

*23* Customers don't want to take advantage of you. Most people are much like you...nice.

*24* Count the compliments you receive each day. Provide such exceptional service that your customers just can't help themselves!



*“If we did all the things we are  
capable of doing, we would  
literally astonish ourselves.”*

– Thomas Edison



# Attitudes

**25** Every interaction you have with a customer is an opportunity to either increase or decrease your credibility.

**26** Your attitude is your personal signature. Make sure that people associate a pleasant, helpful attitude when they hear or read your name.

**27** Set aside preconceived attitudes about a situation or person, so you can be open to hearing their individual service needs. Remember, no two situations or customers are exactly alike.

**28** No matter what the problem—**OWN IT.** Avoid the, “It’s not my job attitude.”

**29** A negative spirit is contagious. So is a positive spirit. Take a look in the mirror and ask yourself, “Am I a positive or negative virus? How am I affecting the people around me?”

**30** Customers can hear a smile on the telephone. Keep a mirror in front of your desk and be sure you are smiling before you pick up the phone to take or place a call.

**31** Take pride and maintain order in your workspace. Your environment can significantly affect your attitude and your effectiveness.

**32** Start each day with a clean slate. Do not carry around past negative experiences that you have had with customers or co-workers.



*“Wear a smile and have friends;  
wear a scowl and have wrinkles.  
What do we live for, if not to  
make the world less difficult for  
each other?”*

– George Eliot



**33** Be an encouragement to your customers. Yours may be the only kind word they hear today.

**34** Choose to have fun doing your job and help your co-workers have fun, too.

**35** You do not have to be a “people person” to provide excellent service. It takes desire, discipline and a positive attitude.

**36** For one day avoid criticizing and complaining at work. Try it at home, too.

**37** Get enough sleep and take care of your health. It’s easier to do a great job, when you feel good!

**38** Every day you can make a difference in the life of each customer. You can either make it positive or negative.

**39** Before you give advice to your customers or co-workers, question whether they really want or even need it.

**40** It is often easier to judge a person, than it is to help them.

**41** Listen to what your inner voice is saying to you: If you think someone is an idiot, chances are you will treat him or her like one.



*“The one important thing I have learned over the years is the difference between taking one's work seriously and taking one's self seriously. The first is imperative and the second is disastrous.”*

– Margaret Fontey



**42** It is not our job to “teach our customers a lesson”, when they have made an error. Simply provide the service they need and refrain from “scolding” them.

**43** Use neutral statements like: “I didn’t receive the information,” rather than “You failed to send us the information.”

**44** If you have you ever walked out of a store vowing never to return, it was probably because of the treatment you received from one employee.

**45** Don’t allow one nasty customer to ruin your day or the quality of service you provide for the rest of your customers.

**46** Count the number of customers and co-workers you deal with today. The number of people you affect is larger than you may think.

**47** Do not let your preconceived attitudes affect the quality of service. Do you treat customers in suits differently from those in blue jeans?

**48** Imagine that each difficult customer you have has just found out that he or she has cancer. It can change your perspective on their attitude.

**49** If you are already meeting customer expectations, list 3 things you can do to *exceed* their expectations.





*“68% of customers leave because of an attitude of indifference by a single employee.”*

– Michael LeBoeuf



# Employees & Co-workers

**50** When you make a promise to a co-worker—keep it!

**51** Any time you blame another department, co-worker or even an equipment failure for poor service, *your* credibility with your customer goes down.

**52** Commit an anonymous act of kindness for a co-worker today.

**53** Explain your co-workers' absences in a positive light. Customers do not need to know they are in the restroom or on a break.

**54** Make a list of the great things you do for your customers. Your list will reinforce a positive attitude and come in handy during performance reviews.

**55** Your co-workers and employees are your #1 customers. If loyalty is not built internally, there is no incentive for employees to give caring service to their external customers.

**56** We are all part of a customer-service chain. If someone weakens or breaks a link, the whole chain goes down along with the quality of service.

**57** Loyalty must be a top-down initiative. Business owners, managers and supervisors must “walk the talk” by demonstrating loyalty-building activities in every interaction they have with their employees.



*“Praise, like gold and diamonds,  
owes its value only to its  
scarcity.”*

– Samuel Butler



*58* Follow-up with co-workers to let them know the outcome of a service that they needed to send to you for completion.

*59* Frequently compliment your co-workers for a job well done—in front of other people.

*60* When taking a telephone message for a co-worker, explain that the person to whom they wish to speak is unavailable. Ask if you or anyone else can help them.

*61* Take complete, legible messages for your co-workers so they can be prepared, when they return their calls.

*62* Witty or sarcastic remarks that roll off your tongue could hurt the feelings of a co-worker or customer.



*“What you do speaks so loud,  
that I cannot hear what you  
say.”*

– Ralph Waldo Emerson



# Communications

**63** You can never thank your customers too often. Build “thank you’s” into every communication, both verbal and written.

**64** Listen very carefully to what your customers are telling you, so you can clearly understand their needs and feelings.

**65** You cannot ACTIVELY LISTEN to a customer and do other tasks. You need to stop what you’re doing in order to give them your full attention.

**66** Eliminate the words “Can’t” “Won’t” and “Don’t” from your vocabulary. Instead, focus on what you *can* and *will* do for your co-workers and customers.

**67** “I’M SORRY” are the two words in the English language that can diffuse about 95% of most people’s anger. But they must be said with sincerity.

**68** When your customers are upset, let them vent. Interrupting will only make them angrier.

**69** Time is your customers’ most precious commodity. Help them save time by removing service obstacles, rather than placing new ones in their paths.

**70** When you are face to face with your customers, pay careful attention to your body language. It sends more powerful messages than words.



*“We can throw stones, complain about them, stumble on them, climb over them, or build with them.”*

– William Arthur Ward



**71** What you say about your job to family and friends outside of the workplace can significantly impact the image of the company.

**72** Greet each customer as you would a friend...someone you are glad to speak with.

**73** Say “Good Morning” like it really is a GOOD morning.

**74** When transferring a call, give the customer the extension number “for future reference” rather than, “in case I lose you.”

**75** Maintain eye contact with your customers and co-workers and don’t glance away for even a moment when they are speaking to you.

**76** Do everything you can to avoid transferring your customers calls to other areas so they don’t feel like they got the brush-off.

**77** When you do need to transfer your customer’s call, contact the other employee and explain the customer’s problem, so they do not need to repeat it.

**78** A rushed voice says to a customer that you are too busy to help them or you want to get rid of them in a hurry.

**79** Ask yourself with every interaction you have, “If this were me, what would I want?” It may very well change the outcome of the conversation.

**80** People can’t hear you nod over the phone. Let your customer know you are listening by giving verbal cues like: “I see,” “Sure”, “I understand.”





*“Companies can boost profits by almost 100 percent by retaining just 5 percent more of their customers.”*

– Frederick F. Reichheld



**81** When you are dealing with a difficult customer, don't get defensive. They may be upset about something totally unrelated to the service you are providing. We have no way of knowing what is going on in our customers' lives.

**82** If you are unable to provide the service your customer is requesting, tell them WHY first.

**83** Take time to explain all information carefully, without using jargon or assuming that the customer understands the details of your business.

**84** Instead of saying "Please Hold," ask your customers, "Are you able to hold?"—then WAIT for their answer!

**85** Be careful not to give your customers orders. Avoid language like: "have to", "must", and "should."

**86** Terminate calls courteously. Summarize the call and ask, "Is there anything else I can do for you?" Let your customer hang up first.

**87** Using the phrase, "I don't want to take up any more of your time" is a gracious way to end a conversation with a customer.

**88** Summarize the steps you will take to resolve your customer's problem. Do not make promises about outcomes over which you may have no control.

**89** Keep note cards in your desk so you will be prepared to write to your customers and co-workers frequently. A hand-written note is more powerful than anything typed.



*“FINE is the most dangerous word in the consumer language. It means, I’m neutral, and as soon as I find something better, I’m out of here!”*

– Debra J. Schmidt



# Lifetime Value

*90* When you lose a customer, you are not losing a single order—you are losing a lifetime opportunity of profitability.

*91* To determine the average lifetime value of your customers, multiply the number of years they are likely to need your type of product or service, times the amount they purchase from you each year.

*92* Your customer is the reason you are at work... not an interruption in your work.

*93* Thank your customers when they complain. By complaining, they have given your company another chance to retain them as customers.

*94* It costs 5X more to get a new customer, than it does to keep an existing customer. It costs 16X more to get a new customer to the same level of profitability.

*95* Are your customers telling you they are satisfied? If so, you may have a problem, because they may not be telling you the whole story.

*96* Most customers do not shop for the best price. They shop for the best VALUE. Value = Price + Quality of Product + Caring Service. If any piece of the equation is missing, they'll keep looking.

*97* Today's customers expect apathy, indifference and the run-around. Instead of meeting their expectations, find ways to exceed them by offering service they don't expect.



*“It’s not enough to be busy. The question is: What are we busy about?”*

– Henry David Thoreau



*98* Frequently ask your customers what they value most, when it comes to the service you provide.

*99* Treat your “small” customers as well as you do the “big” ones. Each customer represents a lifetime business opportunity.

*100* Help your customers save money whenever possible. It will pay in the long run.

*101* Be completely honest with each customer. If someone else is more qualified to provide the product or service they need—tell him or her.



*“I am only one, but still I am  
one. I cannot do everything,  
but still I can do something.  
And because I cannot do  
everything, I will not refuse to  
do the something I can do.”*

– Edward Everett Hale



# Need More Help Building Customer Loyalty?



Debra J. Schmidt is *The Loyalty Leader*. She helps companies boost their profits by leading the way to greater customer, employee and brand loyalty.

Debra has a master's degree and over 25 years of business management and sales experience in a wide range of industries. She is in demand as one of the nation's top customer loyalty trainers, consultants and speakers. Debra helps clients throughout the United States keep more customers, retain more employees, get more referrals and sell more products.

In addition to her monthly television appearances on Fox News in Milwaukee, Wisconsin, Debra has been a featured guest on radio shows throughout the United States. Her articles have appeared in numerous magazines and on-line publications. She is past president of the National Speakers Association-Wisconsin and an adjunct professor at Marquette University.

You can subscribe to Debra's FREE email newsletter at: **[www.TheLoyaltyLeader.com](http://www.TheLoyaltyLeader.com)**

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# 10 Ways to Promote Your Business With This Book

1. Package it as an added value with a product you sell.
2. Send it to your branch offices, executive officers, managers, sales reps and trade association members.
3. Mail it to your prospect list to keep in touch.
4. Leave it as a thank-you after a sales appointment.
5. Offer it as an incentive for completing a questionnaire or survey.
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