



# MAKING SENSE OF CUSTOMER LOYALTY

Assessing gaps in leveraging the perspective of your customers



WALKER

When you think of your company’s approach to customer information, what comes to mind? Thick, heavy binders full of charts, graphs, and executive summaries? A report at the annual board of directors meeting? Data warehoused in a system that only a select few know how to use? A hodgepodge of customer surveys conducted independently by various departments within your organization? Decentralized information-gathering lacking the singular focus to make it meaningful to your growth and bottom line? Or maybe you think of a tried-and-true program that could benefit from some fine-tuning and third-party objectivity?

If any of these scenarios describes your firm’s current customer information platform, perhaps it’s time to consider a Customer Loyalty Strategic Assessment. Think of it as a check-up — a thorough analysis of how well your organization is gathering and using customer information and feedback. A well-designed and executed assessment can reveal both strengths in your current program and pinpoint areas for improvement. It will let you know if you’re taking full advantage of customer information. It can give you a fresh perspective on the role and potential benefits of using customer information throughout your organization. It’s also a tool that can be used to initiate internal change — readying your company to use customer information to a fuller extent. And perhaps most importantly, an assessment is the crucial first step in determining whether your company’s strategies, policies, and initiatives reflect the true voice of those you strive to serve and please — your customers.

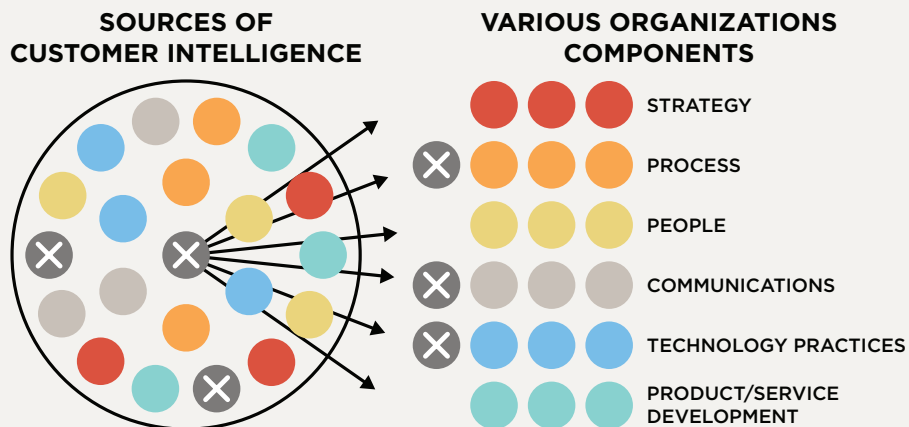
## UNDERSTAND THE “WHY?”

Above all, a Customer Loyalty Strategic Assessment is an objective evaluation of your organization’s ability to make the changes necessary to align it with customer needs and expectations. Simply being aware of your customers’ needs is not enough. To be successful, you must couple that awareness with an ability and commitment to act in direct response to the needs and expectations of your customers. This is where the assessment comes in — it effectively finds and defines the gaps between your capabilities and best practices, thereby enabling you to move forward in a more customer-focused direction.

More specifically, here are some of the major reasons to conduct a Customer Loyalty Strategic Assessment:

### 1. ALIGN ORGANIZATION WITH CUSTOMER PRIORITIES

Companies can only be customer-driven when strategies, people, communications, and technology are more aligned with customer priorities, processes, and expectations. Your assessment will determine your company’s ability to make the changes necessary for such alignment, as it observes how the company operates and evaluates your current customer information programs.



## 2. ELEVATE CUSTOMER INFORMATION PROGRAMS TO BEST-PRACTICE STANDARDS

Because even the best customer feedback programs can fall victim to time, it's important to periodically compare your programs to best-practice benchmarks.

## 3. ACHIEVE FULL ACCEPTANCE AND SUPPORT OF CUSTOMER FEEDBACK PROGRAMS INTERNALLY

Find a company that's customer driven, and you're also likely to encounter a company whose customer information programs are widely respected and fully used throughout the organization. To be more specific, the programs have become institutionalized — part of the company culture. Your assessment helps clarify how management oversight, communication, and the distribution of customer feedback must change to bring greater internal support for customer information programs.

## 4. IMPLEMENT A MORE COMPREHENSIVE "TOTAL" CUSTOMER LOYALTY MANAGEMENT (CLM) INITIATIVE

For CLM to really succeed, customer input must come frequently and from different channels of interaction with your company. Your assessment can be the first step in developing a phased plan or multi-year approach to implement a more comprehensive, "total" CLM initiative.

## 5. DEFINE YOUR PLACE IN THE MARKET MORE ACCURATELY

Failing to understand how your company stacks up to its competition is something few can afford. An assessment can help determine how your customer feedback program can be crafted or altered to shed more light on your firm's position in the marketplace and how you compare with your key competitors.

## 6. UNDERSTAND THE FINANCIAL IMPLICATIONS OF NOT MANAGING CUSTOMER LOYALTY MORE EFFECTIVELY

A well-executed CLM program can add tremendous financial value to your organization. Loyal customers not only make your company more stable, but they also generate referrals, making your business much more profitable. Loyal customers are also much more likely to stay with you and increase their spending over time — thereby improving your bottom line. However, customers are not loyal simply because you know them or ask their opinions. Customers stay loyal to companies that have learned how to keep changing to meet their needs. The assessment helps provide that learning, along with the financial implications of not addressing the needs of key accounts.



## CONSIDER THE PROCESS

Assessments, tailored to your needs, can be completed for most companies in just eight to ten weeks. During that time, you can expect the following to occur:

### 1. EXAMINING BUSINESS ORGANIZATION AND PERFORMANCE

Doing an effective assessment requires understanding your business. Reviewing key background information about your company also helps Walker to design and conduct an assessment tailored specifically to your business and its needs. We would review documentation on your company's strategy, organization, and process management.

### 2. PLANNING AND DESIGN

The second step tackles the logistics of the assessment. This phase generally consists of an initial planning teleconference (or meeting) and an onsite visit. The teleconference or initial meeting focuses on developing goals and objectives for the assessment and creating a workable timeline. Roles and responsibilities of various participants in the assessment are also defined and agreed upon during the initial meeting.

An onsite meeting follows. During this visit, we will finalize program goals and objectives, lay out a definite project plan — complete with tasks, owners, and due dates — and recommend which executives, managers, employees, and customers to involve in the assessment process.

### 3. KEY PROGRAM AND USER SURVEY

Understanding a business is impossible without talking to associates. Using a web survey, we'll capture and quantify employees' perceptions and concerns regarding how customer feedback programs are applied to their individual roles and responsibilities.

This stage usually involves managers of front-line customer areas, including sales, account management, marketing, customer service, and support. We also recommend including executives and other senior managers as appropriate and senior representativeness of sales and account management. Incorporating the views of employees at various levels of the company only enhances the quality of the information we gather for the assessment.

### 4. EXECUTIVE AND SENIOR MANAGEMENT INTERVIEWS

We also will schedule and conduct in-person or telephone interviews with select individuals to further clarify the employee feedback we've gathered. We find this very useful in providing a greater understanding of — and more detail about — major issues or areas of concern raised in the online survey.

What's more, understanding a company's strategic perspective is essential to conducting an insightful and forward-thinking assessment. We gain this perspective by soliciting critical input from your company's executives and senior managers. Gathering opinions and feedback from these decision makers helps ensure the assessment and its recommendation accurately consider and reflect the organization's main business strategies.

One-to-one meetings with key executives and managers will be scheduled and conducted. At this stage of the assessment, we also are able to provide some preliminary findings to your key executives before completion of the full assessment. This proves beneficial, as it allows your management team to begin envisioning whether and how CLM will be used in operational and strategic decision making.

## 5. CUSTOMER FEEDBACK

Not surprisingly, customer feedback is a key ingredient of a well-executed assessment. Customer information will be used to explore the elements of your company's past and current relationships with key customers. Depending upon the nature of your business, we will likely focus energy on gathering information on the buying side of the purchase process, the various "touchpoints" after the sale, and customer attitudes regarding "best practices" in customer service and customer relationships.

CUSTOMER TOUCHPOINTS WORKSHEET

PROCESS/ INTERACTION TYPE	CUSTOMER CARES ABOUT...	RECENT CHANGES/ INITIATIVE

## 6. ANALYSIS AND SUMMARY OF RECOMMENDATIONS

Once the information-gathering phases of the process are completed, we will summarize our findings and provide comparisons between your results and CLM best practices. We also will outline recommended steps to better align customer information with core business objectives. This summary and recommendations are generally presented onsite by your Walker team.

This report provides a clear indication of how well the day-to-day operation is equipped to focus on key customer priorities. It points out structural strengths and weaknesses and recommends changes toward achieving best practices in managing customer loyalty.

PLANNING RECOMMENDATION GRID

LIFECYCLE STAGE	PROSPECT/NEW CUSTOMER	EXISTING CUSTOMER	DECLINING/LAPSED CUSTOMER
STRATEGY FOCUS			
BUSINESS OBJECTIVES			
SURVEY INSTRUMENTS			
CURRENT INITIATIVES			
CRITICAL INFORMATION GAPS			

## WHY WALKER?

Walker assigns some of its most experienced consultants to lead the assessment process for companies like yours. Our vision is to work with all of our clients to build a lasting and mutually profitable partnership, and we are focused on helping companies like Cisco Systems, EMC, CDW, Pepsi Bottling, BP Castrol, Tetra Pak, Motorola and NCR create significant business impact from leveraging the perspective of their customers. Three important differentiators about Walker follow:

**Focus** - We know of no organization in the world more focused on the business impact of customer loyalty and related strategies.

**Experience** - Walker was one of the pioneers in developing the field of customer satisfaction and loyalty. Over several decades we have been at the forefront with new techniques, innovative technology, and refreshing approaches. We have seasoned experts, many of whom have dedicated the majority of their careers to the study of customer-focused strategies.

**Approach** - Having served hundreds of organizations, it is clear that no two are alike. Walker's approach is tailored to the needs of each and every client. Our research, technology, and consulting offerings are extensive. We continue to develop new tools, solutions, and approaches so we can constantly apply the right ones in each situation.

Your commitment of time and resources to complete this assessment won't be without reward. Analyzing the assessment's value depends on the nature and intent of the organization itself, but generally companies like yours can expect this Customer Loyalty Strategic Assessment to yield insight, guidance, and executive-level information leading to improved decision making.



301 Pennsylvania Parkway  
Indianapolis, Indiana 46280  
Telephone: 1.800.334.3939  
International: +1.317.843.3939  
info@walkerinfo.com  
www.walkerinfo.com