

# The Crossroads Navigator

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## Who We Are

Crossroads Development Group is a marketing consultancy that uses marketing research and facilitation to help companies achieve predictable growth.

## Customer Loyalty - More Than a Feeling

What exactly is customer loyalty? Simply described, customer loyalty is defined as the clients who buy from you regularly, and would continue to buy despite an inconvenience or minor bad experience.

Customer loyalty is much deeper than customer satisfaction. Sales training guru Jeffrey Gitomer writes, “Customer satisfaction is worthless. Customer loyalty is priceless.” Yet, many companies focus only on satisfaction as their main measure of customer opinion and behavior about their company.

Customers are loyal to the sum total of all contact and experiences they have with your company. Everything from product features - to pricing to how the operator answers the phone - to how the product is packed for shipment and delivery. All customer experiences with your company influence how customer loyalty is formed.

Customer loyalty reflects the customer’s relationship with the company as a whole, its products, employees, service patterns, etc. Yet, most companies have traditionally used satisfaction as a key measure of how customers view a company.

Gitomer goes on to write that he considers satisfaction to be “the lowest level of acceptable service.” Note that he talks about service and not the physical product itself.

Customers want problems solved or a need filled. That is why service is perhaps the most important determining factor to consider in building customer loyalty. In today’s information age, service is no longer simply how often an outside sales rep calls on a customer with a box of doughnuts in hand. Service is now a multi-channel customer experience. From direct sales to call centers, to e-mail and fax communications, every point of customer contact is an opportunity to build customer loyalty.

For example, in our work for our clients here at Crossroads Development Group, we have found the customer service function to be one of the most important factors in building customer loyalty. Companies with high levels of customer loyalty always seem to have accessible and helpful customer service representatives (CSR) who develop close working relationships with their customers. This fact

may seem to be a brilliant glimpse of the obvious, but this close relationship between the customer and the CSR helps to keep customers coming back even through short periods of stock shortages or incorrect shipments.

Jill Griffin of MarketingProfs.com describes six stages of customer loyalty: Suspect, Prospect, First-time Customer, Repeat Customer, Client, and finally, Advocate. Customers can express a positive opinion or satisfaction at every one of these six stages, but only at the final stage, Advocate, is the customer truly loyal in both opinion and behavior.

Customer loyalty is more than a warm, fuzzy feeling that your customers have about your company. Crossroads Development Group specializes in helping our clients grow by measuring and understanding customer loyalty. We will continue to examine customer loyalty in future newsletters. These articles will describe how you can measure customer loyalty, the questions a customer loyalty initiative should answer and identifying different types of customer loyalty behavior.

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## Historic Navigators—John Adams



David McCullough's Pulitzer Prize biography of John Adams captured the essence of a man with a mission and dedicated to helping birth a nation. He said about the American Revolution, "Do you mean the American War?" The revolution was effected before the war commenced. The revolution was in the minds and hearts of the people. Moreover, his wife Abigail Adams penned these words to her husband on his journey to Philadelphia, "You cannot be, I know, nor do I wish to see you, an inactive spectator ... we have too many high sounding words and too few actions that correspond with them."

And there my friends lies the essence of birthing vision and strategy. Whatever your responsibilities in your firm, the development of strategy must be accompanied with passion. Find a way to contribute even without being asked. Find a place where your contribution will be heard and then help execute with commitment and speed.

We earnestly hope the subject of this newsletter on customer loyalty might stimulate your thinking and then be followed with behavioral actions. Building customer loyalty has become the name of the game.