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Who We Are

Crossroads Development Group is a marketing consultancy that uses facilitation and market research as well as strategy mentoring and coaching to help companies achieve predictable growth.

What you need to know about Customer Loyalty

In previous newsletters we have discussed the concept of customer loyalty being integrated into your value proposition. In this newsletter we will provide functional insight into the loyalty issue itself.

First we must understand that customer loyalty is more than a feeling or emotion. Loyal customers exhibit certain predictive behaviors such as continuing to buy from a company after a short period of product non-availability. The existence and intensity of these loyalty behaviors can be identified and measured. When these results are weighed against customer satisfaction results and internal measurements, a complete customer loyalty picture emerges.

Customer loyalty measurement answers basic questions that are fundamental to your company's success. These questions include:

- How is customer loyalty defined in your business?

While repeat business and increased share are the most basic definition, customer loyalty can surprisingly take many different forms. For example, frequent visits to a company's website can be a strong indicator of loyalty as customers look to that company for anything from business information to product availability. For example, customers in the maintenance, repair and operations (MRO) area look to vendors for preventative maintenance assistance. As products and prices in this and other categories become increasingly similar, these programs allow vendors opportunities to create competitive advantage.

- How intense is customer loyalty?

It's great to know that you have customer loyalty, but if customers are not motivated to act nothing will come of it. Loyalty intensity separates measurable behaviors from good feelings because it is measured through multiple types of behavior. Measuring the probability of these behaviors in the relationships defined for your business provide the framework to measure the intensity of your customers' loyalty.

- What do customers hold as important, true and distinctive about your company?

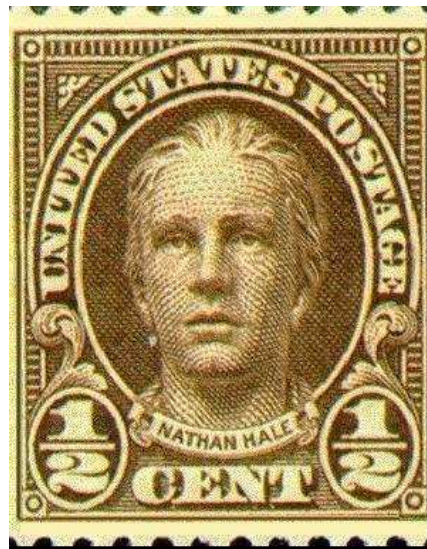
Far too many companies assume they know exactly what their customers think, and base key strategic decisions on these assumptions. One of the most critical

issues in your company's understanding of customer loyalty is, what do customers hold to be important to them, true and distinctive about you. This is what they know in their bones and it is based on past performance and trust, with a smattering of future expectations. These issues can be difficult to identify and measure without an accurate and objective reading of customer attitudes.

There are no "givens" in customer loyalty. The key is to understand the unique combination of customer behaviors, satisfaction and relationships that define their loyalty to your company. This we would recommend to be a top priority for your marketing management to master.

Historic Navigators—Nathan Hale

The Intensity of Loyalty



Nathan Hale (June 6, 1755 to September 22, 1776) was an officer in the Continental Army during our Revolution against Great Britain and is widely considered America's first spy. Above all, he was an American Patriot and intensely loyal to his cause, country and freedom. He is best remembered for his speech before being executed by hanging following the Battle of Long Island. He said, "I only regret that I have but one life to loose for my country."

Where did Nathan Hale's loyalty originate? How was it fostered and developed? Why was it so intense? As you examine your own business, questions like these are applicable.