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Moving the Customer Loyalty Needle

BRYANSTON – It *is* possible to move the needle on customer loyalty, says Larry Crosby, CEO of Synovate Loyalty, but doing so requires a holistic approach. Speaking at an event hosted by Synovate South Africa last week, Dr Crosby discussed what leading companies are doing today to move customer loyalty to the centre of their business strategy.

Dr Crosby has been a thought leader in the customer loyalty field for 30 years and is a key player in evolving the measurement and management science of customer loyalty.

“Many companies are still looking for valid and reliable customer loyalty measures to guide their actions in realising improved financial results,” Dr. Crosby remarked. “There’s no one single survey question that can give you all the answers you need to build and leverage this critical asset – a customer base of passionately loyal customers.”

Using numerous case studies to demonstrate how leading companies are seeing results, Dr. Crosby talked about:

- the need to use measures that are supportive of a company’s business strategy;
- the proven reliability of a multi-item measure;
- the power of emotions in building customer loyalty;
- how to put customer loyalty research to work in organisations through leadership engagement, ideation workshops, portfolio management, and operational dashboards.

Participants at the event represented a vast array of B2B and B2C industries including financial services, consumer packaged goods, energy utilities, telecommunications, and technology. For companies working with customer satisfaction and loyalty strategies every day, a number of very real concerns were addressed. Dr Crosby clarified the following:

- the influence of cultural nuances for those companies that adopt multi-country loyalty strategies;
- the risk of pre-mature abandonment of customer loyalty programmes – brought on by a lengthier return-on-investment period than anticipated;
- the need to translate customer loyalty return into monetary value and the influence it has on the bottom line;
- keeping track of emotional drivers of loyalty - which are often dynamic and hard to predict;
- how loyalty and brands are linked;
- kick-starting the emotional connection to your brand and building loyal customers from this base.

In his summary, Dr Crosby also stressed the need for management to make some strides. “Customer Loyalty as an holistic practice takes a long time. The number of hygiene factors affecting loyalty is astounding, and understanding all of them takes time. One cannot expect this to happen quickly.” He added that despite this, “it is possible to start researching loyalty as it applies to each unique company and using that information to put plans into place for the wider strategy.”

So what does Crosby suggest to corporate executives focusing on a customer loyalty strategy to grow their business? “Use an index to measure loyalty. Select loyalty measurement items based on the behaviours you strategically want to influence. Statistically verify that the items reflect loyalty. Use the index as your Key Performance Indicator. Avoid net scores.”

“If it were simple, everyone would be doing it well,” concludes Crosby. “There’s no one silver bullet.”

Synovate South Africa are the leading customer loyalty trackers in South Africa. Based in Bryanston, Johannesburg for the last 16 years, Synovate (formerly know as Proactive Insight) has actively helped blue chip companies increase their customer loyalty.

“We are delighted that Dr Crosby could share his vision and thought leadership to ensure that our clients appreciate the role of brand and emotional appeal in driving customer loyalty,” said Jon Salters, Managing Director of Synovate Sub-Saharan Africa.

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About Synovate Loyalty

Synovate Loyalty is the global research and consulting thought leader in customer loyalty and a specialty business practice within Synovate. Synovate Loyalty helps organisations achieve their business goals through the creation of passionately loyal customers. More information on Synovate Loyalty can be found at www.synovate.com/loyalty.

About Synovate

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients with cohesive global support and a comprehensive suite of research solutions. Synovate employs almost 5,000 staff in 50 countries. More information on Synovate can be found at www.synovate.com and www.synovate.co.za