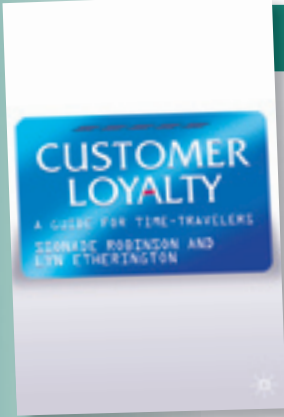


Recent Reference Books



CUSTOMER LOYALTY - A guide for time-travelers

Even in the internet age, customers still love to find organisations to which they can be loyal, according to this new book about the relationship between businesses and their customers. It investigates the reasons why customers *want* to be loyal. It also provides practical steps managers can take to win and maintain customer loyalty, explaining how this can maximise profitability.

The book's findings offer a revolutionary contradiction of the common view that consumers are increasingly fickle and are apparently never more than a mouse click away from buying from a competitor. Recently co-author Lyn Etherington was quoted as saying, "In today's confusing and fast-moving business world, consumers are frequently bewildered and stressed by too much choice. Our research shows very clearly that consumers – and business-to-business customers – are delighted when they find a supplier they like, trust and feel really comfortable about sticking with."

The book also argues that managers need to look at social trends if they are to understand what influences customer demand today, and how customer demand and expectations will be different tomorrow. Grasping these factors, the book maintains, is an essential element in the battle for winning and keeping customer loyalty.

Central to Robinson and Etherington's argument is the principle that there is a definite similarity between the loyalty people give to their friends and relatives, and the loyalty they bestow on businesses they trust. Such organisations are highly likely to be able to win a 'price premium', because these loyal customers attach greater importance to quality than to achieving the lowest price.

The authors share findings from research conducted by their organisation, the service excellence consultancy, Cape Consulting. They include observations from people who

by Sionade Robinson and Lyn Etherington

Published by Palgrave Macmillan

ISBN: 1-4039-9763-2

Hardback

Price: £25.00*

head organisations that are known for winning customer loyalty. For example, Sir Terry Leahy, chief executive of Tesco plc, is quoted as saying: 'What creates loyalty is how much we understand your life, and what we do that helps your life.'

The authors quote research conducted by US customer loyalty guru Frederick Reichheld, who has convincingly shown that the only reliable determinant of loyalty is whether a customer would respond with an enthusiastic affirmative to the question: 'Would you recommend this organisation to a relative or friend?'

The book looks in detail at the evolution of certain key social trends that are powerful determinants of a customer's willingness to confer loyalty. Examining new attitudes to the service ethic and the rise of phenomena in society, such as higher levels of rudeness, intolerance and increasing time pressures for the vast majority of people, the book shows that organisations can develop an understanding of key social trends and should use this understanding to modify their thinking on how to approach customers.

The book introduces the concept of what the authors describe as 'loyalty-building experiences' (LBEs). These are emotionally positive experiences, which will lead to customers becoming incrementally more loyal. The authors identify a total of eight such loyalty-building experiences and describe each one in detail, along with suggestions for how managers can generate the particular experience in the customer's heart and mind.