



LEADERSHIP EFFECTIVENESS: KEEP YOUR CUSTOMERS LOYAL

Our tip is simple: keep your finger on the pulse of drivers of customer loyalty and make no assumptions.

Customer loyalty delivers a major boost to revenue and the bottom line for every business.

On average, loyal customers are worth up to **ten times the value of their first purchase** (Office of Consumer Affairs). Increasing customer retention by 2% can have the same impact as reducing costs by 10% (Bain and Co).

Companies earn loyalty by creating superior customer experiences, specifically, by continually addressing customers' perceptions of product and service quality. For examples of great customer service, see "Further Reading" provided below, especially the two *Breakaway Performance* tips from EXCN.

Since January 2020, well over 1,000 articles have been published regarding the quality of customer service during Covid-19. We are checking in with you. How are you leading your organization today and into the future to assure continued customer loyalty despite the unimaginable challenges and changes of 2020? Are you measuring customer loyalty? Are your data valid and reliable? How do you know you are targeting the "right" drivers of loyalty? Make certain you are holding yourself and others accountable for adapting, delivering, assessing, evolving, and innovating. And don't have hubris about your metrics!

A study which took place early in the pandemic shows the impact of the pandemic on customer service. From *Harvard Business Review*:

In just two weeks, the average company in our study saw the percentage of calls scored as "difficult" more than double from a typical level of 10% to more than 20%. Issues related to the pandemic — from unexpected travel cancellations to appeals for bill payment extensions and disputes over insurance coverage — dramatically increased the level of customer emotion and anxiety in service calls, making a job that is hard for reps on a normal day far more challenging.

Further, the way customer-facing employees feel about working from home and about their relationship with their management — and the level of stress they experience — deeply impacts their interactions with customers.

Quality customer service is critical to a company's long-term viability and, right now, it is likely your customers need a little extra care and kindness. The organizations that up the ante on customer service — even in the face of their own challenges — are the ones that will build lifelong loyalty from their customers. To that end:

1. Stay on top of your metrics.
2. Understand customer perceptions.
3. Provide employees with tools required for them to successfully deal with distraught customers.
4. Provide systems so that customers' needs are exceeded.
5. Ensure employees are treated as well as customers are.

How can you up your customer service game now? What opportunities do you have to make it easier for your customers to do business with your organization now?

Further reading:

- [Breakaway Performance - Serving Values to Your Customers \(EXCN ExecutiveCoaching.com\)](#)
- [Breakaway Performance - Oh, Yeah, I Forgot! We Are Here for Our Customers \(EXCN executivecoaching.com\)](#)
- [Supporting customer service through the coronavirus crisis \(hbr.org\)](#)
- [Are you really innovating around your customers' needs \(hbr.org\)](#)
- [25 Examples Of COVID-Inspired Customer Experience Trends In Action \(forbes.com\)](#)