

RAO KANKATALA



HOW TO WIN  
CLIENTS' LOYALTY



Hello

My name is Rao Kan and welcome to my E-book How to Win Clients' Loyalty. Generally, we think only business owners have clients or customers. But if you look around today's dynamic world, even regular employed people also have their own set of clients or stakeholders they deal with on a daily basis. So whether you deal with them as an entrepreneur or as your company's representative, clients are part of most people's lives and are critical to their success.

So if customers are critical, so is their loyalty. How do we make customers stay with us? What goes into creating long term loyalty? How well do we understand the concept of loyalty?

With decades of corporate and network marketing experience, I have been compiling my key learnings about customer loyalty which I am happy to share with you now.

I hope this E-book helps you get a better understanding of the art and science of keeping clients happy and loyal.

# WHAT IS CUSTOMER LOYALTY?



**CUSTOMER  
LOYALTY**

Let us get a little academic about it.

By definition, customer loyalty is the performance of a consumer still choosing the same product or service after comparing it with other competitor's products with the premise that the competitive product can be easily purchased.

Let's look at another one.

Customer loyalty is termed as customer commitment to do business with a particular organization, purchasing their goods and services repeatedly and recommending the products and services to friends, acquaintances and associates

Pretty academic, isn't it? But it is important for us to understand loyalty in all its aspects.

When you study these definitions, one thing becomes clear - **customer loyalty is more than just repeat purchase.** Someone who keeps buying may be doing so out of inertia, indifference or exit barriers rather than loyalty. Customer loyalty has evidence not only as behavior but also as attitude. Customer's attitude towards a service or product (brand) including attitudinal preference and commitment has a greater impact on forming loyalty.



CUSTOMER

TRUST

LOYALTY

Quality is a necessary element in defining loyalty. Furthermore, service quality, perceived value and customer satisfaction are associated with loyalty. In addition, loyalty is also manifested in recommendation – marking its evolution from behavioral loyalty to attitudinal loyalty.

Behavioral loyalty reflects customer actions and involves the measurement of past purchases of the same brand or and/or the measurement of probabilities of future purchase given past purchase behaviors. Attitudinal loyalty, on the other hand, is the consumers' psychological disposition toward the same brand or brand-set and involves the measurement of consumer attitudes

**Customer loyalty is the totality of feelings or attitudes that would incline a customer to consider the repurchase of a particular product, service or brand or re-visit a particular company or shop.**



WHY IS  
**CUSTOMER LOYALTY**  
SO IMPORTANT?

Now that we have had a closer look at customer loyalty, it's time to truly understand its importance.

Since we are talking about business, let's go with figures first. Several researchers have pointed out that it costs more than 5 to 6 times as much to obtain a new customer than to keep an existing one and an improvement of 5 percent in customer retention leads to an increase of 25% to 125% in profit.

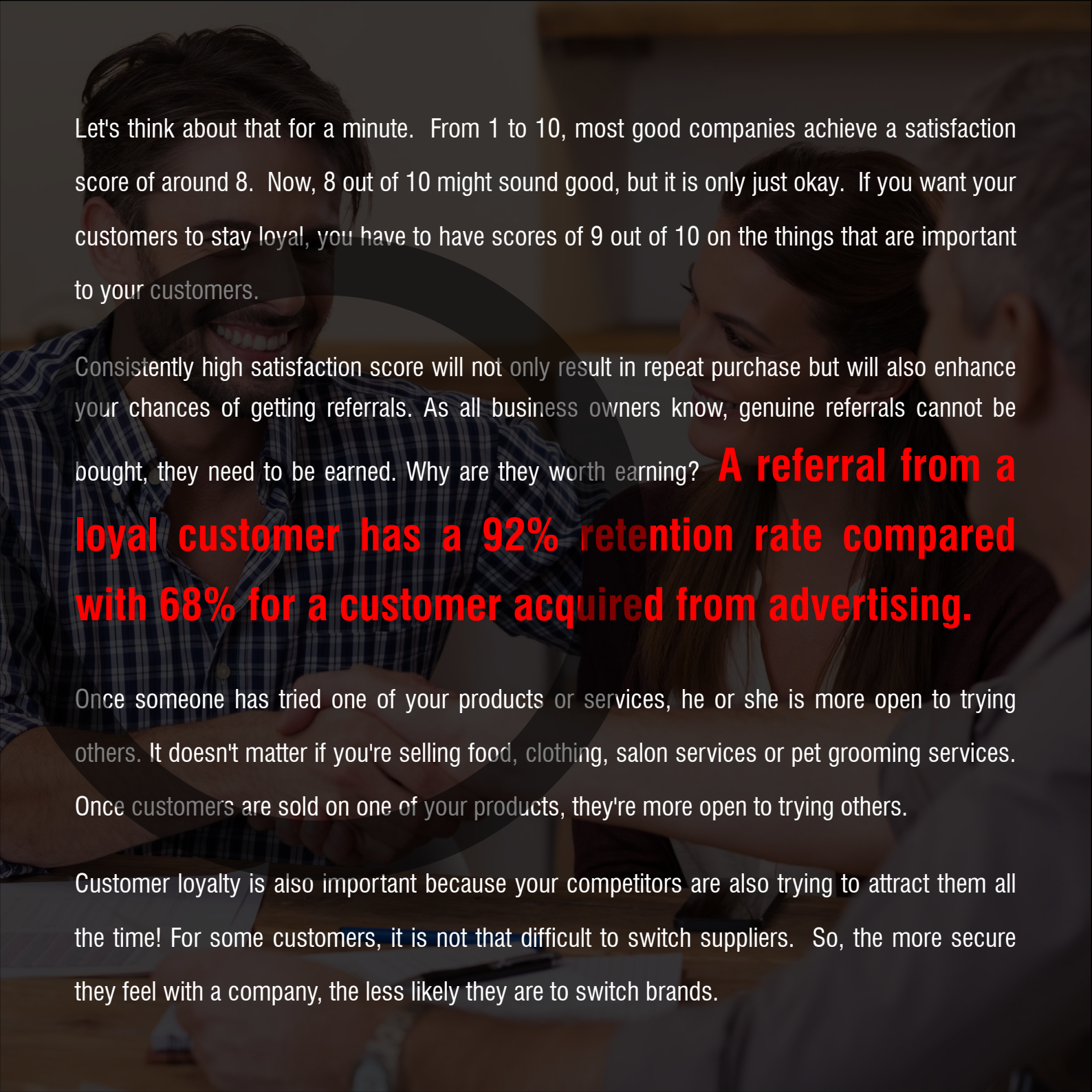
So it makes perfect business sense to try hard to maintain a steady yet growing customer base. **The costs involved in creating new customers are quite high and come with no guarantee of success. Almost a no-brainer.**

Keeping a satisfied customer 'satisfied' seems to be the way to go. But hang on, what level of satisfaction is enough to promise repeat business and loyalty from a customer?





L O Y A L T Y

A man and a woman are smiling and shaking hands in a business setting. The man is on the left, wearing a blue and white checkered shirt. The woman is on the right, wearing a white top. They are both looking at each other and smiling. The background is slightly blurred, showing what appears to be a desk or table.

Let's think about that for a minute. From 1 to 10, most good companies achieve a satisfaction score of around 8. Now, 8 out of 10 might sound good, but it is only just okay. If you want your customers to stay loyal, you have to have scores of 9 out of 10 on the things that are important to your customers.

Consistently high satisfaction score will not only result in repeat purchase but will also enhance your chances of getting referrals. As all business owners know, genuine referrals cannot be bought, they need to be earned. Why are they worth earning? **A referral from a loyal customer has a 92% retention rate compared with 68% for a customer acquired from advertising.**

Once someone has tried one of your products or services, he or she is more open to trying others. It doesn't matter if you're selling food, clothing, salon services or pet grooming services. Once customers are sold on one of your products, they're more open to trying others.

Customer loyalty is also important because your competitors are also trying to attract them all the time! For some customers, it is not that difficult to switch suppliers. So, the more secure they feel with a company, the less likely they are to switch brands.

# WHAT FACTORS BUILD LOYALTY?

**QUALITY**



Generally speaking, customers switch brands or companies for two primary reasons: their need for a product or service has ceased, or the product/service they are buying has failed to satisfy their needs in some way.

This failure can occur at many levels, sometimes beyond your control. A stocking error that results in an expired product on the shelves, damaged carton, negative review are some of the many factors that can make a customer think twice before buying the same brand. But these factors still are not as important as the fundamental promise of excellent product and great service.

Therefore, it is important to emphasise that **one of the most important factors that builds loyalty is the high quality of the product and service** that is being offered. There is absolutely no substitute for this. Any compromise on quality carries a huge risk. In a recent paper published in the International Journal Of Market Research, the importance of quality was emphasized together with satisfaction and image



PUT **CUSTOMERS FIRST**

You have heard this phrase hundreds of times. What does it really mean to 'put customers first?'

It is more than just customer service for sure. **It is actually trying your best to know your customer better.** To engender loyalty and create meaningful connections, you must put your customers first and understand their needs. Use every resource available—including transactions, online traffic, social media data and lifestyle details—to learn more about their interests and purchase behavior.

Digging deep into these specific areas allows brands to not only offer the best deals, programs, and targeted emails to customers, but also make shoppers feel valued and appreciated. You need to be relentlessly imaginative in finding a constant stream of new and different initiatives.

All this, you'll agree, goes a long way in making customers feel special and giving them reasons to stay with you.



IMPORTANT STEPS TO  
ACHIEVE **LOYALTY** FROM  
YOUR CUSTOMERS



## **Get the basics right**

No one can build customer loyalty if there are any failings at all in the basic delivery of their promise. The quality of your product and service in particular has to be unquestioned. Deliveries must be on time, in full, every time. The price of your offer must be good value though you do not need to get into a price war. Indeed, we know that low prices do not engender loyalty because in general low prices mean low service and this in turn means low loyalty.

## **Make customer experiences personal and authentic**

Customer experiences always begin with being personal with an in-built sense of sincerity. First, make an effort to understand your target customers, sending surveys to better understand their needs and analyzing carefully their buying behaviors. For example, paying attention to their purchase history and using analytical tools to better understand their social behaviors can provide tremendous insights into their preferences.



A hand in a blue long-sleeved shirt holds a black smartphone. The phone's screen is the focal point, with various colorful hand-drawn icons floating around it. These icons include a glowing yellow lightbulb, a blue cloud with green Wi-Fi waves, a network diagram with green and orange nodes, a laptop with a play button, a magnifying glass, an open book, a bar chart with an upward arrow, two speech bubbles (one pink, one blue), and three arrows (yellow, green, blue) pointing upwards. The background is a plain, light-colored wall.

# MARKETING PLAN

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## **ENGAGE** CUSTOMERS

Customer engagement is the biggest factor in retention at present. Regular communication, promotions, incentives, rewards – all of these contribute toward engendering a sense of loyalty in customers.

## **RESOLVE** ISSUES

Loyalty is based on the strength of the relationships that are built up with the sales and service teams. Sometimes things do go wrong and when they do, fix them quickly and where possible, reward customers for their understanding. Remember the saying, “The customer is always right?” It's still a solid piece of advice, and all brands should take note. Everyone likes being appreciated.

## **BE SMART** IN MARKETING

Whether you contact people via email, SMS, direct mail or phone, it's important to make sure you don't fail on relevance. Customers never appreciate getting pitches for something they have already purchased. Nor do they want to see offers that don't apply to them. Generic messages are often not relevant and they also show that you're not making the effort to understand what they really need. So make sure you contact them with offers that are relevant and appealing.

RAO KANKATALA

Client loyalty is critical for every business and professional, and each case needs its own strategy and planning. Over the years, I have worked with hundreds of my associates in Australia, US, UK and Europe, advising them on how to retain clients and minimise expense on new customer acquisition. My partners and associates have experienced the difference and you can too.

Since good things must be shared, **I am thrilled to share my secrets with you and empower you to create your own success story.** I will train you to think outside the box and devise ways to retain clients and engender loyalty as an integral part of your business practice.

To make it easy for you, I have created a special webinar which gives you the big picture as well as the finer details. I will explain the concept, take your questions and make sure you know everything you need to make a start.

With my guidance and your hard work, clients will find credible reasons to stay with your business so that you can keep working on helping it grow bigger .

Just drop me a line giving your Name, Email, Phone and Location on

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