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# TOP SALES MAGAZINE

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## Self-Persuasion and Certainty:

Moving from “I like” to “I buy”

Linda Richardson interviews Zakary Tormala,  
Psychologist and Stanford Professor of Marketing

# The Stairs of Customer Loyalty



Many companies follow the same formulas for bringing them closer to what they think their customers really want. Concepts like “customer focus” and “customer satisfaction” are warmly embraced. Today, who isn’t focusing on satisfying customers?



develop long-term relationships with their best customers. Too often, however, the constant push to increase sales and market share leads companies away from their current customers and, instead, towards finding new ones. Such a strategy is a terrible waste of time and money. The most effective way to assure the growth in profitability that every company wants is to turn their

**H**owever, in today’s ultra-competitive marketplace, if you are doing what everybody else is, you will never get to where you want to be. It is incumbent for companies to set themselves apart from the rest of the competition. If your company is going to be a leader in your market, you are going to have to really practice things like “customer intimacy”, “customer interaction”, “customer loyalty” and perhaps more important – “customer partnership”. Partnership is a single-thread relationship. It is being “one.” Such a relationship is built upon a mutually agreed-upon plan that reflects the nature and needs of all parties involved. This is not a re-wording of old terminology or a re-defining of the same, tired concepts of “sales and service”. Instead, it is a paradigm shift, moving away from transactional customer satisfaction and towards permanent customer loyalty.

In order to achieve success in today’s economy, your company must develop the needed skills to

already-existing customers into “apostles”. Unfortunately, many companies today dedicate far more of their resources to expanding sales at the expense of their already existing clientele.

Since 1974, while working with some of the smartest and most successful companies across America, I have learned that the ability to convert new sales into “apostles” for the company is the best path towards stable, long-term growth. The stairs of customer loyalty is the process by which you convert your prospects into sales, and then to customers, and finally, into apostles, who will “preach your message” and “sing your praises” to the marketplace.

## Finding the Right Prospects and Avoiding the Wrong Prospects

Possessing the right marketing skills is crucial in properly identifying the right kinds of prospects for a

company. Smart companies accomplish this responsibility by profiling the top twenty percent of their current customers who typically provide eighty percent of their profits. Criteria like profitability, frequency of purchase, after-sales service required, revenue, and loyalty potential are quantified and used as measuring devices in determining the most important characteristics of a company's best, most potentially loyal customers.

Looking for new business is very expensive. Therefore, companies need to avoid the wrong kinds of prospects for them. Just as it is critical in distinguishing the attributes of the right prospects, a company needs to outline the characteristics that make-up the bottom twenty percent of their customer base. Anybody in business can easily recognize who the complainers, price-grinders, and transaction-oriented clients are. By clearly understanding the bad traits of those bottom twenty-percent, companies can much easier avoid the wrong prospects and focus their resources on the upper twenty-percent instead.

The "20/80 Rule" works at the bottom of the customer base as well. That is, twenty percent of a company's customers more than likely cost more to handle than they are worth. These customers give more grief; chew up more time with requests and complaints; and, generally, cause the most stress for a company.

## Building Long-Term Customers

### Operations-Driven vs. Customer-Driven

Leaders in their industries are always customer-driven, instead of operations-driven. Through the keen application of service skills, smart companies design strategies that assure that customer expectations are consistently identified, managed, and monitored. Then, once these are accomplished, exceeding customer expectations becomes the compelling focus. Companies that apply the correct service skills create moments of magic for their customers, rather than moments of misery.

Customers who consistently have their expectations exceeded – or, receive Moments of Magic – are those who become apostles for your organization.

## Converting Prospects into Customers and then into Apostles

Apostles are built through exceptionally strong relationship skills that insure customer intimacy. Apostles do more for your organization through their goodwill and word of mouth than almost any other aspect of marketing or sales. Smart companies look to double the number of apostles each year by moving prospects into first time customers, moving first time customers into repeat customers and ultimately moving repeat customers into apostles (raving fans or business advocates) who spread good word of mouth advertising for you in your marketplace.

## Apostle-Driven

Companies that become "Apostle-Driven" are those which do not constantly have to dedicate limited resources of time and money to always finding new customers. Their Apostles accomplish this task for them. Such leading companies, of which there are far too few, are the ones that will dominate their industries now and well into the new century.

*The Stairs of Customer Loyalty* shows you how to consciously shape a plan for developing your customer relationship skills in a more congruent manner and is a benchmark in fostering and promoting permanent customer relationships for businesses of all sizes. *The Stairs of Customer Loyalty* helps you recognize the wide range of challenges facing your company today and provides the skills indispensable for overcoming them so you can achieve the critical relationships needed to survive and thrive in any market environment. ■

Dr. Tony Alessandra is a best-selling author and international speaker. Find out more [here](#)