

Customer Loyalty Optimization Baseline Study

Our Customer Loyalty Optimization Baseline Study measures the state of your customer interactions with your people, processes and products. We then identify the high priority items areas that when addressed will result in higher market share, higher profits and increased revenue.

Our methodology focuses on all customer interactions including the loyalty drivers as well as risk factors. The model utilizes all these customer touch points to simulate changes in market positioning when improvements are made by your or your competitors.

The study begins with in-depth qualitative research to identify the all the customer touch points. This is accomplished by interviews conducted with both employees and customers. Every company is different with respect to its customer experience philosophy, its growth strategy, market positioning and the quality of its employees. For this reason, it is imperative to conduct the upfront research to identify the customer interactions unique to each company. The qualitative phase is then followed by quantitative research, following some of the most stringent quality guidelines in the industry. The entire process consists of the following 4 steps:

Step 1: Diagnosis and Hypotheses Development

- Qualitative Research with Employees and Customers to identify the specific customer experience measures and hypotheses to be tested with the quantitative phase.

Step 2: Baseline Quantitative Study

- Quantitative Research to measure the company's and its competitor's performance against customer expectations.
- Identification of the drivers of customer loyalty and where customer expectations are being fully met or exceeded
- Identification of the points of pain that are creating customers on the verge of defection

Step 3: Market Share Simulations

- Estimates of the amount of revenue and market share being given up to competitors due to poor customer service and interactions
- Identification of the Items to maximize loyalty and market share
- Estimates of the necessary investments and estimates of the resulting ROI
- Simulations of the competitors investments in their priority areas and resulting market share shifts
- Prioritization of the items that will have the greatest impact on customer retention and the potential to create a breakthrough in performance

Step 4: Action Planning

We have also developed a Six-Sigma action planning process that uses the results of the model output and simulations, needed investments and estimates of resulting increases in customer loyalty and market share. The action planning process provides answers and a specific plan for implantation for the following:

- What is the potential tradeoff in investment levels needed versus the potential for breakthrough performance?
- Which of the investments can be made immediately?
- Who will have primary accountability for each action area?
- What is the timeline for implementation of each action item and in what order?
- What are the success metrics and new performance standards to be implemented?

Customer Loyalty Optimization Tracking

The next step is to measure the effectiveness of the actions put into place to increase bottom-line performance. This is done by tracking market-share, retention and defection rates for you and your competitors on an ongoing basis. Savitz is well set up to conduct all phases of the research with our senior level consultants and seasoned

project directors. In addition all of our research is done in-house with no outside suppliers, which guarantees the highest quality attention to every aspect of the project from start to finish.

Audit of Current Customer Loyalty Metrics

The Savitz Customer Loyalty Optimization model can also be used to simulate our client's existing customer loyalty data. The client performance ratings, competitive ratings and demographic data is used as the initial input and simulations can be run based on client input for the amount of investment needed to increase the levels of customer loyalty and market share.