

WHITE PAPER

Why Consumer trust is the Key to Repeat Business...

One of the main reasons customers defect is that they do not trust the company.....

IT'S SOMETHING that makes a serious difference when it comes to establishing, building and maintaining strong customer relationships. While everyone will have their own list of factors they consider important, there's one that's very significant - crucial, even. What is the glue that holds a relationship together, without which it would fall apart completely? The answer is: Trust.

But for some companies it might be all about having a customer focus - seeing things from their perspective, understanding their particular needs, and working in partnership with them. Others may think it's a matter of communicating effectively with clients, with a focus on practical skills such as listening, asking questions, summarising, and building rapport. Simon Woodroffe, founder of the Yo! sushi restaurants that serve food on conveyor belts, says, "You can't create a masterpiece concept anymore and say, 'that's it, now we'll roll it out'. The 21st century concepts that succeed will be those that continually re-invent themselves." For him, flexibility and vision are important ingredients in giving customers what they want and achieving results that attract the target market.

Shaun Smith and Joe Wheeler go deeper still in their book *Managing The Customer Experience*. They say, "You must re-think who your customers are; what they deeply value; and how your organisation can deliver a customer experience that is consistent, intentional, differentiated, and valuable." Even Tesco's CEO, Terry Leahy, has been quoted as saying, "Our business strategy and our brand strategy are almost inseparable because one so closely defines the other ... A brand is a promise, and in the end you have to keep your promises."

But while there's no denying the importance of the many factors that contribute towards successful customer relationships, Smith & Wheeler and Leahy are the ones who got closest to the deeper issue that lies at the heart of successful relationships: the issue of trust. (The Collins English Dictionary defines trust as the worth or reliability of a person or thing, by the way.) If you don't have trust, you don't really have a relationship. That's equally true in business as in your personal life. Those looking to build lasting customer relationships must keep the old saying 'Trust is hard won and easily lost' constantly in their minds.

How do you win trust?

Trust is only won by behaving in a trustworthy and reliable way in everything you do. If you're an individual in a customer-facing role you'll need to fine-tune your rapport skills and aim to understand what's important to your customers. The more familiar you are with their perspective and world view the easier this will be to achieve. Building trust is about being real, human and congruent. To achieve trust you must be trustworthy. Trustworthiness is based on both your character and your competence. Some of the most important character traits required to create trustworthiness are integrity (i.e. your behaviour has to be consistent with your values).

If you're in a leadership role it means making sure everyone "lives the brand". This means they understand and buy into the companies brand values. It's worth examining processes too. Many companies fail to focus on how their processes live up to the promises they offer customers and then wonder why they look elsewhere. If you've ever been on the receiving end of one of those call centres that endlessly ask you to select from a list of options and then experience the phone go dead when you think you've finally made it through to speak with a human being, you will know how a customer might come to think of the service offered as at best unreliable and at worst downright infuriating.

Keeping that trust

If you want to avoid losing the trust of your customers there are some simple rules to follow:

Never let them down.

Consider things from their perspective.

Always justify their faith in you.

Go the extra mile to exceed their expectations.

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Diagnosing problems

Trust can be assessed subjectively, but most businesses recognise the importance of a more rigorous, disciplined and objective approach. For that reason a number of diagnostic business assessment tools have been developed that measure this crucial factor.

Traditionally, client satisfaction surveys assess brand quality, product benefits, pricing impact, and service quality - but recent research has indicated that this alone is no longer sufficient. What is missing is the assessment of trust and relationship commitment. In a four year research study of 600 firms across the business spectrum, it was found that the percentage of satisfied customers who intend to maintain their relationship with a particular firm can be as low as 21%. The main reason that customers leave is that they do not trust the firm. Their lack of trust is mainly to do with the firm's behaviour and poor communication. If the probability to re-sell to lost customers is between 20-40%, and the probability of success for new prospects is between 5-20%, then companies are potentially losing a lot of money by seeking new customers rather than keeping existing customers.

One such tool for managing and maximising trust is Deep Insight, which provides a scientifically-researched retention management framework by monitoring the critical elements. In terms of usage, it's quick and easy to use online, and provides a snapshot of a company's client and employee base.

Trust may sound like a 'fuzzy' concept to some CRM professionals, but significant international research has identified that profit depends to a surprisingly large extent upon it. In other words, if you want to make a quantifiable impact on your bottom line, look deeper than the surface analysis that's often employed; trust is a significant key to building long term relationships, and long term repeat business.

For further information or to find out how we can help your business, please contact us on **+353 [0]1 667 5377** or email **help@winwin.ie**



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