

A sample summary of direct quotes from customer service articles

Andrew Gibbons

**From: "Why satisfied customers defect" Thomas Jones and W Earl Sasser.
Harvard Business Review November/December 1995 Pages 88-100.**

P 89 "As the steep curve for the automobile industry shows completely satisfied customers are - to a surprising degree - much more loyal than satisfied customers. To put it another way, any drop from total satisfaction, results in a major drop in loyalty".

P 90 "Even in markets with relatively little competition, providing customers with outstanding value may be the only way to achieve sustained customer satisfaction and loyalty".

"A variety of factors can generate false loyalty or make customers seem deeply loyal when they are not".

"It is absolutely critical for a company to excel in both defining its target customers and delivering a product or service that completely meets their needs".

"Very poor service or products are not the only cause - and may not even be the main cause - of high dissatisfaction. Often the company has attracted the wrong customers or has an inadequate process for turning around the right customer when they have a bad experience".

"Customers typically fall into one of these two categories: the right customers, or target group, whom the company should be able to serve well and profitably, and the wrong customer whose needs it cannot profitably serve".

"The company that retains difficult-to-serve chronically unhappy customers is making an expensive long term mistake.

Such customers will continually utilise a disproportionate amount of the company's resources, will hurt the morale of front-line employees, and will disparage the company to other potential customers".

"There are four elements that affect customer satisfaction:

1. The basic elements of the basic product or service which customers expect all competitors to deliver.
2. Basic support services such as customer assistance or order tracking that make the product or service incrementally more effective and easier to use.
3. A recovery process for counteracting bad experiences.
4. Extraordinary services that so excel in meeting customers personal preferences, in appealing to their values, or in solving their particular problems that they make the product or service seem customised".

P 91 "Increased customer loyalty is the single most important driver of long term financial performance".

“One discovery by Xerox shattered conventional wisdom: its totally satisfied customers were six times more likely to repurchase Xerox products over the next 18 months than its satisfied customers. The implications were profound: merely satisfying customers who have the freedom to make choices is not enough to keep them loyal. The only truly loyal customers are totally satisfied customers”.

P 92 “According to conventional wisdom, the link between satisfaction and loyalty where customers have a choice is a simple, linear relationship. As satisfaction goes up, so does loyalty. But we discovered that the relationship was neither linear nor simple. To a much greater extent than most managers think, completely satisfied customers are more loyal than merely satisfied customers”.

“In the automobile industry (for example) even a slight drop in satisfaction create an enormous drop in loyalty”.

P 93 “One company we studied found that it recaptured a full 35% of its defectors just by contacting them and listening to them earnestly”.

“In his study of retailing bank depositors, John Lawson, a vice-president of Opinion Research Corporation in Princeton New Jersey, found that completely satisfied customers were nearly 42% more likely to be loyal than merely satisfied customers”.

P 94 “At any time in the customer relationship, it is possible to ask customers about their future intentions to repurchase a given product or service”.

“The fact that intent to repurchase can be measured at any time in the customer relationship makes it especially valuable in industries with a long repurchase cycle”.

P 95 “Take heed. Although customers sometimes defect en masse, their departure may also occur in harder-to-spot dribs and drabs or spurts”.

“Customers are reasonable, but they want to be completely satisfied; if they are not, and they have a choice, they can be lured away easily”.

“Consequently most managers should be concerned rather than heartened if most of their customers fall into the satisfied category. Those customers have reasons for not being completely satisfied”.

P 96 “Six types of customer:

1. Apostle 2. Loyalist 3. Defector 4. Mercenary 5. Hostage 6. Terrorist.”.

“Customers behave in one of four basic ways; as loyalists, as defectors, as mercenaries, or as hostages. Turning as many customers as possible into the most valuable type of loyalist, the Apostle, and eliminating the most dangerous type of defector or hostage, the terrorist, should be every company’s’ ultimate objective”.

“In most cases, the loyalist is a customer who is completely satisfied and keeps returning to the company. The loyalist is a company’s bedrock. The customer needs and the company’s’ product and service offerings fit exceptionally well, which, not surprisingly, is why loyalists often are the easiest customers to serve”.

“Within the loyalist camp are individuals who are so satisfied, whose experiences so far exceeded their expectations, that they share their strong feelings with others. They are apostles”.

“Treating customers exceptionally well does not mean merely treating them well when everything basically is going right. It also means treating them exceptionally well when something goes terribly wrong”.

“Of course, a company can also turn such customers into apostles if they come forward. For this reason alone, it more than pays to provide customers with numerous opportunities to express their dissatisfaction”.

P 97 “Not all defectors should be retained, however. The unreasonable demands of unhappy customers whose needs do not fit with the company’s’ capabilities can devour excessive resources and wreak havoc on employee morale”.

“The most dangerous defectors are the terrorists. These are the customers who have had a bad experience and can’t wait to tell others about their anger and frustration”.

“Unfortunately, terrorists generally are far more committed and hence more effective at telling their stories than apostles”.

“Another customer who can make a company’s life miserable is the mercenary. This individual defies the satisfaction-loyalty rule. He may be completely satisfied but exhibit almost no loyalty. These customers are often expensive to acquire and quick to defect”.

“They chase low prices, buy on impulse, pursue fashion trends, or seek change for the sake of change. Although it often takes as much effort to please them as to please them as to please long-term loyal customers, they do not remain long enough for the relationship to turn a profit”.

“Hostages are stuck. These individuals experience the worst the company has to offer and must accept it. Many companies operating in a monopolistic environment see little reason to respond to the plight of hostages”.

“Hostages are very difficult and expensive to serve. Hostages can devastate company morale, and their negative impact on per unit costs is astounding”.

“Is the company, any company, retaining its customers through false loyalty mechanisms, or is their loyalty the result of the value that the company provides through its products or services”.

P 98 “The vast majority of companies that excel in satisfying customers rank the ability to react when something goes wrong as one of the most important factors in satisfying customers”.

An additional 20 sources in the full set summarised in over 10,000 words on 25 pages

“Learning from customer defections”

Frederick Reichheld

Harvard Business Review

March/April 1996 Pages 56-69

“Loyalty-based management”
Frederick Reichheld
Harvard Business Review
March/April 1993 Pages 64-73

“Measuring customer value: Gaining the strategic advantage”
Howard Butz and Leonard Goodstein
Organisational Dynamics
Volume 24 Issue 3 Winter 1996 Pages 63-77

“Customer service research: past, present and future”
J Sterling and Douglas Lambert
UPD & MM
Volume 19 Number 2 Page 3-23

“The UK’s Automobile Association: Empowering staff for customer retention”
Nigel Currie
Managing Service Quality
Volume 6 Number 4 1996 Pages 15-19

“Developing customer care training programmes”
David Clutterbuck
Industrial and Commercial Training
Volume 20 Number 6 November/December 1988 Pages 11-14

“Nine lessons on service quality”
Evert Gummesson
Total Quality Management
February 1989 Pages 83-89

“Zero defections: Quality comes to service”
Frederick Reichheld and W Earl Sasser
Harvard Business Review
September/October 1990 Pages 105-111

“Putting the service profit chain to work”
J Heskett, Thomas Jones, Gary Loveman, W Sasser and Leonard Schlesinger
Harvard Business Review
March/April 1994 Pages 161-170

“The customer is boss: Matching employee performance to customer service needs”
IRS Employment Review
June 1995 Pages 7-13

“Japanese approaches to customer satisfaction: some best practices”
Dominique Turpin.
Long Range Planning
Volume 28 Number 3 1995 Page 84-9

“Customer care - making it work”
John Morris
Training Officer
November 1995 Pages 264-266

“Customer service: what do clients really want?”

Alistair Mant

Personnel Management

October 1990 Pages 39, 41 and 43

“New developments in customer service training”

Maya Mouwad and Brian Kleiner

Managing Service Quality

Volume 6 Number 2 1996 Pages 49-56

“Competitive customer care training”

Laurie Young

Training Officer

November 1995 Pages 260-263

“Customer care versus customer count”

David Clutterbuck and Walter Goldsmith

Managing Service Quality

Volume 8 Number 5 1998 Pages 327-338

“Creating a customer-focused culture: Some practical frameworks and tools”

Steve Macaulay and Graham Clark

Managing Service Quality

Volume 8 Number 3 1998 Pages 183-188

“The age of the customer”

Sarah Cook and Steve Macauley

Training Journal

March 2016 Pages 10-13

“Measuring customer satisfaction”

Mike Asher

Total Quality Management

February 1989 Pages 93-96

“Empowerment – the key to quality service”

John Tschohl

Managing Service Quality

Volume 8 Number 6 1998 Pages 421-425

See the full 10,000 word, 25 page Customer Service summary of articles at my website below

www.andrewgibbons.co.uk

07904 201474

andrew@andrewgibbons.co.uk