

The Profitability Strategy Too Few Companies Use



Many company leaders think the road to profitability is to raise prices or cut costs. Simple, right? But unless customer service, customer satisfaction and customer loyalty are an integral part of your marketing and sales cycle, you are probably missing a little known fact. There is a direct connection between customer loyalty and your company's profits, according to Fred Reichheld, the guru of customer loyalty. In his book, *The Ultimate Question* (2006), he states, "The benefit of measuring customer loyalty is that a company's customer loyalty index can be correlated to its

profitability. Research shows that for every 5% improvement in customer loyalty index, a company's profits improve by 25% to 100%."

Studies have shown that buying is both a logical and emotional decision. The importance of how a customer feels during and after a purchase experience is often overlooked. Yet, feelings determine a customer's overall satisfaction, potential to re-buy, and more importantly... their loyalty.

At Client Insight Inc., one of our major customers, ELRUS AGGREGATES SYSTEMS, has been using our services to track customer feedback for three years. Greg Helfrich, National Operations Manager, describes the results, "Unvarnished feedback is critical to us. We think it has made **a seven figure difference** to the company. It has allowed us to save accounts that were going sideways, it has gotten us business that we otherwise wouldn't have gotten, the sheer fact that some customers say 'Wow, you guys really do care.' It gives positive reinforcement about how much you care about your customers' satisfaction."

So next time the idea of improving profitability comes up in your business, ask this question. "Do we measure our customer satisfaction and loyalty?"

Want to improve your company's customer loyalty and see a direct boost to profitability?

Contact us at ClientInsight.ca and let us help you reach your goal.



Client Insight Inc.

Listen - Measure - Improve, it's a profitability strategy for your company.