



Do Your Customers Trust You?

Five Steps to Building Customer Trust

The value of customer trust cannot be overstated. In today's ultra-competitive, high-speed business environment, customers want to trust the companies they do business with, and if they don't, they move on to someone else.

"The reason customer trust is so critical today is that we're no longer thinking just in terms of transactions; we're thinking in terms of *relationships*," says Martha Rogers, Ph.D., founding partner of Peppers & Rogers Group, a leading management consulting company."

Customer relationships and trust are essential assets needed by every organization that wants to survive and thrive over the long haul. It takes time to fully earn the trust of your customers, and unfortunately, that trust can be broken very quickly – sometimes instantly. In this age of social media, a company's reputation is far more visible and vulnerable, giving customers a much louder voice and broader reach than in the past.

The process of earning and retaining customer trust is straightforward, but not easy to achieve. Here are the key steps:

1. Understand customer needs and preferences – listen when customers "talk"
2. Ensure that you have quality products and/or services that support your

customers' needs and preferences – deliver them on time, as expected and at a fair price

3. Understand the lifetime value of a loyal customer – this is easy to calculate, as shown below
4. Understand and plan for the "customer experience" – create a company culture that respects and nurtures customer relationships
5. Make it easy for customers to do business with you and always treat them with respect

Each of these steps seems simple, but the difficult part is creating a company culture that embraces and supports them. Let's look at each step individually.

Understand Customer Needs and Preferences

Customers frequently communicate the things that are important to them, directly or indirectly. Companies that get the message have a great head start on building trust and success. Customers typically convey their preferences through direct communication, requests, responses to surveys and by going to a competitor. You can discover customer wants and preferences in three ways:

1. Listen to them
2. Ask them
3. Do research about them



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Take the Lead



But the real key is to act on what you learn. Knowing and doing are two very different things, and all too often, a company that loses a big client, or block of clients, is not really surprised. They expected it, but did not act. In many cases, this could have been prevented, by listening, learning and acting on an ongoing basis.

Quality Products and/or Services

Whatever your market or positioning, customers want to receive the product or service they expect. Falling short of this expectation is a violation of trust. Here are some key ways to deliver:

- Ensure your quality reflects what you advertise or promise
- Be sure that promises made can and will be kept
- Put processes, procedures and systems in place that are repeatable to ensure consistency of your offerings
- Establish internal controls to monitor and fix problems so they will not be repeated

Lifetime Value of a Loyal Customer

A simple calculation can be used to reveal the lifetime value of a loyal customer:

Average Revenue per Order	X	Average Number of Orders per Customer per Year	X	Average Tenure of Customers	=	Total Value of a Loyal Customer
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The Customer Experience

It is difficult to know what your customers experience when they buy from you because you are inside your organization. What would you learn if you could see your company through the eyes of your customers? Have you ever taken a “customer walk?” This means actually interacting with your company as if you were a customer. This experience can be mapped on paper and it can also be experienced by literally walking in your customers’ path.

Whether you are a manufacturing company, a retail store, a service provider or an online company, you can do this. Take a clip board or notepad with you and write down your observations. What does the parking lot look like? Is there peeling paint anywhere? Are windows and doors clean? Are employees courteous and helpful? Or online – Is the website attractive? Does it load quickly? Do you have a corresponding mobile app? Is the shopping cart easy to use? Is product packed well so it will arrive in good condition? These are just a few examples. An actual customer walk should be carefully thought out and expanded when performing the exercise. This is a great project for a team of employees from the various parts of your company. The variety of perspectives will usually create a better result.





Most importantly, you must then act on what is learned. Knowing is great. Improving the customer experience is even better.

Care and Respect

An integral part of the Customer Walk is noting the various points when customers and employees interact. Each of these interactions is an opportunity to strengthen or weaken the customer's opinion of and trust in your company. Are phones always answered in the same professional way? Are company representatives smiling and helpful? Do complaints get listened to in a polite and empathetic manner? Are problems solved

quickly? Customers may not always like the answers they receive, but if they are always treated with care and respect, there will be little, if any, loss of trust.

Building customer trust requires insightful listening, careful planning and diligent follow up. The five steps outlined above will help any company make significant improvements. It is also a very personal thing that takes the right people doing the right things at the right times. They must be backed by strong systems and repeatable processes, and have the commitment to follow through – every time.

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