

LOYALTY IS THE ANSWER, NOT DISCOUNTING


The Strativity Group's 2009 Customer Experience Consumer Study is revealing for the golf industry, says Ben Fowler, PGA, golf facility research and consulting sales manager for the National Golf Foundation. This study shows that the No. 1 way to grow a business is by increasing customer loyalty.

"By growing your customer loyalty, your golf business will benefit through decreased customer churn, the ability to charge higher prices than your competitors and increased wallet share," Fowler says. "Clearly, the empirical evidence demonstrating the link between customer loyalty and profits is a compelling case."

The study reveals:

- **52 percent** of dissatisfied customers, or detractors, expect discounts of 5 percent or more to continue doing business with a company; no loyal customers expect discounts. Consumers are very clear about what they are seeking from the experiences companies deliver: quick and effective issue resolution, common sense and discretion, employees who exceed expectations, and ease/ simplicity.
- More than **70 percent** of consumers surveyed indicate that they are willing to spend 10 percent or more with businesses if those businesses exceed their expectations.
- Loyal customers, or promoters, are almost **three times as likely** to expect to continue doing business with companies for another 10 years or more than dissatisfied customers.
- Dissatisfied customers are **10 times more likely** to expect to withdraw in the next twelve months than their loyal counterparts.
- **40 percent** of loyal customers said that they are willing to pay 10 percent or more to continue purchasing from companies delivering great experiences, in contrast with **9 percent** of dissatisfied customers. GCI

Source: Strativity. This information originally appeared in a post on Fowler's blog, "Driving Growth Through Customer Loyalty" at voiceofcustomerguru.wordpress.com.



DETRACTORS ARE 10 TIMES MORE LIKELY TO CEASE DOING BUSINESS WITH COMPANIES WITHIN THE NEXT YEAR THAN PROMOTERS ARE.

52% of detractors say that they will continue doing business with a company only if they offer a discount of 5 percent or more. Conversely, promoters not only don't require a discount, they responded that they will pay more. **IN FACT, 40%** of promoters said they would pay 10 percent or more to continue doing business with the companies that they are loyal to.

MORE THAN 70% of customers responded that if the business exceeds their expectations they are willing to spend 10 percent or more with them. Source: Strativity