



Fast Guide

Attitudes and behaviour



Many organisations fail to manage customers effectively because they don't distinguish between customers' attitudes and behaviour. Both are relevant to customer satisfaction and loyalty, but they're different concepts requiring different information and decision making. Since it's behaviours that deliver financial benefits we will examine that concept first.

Customer behaviours

Customers can behave in good and bad ways. Desirable behaviours include staying with the company a long time and spending lots of money by buying more often, buying a wider range of the supplier's products or becoming less price sensitive. Organisations also want customers to recommend them, to make constructive suggestions for product and service improvement and to fit in with the company's operating procedures. They don't want them to be price sensitive switchers or to increase the organisation's costs through not understanding or accepting its operating procedures. The most loyal customers display all the desirable behaviours, even "thinking like owners". In other words they go out of their way to help the company, e.g. passing on examples of poor service or staff attitude, pointing out offers or benefits available from competitors and forgiving minor service problems.

The challenge for organisations is building the good behaviours and eliminating the undesirable ones. In recent years many organisations have tried to use software or other tools to 'manage the customer relationship'. Even assuming your customers do want a relationship with you (unlikely if you're a utility, a local authority or an insurance company for example),

why would they abdicate its management to the supplier? In practice, customers make judgements about the benefits to them of being loyal. Suppliers aren't in the driving seat. They have to respond to customers not manage them. If they concentrate on fully understanding customers' requirements, follow the customers' agenda and co-create experiences customers want to have, most customers will judge that they have more to gain than to lose by sticking with the supplier. But how do they form those judgements?

Customer attitudes

Customers' judgements about how to behave with organisations are based on what they think about them and these attitudes are based mainly on their personal experience with the organisation and sometimes on what other people say. Thirdly, they can be affected by what the supplier says.

In competitive markets few companies perform badly enough to dissatisfy a lot of customers. But in most markets suppliers need to do much more than not dissatisfy customers if they want to maximise the benefits of customer satisfaction. These days most people think they can do better than 'OK', 'average' or 'good enough'. To keep customers, an organisation has to be so good at meeting or exceeding customers' requirements that they will know it would be difficult to do better elsewhere. After that you can start to form emotional bonds with loyal customers that stop them even looking elsewhere.

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Jim has over 30 years' experience of creating, interpreting and using many kinds of research information from customer satisfaction and loyalty to forecasting and strategy development. Jim is author of 'The Handbook of Customer Satisfaction and Loyalty Measurement' (Gower) and has spoken widely at events on customer satisfaction and loyalty in the UK and overseas. His clients include Rolls Royce, Farnells, Rockwool, Sulzer, Reliance Security, RWE npower and many more.

Customer surveys should be focused on the first oval in the diagram – measuring customers' attitudes on how they feel about your organisation. Customer behaviours, e.g. customer defection rates, average spend and complaints are very useful measures of organisational performance but they reflect what has already happened in the past and do not tell you how to improve on that. Improvement is achieved by understanding customers' attitudes so that you can build on things they like about the organisation and address the things they don't. **S**