

Learning from Others – A Blog, if I May ...

This month I had the privilege of listening to a number of inspirational speakers at a conference for social landlords and housing associations, jointly hosted by Glenoaks Housing Association and the Scottish Federation of Housing Associations. “Why?” I hear you ask, was a committed capitalist like myself there? – well the short answer is that the subject matter is entirely relevant to loyalty and customer relationship management and the learning I’ve brought back here, I believe, is directly applicable to most organisations.

The focus was on shifting the tenant landlord relationship onto a more respectful and mutual footing. Some forward thinking landlords have introduced loyalty schemes designed to reward the vast majority of socially responsible tenants and to reduce the bias of time spent on what they term “negative expenditure” – which is time and resource chasing poor payers, anti-social behaviour, vandalism and the like. The results have had a dramatic impact in a number of areas – more positive financials (e.g. for each £1 spent on the scheme, £2 back in savings and improved rent payment levels), retention, customer satisfaction, staff morale, community involvement, increased dialogue with customers, etc., etc.

This got me thinking about most of the suppliers I deal with, and how often it seems they either “reward” the “wrong” behaviours from customers, or never make contact with loyal, or at least long-standing customers, but fall over themselves to recruit new ones. “Switch your business to get this reward” – “oops you’ve had a policy for 20 years but we’ve never contacted you once in all that time, but now you want to leave us we’re desperate to talk to you” and so on.

Top of the pile on what is important to make loyalty and retention schemes work is the linkage between customer satisfaction and employee engagement and focus on providing great customer service. There is no doubt that a focus only on customers without looking at staff will not work. Here are my list of top 10 tips to keep delivering the benefit of your retention scheme:

Tips to Keep Delivering the Benefit of your Retention Scheme

For Customers

1. Involve senior people in creating a vision for what you are trying to achieve, be resolute to it and engage all disciplines and functional areas in achieving it and then ensure leaders walk the talk!
2. Be loyal to your existing, valued customers. Make them feel special and important. Create a contract of mutual value – understanding the responsibility on both parties.
3. Reward the behaviour you want - link consumption of services to payments and ensure the rules you create for entry to loyalty schemes are carefully thought through.
4. Sell the privilege of being a valued customer – retain the perception of (and real) value in customers' eyes by ensuring benefits are of high quality and are desirable. Keep any rewards and schemes fresh to maintain momentum behind them.
5. Develop excellent customer service and listen to your customers about how to improve it. By maintaining a dialogue you can ensure that you still think the same way as them - meet customers as often as possible.

"Loyalty programs tend to do well in the first year, but like good theatre, you have to find ways to keep filling the seats."

Brian Woolf, Loyalty Marketing, The Second Act For Staff

For Staff

6. Recruit the best people – and pay them well while creating a contract of mutual responsibility on both parts – ie employee:employer loyalty.
7. Measure attitudes and identify the right behaviours then train them.
8. Provide rewards, incentives and recognition for the right behaviours and ensure that these are motivational enough to encourage exceptional performances.
9. Create a climate of encouragement amongst colleagues – a supportive working environment and a good place to work.
10. Differentiate between the high standards expected by all and the exceptional performers, as well as managing those performances that fall below expectations.

Finally, once you are clear about what you are trying to achieve, define some performance measures and review your performance against them at regular intervals.



I would like to express my thanks to Alisdair McKee CEO of Glenoaks HA and Tom Manion, inspirational CEO of Irwell Valley, for a truly fascinating insight into how they have married up the two areas. I really hope their enlightened approach catches on in many areas of public life and that this stimulates some of us in the private sector to concentrate efforts on the "responsible majority" of our customers by rewarding the right behaviours and giving due attention to their needs.

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