

So what **is** the Difference between Satisfied Customers and Loyal Customers?



In a word: **ownership**.

Satisfied customers are content with the product and the service they receive, and they may recommend your services to their friends and family. But, they may be equally *content* with your competitors- another restaurant, or store, or hospital. Satisfied customers are easily sold on another's services or products when their price, marketing, or availability is more favorable. Additionally, satisfied customers easily become dissatisfied costumers when they experience bad service or receive a bad product.

Loyal customers, on the other hand, are just that- loyal. Even if your competitor has serious discounts, or flashy marketing, or is closer to their home, they are still going to choose you. Loyal customers wholeheartedly recommend their friends and family. And, loyal customers will forgive you for mistakes. When a loyal customer has a bad experience, they aren't going to start going to your competitor. They will forgive the experience because it doesn't normally happen, and then they will tell a manager or supervisor so that it never happens again- "I just wanted to let you know that the service was really lacking today. I understand it's not normally like this, but I wanted to make sure you were informed because I know it doesn't match your company's standards." Loyal customers become *unofficial ambassadors* for your business, will stick with you even when service is poor, and will work to make your organization better.

The chart below illustrates the benefits of having loyal customers versus satisfied customers in terms of potential impact on your organization.

	Contributing Factors	Examples & Dialog	Impact (on money, time, & stress)
Satisfied	<ul style="list-style-type: none"> o Adequate service o Acceptable Environment o Meets Expectations 	<ul style="list-style-type: none"> o Customer may or may not return (depending on the availability, cost, and marketing of competitors). "It was okay. They were nice." o Customer is content with the outcome, but is easily sold on another place. "I'd go back" o Easily become dissatisfied when small mistakes (detractors) occur. 	<ul style="list-style-type: none"> o No complaints. o Average cost, time needed, stress levels. o Positive survey scores (customers report that they will return, but will only do so if it's convenient for them). o 1 small mistake = potentially lost customer.
Loyal	<ul style="list-style-type: none"> o Attention to detail o Delights o Consistent acts of kindness o Greatly exceeds expectations 	<ul style="list-style-type: none"> o Customer <u>will</u> return and encourage others to go. "I wouldn't go anywhere else. You need to go there." o Customer wants to donate their time, services, money, etc. o Customer starts to <u>own</u> the company. "You should go to my _____ (restaurant, golf course, hospital, etc.)" o When small / uncommon mistakes occur: o Customer forgives- "Normally I get better service, but it was really busy today, so I don't mind." o Customer reports error for the good of the organization- "I just wanted to let you know that service was lacking today. I thought you should know, because I know that doesn't match your organization's standards." 	<ul style="list-style-type: none"> o Return customer = increase in revenue. o Recruiting new customers = increase in revenue. o Free advertising by "unofficial ambassadors" o Increase in revenue, volunteers, customer participation, etc. o Increased revenue and participation o Small mistakes do not sway customers away. o Loyal customers will let the organization know when something has gone wrong, because they want all customers to have the same great experience that they have.

Want to know more about the benefits of loyal customers? Need to know how to develop loyal customers? Call 407-859-2826 or email us at Info@WeCreateLoyalty.com.

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