Purpose: The Loyalty Ladder is a customer relationship model that marketers sometimes use to segment their existing prospects and clients, then develop marketing strategies for each step of the ladder to gain, or cement, customer loyalty.

We are in a Relationship Era of Marketing, where building long-term, trusting, and lasting relationships

We use networking as our way to do this and the ultimate goal is not to just get a referral here or there, but to develop our referral sources into advocates

Steps of The Loyalty Ladder are Prospect…Customer…Client…and Advocate.

Prospects: Who are these people?
   a. Strangers, acquaintances, people who hand you their business card but talk with for a short amount of time.
   b. Little to no knowledge of you or your business.
   c. May have met at trade show, networking event, local chamber meeting.
   d. Represent a large opportunity to gain new clients.

   In Working With These: Be consistent with your follow-up, and give information about the value you & your business can add to them. This is the information stage - developing the KNOW. Offer free help by answering industry-related questions that may have at any time, this will get you to be viewed as a resource. Although it takes time out of your day, you are adding value to my prospects so that they can answer their clients' questions.

Customers: Who are these people?
   a. Either you have converted a prospect into a first time customer, or...
   b. You've received an order from someone else, but your prospect is a party to the transaction. Give my example of a listing agent sending order, lender is a prospect.
   c. Either way, it is critical that this step be handled with lots of care - new and fragile relationship ("make it or break it" transaction).

   In Working With These: This is the step where you will seek to establish the LIKE factor. Continue to add value to customer. Be more personal in this stage- share and seek info that
The Loyalty Ladder
Helpful Instructions

is not uncomfortable. Word of caution- be careful not to over-do it (expectation levels are set here).

Clients: Who are these people?

a. Converted first time customer to repeat purchasers
b. This is the step where you build TRUST (the more trust, the more repeat business).
c. Customize the experience.
d. Companies used to focus on making new, better or cheaper products and services (aka differentiation)...Now the game is to create wonderful and emotional experiences for consumers around whatever is being sold. It's the experience that counts, not (so much) the product.
e. Also- customer satisfaction (with the product) is increasingly less reliable as a way to measure your customer's potential loyalty. Multiple studies in Harvard Business Review show that 65% of customers who abandoned a particular business said they were satisfied with that business product, but didn't feel a personal connection (or tie) to the business, that's why.

In Working With These: Creating unique and personalized experiences makes them less likely to jump ship when there are issues with the product, and be consistent with what you promised, to build the trust! When they reach the end stages of this step (when they start to send all their business to you, aka Brand Insistence), teach them how to recognize a good opportunity for you, and how they can segue and hook the potential new client. Best way to approach this is when they express how much they enjoy working with you.

Advocates: Who are these people?

a. Pinnacle of customer loyalty.
b. They know you, like you and trust you already and you've developed them into recognizing opportunities for you, and taught them how to segue and hook clients.
c. These advocates will forgive almost any product failure as well as human error- as long as it doesn't happen regularly.
d. They don't need constant marketing reminders of your company.
e. Brand Insistence is developed by now, and have begun recommending you to others.
f. Sometimes called your "street team", this is the new way of guerrilla marketing.

In Working With These: To get them here, you should become their 'voice' to your company- express what they need and want to further tailor your offerings. Also, in the 828
market, you could become an advocate of their business (like in AmSpirit), but just be careful that you truly believe in what they do and how they do it first.

**How this all comes together:**

a. Anyone you don't know could be a prospect.
b. Introduce yourself, ask them penetrating questions that gain knowledge of how you can add value to them as well as what they offer, and take their business card.
c. Follow-up and reference any personal opportunities that you could fulfill for them
d. Remember you are in the information stage which could take a few days to well over a year. This is a benefit of AmSpirit Business Connections is that this process tends to speed up because of the nature of the organization
e. Try their product or service if you can.
f. Once you get your first order, send thank you note, and come through with promises.
g. If time passes, and no second order, follow up.
h. When they become repeat clients, customize experience and reward them after big referrals, as your industry's laws will allow.
i. When they become advocates, reward once a year with something nice. Annual Client Appreciation Event.
j. AmSpirit Business Connections is a great platform for developing prospects into eventual advocates because they have built-in settings, like Chapters and Area-Wide functions, to not only meet like-minded prospects, but to repeatedly reaffirm the value you can add to them and their clients.
k. Two final notes:
   1. Do not focus more heavily on one step over another.
   2. Sometimes no strategy will develop a repeat client into an advocate due to inertia or habit, so just be grateful for their repeat business and don't over-market to them.

Program contributed by Amy Schulze, Central Ohio Director.