

# Attitudes and advocacy

**Advocacy is a higher level of customer satisfaction than loyalty, and it is therefore vital for business growth, writes Oisín Byrne.**

**T**he majority of companies in Ireland have implemented some form of customer retention management (CRM) initiative, but typically with limited success. And many who have invested heavily, producing reams of customer data, are not seeing the expected results.

Traditional approaches are often good - sometimes great - at collecting customer data, but none provides an intelligent context for acting on that data while it still matters to the customer. All too often, this data analysis isn't delivered until two to four months after the events it measures.

CRM can help with some aspects of the customer relationship, but provides an inside-out view instead of outside-in. The shortcomings of traditional satisfaction measurement methods can be distilled into three fundamental problems with the information:

**It is outdated** - It often takes several

months to collect and analyse customer experience data;

**It lacks context** - The customer data is often isolated from other business information, limiting its usefulness;

**It is not actionable** - Presentation documents remain in the boardroom instead of being integrated into the business processes.

## **New thinking**

Customer advocacy is the extent to which a customer rates an organisation so that they would recommend it to a friend. For example, First Direct, the UK retail bank, has the highest level of customer satisfaction in the market and is recommended by its customers every five seconds. This demonstrates the power of advocacy on an organisation's overall bottom line performance.

Advocacy is different from customer

loyalty. Customer loyalty refers to a customer being satisfied with a product or service to the extent that they retain a relationship with the supplying organisation. Advocacy is a higher level of customer satisfaction than loyalty, as it refers to the extent that a customer would recommend the product or service to a friend or family member.

## **Understanding customer advocacy**

Customer advocacy is one of the most significant predictors of increased organisational revenue, and is therefore a key performance indicator for any organisation seeking to drive revenue.

The increasing importance of customer advocacy is directly correlated with the increased empowerment of the 21st century consumer, where word of mouth marketing and social networking have become the most powerful vehicle for brands to reach consumers. Such programmes as Net Promoter Score® allow companies to measure promoters, customers who have a positive impact on advocacy, as well as detractors, customers who have a negative impact on advocacy. *Oisín Byrne is general manager of iReach Market Research* ■