CULTIVATING SUCCESS
Through Positive Customer Experiences

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In 1981, American Airlines launched the second-ever airline loyalty program.[2] It opened a door for customers to earn rewards for frequently choosing to travel through American Airlines. Not only does it provide customers with an incentive to fly American, but this loyalty program also offers ease and consistency to both the company and the customer. The American Airlines "AAdvantage" program is now estimated to be valued at over $37.6 billion.[3]

How did a program that once started with just a small group of customers reach this amount of success? Why are consumers so drawn to loyalty programs, and what keeps them coming back time after time? Investing in customer service, proper employee treatment, loyalty programs, and gathering feedback are leading factors for companies to enhance customer experience (and retain consumer activity).

Handle Customers with Care

Customers are essential to any business, and treating them carefully is paramount to ensure a successful business model. As the customer role has evolved over the years, suppliers and service providers have understood the importance of serving customers and catering to their needs. Successful companies acknowledge that the high-value, loyal, returning, satisfied, and profitable customer is the key focal point for growth and profitability. Understanding the customers' preferences, behaviors, and buying patterns is essential to building a relationship and developing a customer base.

Defining customer groups and understanding their information and knowledge needs are crucial for effective communication and marketing strategies, leading to successful sales and profitability. Some of the main leading factors found in keeping customers loyal to various brands are pricing, customer service, product/service offerings, convenience of purchase or use, brand reputation, and personalization/promotions (see Figure 1). Pricing and its impact on success were rated the most important factor by 62% of shared respondents, with customer service just behind it at 57% of votes.[4]
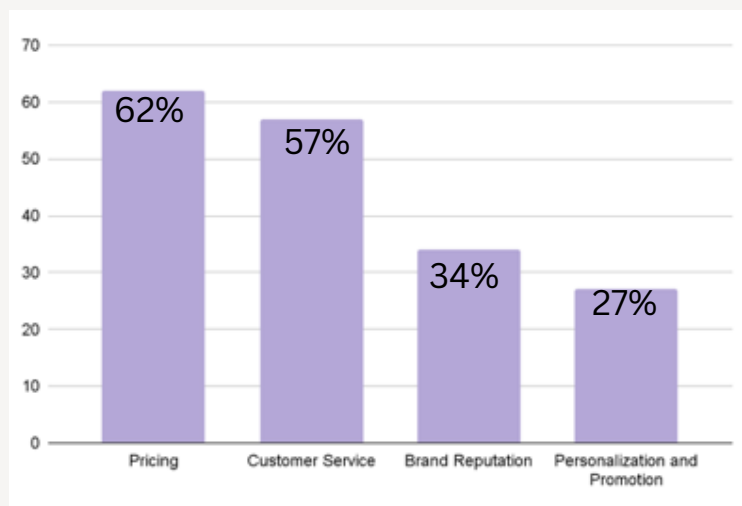

Figure 1, "Leading factors in keeping consumers loyal to brands worldwide"

The identified leading factors such as pricing and customer service provide insight into the key areas that businesses need to focus on in order to meet the needs and expectations of their customers. This understanding can help businesses make informed decisions about resource allocation and investment in different areas of their operations, ultimately leading to increased sales and profitability.

Employees Influence Engagement

JIT (Just-in-Time) Systems has always been recognized for its quality team and individual employee work. When asked about the company's success, it all boiled down to one thing: worker empowerment. [5] Employees that feel listened to help cultivate a well-oiled company machine, thus bettering the quality of a product and increasing sales. Working from the inside out and thinking about constant improvements, while also celebrating successes can encourage employees to produce high-quality work. JIT explained that "There's no one formula for achieving these changes."[6]

The impacts of the COVID-19 pandemic have changed our world, especially the workplace. Many people now work virtually, providing sustainability and new opportunities for employers. Kristen Barry authored a recent article about learning to *redefine* workplace culture rather than trying to redesign it: "**The employee experience has a direct impact on customers' experiences and a company's recruitment and retention potential.** This is especially true during this period of radical transparent view into the inner workings of every workplace as proliferated by social media -- for both consumers and potential employees alike."[7]

Working from the inside out. Hiring management that will be attentive and open. These tools can make or break the employee environment and overall success.

Loyalty Programs

American Airlines "AAdvantage" is one exceptional example of a successful loyalty program. There have been debates about the effectiveness of having a company loyalty program for years; the success of American Airlines' "AAdvantage" program serves as a

testament to the potential effectiveness of a well-designed loyalty program.

By offering customers rewards that are both savings-based and exclusive, American Airlines has been able to significantly impact customer attitudinal loyalty. This means that customers are not just returning to American Airlines for their next flight, but they are also developing a positive attitude and perception toward the company. [8]

> *"The results suggest focusing on rewards that are both savings-based and exclusive."* [9]

It is also important to note that the effectiveness of a loyalty program is not solely dependent on the rewards offered, but also on the design and implementation of the program. By utilizing insights into customer preferences and behavior, companies can create a loyalty program that effectively meets the needs of their customers and drives long-term profitability.

Gathering Feedback

"The people on the shop floor know the processes better than the managers. They know what works and what doesn't, and they have lots of ideas on how to fix what might not be working well."[10] JIT grew to be a successful company because it had management that was willing to gather feedback from both employees and customers.

Feedback allows businesses to identify areas where they can improve, which helps increase customer and employee satisfaction. Customer feedback can be used to understand how well the business is meeting its needs and expectations. It can also provide valuable insights into product or service quality, pricing, and the overall customer experience.

Employee feedback, on the other hand, helps managers understand how well they are doing in terms of creating a positive work environment. It also helps identify any issues that may be affecting employee productivity or job satisfaction and allows management to take corrective action. You can gather feedback for your company by sending digital questionnaires/surveys to customers and employees.

In summary,

- *Help your customers feel valued.* This all starts with listening to your employees.
- *Hire management that will make your employees feel valued and apply constructive feedback.* Better customer service and valued employees help cultivate a better product and company.
- *Make your loyalty programs more catered to your specific customer base.* This only can happen after you take the time to *understand* them.
- *Consumers that feel understood and appreciated will remain loyal to your brand,* bringing tremendous success to you and your company.

"In competitive markets, if you don't maintain your customers' loyalty, someone else will steal them away." [11]

Notes

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7.Kristin Barry, Nate Dvorak and Ben Wigert. "Improve Business Performance through the Employee Experience." Gallup.com. Gallup, March 10, 2023. https://www.gallup.com/workplace/328313/create-winning-employee-experience-2021.aspx.

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