TABLE OF CONTENTS

CHAPTER 1  A CHANGE OF ORIENTATION: RETENTION INSTEAD OF CONQUEST 1

The Challenges of the Changing U.S. Market, 1

   The Economy, 2

   The Competition, 3

   The Consumer, 7

The Purpose of a Business or Organization, 7

Marketing's Current Orientation, 9

The Costs of Conquest Marketing, 11

The Value of Current Customers, 12

An Introduction to Aftermarketing, 13

The Psychology of Aftermarketing, 19

The Perspective of this Book, 22

Key Points of the Chapter, 22

APPENDIX 1  A SURVEY OF THE TOP 100 ADVERTISERS TO ASSESS ATTITUDES ABOUT RETENTION VERSUS CONQUEST MARKETING 23

CHAPTER 2  WHAT YOU NEED TO KNOW: COLLECTING THE RIGHT INFORMATION 27

The Changing Face of the Marketplace, 27

   Why Marketers Need to Know Their Customers, 30

   Whose Business Is Right for Customer Information Files?, 34

   Durables Marketers, 35

   Consumer Packaged-Goods Marketers, 35

   The Benefits of a Customer Information File, 36

   Specific Benefits, 38

   How to Construct a Customer Information File, 40
What Department or Organization Will Build the CIF?, 41
Who Will Be Included in the CIF?, 43
What Information Will Be Collected in the CIF?, 43
How Will the CIF be Organized?, 45
How Will the Customer Information File Be Used?, 46

The Costs of Establishing a Customer Information File, 47
   Data Costs, 48
   Processing Costs, 48
   Output (Reporting) Costs, 49

Enhancing the Customer Information File, 49
   External Databases, 50
   Proprietary Databases, 52
   Other Sources for Database Enhancement, 52

Key Points of the Chapter, 53

APPENDIX 2 SUPPLIERS OF EXTERNAL DATABASES
AND MASS-COMPiled DATABASES 54

CHAPTER 3 THE VALUE OF A CUSTOMER INFORMATION FILE 59
Just Whose Customers Are They?, 59
Opportunities to Establish a CIF, 60
   Service Marketers, 60
   Durable Marketers, 62
   Consumer Packaged Goods, 63
   Retailers, 67
Who’s Using Customer Information Files?, 67
   General Foods, 69
   Philip Morris, 75
   Quaker Oats, 75
   Nintendo, 76
   Royal Viking Lines, 77

Building and Increasing Loyalty, 77
   Purchasing Triggers, 80
The Issue of Privacy, Legality, and Ethics, 81
   The Issue, 81
   The Degree of Concern, 82
   Where the Data Comes from, 84
Key Points of the Chapter, 85
CHAPTER 4  BLUEPRINTING CUSTOMER CONTACT OPPORTUNITIES  88
Customer Interactions: Moments of Truth,  88
   The Servicing Outcome, 90
Customer Interaction Blueprinting,  94
The Steps Involved in Blueprinting Customer Contacts,  97
Failpoints Examined: Critical Incidents,  100
Using Employees to Help Spot Problems,  102
   Employee Focus Groups, 102
   Employee Surveys, 103
   Alert Reports, 103
   The Value of Employee Input, 104
Key Points of the Chapter,  104

CHAPTER 5  ENCOURAGING AN INFORMAL DIALOGUE WITH CUSTOMERS  106
Making an Organization Accessible to Customers,  107
Responsibility for Customer Outreach,  109
How Representative Are Letters and Telephone Calls?,  112
Read Your Mail, 112
Communicating with Customers by Telephone,  113
   Answer Your Phones: 800 Numbers, 116
   Answer Your Phones: 900 Numbers, 122
Strategies for Complaint Handling,  126
   How to Handle Complaints, 128
   Getting Employees Involved
   in Proper Complaint Handling, 130
Acknowledging Compliments,  132
   Speed of Response, 133
   Contents of Response, 133
   The Marketing Opportunity of Satisfied Customers, 133
Key Points of the Chapter, 135

APPENDIX 5  ANALYSIS OF CUSTOMER COMMUNICATIONS  135

CHAPTER 6  ESTABLISHING A FORMAL DIALOGUE: FOLLOW-UP AFTER SALE  139
What Is Satisfaction?,  139
A History of Customer Satisfaction Measurement,  143
   The Value of a Customer Satisfaction Program, 144
What a CSP Is and How It Can Be Established, 149
Designing the CSP, 151

I. Defining the Objectives for the Program, 151
II. Selecting the Fielding Method, 153
III. Sampling and Timing, 156
IV. Designing the Questionnaire, 157
V. Pretesting the Questionnaire, 160
VI. Analyzing and Reporting Results, 161

Customer Comment Cards, 164
Measuring Customer Satisfaction in Consumer Packaged Goods, 165
How to Involve CSP Results in Marketing Strategy, 165
Key Points of the Chapter, 170

APPENDIX 6 WHO'S SATISFYING THEIR CUSTOMERS 171

CHAPTER 7 MAINTAINING CUSTOMER CONTACT: COMMUNICATION PROGRAMS 173

The Nature of Proprietary Media & Programs, 173
The Communication Goals, 174

Proprietary Magazines, 176
Deere & Company: The Furrow, 178
Nintendo: Nintendo Power, 178
Polaroid: Test, 181
Unique Results of Proprietary Magazines, 181
Target Market Publishing, 183

Company Newsletters, 184
Establishing a Camaraderie Among Customers, 185
Providing a Channel for Interaction, 185
Computer Bulletin Boards, 187

Special Events, 187
Use of Special Events in Marketing, 188
Picking an Appropriate Event, 192
Using Public (Visible) Support to Reinforce Current Users, 193
Image Benefits, 193
Rolls-Royce Customer Events, 193
Cellular One's Cellular Phone Clinic, 194
American Express' Gold Card Theater Parties, 194
Affinity Merchandise, 195

Guaranteed Success?, 196

Corporate Videos, 197

Key Points of the Chapter, 198

APPENDIX 7  SPONSORSHIPS OF SPECIAL EVENTS BY U.S.
AND INTERNATIONAL MARKETERS 199

CHAPTER 8  WHAT TO DO WHEN YOU FAIL: LOST CUSTOMER
PROGRAMS 203

The Costs of Losing a Customer, 203
The Status of Lost Customers, 207
Know Who Your Lost Customers Are, 209
Conducting the Exit Interview, 209

Knowing Who to Interview, 210
Factors to Consider, 210

Results of an Exit Interview, 211

High-Risk Customer Profile, 215
Acting on the Information, 215
Why Customers Leave, 216

Not All Lost Customers are Equal, 217
Customer Win-Back Programs, 217

Instituting a Win-Back Program, 218
Managing Expectations, 219

Key Points of the Chapter, 221

CHAPTER 9  BUILDING AN INTERNAL ORGANIZATION TO SUPPORT
AFTERMARKETING 222

Relationship Marketing Begins Inside, 222
Management's Assessment of Satisfaction, 225
The Role of an External Auditor,
The Mystery Shopper/Customer, 226
Management Monitoring, 231
The Role of Customer Visits, 231
Incorporating Customer Input into Design and Production, 232
The Changing Orientation of Marketing Management, 238

The Organizational Culture, 241
Employee Empowerment, 243
Employee Teamwork, 243
CHAPTER 10  QUALITY, SERVICING, AND AFTERMARKETING—
THE COMPONENTS OF RELATIONSHIP MARKETING  251
Quality: At the “Bottom Line,” 251
   The Definition of Quality, 252
   Correlates of Quality, 254
   The Progression of Quality, 255
   Components of Product Quality, 257
   Components of Service Quality, 259
Servicing: At the “Bottom Line,” 262
   The Components of Servicing, 264
Rewarding an Aftermarketing Perspective, 264
   A Critique of the Baldrige Program, 266
Establishing an Aftermarketing Program, 268
   Identifying the Customer Base, 268
   Acknowledging Customers, 269
   Maintaining Contact with Customers, 269
   Mapping Customer Contact Points, 269
   Measuring Customer Satisfaction, 270
   Maintaining Contact, 270
Some Final Thoughts, 271
   Key Points of the Chapter, 272

APPENDIX 10  HOW TO DETERMINE IF YOUR BUSINESS OR
ORGANIZATION IS CONQUEST OR RETENTION
ORIENTED  273

BIBLIOGRAPHY  276

INDEX  281