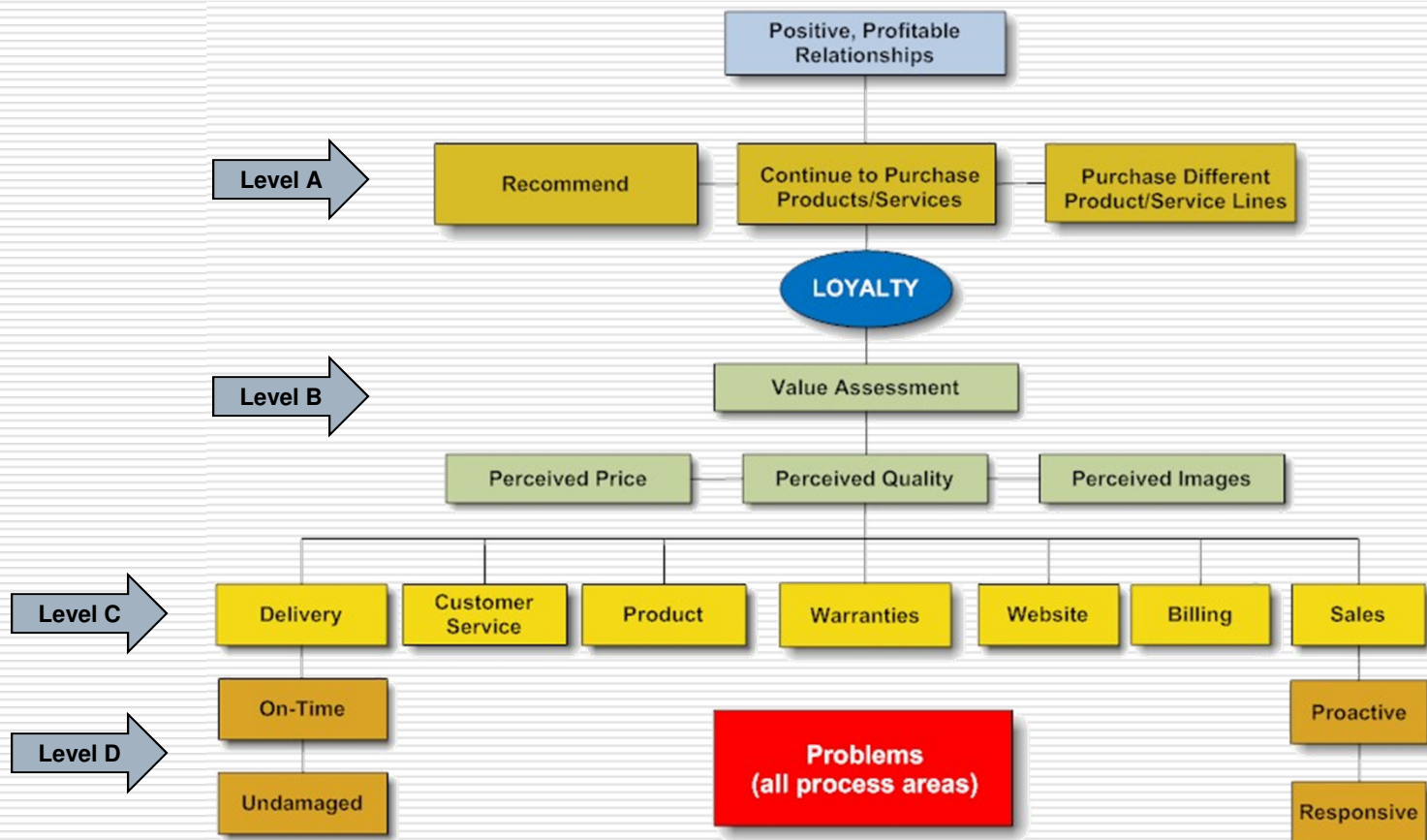


Loyalty Research Center Customer Hierarchical Model



Customer Model Defined

The Loyalty Research Center's customer model is hierarchical. Each level explains the level above :

Level A - Customer Relationship Outcomes: Behavioral intentions expressed by customers support your company's success. These are the desirable behaviors that are based on your current relationship and define your loyalty segments. Any enhancement to lower levels within the relationship will be ultimately reflected in improved results.

Level B – Corporate Image and Value: Quality, image and price perceptions drive customers' beliefs about the value received from doing business with your company, i.e., *what they get for what they give*. A competitively superior value proposition **demonstrated by the total customer experience**, will not only retain, but grow customers.

Level C – Business Process: Business processes are the key ways in which customers interact with your company. As customers' performance perceptions and expectations change, the impact that each process has on the next level may also shift, affecting overall evaluations of quality, image and value.

Level D – Business Process Attributes: It is the **everyday** process experiences that build the basis for either stronger or weaker customer relationships and drive loyalty to your company. Attribute-level performance perceptions should conform to customers' expectations and requirements. The degree to which you meet, exceed or fall short of these affects customers' overall summary evaluation at the process area level.

Problem Tracking/Resolution: Problems experienced by customers give companies opportunities to demonstrate what *they are made of*. A problem experience module is typically included in the Loyalty Research Center model which asks customers about problems experienced as well as how well the company responded. Companies that quickly and effectively resolve and follow-up on a reported problem benefit by building greater loyalty and trust in the relationship.