

# CLI – Customer loyalty index

## What is CLI – Customer loyalty index?

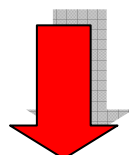
- Loyalty is the way of the future customer behaviour manifested by repetitive purchases and positive references to the surroundings.
- The cost to acquire a new customer is several times higher than the cost of keeping loyal customers. For these reasons, strengthening and improving customer loyalty is a good investment!
- The Customer Loyalty Index (CLI) is a standardized tool that enables tracking of the customer loyalty over time ie. how much the customer is loyal to the brand and how much they tend to abandon it.

## Loyalty vs. Customer satisfaction

- Customer loyalty is not the same as customer satisfaction! Dissatisfied customers are not necessarily disloyal customers and vice versa. A high degree of satisfaction is "only" a precondition of a long-term relationship "customer - client", in itself is not sufficient for the formation of loyalty. Therefore, within the research there are usually calculated the CSI and CLI index.

## The process of CLI index evaluation

- Customer loyalty lies in the expression of the highest form of customer emotional adherence to the brand and business by:
  - **recommending a product or service to others.** If customers recommend a product or service to others, it means that they have extraordinary confidence in the value of the supplied brand or company they recommend.
  - **a degree of retention - ie. customers will be users of a product/ service also in the future**
  - The customer is so confident about the brand/product that they could purchase also other products of the same brand.



- The answer to all three questions above in the form of scale:

1

2

3

4

5

6

Definitely yes

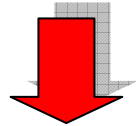
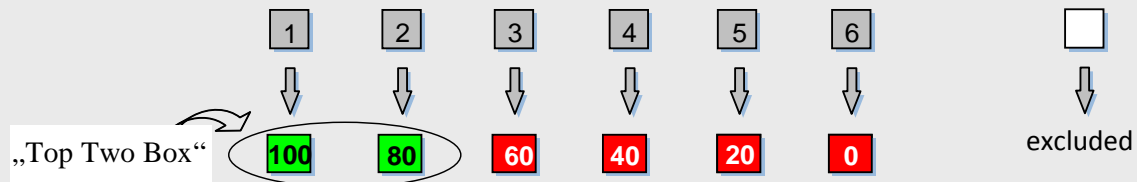
Definitely no

I cannot answer

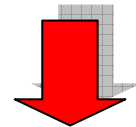
- The advantages of this way of evaluation:

- Similarity to the school evaluation scale
- Preventing non-specific expressions (Check by a cross the centre)
- Preventing forced responses thanks to the category "I cannot answer"

- For the better understanding the data were subsequently transferred as follows:



Partial CLI index values for each question are then transported to the overall LOYALTY index - CLI:



## THE ASSESSMENT SCALE OF LOYALTY

*Semaphore scale*

0 – 70 Below average loyalty

70 – 80 Average loyalty

80 – 100 Above average loyalty



## When, how often?

CLI is a repetitive project, which - in order to capture trends, is necessary to implement based on the same methodology at regular intervals.

## What are the main advantages of CLI?

- Its standardization enables tracking customer loyalty over time
- Enables benchmarking - comparison to competitive products or companies.
- Finds weaknesses in customer loyalty.

