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

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.