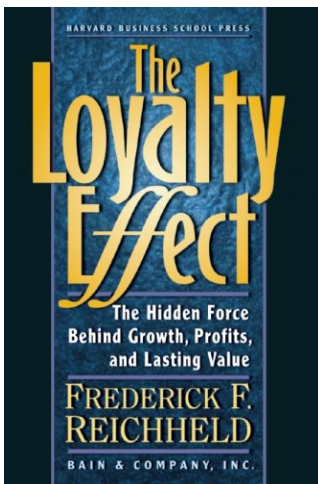


# [PDF] The Loyalty Effect: The Hidden Force Behind Growth, Profits, And Lasting Value

Frederick F. Reichheld, Thomas Teal - pdf download free book

---



**Books Details:**

Title: The Loyalty Effect: The Hidde

Author: Frederick F. Reichheld, Thom

Released: 1996-10-01

Language:

Pages: 323

ISBN: 0875844480

ISBN13: 978-0875844480

ASIN: 0875844480

[\*\*CLICK HERE FOR DOWNLOAD\*\*](#)

---

pdf, mobi, epub, azw, kindle

**Description:**

**From Publishers Weekly** Reichheld, a director of Bain & Co., a strategy consulting firm in Boston, takes an old-fashioned concept?loyalty?and shows its relevance to customer retention and long-term profit growth. His position seems obvious, but its import has been lost amid the rapid turnover in the current business climate. He notes that major companies replace half their customers in five years, half their employees in four and a half and their investors in less than one. To counteract this trend, he

recommends loyalty-based management, in which businesses not only make a conscious effort to retain customers but also develop strategies for attracting the kind who are likely to remain loyal. Reichheld also posits a "cause-and-effect relationship" between employee and customer loyalty. Writing with Teal, a senior editor at Bain & Co., he makes his point with examples from State Farm, Toyota/Lexus and others that have improved their bottom lines and insured long-term growth by developing loyalty. Illustrations. 50,000 first printing; \$80,000 ad/promo; author tour.

Copyright 1996 Reed Business Information, Inc.

**From** Much has been written recently lamenting the loss of loyalty in all aspects of society. This loss seems magnified in the corporate world, where job change is often the only ticket for getting ahead and where companies regularly abandon communities and downsize longtime workers out of jobs. In *White-Collar Blues*, Charles Heckscher last year surveyed the state of middle-management loyalty and offered solutions for rebuilding loyalties. Now Reichheld, director at a strategy consulting firm with its own "loyalty practice," analyzes not only employee but also customer and investor loyalty and demonstrates the measurable results that strong loyalties have on corporate profits. Reichheld notes that traditional accounting systems do not show the "loyalty effect" and offers gauges that do. To make his case, he uses such companies as Lexus, John Deere, and Leo Burnett--the "loyalty royalty" --as examples. *David Rouse*

---

- Title: The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value
  - Author: Frederick F. Reichheld, Thomas Teal
  - Released: 1996-10-01
  - Language:
  - Pages: 323
  - ISBN: 0875844480
  - ISBN13: 978-0875844480
  - ASIN: 0875844480
-

"The Loyalty Effect put loyalty economics on the map." -The New York Times. "The Loyalty Effect is . . . as close to a religious experience as one can get in the business realm." -Sun-Sentinel. "[Reichheld's] message is simply this: The best, most profitable employers are those that inspire loyalty among three constituencies: customers, investors, and employees." -Fortune. About the Author. He is the leader of the firm's worldwide Loyalty Practice, and his pioneering work in the area of customer, employee, and investor retention has quantified the linkage between loyalty and profits. This work forms the conceptual foundation for the practice, which helps clients achieve superior results through improvements in customer, employee, and investor selection and retention. Reichheld's research demonstrates that loyalty drives profits in direct and quantifiable ways through its impact on growth, learning, and productivity. In addition, loyalty generates a spiritual energy that powers the value creation process that is at the heart of sustained business success. In many industries, loyalty explains the differences in profitability among competitors more effectively than scale, market share, unit costs, or most other factors usually associated with competitive advantage. The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value Loyalty-based management. Author. Frederick F. Reichheld. The Loyalty Leaders highlighted in The Loyalty Effect are MBNA, State Farm, Lexus, and Chic-Fil-A. Although there are many industry differences among these organizations, they all have put into their business systems these key loyalty practices: 1. Build Superior Customer Value 2. Find the Right Customers 3. Earn Customer Loyalty 4. Find/Keep the Right Employees 5. Reward Loyalty Performance (Loyalty-Based Compensation) 6. Build Mutually Beneficial Relationships One awareness that comes to life in the reading of. For instance, when you look at the acquisition cost, base profit, revenue growth, potential for referrals, and price premium it is easy to see that a customer that has been with you longer is a better return on your investment in acquiring that customer. Includes bibliographical references (p. 311-314) and index. "The business world seems to have given up on loyalty: many major corporations now lose - and have to replace - half their customers in five years, half their employees in four, and half their investors in less than one. This book shows why companies that ignore these skyrocketing defections face a dismal future of low growth, weak profits, and shortened life expectancy." "In The Loyalty Effect Fred Reichheld demonstrates the power of loyalty-based management as a highly profitable alternative to the economics of perpetual churn. But customer loyalty is too important to delegate. It has a crucial effect on every constituency and aspect of a business system; it drives business success and therefore CEO careers. The responsibility for customer retention or defection belongs squarely on the CEO's desk, where it can get the same kind of attention that is lavished on stock price and cash flow. Creating value for customers builds loyalty, and loyalty in turn builds growth, profit, and more value. While profit has always occupied center stage in conventional thinking about business systems, profit is not primary. Profit is indispensable, of course, but it is nevertheless a consequence of value creation, which, along with loyalty, makes up the real heart of any successful, long-lasting business institution.