

# WHITE PAPER

## The Power of 10/10

Saguity  
White Paper 2020

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# Our company

## Welcome to Saguity

Saguity is not just a CX-strategy company; it's the secret weapon empowering businesses to reach their ultimate potential. Innovator of the service excellence index Appreciation Certified™, our team at Saguity helps businesses understand the real risk and value of their customer base and the key to unshakable customer loyalty.

We have surveyed over half a million consumers across multiple industries to better understand what they appreciate most about service excellence. The data collected reflects the power of a 10/10 CX score and how it can help businesses build a solid foundation for growth.

Our clients are leaders in their fields because they optimise market opportunities and understand the power of customer appreciation. They know you cannot stand out from the crowd if you measure yourself against current market trends. Every business will tell you that it delivers great service to your satisfaction, but we all know this isn't always the case. Appreciation

Certified™ gives you the opportunity to define your unique identifiers and set your business apart from the market.

Our team has also re-invented the process of measuring and understanding the loyalty of a company's customer base and the likelihood of return business. CX is a critical factor in revenue security, leadership and culture assessment. CX Assurance™ offers an outside-in review of business processes and provides accurate measurement of customer loyalty. We have created this new metric in due diligence for mergers and acquisitions so that both the vendor and the purchaser can accurately assess the value of their customer base.

The connection between a great customer experience and loyalty is unmistakable. Are you prepared to challenge the beliefs of your company and its culture? Only you can choose the next step. You can repeat the past, or you can change the future.

# The power of 10/10

If you assess any no. 1 company, you will find a clear and precise strategy around client experience. A company cannot become no. 1 if client experience isn't its main priority. Ask any top 500 CEO and they will tell you that this is their most significant battleground. The leverage points of delivery, supply, price, stock, knowledge, location, etc. are no longer a point of difference. Globalisation and the rise of multinational companies like Amazon have changed the landscape forever.

Do you have it or not?

The challenge with mastering client experience lies with the culture of a company and starts with the question, "Do we have the ability to deliver excellence or not"? Many of us believe we do, but the market says differently. How many top performers are there in any sector? It is fewer than you might think. Most are between average and failure. The difference between high performers and average performers is their leadership and structure, and this is what drives service culture.

It starts with four steps.

The ability to define a no. 1 service culture is a 4-step process. Regardless of what opinions exist, the facts are clear: you either have a great culture or you don't. There may be some productive areas, but clients connect with all parts of a company, so every part of it has to be optimised for service experience. As W. Edwards Deming said, "Without data, you're just another person with an opinion." So how do you define a no. 1 culture based on data? You go to the ultimate source of feedback: the paying clients. Let them be the judge. You can't con your market for long, and if your culture is poor or average, then your client experience will be the same.

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Ultimately we need tangible results to measure beyond an internal opinion. There is a simple and powerful formula to follow when considering a no. 1 culture. It is the critical step towards results—simple, yet powerful, and once implemented into culture development, it can be a game-changer.



## What are your beliefs?

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You always start with your beliefs. When it comes to client experience, how strong are your team's beliefs? Are they saying that near enough is good enough? They don't get paid to go the extra mile? It's not their job, it's someone else's? They're not a premium brand, so only the bare minimum of effort is required? Service excellence costs too much to deliver? If you don't believe you are 100% committed to excellence, then you have no chance of achieving it. Any powerful result has to start with believing it's important to achieve.

## Do you have the mindset?

Have you ever had to deal with someone with a bad attitude or mindset? What do you think of their beliefs? What do you think when they say that something isn't their problem, that they don't care, that something isn't their responsibility? Consider the people you trust and those you know you can count on. What are their beliefs? Do they tell you that you're a team? Do they take responsibility? Do they look at the big picture? Do they say that the clients always come first and that they'll do whatever they can to help? It's a very different attitude, and it's essential to a successful business. Without a clear and committed mindset towards a result, you cannot achieve it.

## Do you have the right behaviour?

Whenever you want to assess a person, you always look at their behaviour first. It's that little piece of the iceberg that sits just above the surface for all to see. Judgements here are often quick and opinionated; you make a decision in the moment on what your behaviour will be in response to theirs. Let's look at client experience: you receive excellent communication and feel genuinely cared for and committed to the person or company helping you, and in return

### Results

The previous three steps are your foundation. They must all be the clear focus of your company so that it can optimise its client experience process.

### Behaviour

Excellent communication is essential to exceptional service. There is no luck here. It's all driven by the company culture's mindset and underpinned by the individuals' beliefs.

### Mindset

A team-oriented, customer-first attitude is essential to a successful business. Without a clear and committed mindset towards a result, you can't achieve it.

### Beliefs

If you don't believe that you are 100% committed to excellence, then you have zero chance of achieving it. Any powerful result has to start with believing it's important to achieve.

you're more confident and have a higher level of trust in them. If this standard proves to be predictable, you'll likely find yourself giving this person or company your future business and almost certainly refer them to your friends. There is no luck in exceptional service. It's all driven by the company culture's mindset and underpinned by the individual's beliefs. Consider the opposite: poor service. It's driven by bad behaviour, which is the result of a poor attitude and mindset and reinforced by the individuals' perception of you, the customer and the company for which they work. These are the companies you tend to avoid and use only when there are no other options available.

## It's the results that matter

Ultimately these three stages lead to your results. There is no disputing this fact. These three steps are your foundation. They must all be the clear focus of your company so that it can optimise its client experience process. It's often referred to as the "why" of a company's identity. It's critical to have data on this if you want to be in a position to predict service excellence. Your client experience scorecard is a reflection of how well these three steps are structured. You cannot achieve a 10/10 CX score if the steps that come before it aren't congruent from the beginning.

## It's not what you think it is

The biggest challenge for most companies when trying to achieve service excellence is not only the foundational beliefs of their team, but also the flawed process of how they measure excellence. The best intentions do not ensure the best results.

The issue lies in how you define service excellence. Have you ever read or heard someone say you'll be 100% satisfied in the product or service they are trying to pitch you? Do you know what this means? It means you'll get what you expect and what you paid for and nothing more, and that is not the definition of excellence.

Client satisfaction is no longer relevant. It's based on an 8/10 client experience score, and it will not and cannot carve out a point of difference for your company. All it will do is keep you in the fog of irrelevance. The more society engages with technology, the more it removes human engagement from the client experience. As long as you implement the correct approach, you will maintain empathy and integrity in your client relationships.

# A new standard of service

Appreciation Certified™ creates a powerful edge when positioning your business as one that backs up what it promises with independent and valid assessment.

## It's 10/10 or nothing

Forget about customer satisfaction. The new standard is client appreciation, an index which measures the emotional bond between company and client experience and ensures that company beliefs are aligned with market values. This powerful new measurement benchmarks service standards, assesses client relationships, drives innovation and keeps your business both front of mind and relevant to your market. Appreciation Certified™ gauges client appreciation against the optimal 10/10 client experience score. When a company achieves 10/10, it has truly mastered an emotional connection to its market.

In every competitive market, product or service, there is a no. 1 company for service excellence. This company does not need to offer discounts, nor does it find it difficult to attract the greatest teams. The best companies have a magnetic attraction for talent. Do Apple or Google have a problem attracting the best people with the best beliefs?

The Saguity client appreciation research team in Melbourne, Australia, conducted 74,816 direct phone-based client experience interviews. The data they collected reflects the power of a 10/10 CX score and how it can build a solid foundation for growth. If a company cannot define its levels of client appreciation, then it's left to guess and spend money on new client acquisition.

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## It starts at the top

Many people will argue that the cost of going the extra mile isn't worth it. They'll claim there isn't enough margin for delivering excellence. If this is their core belief, then they are correct, and their results will reflect this. A big challenge in business today is that if the very top of the leadership team doesn't have a firm belief in excellence, then it will impact their results. Often individuals in leadership positions will cut corners in CX and then blame the market conditions for the results they have.

## Opinions don't count

To recap W. Edwards Deming, "without data, you're just another person with an opinion". So let's take a look at some profound data. What's critically important is the source of the data. There is a lot of data that is mashed and hashed to make it look like something that follows its intended message and market, and a lot of the time, the sample quantities are very small and reflect only a tiny portion of the market. While the graphs and imagery look flash, the message is often no more than fake news.



Cheap won't make you great, but being the greatest will make you cheap.™

— Darrell Hardidge

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### CX

At its core, customer experience (CX) comes down to how a person feels about the experience of interacting with your brand. Great CX is about providing a valuable, enjoyable experience to every customer in a way that fulfills the expectations you set and the promises you make.

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### AC™

Appreciation Certified™ (AC™) is your guarantee of service excellence determined by those the market trusts the most—your paying customers. AC™ is the ultimate measurement index to assist you with precision in designing and delivering the greatest CX process.

# 91%

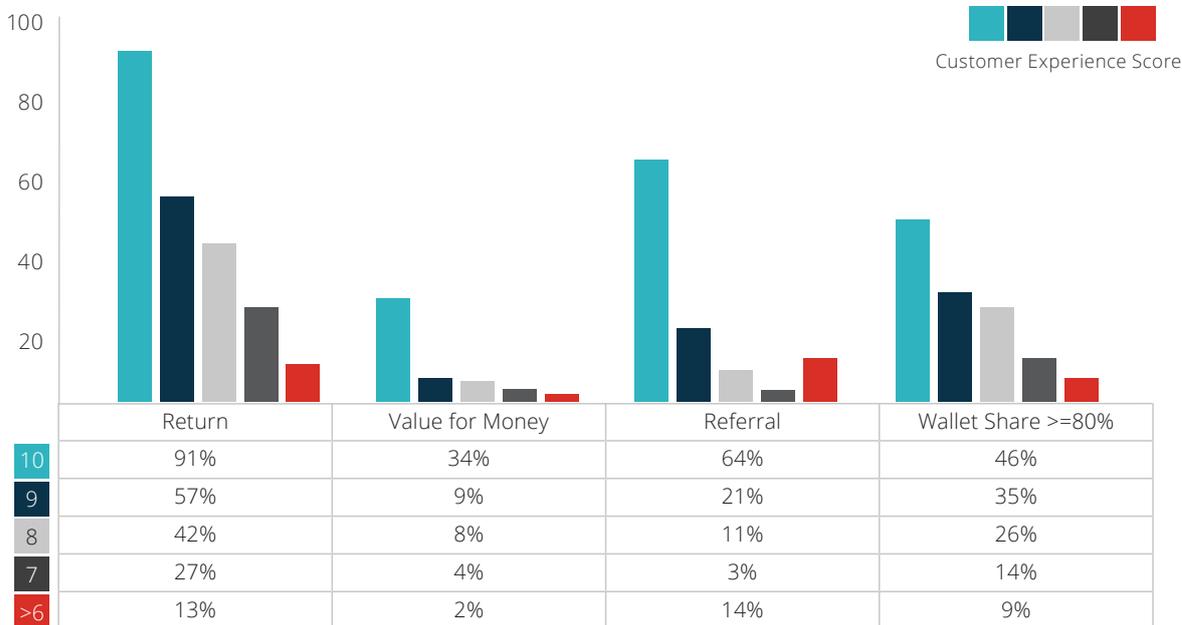
The number of clients likely to repeat business with a company when a CX score is 10/10.

- 34% will pay top dollar
- 64% are likely to refer
- 46% exclusive supply

## Numbers don't lie

**Below are the results of the 74,816 direct phone-based client experience interviews the Saguity client appreciation research, team conducted.**

The data reflects hundreds of large and SME companies, products and services, and predominately high-value clients where there is a considerable lag in achieving a sale. In other words, these are not quick, small retail transactions or dockets from a pizza shop. The relationships are significant and primarily reflect the 80:20 rule of a client base—the really big clients who make or break a business.



### Client retention

10/10 CX ensures more than 2X repeat business than a score of 8/10

### Price acceptance

10/10 CX protects price and massively reduces product discounting

### Word of mouth

10/10 CX delivers 6X more client referrals than a score of 8/10

### Revenue optimisation

10/10 CX delivers the highest level of exclusive supply (80%+)

# Facts are facts

Our client appreciation research team first asked all end-user clients how they would rate their experience with their supplier, 10 being excellent and 0 being very poor. They then asked all end-users if they intended to return, how they assessed the supplier on value for money, how many people they have referred, and to what degree the supplier had exclusive wallet share of supply greater than 80%. The light blue reflects those who scored 10/10 on their experience score. The light grey reflects those who scored 8/10.

The results are compelling and settle any myth that delivering an 8/10 will result in a strong balance sheet and substantial margins. The data reflects the power of a 10/10 CX score and how this can build a solid foundation for growth. If a company cannot define its levels of client appreciation, then it's left to guess and keep spending money on new client acquisition. A company that has a clear understanding of how to deliver client appreciation will invest the minimum on marketing and all client acquisition will result in growth and not replacement.

If you want to grow, improve retention, and massively reduce discounting, you need to surpass the CX of every brand you and your customers know. It's not enough to be good. You have to be excellent.

## Retention



10/10 CX: 91% unshakable loyalty  
8/10 CX: 45% fragile loyalty

## Word of mouth



10/10 CX: 64% actively sourcing referrals  
8/10 CX: 11% rarely referring

## Value for money



10/10 CX: 34% can increase pricing / no discounting  
8/10 CX: 8% competitive pricing

## Wallet share > 80%



10/10 CX: 46% exclusive supply  
8/10 CX: 26% exclusive supply

The data above is a snapshot of why client appreciation must become your top priority if you want to stay healthy and ahead in your market without having to discount to stay in business.

## Conclusion

Client appreciation is a potent weapon that helps you combat discounting and stand apart from the crowd. If you're using client satisfaction as your CX measurement, you're measuring with the wrong theory, and predicting high levels of client engagement will be almost impossible. Client satisfaction won't accurately assess your culture. The only accurate measurement is your clients. When it comes to your beliefs, everything you do speaks volumes about the core of your culture. If your beliefs are "10/10 or nothing", then your market will respond with appreciation for your efforts and reward you with unshakable loyalty. If your beliefs are "good enough is good enough", then your market will respond with, "What's the price?"

What will you do now that you have new insight into unshakable loyalty? Are you prepared to challenge the beliefs of your team culture? Will you accept Edwards Deming's view that "without data, you're just another person with an opinion" and obtain highly relevant client feedback? Only you can choose the next step. You can repeat the past, or you can change the future.

**And always remember: Different isn't always better, but better is always different.**

If you're using client satisfaction as your CX measurement, you're measuring with the wrong theory and predicting high levels of client engagement will be almost impossible. Most of all, it won't accurately assess your culture. The only accurate measurement is your clients.

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