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## The Spillover Effect: How Positive Employee Engagement Can Increase Profits

*New paper from Allegiance reveals how engaged employees are central to high customer engagement*

SALT LAKE CITY – December 18, 2008 – Businesses looking for ways to increase sales and profits often overlook a critical component: employee engagement. That is the message in a new white paper from Allegiance, Inc., a leader in enterprise feedback management solutions. Titled “The Spillover Effect,” the paper is based on one of the largest research studies conducted on engagement, which found that one out of every 10 customers was hurt by disengaged employees. Written by Allegiance loyalty and engagement expert Dr. Gary Rhoads, the paper explores how employee engagement impacts a business in real dollars and suggests ways that businesses can capitalize on this opportunity.

According to Allegiance, emotionally engaged employees believe they are doing something valuable for their organizations and that their efforts will make a difference. The positive feelings that employees have about their jobs and employers influence the level of service they give to customers. These positive experiences “spill over” to customers, who become advocates for the company’s products and services. This is referred to as the Spillover Effect.

“In our research, we have found that increasing employee engagement had a direct effect on customer engagement, which leads to increased sales and profits,” said Dr. Rhoads. “Companies are missing a huge opportunity by not focusing on employees as a way to increase customer loyalty and engagement. This is especially critical in a slowing economy.”

The paper identifies job enhancers that, combined with the absence of stressful barriers, are effective at creating employees who are likely to be emotionally engaged. It is this emotional connection – the desire to do what is best for the organization – that spills over to customers, creating emotionally engaged customers. Critical job enhancers include:

- » Having a positive impact on the lives of customers and team members
- » Having opportunities for learning important new skills
- » Having the ability to offer suggestions
- » Completing whole jobs from start to finish
- » Receiving feedback about the results of efforts
- » Feeling free to perform the work the way they believe is best

“Engaged employees contribute to the bottom line. As their engagement is reflected in their service to customers, they are helping to create more loyal customers,” said Adam Edmunds, CEO of Allegiance. “And we know that highly engaged customers buy more products, refer potential customers to a company, stay longer and give more feedback, which, in turn, gives companies the opportunity to address issues and concerns and preserve potentially lost revenue.”

To download a free copy of “The Spillover Effect” from Allegiance, visit <http://allegiance.com/library>

### About Allegiance

Allegiance, Inc. offers feedback management software to help organizations grow customer and employee loyalty and engagement. The Allegiance Engage software platform facilitates survey creation and gathers responses and unsolicited comments in real-time into a centralized online system, saving time, effort and money. Allegiance solutions measure customer and employee engagement, revealing precise actions to grow engagement and increase revenue. Allegiance enterprise feedback management (EFM), predictive analytics and professional services combine to help businesses capitalize on engagement. For more information about Allegiance, visit <http://www.allegiance.com>.

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