

step 9 Growing

Do you know the stories your customers are telling about your company? Should you care?

No matter how much money you have spent to develop and launch a new product; a single, dissatisfied customer can blast your new product in front of thousands of customers on a popular review site like Amazon.com. As a result your success may stop in its tracks.

At the same time a raving customer can lift your product out of obscurity and turn it into a major success overnight.

Welcome to the new world, where customers are truly in charge.

In this chapter we will show you how you can create goodwill and positive buzz for your company, products, and services from the ground up.



How can you keep developing your business?



Understanding Word of Mouth

People will...

...talk about you..

...anyway!

Thinking beyond your product

Did you know that your whole value chain is under scrutiny?

Customers nowadays include additional factors in their purchase decision, such as how fair you treat your workers, or how environmentally friendly your production is.

Make sure you listen to the undertones of the conversations about you and be proactive in changing that conversation into a positive one. Frequently check reviews about your products and services at places like Amazon.com or Zagat.com to find out how people rate your performance and what they say about you.



It's a fact: customers talk about your products, your service, and your company all the time. It influences how you are perceived, how often you are recommended to others and ultimately how well you sell. The web has only accelerated and amplified these conversations to a level where everybody involved in a purchase decision will come across reviews – and be influenced to choose you or one of your competitors. The nice thing about the web is that you can get some visibility to these conversations and react to them. Knowingly, the online chatter probably reflects only about 10% of the volume of conversations, while 90% are still face-to-face conversations between people.

3 Reasons why people talk about you

Word of mouth can't be bought with money – quite the opposite is true. You can spend a million dollars on a new advertising campaign and still only get a few press reviews, while your competitor just spends a few thousand dollars and creates 100 times the attention. Why?

#1: Cool and exciting products or services: Amateurs and professional “talkers” (a.k.a. Journalists or talk show hosts) have the same motivation to speak; they want to help others and feel smart and important at the same time. And they can't afford to be boring. Exciting and ground breaking new products and services are just much more interesting to talk about. To develop a feel for what is exciting, check out which stories get forwarded the most on news sites like the Wall Street Journal, Yahoo and other buzz indicators like Alexa.com or Google Trends. How can you make your product exciting?

#2: Great personal service experience: Have you ever received a free bottle of premium champagne from a United flight attendant for voluntarily changing your seat so that a mother and her daughter can sit together? Sounds like an amazing \$150 “thank you” for a common courtesy, but it happened to the author – and you can be sure that every one of his friends knows about it now – including you! Does your company provide such a great service that they have to tell their friends?

#3: Bad service experience or bad product: How do you feel about spending a lot of money for a new computer operating system that basically renders all your printers, scanners and graphic cards useless? This is not really a big deal for a software manufacturer if all operating systems out there are equally bad, but this is no longer the case. No PR department in the world can help you overpower the voices of tens of thousands of disgruntled customers. What can you do to fix a bad product?



Give your customers a reason to talk positively about you!

Getting referrals, buzz, and positive word of mouth

Make it easy...

...for your customers...

...to recommend you!

1. Track

How can you get more referrals and accelerate positive word of mouth about your products? Here are the four steps we recommend:
» 1. Track » 2. Listen » 3. Respond » 4. Enable

1. Track: Monitor what is said about you, and who says it.

Action Item: Set an internet alert with a search engine to track quotes of your company or product names, or ask a professional monitoring agency to do the work for you. Start reading what the rest of the consumer world is reading about you.

2. Listen

2. Listen: Look up your name in social book marking sites, blog directories and review sites to find the true heroes of your brand (the "talkers"). It may be maddening or humbling to listen to what they have to say about you at first, but put yourself into their shoes and ask yourself: Is what they say true or not?

Action Item: Analyze customer comments about your products and services and try to understand the root cause.

3. Respond

3. Respond: Join the conversation, and admit to your mistakes.

Action Item: Reward talkers with a "thank you" note but don't try to bribe them. Fix the problem and then communicate to them that you have listened and fixed the problem.

4. Enable

4. Enable: Make it easy for your customers to recommend you and share your brand with their friends - online and offline.

Action Item: Add "share with a friend" links and link your web pages to the top five social book marking sites for easy referral. Provide special offers ("buy one, get one free") that customers can pass along to a friend.

Build positive grass roots level support into your product and services strategy from the beginning

Expose your ideas to a select group of opinion makers and Bloggers to get early feedback on your concepts.

Be humble and listen to what your customers have to say and how they feel about you.

Make changes and be responsive to your customers' suggestions to earn their respect.

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Join the conversation with your customers!



Creating customer loyalty

Reward your...

...loyal...

...customers!

"I will do whatever it takes to make my customers happy! Highest customer satisfaction is my goal!"

Is this a valuable growth goal for your business? Probably not! After all, you could just offer lower prices than everybody else. This would make your customers happy in the short term but unhappy in the long term, because you would not be able to offer great customer service after the initial sale – at which point they would leave you and go somewhere else. That's why part of your growth strategy should be to think about how you can turn your customers into repeat customers – and make them loyal to your company in the long term. Loyal customers will:

- Recommend your products and services to their friends
- Do business with you more than once
- Provide you with valuable information about how to improve your products and services

3 Ideas to reward your existing customers

Given how difficult and expensive it is to acquire new customers your challenge is to find ways to reward your existing customers. Here are a few ideas:

Idea #1: Flatter them! Create a regular customer advisory council and invite your best customers to join and listen to their feedback regarding your company, products and services.

Idea #2: Reward them! Offer "long-term" customers special loyalty rewards through extended service hours or warranties.

Idea #3: Don't fool them! Treat them the same way you would treat a new customer. Don't borrow a page from the playbook of credit card companies; if you offer introductory rebates or lower prices to new customers, offer at least the same deals to your current users.

How to measure customer loyalty with just three questions

Ask your customers the following three questions:

- How satisfied are you with our products and services? (Scale of 1-10, "1" being not at all; "10" being very much so)
- How likely is it that you will purchase from us again? (Scale of 1-10)
- How likely is it that you will recommend our product or company to your friends? (Scale of 1-10)

A total score of 21 or higher will be a good indicator that you have a loyal customer.

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Customer loyalty is more than customer satisfaction!





What's next?

Did you find our collection of marketing insights valuable?

If so, please recommend our book to your friends.

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Dealing with rejection

A negative...

...online review...

...is not the end of the world!



What should you do if you receive a catastrophic review for your products on a widely popular e-commerce or review site?

First, ask yourself if it is accurate or if it's an ill-fated attempt by a competitor to discredit your products. Could the review be considered slander, uses profanities and other inappropriate wording or infringes on trademark. In this case, the entry may be against the review sites terms and conditions and you have a fair chance of getting the entry removed or corrected. Just ask the operators of the site for removal of the entry.

Second, in case the entry is accurate, try to contact the author and offer to remedy the situation. If the site owner will not remove the entry, the only person who can remove the entry is the author them self. Ask for forgiveness and fix the problem or exchange the product.

Third, if you receive an overwhelmingly negative response, there may indeed be something wrong with the product or the way you market it. Make changes in how you run your business or to your products or services themselves.

Use rejection as a learning opportunity - and fight back!

