

Chapter Two: Increasing Adhesion

Strategies to Develop and Build Stronger Customer Relationships

Have you ever tried to glue something only to find that the glue was actually stronger than what you applied it to, so the end result was another break? The same thing can happen when trying to stick like glue to your customers. If your foundation isn't very strong, the best glue in the world won't help you. Your foundation is the relationship you have with your customers. It is your level of customer service – the way your business treats and values customers. In order to succeed in any business, excellent customer service is paramount. I've always stood on the principle that you can never go too far with customer service.

Bill Glazer, internationally recognized marketing expert and president of Glazer Kennedy Insider's Circle™, uses the phrase, "Inspect what you expect." By that he means that you should honestly evaluate how your company is addressing your customers, even going so far as to pose as a customer (or have someone play that role on your behalf – this is known as mystery shopping and you'll learn more about this in the bonus chapter!) to see how you're handled and what your overall experience is as a customer. What's your impression of when and how you're greeted on the phone? How quickly are you greeted, or at least acknowledged in person? Are your questions answered promptly and courteously? Did you find it easy to do business with your

company? Did you leave with a smile on your face? The reality is if your customers are not smiling when they leave your store and saying to themselves, “Wow – that was a great experience,” it is not likely that they’ll be sharing this experience with others.

The sad truth is that today customer service is at an all-time low. It seems most companies prefer to put their customers in an incredibly difficult-to-navigate maze of voice mail rather than talk to them, and if you visit most stores, you’re greeted by someone who has no training whatsoever... if you’re greeted at all. That’s the bad news. The good news is that since customer service is at such an all-time low, it is really easy to stand out and be recognized – and talked about – as a great place to do business with.

It’s my belief that if you simply make it easy for someone to do business with you and you are polite and courteous, you will have happy customers. If you go just a few extra steps to make your customers’ experiences with you memorable, they will be singing your praises from the roof tops!

And inspecting what you expect boils all the way down to the basics. Is your outgoing voice mail message professional and friendly? Is it current? How many times have you called somebody and heard an outgoing message that was from a just past holiday or perhaps their vacation two months ago? Don’t laugh. Something that simple sends the wrong message to your customers. I remember management guru, Tom Peters, saying one time that coffee stains on the flip down trays mean that the airline doesn’t care about engine maintenance. Fair or not, your customers form opinions from their initial contact with your company.

Once when I was a regional manager for a chain of stores, I visited one of the stores I was responsible for, and the first two things I noticed were greasy hand prints all over the door and that the carpet was filthy. When I questioned the manager, he said he and the store were busy and the vacuum cleaner was broken. I told

him that while both of these reasons (excuses) could be true, the customers who came to this store didn't know how busy he was or that his vacuum cleaner was broken, and fair or not, they would draw the conclusion that this business didn't care about quality.

If you're a virtual business, what's the first thing visitors see when they go to your Web site? Is it clear, compelling and easy to navigate, or is it a cluttered mess filled with way too many options? If you've got a brick and mortar shop, what's the first thing customers notice when they walk through your door or even before that... when they park their cars? Is it clean and orderly? What about your signs? Are they worn and looking like they should have been replaced a year ago? Are there signs in your window promoting an event that took place five months ago? If you can't honestly assess these things, ask someone to do it for you... and act on any negative reports immediately.

All the Way to the Bank

I've found over the years that 'inspect what you expect' thinking often falls short, especially in large corporations, as you move from the front lines of customer service toward what I call the 'Ivory Tower.' This is where policies and procedures are enacted by folks who rarely, if ever, spend time interacting with customers, and those policies are silly and often ridiculous when implemented on the front lines. And if only those upper-management folks sitting in the Ivory Towers would inspect what they expected, they'd quickly see how the very policies and procedures they create often interfere with their real mission and ability to grow their business by meeting and exceeding customer expectations. Twenty five years in retail has ingrained in me an ability to spot such stupidity a mile away, as I did recently, so let me share the story to illustrate this point:

I was on a tight schedule as usual and one of my stops was at my personal bank to deposit a check. I pulled into the drive-through and after waiting almost twelve minutes (the equivalent of a lifetime to a person like me (I have the patience of a gnat!), the teller returned to tell me that he couldn't deposit my check because it appeared altered. What?

It was my own company check, written by me to myself, to be deposited (not cashed!) into my personal checking account I had with this bank. It seems that the bank has a policy of not accepting checks that may appear to be altered. At first glance, this seems like a worthwhile safety policy for all concerned, so I asked what the specific objection was.

The teller explained that the date looked altered. He said that he couldn't tell if the date was February 12 or 13. It was not altered, perhaps my messy handwriting made it look that way, but in either case, what difference could this possibly make? It was February 13th! At this point I really wasn't mad, I was stunned in disbelief.

I realized that the teller was simply following bank procedure and not the one to be upset with, so I asked if the manager was inside. He said that she was but that she already OK'd this! "Tell her I'll be right in."

I drove around, parked and went inside where the manager was waiting for me. She re-explained the bank's policy and showed me that the date on my check was not clear. Since it was already February 13th, I asked what possible difference it could make, and she simply repeated the bank's 'no alterations' policy. I would need to bring back another check. Now I was getting steamed.

Here are the facts of this situation as I explained them to the branch manager who, by the way, knows me by sight!

- You recognize and know me by sight as one of your customers.

- You personally opened up our checking and savings accounts.
- You processed our home equity loan six months ago.
- You know that I own my own business and that this is my company check, written by me.
- And finally, I'm not looking to withdraw money; I'm trying to deposit this money into your bank!

No dice. She told me that I had to write another check and come back. Despite my utter disbelief and, I believe, red face, I still recognized that even the branch manager was not the policy maker, so I asked who was and if we could get that person on the phone! Surprisingly, she obliged, and she got the bank's corporate controller on the phone to further clarify the bank's 'no alterations' policy. The branch manager told the controller the facts as I just outlined above, and then asked the Ivory Tower controller, "Even though I know Jim, if I accept this check, someone in compliance will write me up, right?" She was told, "Yes, they will."

And there you have it. The branch manager, who appeared to have an ounce of common sense and was trying her best to help me, her customer, was simply afraid for her job, and the result was one of major inconvenience for a good customer. Not good. By the way, this bank has also been courting me for six months to move my business banking to their bank. Not going to happen.

This is an example of a policy created in the Ivory Tower, combined with zero tolerance for any common sense to be applied by the very folks entrusted to actually interact with and serve their customers.

Many times company policies are created in the heat of the moment when something bad or unfortunate happens at the store level. Typically, the policies created are an over-reaction to something that rarely happens and, in fact, create impediments to the very customers with whom they are trying to do business.

- Do you have any of these policies in your business?

- Do you trust your front line staff to do what's necessary to serve and please your customers?
- And more importantly, does your staff know that you 'have their back' and will not come down on them for trying to please a customer?

Remember, customers have many options. Make it easy for your customers to do business with you. By the way, when I left the bank, I drove to another branch location less than two miles away, and they immediately deposited my check – so much for consistency!

I believe that the vast majority, perhaps 98%, of customers are honest and not out to take advantage of a business. Unfortunately, when a customer does take advantage of a situation or does something completely dishonest, too many companies over react and create policies that adversely affect the vast majority of honest customers.

So really evaluate your policies. If you got some that were put in place as a knee-jerk reaction, they probably only address about two percent of your customer base and create road blocks for the 98 percent who are trying to do business with you. The choice is yours. You can dig your heels in and determine it's your way or no way, but at the end of the day, your bank deposit is going to be smaller.



Sticky Note:

In my retail days, when I was training store employees or new franchise owners, as we had this discussion of customer service, I would tell them that it's okay if you choose to be right – but most of the time your bank deposit will be smaller as a result. For me, I learned to be 'okay' with siding with the customer, even if they were wrong, because it usually meant that my bank deposit would be larger!

All Customers Are Not Created Equal

Here's something I'd like you to repeat after me: "All customers are not created equal." Once again, "All customers are not created equal." Remember that. It goes back to the 80/20 rule: 80 percent of your profits comes from 20 percent of your customers. Knowing that fact, why would anyone not cater to that 20 percent? Every customer should receive great customer service, but those who are more loyal, deserve more.

This is the basis for rewards programs like those offered by the airlines and restaurants. When you travel exclusively with one airline, you build up more miles, and the more miles you get, the more perks you get. Those who have more miles are treated differently... treated better, and there's nothing wrong with that. These programs don't arbitrarily play favorites. They simply reward loyalty. Those travelers who are packed into economy class, jammed into the middle seat, are as eligible to sit in first class as those who are doing so. They simply have to spend more and earn more miles. Loyalty programs are great ways to reward your best customers.

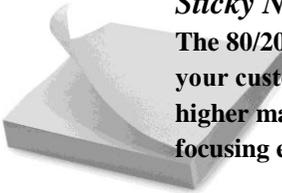
Catering to your best customers starts with the 80/20 rule, but continues to the 90/10 and even the 95/5 rules. No matter how you slice it, the greatest percentage of your sales (and ultimately your profits!) comes from the smallest percentage of your customer base. Analyze your customer list and learn who's spending the most. If you want to sell more (and who doesn't!) these are these easiest people to sell to since you already have an established and trusting relationship with them, and your cost of doing business with them is the lowest. High sales and low cost always equates to greater profitability. It's one of the simplest equations in business, so know who your hyper-responsive customers are and use that to your advantage. Marketing legend and one of my business mentors, Dan Kennedy puts it this way, "If

you want to sell more, go back to the people that have already identified themselves as buyers – your customers – because buyers are buyers are buyers!”

Let your best customers know that they’re your best customers. Promote them in your monthly customer newsletter, give them special perks, different VIP cards and even a shorter line to wait in. You’re not slighting the other 80 percent. Like the airline miles rewards program, anyone can sit in first class if they’ve got enough miles. The same thing applies here. Remember, your customer list is your most valuable asset. Knowing how to segregate and create specific marketing programs for specific groups of customers is one of the smartest and easiest ways to grow your business and increase your profits.

Sticky Note:

The 80/20 Rule: 80% of your profits come from 20% of your customers. They’re the easiest to sell to and generate higher margins. This is the single greatest reason for focusing efforts on customer retention.



Avoiding the Traffic Jam

It’s said, “There are never any traffic jams on the extra mile.” Going the extra mile for your customers is one of the single best ways to strengthen your customer relationships.

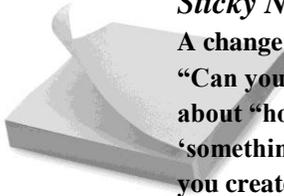
As I stated earlier, the current state of customer service stinks. The Internet offers a wealth of benefits to conducting business 24/7/365, but it means a lot of self service. Automated systems are cost-effective, but we all complain about voice mail hell. And when’s the last time you needed to ask a question or get help in one of the ‘big box’ stores? How’d you make out? Could you even find anyone to help you? Even the storewide announcement “Special assistance needed in aisle 7; special

assistance needed in aisle 7” rarely brings prompt, special assistance.

Sadly, we’ve all come to expect lousy customer service. That said, if you do what you’re supposed to do and when you’re supposed to do it, you’re probably already ahead of your competition. But why stop there? Go the extra mile. It’s becoming easier to stand out without a ton of effort.

You can surprise customers with the little extras. They create positive feelings; your customers will remember them and feel good about doing business with your company. Most of all, they’re going to tell others about their great experience.

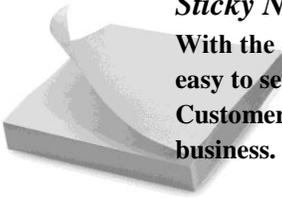
Sticky Note:



A change in mindset: The minute a customer starts to ask “Can you ...?” your mind should be focused on thinking about “how can I ...?” and try to provide the extra ‘something’ for free, if at all possible. The extra ‘wow’ that you create will be far more valuable than the extra expense.

I often speak around the country on newsletter marketing and on one of my trips to Florida, Steve Clark, the host of the event, went a few extra steps out of his way to make certain to check that my hotel accommodations were memorable by upgrading me to a suite. I thought that was a nice touch, but when I got to my room, I found he’d also left a gift basket for me, and after a long day of travel and speaking, it certainly put a smile on my face. And it really got me to thinking about the power of this business philosophy about going the extra mile. By the way, I was so touched by Steve going the extra mile that when I landed at Philadelphia Airport, I got out my camera and shot a video about the trip for my Newsletter Guru TV Web site (www.NewsletterGuru.TV.com). The episode was called “That Little Something Extra,” and in it, I mentioned Steve and his

company by name. See what I mean? It doesn't take much to get people singing your praises! So the question is, are you giving your customers something to sing about?



Sticky Note:

With the sorry state of customer service these days, it's so easy to set yourself apart by traveling on the extra mile. Customers will appreciate it and reward you with repeat business.

Every once in a while, going the extra mile, especially for your better customers, can make all the difference. If you've got an Internet company, send them an extra 'special' report or perhaps bonus them with a surprise MP3 recording. Or mail a book or some kind of surprise gift to your best clients. Every once in a while, go the extra step and it will definitely put a smile on their face. Sure, it might take a few dollars and a bit of your time, but in the end, it more than it pays for itself over and over. Plus you won't have to worry about the competition. Remember, there's never a traffic jam on the extra mile.

Cuff 'em

Another way to get your customers to stick to you like glue is to 'handcuff' them to your business. There are a variety of ways to do this, but let me warn you first: you *must* support these efforts with outstanding customer service or your efforts can quickly backfire!

The more you do for your customers, the more difficult it becomes for them to walk away from your business. The more ingrained you can get in your customers' businesses, the more likely they're going to stick with you. The key is to determine what you can offer them that your competitors cannot. Maybe it's a

specialized software offering or a turn-key approach to improving their processes. Whatever you determine it is, the closer you can get to the core of their operations, the more you ‘handcuff’ them to you. I also refer to this as the ‘pain of disconnect.’

Building your relationships with customers is a simple way to politely ‘handcuff’ them to you. For example, if you’ve taken the time and effort to learn about their operations and work with them in the role of a consultant as opposed to an order taker, the tougher it becomes for them to walk away. After all, if they’re thinking about choosing a new vendor, they’ll be faced with re-explaining, re-teaching and imparting all that information about their business that you already know to someone else. Knowing they’ll have to invest that time and effort tends to make the idea of changing vendors less attractive. However, if you manage to ‘handcuff’ them, but fail to support it with solid customer service and performance, you will create a lot of resentment and a very displeased customer. Conversely, if you’ve been supporting them all along with outstanding customer service, it isn’t very likely that they’ll be looking for a new vendor and will appreciate you in the role of their consultant.

Sticky Note:



“Giving is better than receiving because giving starts the receiving process.” – Jim Rohn, leading motivational speaker, philosopher and entrepreneur.

Reciprocity is another psychologically persuasive means of building stronger customer relationships. Like the idea of ‘handcuffing’ them, this one also carries a warning: Give, but *expect nothing in return*. It goes hand-in-hand with the idea of going the extra mile for customers. When you do something extra for them, they’ll remember it and psychologically *might* feel like

they should return the favor by giving you extra business. Like I said: Never expect a return, and by all means, *never ever* suggest it to them.

This ‘no strings attached’ mentality is a key factor in gaining the benefit of reciprocity. In their book “*Yes! 50 Scientifically Proven Ways to Be Persuasive*,” authors Goldstein, Martin and Cialdini conducted a study about hotel guests reusing their towels. The study measured guests’ receptivity to reusing their towels rather than receiving fresh ones each day. On one hand, guests saw a placard in their bathrooms suggesting that a donation to an environmental organization *would* be made if they opted to reuse towels. Other guests saw placards that indicated that donations *had already been made* on their behalf. The first version had strings attached (i.e. if you reuse your towel, we’ll make a donation); the second one had no strings attached (i.e. we’ve made a donation on behalf of our guests). The rate of towel reuse by the ‘no strings attached’ guests was considerably higher.

The bottom line to increasing adhesion and strengthening your customer relationships is as simple as the golden rule. Treat your customers the way you’d like to be treated. By going the extra mile and really serving your customers, you cement the foundations of your relationships with them, and they’ll stick like glue... and stay with you for the long haul.

Sticking Points:

Here's the recap of the important points to remember about developing and building strong customer relationships:



Inspect what you expect: test how your organization treats your customers and their impressions of your business.



Get rid of any policies that create impediments to the majority of customers who want to do business with you.



All customers are not created equal. Reward those who provide you with more business.



Go the extra mile for your customers. They'll remember how you went out of your way for them.



Politely 'handcuff' your customers to you, but be certain to support this technique with rock-solid service.