

Bank fees—here today?

If you have been following the news lately, you have heard that Bank of America was planning to impose a \$5 monthly fee for customers using their debit cards. The fee has now been scrapped. The public commentary has been that the “people” won in this debacle against the big bank. True, but I am not sure that is the reason why BofA decided to stop the fees.

Here are my thoughts:

1) Bank of America was not the only bank to think about imposing these fees. Other banks, including SunTrust, had ALREADY imposed debit card fees. The media covered BofA because it is a very large bank, and had been involved in the bank bailout. The negative publicity was in fact **media-driven** more so than people-driven.

2) NOT having debit card fees quickly became an advertising selling point for smaller banks. Here in the DC area, the local Cardinal Bank put out several ads touting its fee-free debit card. **The bigger banks hated giving the smaller banks a great USP.**

3) Having fees on debit card transactions was a bad idea because it would REDUCE the amount of debit transactions people engaged in. Banks still get a small percentage every time a customer uses a debit card. The new banking rules simply reduced the amount (did not eliminate it). If people stop using debit cards, there is no fee for the bank and NO PERCENTAGE FROM TRANSACTIONS AT ALL.

4) The negative publicity was likely not the main factor in getting the banks to reverse course. After all, baggage fees are still alive and kicking in spite of very negative reactions by the flying public.

What are your thoughts?

Creating goodwill

Is there a company or organization with which you won't do business or give a donation because you feel it has not treated you right? Many of us have this aversion to giving more to those who don't do well by us.

Just a few weeks ago I bought an item at Radio Shack. I was assured that returning it would not be a problem. Well, it wasn't a problem *per se*, other than they required my full address, phone and God knows what else, in spite of the fact I had the receipt and the credit card in hand. Then, I didn't actually get the credit until I got American Express involved. After a few days, the credit was done and I had goodwill toward Amex, but resentment toward Radio Shack. Making a return there was a hassle, to say the least, and with that in mind, I won't be buying anything at Radio Shack if it can be avoided.

Goodwill has to do with how we treat others, and how others treat us. If we are treated badly or indifferently, we don't like it. **No amount of advertising or public relations will compensate for lack of goodwill.** Radio Shack could have everything on sale, but I am not going to shop there.

If a company makes goodwill an integral part of their sales and marketing (and operations), it will pay off. **Goodwill creates happy customers.** Happy customers may become repeat customers, and even goodwill ambassadors. If you have a good experience with something, you will share it. Similarly, if you have a bad experience, you will share it, and that will take the lack of goodwill viral.

With social media, large organizations have the chance to

interact directly with people. When I had the problem with Radio Shack, I mentioned the company in a couple of Tweets. And guess what, NO response.

More importantly, those of us who use social networks regularly have a chance to build goodwill with our followers (groups). We can answer questions, re-tweet posts, offer encouragement, support causes. And the payoff is goodwill.

We are more likely to associate with people and organizations to which we feel goodwill.

What are you doing to create goodwill?

Think a headline does not matter?

A headline can either draw the reader in or not.

The Washington Post has different headlines on its website than in the print edition (why this is, I don't know). This morning, for example, I barely glanced at Charles Krauthammer's op-ed piece "Libyan 'Crossfire'." Then, when perusing WashingtonPost.com I saw the following headline:

Krauthammer: Gaddafi justified his rotten death

Now, that intrigued me. So I clicked and lo and behold, it is the same article.

A good headline is descriptive, yes, and has an element to make you read further. Writing a good headline will get your article (or press release or blog post) seen (if not read fully).

Yeah, communications do matter

Netflix has just lost 800,000 customers and has seen its share price drop. Why? Because Netflix's CEO is a terrible communicator. It is that simple.

I am not going to rehash the whole price hike, Qwiskter debacle here. You can read more and find some really good analysis by Nick Wingfield and Brian Stelter on the New York Times (Netflix Lost 800,000 Members, and Good Will).

The article says this:

Like many other companies built in Silicon Valley, Netflix prides itself on its analytical, data-driven approach to making decisions. But it made a classic business misstep. In its reliance on data and long-term strategy, the company underestimated the unquantifiable emotions of subscribers who still want those little red envelopes, even if they forget to ever watch the DVDs inside.

It seems to me that Reed Hastings is probably very good at forecasting and trend analysis and has decided, purely on an analytical basis, that streaming is the future. He then proceeded to move his company full force into that future, *while steamrolling over his existing customers*. Because he didn't view those clients as PEOPLE, he viewed them as revenue sources. And thus, he communicated to them as if he were

communicating to inanimate objects.

You see, revenue sources should not have any kind of emotional reaction to news. But people do. People not only react to news, they SHARE their emotions with others. And you add amplifiers such as social media into the mix, and pretty soon lots of people (also known as customers) are sharing in the bad emotions and being persuaded to act. Which in Netflix's case ends up in lost membership.

Communications starts with the premise that you are connecting with other people, as I said in this post. If you fail to connect, you also fail to communicate, and in Netflix's case, the damage adds up in monetary losses and hits to your reputation.

One key to a succesful pitch

I have been seeing a few articles lately about how to craft an elevator pitch (or whether to even have one). The latest one I have seen was today's blog post from BurellesLuce: "Creating a Successful Elevator Pitch." Although Lauren Shapiro does a good job of summarizing Robert Pagliarini's article (have a hook, be concise and passionate and have a call to action) about the same subject on MoneyWatch.com, she misses what I consider THE key.

CLARITY

Although Merriam-Webster is not helpful with its definition ("the quality or state of being clear; lucidity"), we instinctively understand that clarity is something we recognize rather than explain. If something is clear, we "see" it, we "get" it. If something is not clear, it is opaque, it

can't be understood.

Yes, clarity is the key to *any* successful pitch, be it an elevator pitch or a media pitch. If you don't say exactly what you mean so that the other party understands, you are not communicating.

In a previous post, I spoke about a woman who gave an elevator pitch that went nowhere. She wasn't being clear. She could not distill her message and therefore she was confusing us.

Pitches are not about being clever or even about explaining everything there is to know about something—they are about communicating **one central point clearly**.

You should be answering the key question the entity you are pitching has:

- Why should I do business with you?
- Why should my publication run your story?
- Why should my product be advertising on your channel?

If you can't give a clear answer to the question you can be as clever and pithy as you like and still not communicate.

More ways to communicate; less communication

We've got Facebook and Twitter; Skype and GChat; email; text; and many other forms of staying in touch. And yet, most people seem to be communicating less not more. There seem to be fewer conversations but more content.

Lately, I have seen it more and more. People don't respond to email. People don't return calls. People don't seem to acknowledge when they have been contacted.

Yet, people have an expectation of immediate response. For instance, a woman in my now defunct book group placed a note on Facebook about changing our book group meeting (scheduled for two days after her note) because she hadn't finished reading the book. Because I did not immediately answer her, she emailed me the message. (The answer, by the way, was no.) If she truly wanted an immediate answer, she could have just called. But calling would have involved a conversation, and people today seem to be reluctant to have those. So even though she sent me messages two different ways, she failed to CONNECT with me and thus, her communication was fruitless.

Sharing is not communicating. Repeat: sharing is not communicating. If I share an article, all I am doing is giving you an opportunity to read it. I am not communicating what it is about the article that I agree or disagree with, and more importantly, I am not hearing what your thoughts are. We are not discussing or conversing about the subject—we are just exposing.

In all this morass of social media and instant messaging, we are losing the ability to connect. Real communications between people involves connection. A message posted to the ether is not connection. If I tweet something out, am I truly communicating? No, I am not. To truly communicate I would have to have a back and forth conversation where ideas are shared, people are listening and listened to.

It's a shame that in a world where we can be in touch with anyone anywhere at any given time, we are losing the ability to really connect.

Your thoughts? Let me know what you think...I really want to know!

Should you be handling your own communications?

When businesses are very small they tend to not be able to afford outside help. Sometimes, the business in question works in the communications space (writing, editing, advertising, etc.) and thinks it can handle it.

Chances are good that you should NOT be handling your own communications, unless you can answer the following three questions:

1) Do you know what you offer, and can you say it in one sentence? Recently, I was at a business meeting and someone was attempting to describe her business. She gave us many sentences but still it did not make sense. Someone had to ask her to clarify, and she still wasn't able to do it.

2) What are the top three benefits of working with you? Unless you have been asking your customers all along, chances are good that you may not be sure what your customers really appreciate about your business.

3) Are you able to speak(and write) in plain English? Many firms, especially those in the technology sector, speak in jargonese. Most people, including your customers, do not understand jargon, or convoluted sentences. Being clear and making yourself understood is not so simple!

Hiring outside help can be invaluable in helping you to refine your message, clarify your thoughts and communicate them

concisely.

Don't focus on the tools

To quote a long ago mentor, Gad Almaliah (of blessed memory), the computer is just a tool. You have to know how to use it. Gad was an artist and graphic designer who started his career when people still worked with blades and pens and glue. He learned the fundamentals of design and applied them whether using the old tools or the new.

You don't become a software engineer simply by owning a computer and you don't become a writer by having a pen. It sure helps to have the right tools, but you have to know how to use them to make them reach their full potential.

As you are probably aware, Steve Jobs died yesterday. I have seen a number of tributes to Jobs, focused on his stewardship of Apple and the Mac. Apparently, many people's lives have changed because they now have the iPad or the iPhone or a Mac on their desk. However, I have to say that no matter how snazzy and cool your Apple product may be, it is not going to make you creative or smart. A designer may be able to do more with Macs, but he or she must know the fundamentals and have a vision and creativity. The Mac, without a human operator who has the capacity to do with it what he or she dreams, is just a machine or tool.

Tools alone are not enough. You must develop strategies. You should encourage creativity and problem-solving. After all, the focus on the tool (for instance Twitter or a iPhone App) instead of the message will not help your communications

campaign.

Is Facebook becoming a nightmare for small business?

I logged on to my Facebook page to find the following message:

Changes to How You Share Content on Your Page

We want you to connect with your fans in the most effective ways possible. That's why as of September 30th you'll no longer be able to automatically import posts from your website to your page notes. The best way to get people to interact with your content is to give them insight into the links you share on your Wall by adding personal comments and responding to feedback from fans.

We're focused on creating even better tools for pages – look for announcements soon.

Somehow, I am not sure that making it harder for me to share my blog posts on Facebook will also make it more effective for me to connect with my “fans. ” Why is Facebook telling me what is better? The answer is simple: Facebook wants me to spend money. Advertise the page to get more fans, and more clients.

Over on Mashable, there is an article “What Facebook’s Changes Mean for Marketers.” Basically, the new Facebook changes will force marketers (businesses) to create a more interactive approach to the getting fans. It will require more work and more dedication.

For small businesses, which are working on getting paying customers and using social media to amplify their reach, putting more work into ONE platform is nonsensical. Yes, Facebook has A LOT of users, but not all those users are your customers. If a business finds that its best base is coming from Facebook, then yes, it will be worth investing the extra time.

I am not convinced that Facebook generates sales. It does help create brand awareness and build image, which adds value. Small businesses will have to decide how much more time they want to devote to Facebook, since it looks like it will require more time, more work and more strategy.

Your thoughts?

What do your customers want?

Can you complete this line:

The main thing my customers/clients want from me is ...

You should, of course, be able to answer this. If you are a toy manufacturer, for example, your line could be “the main thing my customers want from me is safety...parents won’t buy unsafe toys for their kids.”

Once you can answer this question, you can proceed with marketing.

This week, Netflix made an announcement that it would spin off its DVD business under a new name (Qwikster). This came at the heels of a subscriber loss due in part to the 60% increase in prices announced earlier. Not only that, but Netflix’ stock price has fallen.

Apparently, Netflix failed to ask itself what its customers wanted. Ignoring their loyal fan base (as this great article in the Harvard Business Review blog discusses) is probably why there has been such an uproar.

What do Netflix customers want? Do they want more streaming video or do they want to keep getting DVDs in the mail? Do they want an easy, inexpensive way to get movies fast?

Netflix' CEO wants to be in the streaming business, not in the DVD business. But perhaps that is not what his customers want. Perhaps his customers do not like the name Qwikster. Perhaps he didn't ASK his customers first. Sure, companies have to make decisions based on financials etc, but part of the input should include some market research, some customer feedback. Netflix did not ask, and now they know—customers want convenience and price stability from Netflix.

What do your customers want? How will you find out?