

More ways to make people dislike your company

It is the marketing kiss of death when people actively start disliking your company. People like to do business with people (and companies) they like. Except where there is monopoly-like with the power company or the phone or cable company—then people are forced to do business with companies they do not like very much.

Yesterday, Netflix became a very disliked company. In an email to subscribers (which again hit AFTER the press release hit the blogosphere), Netflix raised its prices for the second time in less than one year. The company, which was offering people a plan that allowed one DVD at a time (unlimited in a month) and unlimited streaming for \$9.99 (raised from \$8.99 last December), is now offering this combination for \$15.99 OR you can get the DVD option only for \$7.99 or the streaming option only for \$7.99. You can read it Netflix own words here:

<http://blog.netflix.com/2011/07/netflix-introduces-new-plans-and.html>

Needless to say, a price hike of this magnitude was not greeted with open arms by Netflix subscribers. Just check out the more than 6,000 comments on the blog (link above), or these stories from USA Today and the New York Post.

On Twitter, many people are expressing their dislike for this price hike and threatening to cancel their subscription altogether.

Netflix is pretty disliked right now. But what really is driving the discontent?

1. **Raising rates without offering more.** In effect, most people are complaining because Netflix' streaming option does

not offer the equivalent value of the DVD option (i.e. you can't get everything on streaming that you can get on DVD).

2. Thinking your customers will grin and bear it. Yes, it probably will help to raise revenue...if you keep your current base! The result here is that customers will find other options better suited to the value they perceive the service should be worth.

3. Underestimating the power of social media. With Twitter and Facebook one person's discontent spreads like wildfire.

4. Underestimating your customer's intelligence. The email from Netflix about the price hike says this:

We are separating unlimited DVDs by mail and unlimited streaming into two separate plans to better reflect the costs of each. Now our members have a choice: a streaming only plan, a DVD only plan, or both.

This presumes customers want a choice or that they don't like the choice they have or that if you put it as a choice then people will accept it.

Companies that treat their customers like revenue sources and not like people who actually do have a choice in which companies they do business with, risk losing business. Netflix will probably survive this episode, but not without a lot of bad blood and bad publicity.

How to become the most hated company

Yesterday, I talked about how you can make sure people dislike you. It's not hard—all you have to do is be self-centered and creepy. Well, how about making your company one of the most hated companies in America? That is a new level of dislike, and Pepco has reached it.

The article about this “honor” in WTOP (Berzerk customers make Pepco ‘most hated’ in U.S.) tells us that the power company has had a drop in customer satisfaction since last year, due in part to:

frequent and wide-ranging outages made worse by belated customer service response... Pepco has had reliability problems in the past, but not as serious as the last year when its customers faced 70% more power outages than households in other metropolitan areas, along with outages lasting twice as long on average.

What is most interesting to me is how Pepco responded to this “accolade” reported in the website Business Insider. Here is what the article said

Pepco initially issued a statement questioning the validity of the Business Insider rankings, which it said could have been to drive up their readership.

It later retracted this statement, released another written statement in response to the survey. Pepco spokespeople declined to answer specific questions.

“While we certainly believe that this label is over the top, we have heard our customers loud and clear and are working hard to upgrade our system,” the second statement said.

Pepco's communication department certainly does not get it. You don't get rid of something by attacking the source (unless it was some muck-raking tabloid). The lesson here is that Pepco is in denial about how it is perceived by its customers. As a company, it believes that if it says that it is fixing things, people should just accept it.

To become the most hated company you have to provide bad service, first and foremost. But you compound this by:

- Thinking your customers are stupid or ignorant (read about Pepco's misguided ad campaign for instance)
- Denying that serious problems exist
- Not doing enough to address those problems, or just giving lip-service to fixing said issues.
- If criticized, pointing fingers at the source of criticism rather than dealing with the substance.

I tweeted out the WTOP article yesterday, and @pepcoconnect tweeted back: Working to get it right (with a link to this: <http://pepcoconnect.wordpress.com/2011/07/11/working-to-get-it-right/>) And if that is true, why on Friday night, did I lose power for one and half hours, for no apparent reason?

My marketing must-haves

As a very small business, Deborah Brody Marketing Communications does not have a large marketing budget (seems a bit ironic). For instance, I have never printed a brochure, but I do have a website. Here are the list of things I do have, some of which are free, for marketing purposes:

- **Website** (soon to be upgraded...stay tuned): This is the must-have of all must-haves, for the obvious reasons

that you need to know that I exist, and without a website, I may as well not be here.

- **Blog** (you are here on WordPress.com ...soon to be integrated to one site): Keeps you informed on what I am thinking.
- **Business cards:** printed, in color and double-sided. Well worth the investment. Latest ones were ordered from Greenerprinter.com and are made of 100% recycled paper.
- **Twitter:** Have met many people via Twitter not to mention the amount of information and ideas that I have picked up.
- **LinkedIn:** A profile on LinkedIn is like an online resume with feelers.
- **Google alerts:** I track several topics, and my own name. An invaluable source of current information only topped by
- **Google reader** (with a long list of great blogs and feeds): You need to be current in the marketing field...and probably any field. A good way to stay on top of stuff is to have your Google Reader feeding you the latest from the industry's top blogs, etc.

What I have that is not a must-have: a Facebook page for my business. This is in spite of evidence that says Facebook is a good place to be for businesses and brands.

What are your must-haves? Let me know in the comments please!

What makes stories work?

Last week, I attended a Washington Women In PR (WWPR) panel on "The Art of Storytelling." WWPR's Past President Debbie Friez has a great recap on the BurellesLuce blog.

While I agree with the concept that creating a story will help your organization to connect with its target audience, one thing was not answered. What makes the story work?

Danny Harris of People's District said that stories help "show the texture," which I take to mean give life and detail to otherwise dry and boring concepts. For instance, if I tell you I saw a homeless person on a street corner, that means nothing. But if I tell you that I stopped to talk to the homeless person, and he was able to tell me that because of a health issue he lost his job, and then his house, now you understand the situation. The story fills in the details.

Stories should be memorable, ideally. But then again, not every story, and certainly not corporate stories, is memorable. Stories should aim to create recognition and let you find commonality with them through the details they impart. Yet what details will resonate with your audience?

One thing not one person on the panel said and which I think is absolutely critical for storytelling is this: authenticity.

Although it is a much-vaunted word (especially on social media), authenticity is a concept that is often lacking in marketing communications. When something doesn't ring true it is because it is not authentic. Case in point: my criticism of Pepco's ads about customers being first. Those ads were simply not authentic. Why? Because anyone who has had to deal with Pepco knows that customers are NOT first. Same goes for Comcast (Here is a total aside, I went to Comcast to return equipment and saw a sign that said "Customers are our first priority." Of course, the customer service office was a small cramped affair where a dozen people were waiting in line for one or two surly customer service reps. Yes, I am sure Comcast puts customers first.)

If you are going to use stories to relay your marketing message you have to be sure they are authentic. People see

through the BS. And people who see through it will now have a really bad impression about your organization.

What do you think makes stories work?



Web and social media irritants

There are things that I see happening on social media and on the web that are irritating. They happen way too often. Here are my top peeves (and least of this week).

One of my top ten peeves of all time, and which I have discussed before, is the **impersonal invitation to connect on LinkedIn**. In the past few weeks, I have received at least four or five invitations from people I don't know and who haven't made the slightest attempt to personalize the LinkedIn generated note "I'd like to add you to my professional network." I got one this morning, and I fired back a note telling the person in question that we hadn't ever met, and that a tip for her would be to personalize the note. She wrote back this really clueless note:

*Please accept my sincere apologies. I must have mistaken you for someone else. I thought I had met you at a XXXX function. I never send blind invitations.
I am currently writing for a couple of online magazines and am building local pr connections.
So sorry to be an annoyance.*

Why is this clueless? Because, a) she did send a blind invitation. She could have written something like, "We met at a XXX event last week, and I would like to connect with you here." And b) she is telling me she is using LinkedIn to build connections, which I interpret as using this forum to send out countless queries and newsletters , etc. So, she is not seeking to build a connection with ME, she is seeking to build her network to profit her work.

Other irritants are:

Blog posts that are not shareable on social media. And ironically, this post, from the All things WOM, from the Word of Mouth Association, IS NOT SHAREABLE. Has no share buttons. Really. How stupid is this.

Web redesigns that are not useful to the reader. The Washington Post redesigned their website and recently re-launched it. As far as I can tell, readers were not consulted. In a note to readers, sent THREE days after the re-launch the Post says:

The Washington Post is now even more essential and more in tune with the way you interact with news.

- *Follow stories as they develop and share your ideas as they evolve*
- *Watch events unfold with new video programs*
- *Know what's getting the most buzz and what's really happening in D.C.*
- *Get straight to your favorite coverage with destination hubs for Politics, Local, Sports and Opinions*

I guess what they mean by "more essential" is less stuff to read. Now I have to dig through the site to get to local news. And where are the blogs? Oh, and by screwing around with the site, lots of the Post's blog RSS feeds were messed up. Nice going.

Using swear words on Twitter. I have written about this before, and I will again in light of this article in the New York Times. I swear all the time, just not on Twitter. Because Twitter is a broadcast medium that is also archived. What you say here is on the record for ALL to see. It shows a lack of thought to use your words carelessly.

Promoting yourself endlessly or worse, showing off on Twitter. There is one particular person, whom I just unfollowed today, who felt it necessary to be a braggart at every turn. It was things like this: “aren’t you jealous of my fabulous view?” with an attached picture. Why do I want to read this? Why do I care? Again, Twitter is a broadcast medium. What you say can be seen by 1000s of people.

Sending too many (or useless) email marketing messages. The AMA-DC was sending me four emails A WEEK. I told them it was too much. They unsubscribed me for criticizing them. And here is Entrepreneur’s take on why people stop following you. Read it and see that too many emails or too many posts irritate people. (And get this, I keep getting Comcast’s marketing missives, even though they CANCELLED my account.)

Any of these get your goat too?

Positive Power!

No, this is not a post about the power of positive thinking. It's about the power of positive reviews.

How many times have you bought a book, gone to a movie, hired a contractor, eaten at a restaurant because you read/heard a positive review? I would bet that the answer is many times.

Case in point. The Washington Post raved about Helen Simonson's book, Major Pettigrew's Last Stand. In fact, many other reviewers also raved. So I went out to buy it. And guess what, I am not liking it quite that much. But the sale has been made.

Getting a third-party positive review is definitely worth its weight in gold. This is why public relations is so valuable, even in the age of social media. You get one great review, and you will get lots of interest (and possibly lots of sales). The sticking point lies in whether the product/service/movie/restaurant delivers the goods. You may get an initial sale but no follow up sales if the product does not live up to its review.

As companies look to save money, many are doing away with PR help. This is not good business. Good PR can lead to good reviews, which in turn, may lead to increased sales.

When has a review turned your opinion? Please share any stories.

Pepco Post Number 3

As I mentioned in my last post, the Washington Post published a pretty devastating expose of Pepco's failings and today, there are several letters to the editor that provide some insight into public unhappiness with the utility company. Additionally, Post columnist Robert McCartney has a pretty strong take on Pepco and its excuses.

Pepco is facing a public relations crisis. As McCartney points out, Pepco's PR strategy of saying that customer's expectations are too high is unsatisfactory and, frankly, ridiculous. The last time I checked, the United States is a first-world country, and Washington, D.C. is its capital. As such, it is not out of line to expect power to be 100% reliable. If, however, this was Haiti, then maybe expectations of electrical service would not be met.

Pepco's brand promise SHOULD be about reliability. Instead the brand has come to mean LACK OF RELIABILITY. In order to restore its brand, Pepco is going to have to engage in communications that are responsive to real concerns, but further, should absolutely engage in FIXING THE PROBLEM. As I stated before, no amount of communications is going to satisfy a customer who has experienced frequent, extended power outages.



UPDATE: Pepco and reliability

Last Friday, I wrote about how Pepco needs to concentrate on customer service and less on marketing. In fact, the company

will have to deal with lots of damage control because the Washington Post published a devastating article on Sunday that finds that Pepco has TERRIBLE reliability and that it has nothing to do with trees and storms but rather with equipment failure. In response, Pepco will have a press conference today to discuss their five-year improvement plan.

Again, Pepco would be best advised to spend money fixing the problem than spending thousands on an ad campaign to make the company appear to care about its customers. In the end, customers don't have a choice when it comes to power companies. I understand the latest Pepco ad campaign is about image...but again, customers will develop an image based on their own experiences. Everyone who suffers power outages frequently (Pepco customers suffer power outages 70% more frequently than counterparts in other large cities) knows Pepco is NOT reliable, and does not work hard enough to restore power quickly. Today's full-color ad in the Washington Post (with the tagline "We're working for you") is not going to change minds.

Do you think Pepco can fix its image? Is image even the problem?

Want to improve your marketing? Start with your customer service.

The best, most award-winning ad in the world won't sway an unhappy customer's mind. Keep that in mind as you tinker with your marketing and you don't check in with your customer service.

If you live in Washington, DC or Maryland, you probably have PEPCO as your electric company. And if you were around this past summer or during the massive blizzards of February, you probably lost your power. You tried calling PEPCO only to get bad information or no information at all. Then you found out that PEPCO is rated very poorly among all electric utility companies in the United States. You probably weren't surprised.

Fast forward to the Fall of 2010. PEPCO is busy running a TV commercial featuring the company president assuring the viewers that PEPCO is responding to customer concerns. But, is it true?

Yesterday, I had to call PEPCO. I was on hold for 21 minutes. And there was no emergency. Can you imagine what hold times will be when there are outages?

This is a case where PEPCO is investing money in its marketing without investing money in customer service. This is a major mistake. Customers don't care if you are running a great ad campaign, have well written brochures and a redesigned website, if they cannot get through to an agent to resolve their problems.

Customers will judge a company on its service, not on its marketing. Marketing may get customers through the door, but it will not retain them or make them think positively about your company or organization (this applies to nonprofits as well).

Before you spend any money on a marketing campaign, make sure that you have budgeted for customer service.

Inform your customers first

Perhaps you heard yesterday that Netflix is adding a streaming-only option and increasing its rates. It was reported on various different blogs, websites and of course, Twitter. Here's a sampling (and notice the date/time):

L.A. Times

ABC News

Consumerist

I am a Netflix customer, and guess what, **I heard about it from Netflix directly last night, through a company email that arrived at 6:38 p.m.** Of course, by then I already knew that I was going to be paying more.

Companies should tell their own customers about changes to ANYTHING (pricing, service, hours, etc.) before they release the information publicly. Customers should not find out that their service provider or bank or whatever will be changing its ways from third parties. It does not make good business sense. It alienates customers.

When communicating news, you must have a hierarchy:

First, communicate changes to your internal organization.

Second, communicate to your users/customers.

Third, communicate to the public at large using media relations, advertising or other mass channels.