

Customer service IS marketing

There should be no doubt that a company's customer service plays a huge role in marketing. Put bluntly, if a company has poor customer service, there will be fewer customers at the end of the day. The only exception to this rule is with monopolies like power and telephone companies, which often provide bad service but customers are forced to remain with them as they cannot take their business elsewhere.

Let me give you a personal example. My website is currently hosted at Mediatemple. I have had hosting there since 2004. Off and on during the past seven years, I have had email retrieval issues among other problems. This past Friday, I noticed my Outlook was not able to access my email. It happened again on Monday, at which point I opened a support request with Mediatemple online. I have learned, through negative interactions in the past, that calling the 1-800 number results in long waits and unhelpful personnel.

After a few hours, I had received no response, so I tweeted it out. Mediatemple responds immediately to tweets. I did not get a response from the support request until 24 hours later. It told me I should check my email settings. I did what they suggested, and the problem persisted. Mind you, I had no problem accessing my other email on the same Outlook, using the same ISP. In my mind, the problem was clearly on Mediatemple's side. At Mediatemple, they refused to believe my claims as a customer, or accept that there could be an issue on their end. The couple of emails/tweets that followed told me to call customer service to troubleshoot my settings. Again, my settings had never been changed and the Outlook was working just fine with my other account.

Clearly, to Mediatemple, it is easier to shift the blame to the customer than to check their service. This has happened many times before (once, I was actually told when my website

was down, that I had “broken” it...I wouldn’t know how to do that). Well, enough is enough. Since I am going to relaunch my website in the next few days, I am taking my hosting elsewhere. Customer service is the reason.

Customer service can play a tremendous role in keeping customers happy and COMING back for more. Nordstrom’s is well known for excellent customer service, and in fact, it is its key differentiating factor. An article in Bloomberg Businessweek claims that:

For the most part, the Nordstroms have succeeded by making customer service the good they’re really selling, say industry observers. Though many retailers embrace “customer centricity,” a fancy term for putting the customer first, few equal Nordstrom, which routinely ranks in the top three on Luxury Institute surveys that measure customer satisfaction.

Read that again: **customer service is the good that Nordstrom’s is selling.** Not the clothes or the jewelry. The SERVICE. And it has made the company GROW.

If companies spends lots of money on marketing materials, advertising and public relations but neglect their customer service, the marketing efforts will be for naught.

Nothing falls out of the clear blue sky

One would hope anyway...

You know the feeling of having something just fall into your lap? It's pretty sweet to get work/clients/customers "out of the clear blue sky." But, the thing is, they aren't just dropping in from outer space like ET. No, they are there because of your past performance.

If you have done good work in the past, you have past performance to back you up. If, on the other hand, you have done shoddy work in the past, your past performance will be an obstacle. Either way, your past can make stuff fall out of the clear blue sky—or not.

For marketing purposes, nothing is quite as powerful as word-of-mouth or referrals. If a trusted source gives you a name of say, a carpenter, you are very likely to contact that person. That person has been "cleared." If you call the carpenter to come fix your broken bannister, you are not contacting him out of the clear blue sky. You asked around and found that someone recommended this particular carpenter. For the carpenter, who may have been sitting back that particular day, it felt like he got business fairly easily. He didn't. He earned it, right?

Your past performance can help you earn new business—and it can help keep business away.

Some thoughts on the ROI/ROE of social media

Increasingly, I am seeing articles out there about measuring

the Return on Investment (ROI)/Return on Engagement (ROE) in social media. This morning, I read an article that went so far as to show you how to calculate the dollar figures of investment and the projected value of any customers you may get from your blog.

The thing is this: what are you using social media to accomplish? Without knowing the answer to that, there is no measurement available. If you are indeed using your blog simply to generate sales, it is easy to calculate if you are getting a decent ROI.

However (you knew this was coming), using social media can help you/your business accomplish many goals, such as:

- Thought leadership
- Image/branding
- Name recognition
- Networking (as in actually meeting other people)

These are not so easily measured in numbers and certainly not in dollars, and yet they all have value.

My conclusion is that you should not waste your time trying to measure your ROI/ROE but instead ask yourself if your social media use is generating value for you. If you are spending hours and hours a day on social networks and haven't made one solitary connection, it is clear that there is no value for you. If you have made connections, improved your image, heightened your name recognition, perhaps that is the value you seek.

What are your thoughts? What makes you use social media for business purposes?

A tagline that works

Taglines can help or hamper your marketing efforts. They must be clear and relevant. A few nights ago, I was watching TV and saw the following commercial for Red Lobster:

[youtube
<http://www.youtube.com/watch?v=ySl03vqdKNQ&w=560&h=349>]

The last line is: “I see food differently. “The tagline for this campaign is **Sea Food Differently**. I think this is tagline writing at its best: clever, play on words, and RELEVANT. They are saying that Red Lobster does seafood differently (presumably better) than other restaurants. Perfect.

Compare that to Salonpas. Salonpas, which has a completely weird name that makes me think of a hair salon, is a pain relief patch. They are running this spot on TV right now:

[youtube
<http://www.youtube.com/watch?v=eX4WVN4YN0Q&w=560&h=349>]

The tagline is: “Nothing’s been proven to beat the relief.”

What does that mean? It is saying that nothing is proven to provide relief—which, I am pretty sure, is not the message they intended.

Some taglines make you scratch your head, some don’t make you think at all, and some, the ones that work, make you think.

Marketing materials don't replace salespeople

I just came back from a quick trip out to Assateague/Chincoteague Islands. As is the case in any tourist/vacation town, everywhere you went there were rows of brochures about things to do: kayaking, boat tours, bike rentals, etc. Those are all good to have. In fact, I ended up going on a boat trip because I picked up a brochure for it.

On Sunday, I was at the visitor center on Assateague. They have lots of exhibits about the area, its history and its flora and fauna. You could pretty much wander around the building looking at exhibits and picking up brochures. However, you would have probably not really noticed or paid attention to the fact that nature bus tours leave from the center.

While talking to the woman at the information desk about trails and things to do on Assateague, she recommended taking the bus tour. She said that you would see the famous Chincoteague ponies, guaranteed, and also lots of other animals native to the area. You would be sitting in air conditioned bus going where nobody else is allowed to drive. In other words, she sold the tour. (BTW, we did see the ponies and a bald eagle, along with tons of egrets, ibis, osprey, and other animals, just like she said)

If she hadn't given the pitch for the tour, it would have not been on my agenda or even on my radar. A posting about the tour or a brochure alone would not have been sufficient. A knowledgeable salesperson made the difference.

When you can't have a salesperson, you need marketing materials. But marketing materials should never replace salespeople completely.

Are you ready for prime time?

Here's something to think about: you can start marketing too early. Sometimes, you aren't ready for prime time, as they say.

Last week, I attended a networking event. There, I met two self-employed event planners. They were both very pleasant and seemed knowledgeable about the ins and outs of event planning. Both gave me their business cards. As I always do when I get back from this type of event, I went to their websites. At least, I tried to go to their websites. Neither website was up—one was “under construction” and the other was a placeholder from the domain registrar. Although both ladies had nice (professionally designed and printed) cards, they skipped a step. You should always have your website up before you hand out cards with the URL—even if it is a one page describing your business and providing contact info.

Later on in the evening, I met two women who are planning to open a yoga studio. They did not have cards, and they told me their website was under construction. For the life of me, I can't remember the name of the studio. One of the yogis told me they are considering doing a Groupon...the week they open. I told her that that I would not advise that since she wouldn't even have worked out any kinks.

Here is an article from USA Today about Groupon (Is Groupon a great idea for entrepreneurs?) Among the cons of using Groupon is that if you are not ready for the onslaught of business, you will end up turning away customers. Say the yogis get 40 people signed up, but the studio only holds 30, or their computer system has a bug and can't register new customers? Then those potential customers are going to be

disappointed and chances are, won't be coming back (there are plenty of other yoga studios in the area).

The bottom line is that before you start any type of marketing, whether it be in-person networking or a traditional advertising/media campaign, you need to be ready for business. This means having your website up and running and all your business tools in order (e.g. invoicing, computer systems, ordering, etc.) People have limited time and resources and they will often not give you a second chance. Or they will forget about you. Or they will think you are an amateur.

Not only should you be ready for prime time before you start marketing, you should be ready for business.

Beware the social media echo chamber

Sarah Palin may be forgiven for thinking that many people in the U.S. agree with her viewpoints—after all, she gets confirmation all the time from her Facebook fans. Last week, Politico reported that Palin posted a criticism of President Obama on her Facebook page. If you check out the entry, you will note that there are dozens of supporting comments and more than 19,000 people liked her words.

You could also be excused for thinking that Sarah Palin has lots of support. But you would be wrong. What she has is support among her supporters—that is, she is preaching to the choir. She is not going to get push back from people on Facebook, because after all, they (presumably) have indicated that they “like” her. Sure, there are probably several people in there who “liked” her to follow her moves, but overall,

these are her fans, her base, her **echo chamber**.

Politicians—and marketers—need to be careful that they aren't getting to overenthusiastic about the echoes they are hearing. **Your supporters will mostly always like you and agree with you. But if you are always listening to those who like you, you will be unaware of why those other people out there don't.**

Social media, especially the concept of Facebook pages, is the very definition of an echo chamber. You are sharing content with those who are already predisposed to liking what you say and do. Same thing happens with your Twitter stream—you have chosen to follow and be followed by certain people. If someone in your Twitter stream annoys you or doesn't agree with you, you can block him/her.

I am not saying that brands should not have Facebook pages, or that you should not select your Twitter stream. What I am saying is that you have to be aware that you may be speaking in an echo chamber—hearing back what you want to hear.

What do you think? Do you find yourself in an echo chamber?

Doesn't everybody?

Some people think that books, magazines and newspapers are dead. Borders, the bookstore chain recently in bankruptcy, is closing down all its stores. If you walk into a Barnes and Noble, the display for the Nook (their e-reader), has taken over the entrance. All around it *seems* that *everybody* is using tablets and e-readers to read books and magazine and that

nobody is reading the printed on paper stuff anymore. But, that would be wrong.

Did you know that only 12% of U.S. adults own an e-reader (like a Kindle, Nook, etc.)? Or that 35% of U.S. adults own a smart phone (Iphone, Blackberry, etc.)? Given how the media reports things, and if you are surrounded by folks who are early adopters, then you could be excused for thinking the number was much much higher—like 99%.

The truth is that not everybody is on the smart phone/e-reader/all-computer-all-the-time bandwagon. The numbers above mean that nearly two thirds of adults in the US do NOT use a smart phone, and nearly 90% do not have an e-reader. This indicates to me that many many people out there are still consuming media in more “traditional” ways—like in a printed format. Or perhaps are relying on television and radio.

It is a wrong (and dangerous) assumption to think that “everybody is doing it.” They are not. Unless it is breathing, not ever human being out there is doing (or thinking) the same thing as you are.

Last week, I attended a presentation purportedly about YouTube. In effect, it was about stuff you could do if you wanted to get together a video to promote your company (it was not a very in-depth or insightful presentation). One thing that the presenter asked was whether people in the room knew what QR codes are. I turned to a colleague sitting beside me and asked “who doesn’t?” It turns out that most in the room (all communicators I may add) had no idea. Because I know what a QR code is (a quick response code that has become ubiquitous on print ads everywhere, and which when scanned takes you to a website), and I see them everywhere, I assumed everyone else did too. Clearly, I was wrong.

You can’t assume that everybody knows something. In communications, making assumptions can be detrimental to

making your message clear.

And yet, people using the above-mentioned QR codes in their ads are assuming that people know what they are! And also, they are assuming that people have a smart phone that they will use to scan the QR code. But if we go with the fact that 35% of people have a smart phone, and from my unscientific survey, even fewer know what a QR code is, then you are probably reaching somewhere south of 30% of people by using those codes. Think about that.

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?