10. Strategies and Procedures Quality of Service

10.1 Basis of Value added and customer Loyalty Strategies

Customer loyalty is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers. However, that focus is not how you build customer loyalty.

You build loyalty by…

- keeping touch with customers using **email marketing**, thank you cards and more.
- treating your team well so they treat your customers well.
- showing that you care and remembering what they like and don't like.
- You build it by rewarding them for choosing you over your competitors.
- You build it by truly giving a damn about them and figuring out how to make them more success, happy and joyful.

In short, you build customer loyalty by *treating people how they want to be treated*.

You may or may not agree with Barack Obama's policies, but no one can deny that the inspiration he sparked in people helped him win the race to the White House in a historic & decisive manner.

People are emotional creatures. Not only is our decision-making influenced by what we feel, we get an energy boost from strong emotions.

When you're able to inspire and motivate people, particularly when they need it, you leave a mark.

10.1 How Social Media Is Changing Customer Loyalty Programs

There is no denying the influence of social media on the way that we as human beings communicate on a daily basis. The impact of the digital age will be felt even more in the future if things continue on the same path that it is currently. Not only have we been put in contact with each other like we have never been before, businesses are making the most of social media networks as well. Since the majority of people in the country are constantly on social media sites at all hours of the day, companies realized that they had a whole new market to reach. But how would they do it without slameless promotion? With social media sites like Facebook, companies from every industry are gaining from a new found connection with their

customers. Since people are constantly updating their activity streams and current states of being, businesses are also able to update their clients and loyal customers with special discounts, offers, and marketing endeavors.

A really great thing about being able to do this is the fact that they can connect with their customers in a more timely manner. People are connected through sites like FourSquare, Twitter, and Facebook and enjoy the intimate bond that can be formed directly with owners and managers of businesses. Social media networks open the doors to new types of customer experiences by connecting you with them when they are a few feet away from their stores. Many companies have interactive collaborations with social networks in order to bring customers special discounts and notifications of new opportunities at any given moment. Many social media networks are accessible by such devices as the IPhone, Android, and the Blackberry, which give companies a 24 hour window for advertising to the countless masses.

Sites like Facebook, allow artists like Alicia Keys to reward the loyalty of their customers and fans by allowing them to listen her new album before anyone could even buy it. Not only does this give an exciting interactive experience for the fans, but it allows for new ways of self promotion in the music industry. Foursquare is the first choice in loyalty reward programs for many. They send out information to smart phones anywhere that people find themselves shopping. This means that not only the company sending the notification will have an increase in sales, but the location that the customer is pointed towards will also profit from this type of marketing. For companies that offer many common products to the masses, this means that they are able to maximize the exposure to their target audience like never before. For many customers, this type of marketing brings a new and innovative way to shop and be entertained in the modern age.

Social media is changing customer loyalty programs also by identifying problems through monitoring what people are saying about their brands. They also join the conversation to show that they are listening, to clear up miscommunications, or to add clarifications. As an example, Rackspace Cloud Sites have had problems where Robert Scoble acted as a channel of information to their customers on what is happening in real time. Instead of having to wait for quarterly reports to see where a company shines or is in need, they are now able to have instant response as to the impact of that particular promotional project or product. The amount of time and money wasted before is astronomical, and in retrospect, was a very unnecessary expenditure.

Having the ability to track their customer's behaviors and patterns in buying gives a company priceless information about the way to further market a particular angle. Sites like Zappos have been building more personal relationships with their customers by allowing their employees and executives to communicate directly with the public/marketplace. If this is a sign of things to come, we have a lot to look forward to here soon.

10.2 <u>Schedule Time</u>

Time & sleep can really take a toll on relationships. The more time that passes with no communication, the more the relationship will fade away. This brings us to today's lesson: Schedule & make time for relationship maintenance.

A major part of building relationships is being consistent. And to consistently do all the things we've talked about time this lesson takes time. The biggest reason people don't stay in touch is because something more urgent comes up.

The real trick is schedule time for relationships… from sending out thank you cards to making phone calls just to say hello.

CALL TO ACTION

- Pick a few few, maybe 3 or 4 of the techniques we've talked about so far and decide that you're going to really commit to them for the next year.
- Think about how much time it will take to do each of the techniques you pick consistently. And then carve out that time in your schedule. If it will take you 30-minutes a day to write out 5 thank you cards, schedule the 30-minutes into your day and don't procrastinate on it.
- Just do it. Get in a routine and turn it into a habit.

10.3 <u>Show Changes You've Made</u>

When you make a change based on a complaint or a suggestion, tell them you made changes. This gets them to feel like they are in control. This will encourage them start to emotionally take ownership of your brand and what it stands for.

CALL TO ACTION

- Identify one thing that you improved in your business based on customer feedback. (If you cannot identify one thing you've improve by listening to your customers, you're not listening hard enough.)

- Find a way to communicate that you've made this change. Email is a good way. If you're able to pin point who all suggested this improvement, find a way to recognize and thank them.

10.4 <u>Walk into the lion's den & apologize</u>

No one is perfect. Sometimes we'll mess up… we'll drop the ball. In these cases, as my friend Greg Roeszler says, try just walking into the lion's den and apologizing… and try to figure out how to make it right.

Often, the problem isn't as big as you're making it out to be in your head. And if you messed up a while back, they probably don't even remember why they were mad at you… a benefit of <u>the great eraser</u>. This is a great way to win back lost clients.

CALL TO ACTION

- Identify 10 clients/friends that you've lost in the last 3 years because you dropped the ball or messed up somehow.
- Decide what the best way to communicate with them is (call vs personal meetup) and go own up to your part of what when wrong. Humility is true demonstration of personal strength.
- Track how many clients you're able to win back.

10.5 <u>Solicit Complaints Regularly</u>

What's the easiest way to identify problems early? Ask! Ask early & ask often.

While at Rex Moore, Rod Weckworth asked for feedback soon after a project got started. In the beginning he focused on how the paperwork process went, how they were doing so far, etc. The client feels involved with your company and it's decision making process. And if there was a problem, it was caught early and fixed before it escalated into a serious relationship-killer.

CALL TO ACTION

- How soon can you ask your client for feedback? Look at your project cycle and identify logical places to ask whether things are going as the clients expected it.
- Systematize feedback gathering. Make it part of the official procedures so it's done consistently. There various ways to ask. Here are a few ways you can use:

- o Phone call
  - o Email survey via <u>ListenUp component of ConstantContant</u>
  - o Fax
  - o Snail Mail
- For non-client relationships, routinely asking if everything is okay could quickly get annoying. So instead of asking, you should consider being tuned in to changes in behavior and language. These can usually clue you in when things are not going right.

10.6 <u>Proactively Solve Problems</u>

In the past few lesson's we've discussed various ways we cause people to remember & recognize us by giving them what they they find valuable. But sometimes, all your efforts and energy can go to waste if a problems comes in an damages/kills your connection.

That's what we'll be talking about in the next few lessons: How to prevent long-term damage to your relationships.

Relationships are prone to damage. The usual culprits are time & sleep, both of which are connected.

Time & The Procrastination Effect

Time is like fire. As the saying goes: "You can use it to cook food or burn down your house."

If a customer has a problem and you handle it promptly with grace & make them happy, you'll probably have a customer for life. If a customer has a problem and you put off dealing with it for a week, you'll have an unhappy customer who will tell 20 people about their regretful decision of doing business with you.

What's worse is that as time passes, the gravity around problem seem to grow exponentially. If a company hasn't responded to a problem within a couple weeks, the phone will seem awfully heavy to the people in the company. Chances are strong that they won't respond to the customer with the problem and will hope that the problem goes away. The same happens with non-client relationships. If someone calls, and you don't respond within a reasonable amount of time, you'll mostly like not respond at all as more time passes on.

I call this the *procrastination effect*: More time delay between when a problem arises & when it is resolved = decreased likelihood of a positive outcome + decreased likelihood that the problem will ever be resolved.

We'll look at how to not let the procrastination effect kill your valuable relationships in a minute, but first, let's explore the second main culprit: Sleep!

Sleep, The Great Eraser

Sleep is often called the great eraser because it's natures way of repairing our brain. In the process, it causes memories to fade, which is <u>why you don't remember everything that you learned in the 5th grade</u>.

Here's a scenario for you: You have a client or friend that you have a really good time working with or hanging out with. For some odd reason (maybe the project finished up or they moved out of town) you two stop talking for a few months or years. When you meet them again, you can feel that things are not the same anymore. *Has this ever happened with you?* What changed? The good memories of working together / having fun together are not as fresh as they used to be. The Great Eraser has dulled the vibrant memories of the past.

- Show the changes you've made
- Setup systems to alert you to problems
- Automate tasks when appropriate
- Schedule time

We'll discuss these and expand upon the above suggestions in the next lessons. Now start on your list of how to fix/prevent damage to your relationships.

CALL TO ACTION

When you're going to an event where you know a few people, invite someone you want to build a better relationship with. At the event, spend time with them and introduce them to people you think they would get along with. For maximum effect, introduce them to a potential client, partner, employer or employee.