

Connecting with Customers

When it comes to business operations, especially small business operations, one variable significantly affects the bottom line: the customer. Customers are an extremely powerful force. Is that customer content, overjoyed, disappointed or angry with the product/service offered? Chances are, whatever the reaction, they will let others know by word-of-mouth, whether it's face-to-face or plastered all over the Twittersphere. After all, businesses live and die by their reputations. We look at the importance of connecting with small business customers through building personal and online relationships.

Vi

Healthy Relationships, Healthy Business

by John George

A sure sign of a healthy business, big or small, is returning customers. They like, they buy; they trust, they tell others; they come back.

Building relationships has served our shop well for many years. It has allowed us to build, not just maintain market share and to remain competitive in both good and bad economies.

If you're in your 50s, you may remember going to the shoe store downtown. The same guy measured your foot every time. He knew your name, told you how big you were growing and always asked about your father. He was also the guy that rang up the transaction and took your mother's check. He didn't ask for I.D. Then he gave you a small gift, in my case a golden egg, laid by a giant red goose. Those were the days when customer relationships and customer service were one in the same. It still works today, maybe even better because now few people expect a company to listen, care and do what they promise.

Successful relationships start with good listening. Most business relationships begin with a simple question like, "How can I help you?" Those words open the door, and that customer becomes the center of attention. By listening carefully and asking relevant questions, we can then respond to our customers' needs.

A dance teacher once told me "You always make me feel like your most important customer, and I only see you once a year." She has been my most important customer for 17 years now.

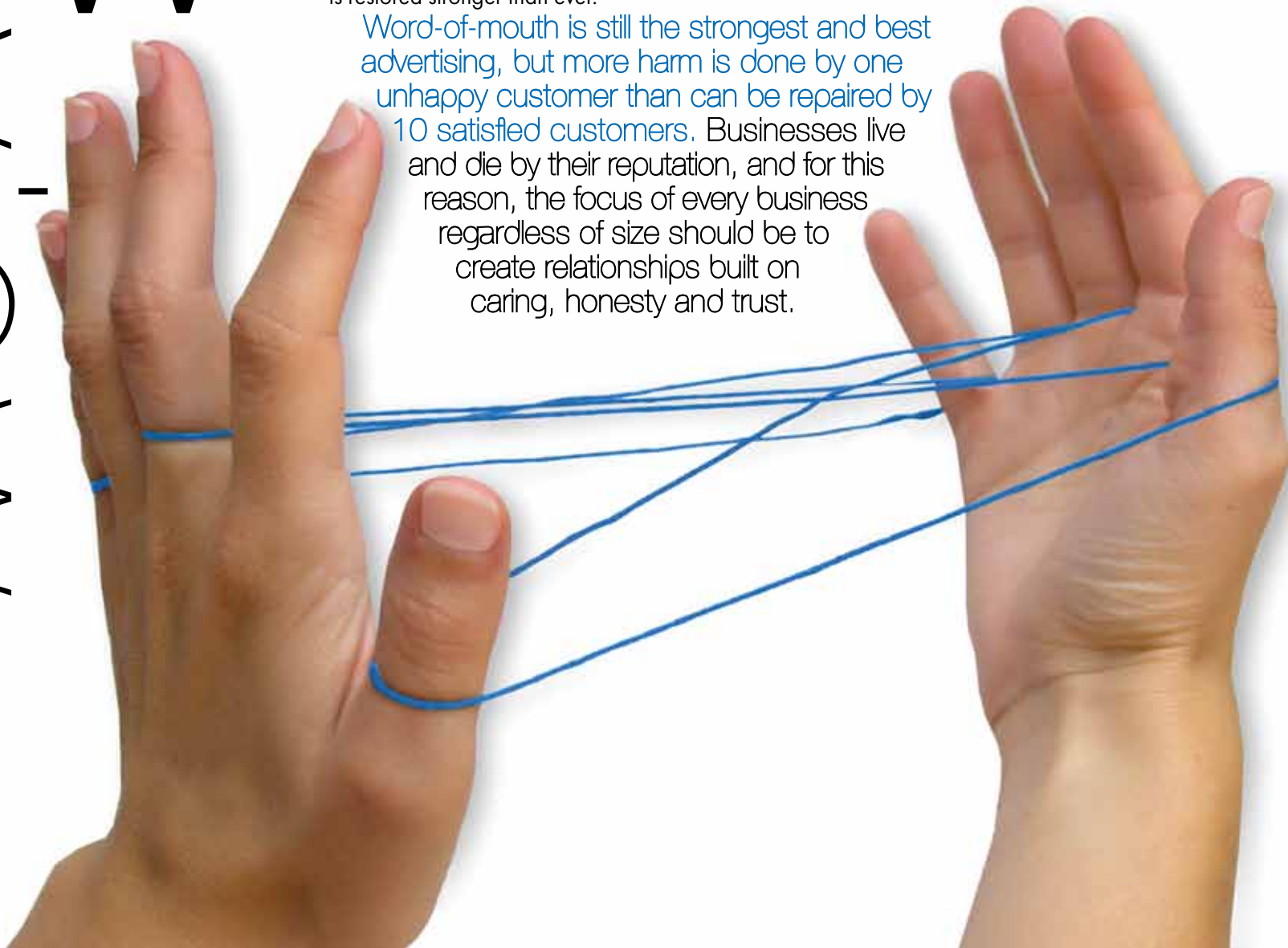
Review

Recently I had a problem with my cable service and decided to go online to find a solution. I was invited to open a chat window and speak directly with a representative. She/he (Chris) was very pleasant, and after reading my story asked if they could refer the problem to a technician for review. I would get an email response within 48 hours. I'm sure that Chat Window Chris is a very nice woman/man, but I don't think she/he cared that I was missing the T.V. show "Pawn Stars." Customers have needs and expectations, and a business should care about those needs and react. Sometimes it's necessary to go beyond the normal scope of the business to assist with that need or satisfy those expectations. That's what relationships are. A local pastor forgot to pick up a gift for his music director who was giving his last service on Sunday. He called after hours frantically making his plea. We are happy to report that we made it to the church on time.

Relationships are built on trust. We promise to deliver the product on time, at the negotiated price and in good condition. The customer agrees to pay on our terms. When both parties deliver on those promises, a trusting relationship is formed. Sometimes things go wrong and due dates are not met, products are lost in shipping, mistakes happen, bills aren't paid timely. It's how we react to those negatives that repair trust in a relationship. Most customers respond positively when every effort is made to correct the negative. The city secretary came in to pick up her order for an outgoing councilman to be presented that afternoon by the mayor. The piece was delayed in shipping, and the order wasn't ready. We explained the situation, made no excuses and offered an in-stock item of better quality at a reduced price. The item was personalized while they waited. The customer appreciates the attention and effort on our part and, the negative becomes a positive. The relationship is restored stronger than ever.

Word-of-mouth is still the strongest and best advertising, but more harm is done by one unhappy customer than can be repaired by 10 satisfied customers. Businesses live and die by their reputation, and for this reason, the focus of every business regardless of size should be to create relationships built on caring, honesty and trust.

Award Specialties, Inc., is a small business that opened in 1994 and is owned and operated by Baylor alumni John George, BBA '81, and Deborah Inge George, BBA '81, and their oldest son, Michael George, BBA '08. They have stores in Waco, Texas, and Harker Heights, Texas, and offer scholastic, athletic and military awards, corporate gifts and promotional products.
www.awardspecialtiesinc.com



Review

"The social customer expects you to listen and engage with her, not only when it coincides with an e-mail blast or new feature release, but rather when she needs you. And you better respond fast, in real-time, or she will either move on to a competitor, or tell her friends about her bad experiences."



The Rise of the Social Customer and Social Technologies

Excerpts from *The New Small*,
by Phil Simon

In case you've been living in a bubble for the last decade, the Internet has destroyed or drastically changed many businesses. Photo printing, travel agents, and the music industry most readily come to mind.

Along with creating new industries and forever altering others, it has caused seismic shifts in departments such as customer service. For a few years now, we have been hearing increasingly about the term *social customer relationship management*. Paul Greenberg, author of *CRM at the Speed of Light*, defines it as

...a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment.

It's the company's response to the customer's ownership of the conversation (emphasis added).

Many large companies have yet to embrace social CRM. As Greenberg notes above, the power has shifted to the customer. Paradoxically, relatively new companies understand this fundamental shift. How many provide excellent customer service? How many understand that customers can be their most zealous advocated—and biggest detractors? Not many, as I've argued before. In fact, Amazon.com is the exception that proves the rule. Large companies continue to struggle to understand truths the New Small knows very well:

- All customers are social—or easily can become social.
- Social CRM isn't really new at all; customers today simply have more tools and options to express their delight or discontent.

The New Small realizes that social CRM is not a threat; *it's an opportunity*. It represents innovative ways that they can take care of their most important asset: their customers. Take away its customers, and any company ceases to exist. Period.

As a general rule, New Small companies appreciate three related trends to a much greater extent than large organizations do:

- The continued importance of customer service
- The rise of the social customer
- The proliferation of social technologies

Maria Ogneva knows a thing or two about these topics. She is the Director of Social Media at Attensity, a social media engagement company. In a blog post entitled "Why Your Company Needs to Embrace Social CRM," Ogneva offers the following definition of the social customer:

The social customer expects you to listen and engage with her, not only when it coincides with an e-mail blast or new feature release, but rather when she needs you. And you better respond fast, in real-time, or she will either move on to a competitor, or tell her friends about her bad experiences.

The New Small understands that impatient, angry and web-savvy customers will act on their anger in a number of ways:

- Describe, in person, their bad experiences to anyone they encounter.
- In all but the most extreme cases, such as in dealings with energy and cable companies (de facto monopolies), use another company.
- Go social. They will use blogs, social networking sites, and increasingly influential customer review sites, such as Yelp.

Note that the future of sites such as Yelp is beyond bright. In December of 2009, *The New York Times* reported that the company turned down a \$500M acquisition offer from Google. Some in the know expect the company to go public in the future.

Phil Simon is the author of *The New Small* (Motion, 2010), which offers pragmatic advice and lessons about how small businesses are harnessing the power of emerging technologies. He is also the author of *Why New Systems Fail* (Cengage, 2010), *The Next Wave of Technologies* (John Wiley & Sons, 2010) and *The Age of the Platform* (forthcoming, 2011). Phil consults companies on how to optimize their use of technology and speaks about emerging trends and technologies. He also writes for a number of technology-oriented media outlets. He received a BS in policy and management from Carnegie Mellon University and a master's in industrial and labor relations from Cornell University. www.thenewsmall.com | www.philsimonsystems.com