Get More Value From Your Customers

The best way to gain and keep customers is to provide them with value. It's really pretty simple, they give you money, and you give them something in return. OK, I may have the order of that backward, because in our business, we usually don't get the money until we deliver the product, but the basic principle is still valid. If they're happy with what they get in return for their money, they consider it *value*.

This *value* thing should not be a one-way street, though. It's just as important that *you* get value from *them*. And I believe that each one of your customers provides you with *three* distinct levels of value. First is the value of what they're buying from you now. Second is the value of what they could be buying from you. Third is the value of influence; the ways in which current customers can help you to develop new customers.

Question: Are you getting all of that value from all — or even most — of your customers?

First Level

The First Level Of Value is all about what they're buying from you now. What's important about the First Level Of Value is that you *protect* it. In other words, that you don't *lose* customers! The keys to protecting the First Level Of Value are *customer service* and *customer contact*.

Customer service is pretty straightforward — or maybe it isn't. How do you define great customer service? Wait, that's the wrong question! The better question is how do *they* define great customer service? Because great customer service, like beauty, is in the eye of the beholder. There is a pretty common definition we can start with — *meeting or exceeding their expectations* — but protecting the First Level Of Value requires that you fully understand those expectations, and that you *know* — not just think or hope — that you've met or exceeded them.

Actually, we should probably expand this discussion beyond *customer service*, which to many people would be limited to the human interaction element of the buyer-seller relationship. Let's think in terms of *customer experience*, which covers every element of doing business with you. Now we're talking about the quality of the printing in addition to the human interaction element.

So how do you know that you're providing a great customer experience? Some might say the proof is in the pudding, because your customers keep coming back, and beyond that, you're not hearing a lot of complaints.

Those are dangerous assumptions, especially the one where you assume things are good because you're not hearing a lot of complaints. I've seen research which indicates that most unhappy customers don't tell you they're unhappy. They don't complain, they just stop buying from you! For what it's worth, I've always felt that a customer who complains is doing you a favor by giving you two opportunities — first, the opportunity to "make it right" and protect the First Level of Value, and second, the opportunity to learn from whatever caused the customer's dissatisfaction. Learning from your mistakes is a very good way to improve your business!

If You Want To Know, Ask!

The key to knowing — not just thinking or hoping — is to ask. There are a variety of ways in which you can ask your customers if you have met or exceeded their expectations. That can range from a question at the point of sale to a survey conducted afterward. One word about surveys, though. We are all asked to take a lot of them, and the "opt-in" rate suffers because of that. So the word I'd like you to consider is *personal*. If you send me an automated survey via e-mail I will probably ignore it. If you ask me *personally*, I will probably engage. You'll probably never get 100% participation in a customer satisfaction survey, even if you ask 100% of your customers *personally*, but anything that improves the response rate is a good thing.

Customer Contact

The second key to protecting the First Level Of Value is *customer contact*, and by that I mean taking responsibility for maintaining the relationship. Here's a very fundamental bit of sales/business knowledge: It is *never* the buyer's responsibility to communicate with the seller. It is *always* the seller's responsibility to communicate with the buyer.

That two-part statement actually has two applications, one of which is that it's always the seller's responsibility to make sure that *clear* communication happens, that both parties understand what's being said or done or bought or sold. Many sales are lost due to communication failures, and I think it's also fair to say that most unhappy customer situations either result from — or result in! — broken communication. The application we're discussing here, though, is more about protecting a healthy relationship from outside forces.

What does that mean? You know that your competitors are after your customers, right? They are calling on them, seeking to replace you, or at least gain some of your market share — and they are probably using aggressive pricing as part of their strategy. This means they are putting your customers in the position of wondering if they shouldn't give these competitors a try. By maintaining contact, you can keep the answer to that question right in front of them. *I don't need to give these guys a try. I have a great printer/partner already.* There's a principle in physics called *horror vacui* — nature abhors a vacuum. The same principle applies to sales/business. If you aren't there, reminding your customers of the value you bring to the relationship, someone else will gain access to that space — and that may be all they need to at least partially displace you.

Interval Strategy

So how exactly do you maintain an *appropriate* level of contact? Appropriate is a key word, of course, because this is an area where too much can be as bad as not enough. I recommend that you start with a list of your customers, and give some thought to the right contact interval for each one of them; in other words, establishing some number of weeks that you will never again let go by without either you hearing from them or them hearing from you.

That interval might be one week or 12 weeks, or even longer. The volume they buy from you and the frequency of their orders should be the determining factors. Ultimately it comes down to this, you want to make sure that they hear from you, after each order, and before some problem with that order weakens your relationship to the point where they start thinking about giving some competitor a try.

It's important to do this right, though. Please don't ever call me and say: "Hey, we haven't heard from you in a while." I get those calls frequently, and I always feel like I'm being accused of disloyalty! A better approach might be to say: "Hey, I was thinking about you, and I realized it's been longer than normal since you've ordered. So at the very least, I'm calling with a reminder, just in case it's something you haven't been able to get to yet, and while I have you, I want to ask if we've been meeting and hopefully exceeding your expectations since we actually talked last?"

Do you see how this turns an interval call into a *customer service* call as opposed to just a *sales* call? Do you also see how this approach turns it into a *customer satisfaction* survey? If there are any problems, you will probably learn about them through this process, and hopefully have the opportunity to resolve the problem and protect the First Level of Value.

Second Level

The Second Level of Value is all about what they *could be* buying from you, in other words, *beyond* what they're already buying from you. That raises the question of how you describe your product line. The last time I asked that question in a seminar, the first answer was "any kind of large format or specialty graphics."

That's a really bad answer, because it leaves it up to the buyer to figure out what that "large format or specialty graphics" means. Obviously you as the seller know, but are you 100% sure that the person you're talking to knows? Remember, the seller is always responsible for *clear* communication.

I recommend that you break your product line down into at least a few main categories. For example, Posters and Banners, Trade Show Graphics, Window Decals, Floor Graphics, Vehicle Wraps, Decorated Apparel. And I recommend that you use that sort of terminology next time someone asks you what you sell.

Now let's go back to that list of your customers. Let's create a spreadsheet with columns and rows for the name of the company, the name of each individual contact, the title of each individual contact, the interval for each individual contact, and columns for each element of your product line. The next step is simply to check off the products they're currently buying from you. The next step is to talk to them about the products they're *not yet buying* from you. This is called *cross-selling*. It might also be called *selling via customer education*. I am not talking about pushing a product here. I am talking about using your interval calls to bring still another value to your relationship.

Cross-Selling and Interval Calls

I got a call from one of my own suppliers recently. Here's what he said: "*Hey Dave, I was thinking about you yesterday. I was doing some research on what some of our valued customers have bought from us in the past, and I saw that you've bought a lot of Product X from us, and a little bit of Product Y, but you've never bought any Product Z. Is there any application for Product Z in your business?"*

As it turns out, I have absolutely no need for or interest in his Product Z, be he didn't offend me by asking. In fact, the way he "packaged" his cross-selling effort left me thinking that, if I did want or need Product Z, I would probably buy it from him!

I think you'll find that this sort of *cross-selling* leads to only a few possible responses:

- No need, no interest. (Obviously, that's not the response you're hoping for, but it's a real possibility. Still, nothing ventured, nothing gained!)
- Need and interest, but happy with current supplier. (Again, not the response you're hoping for, but you've identified an opportunity to *compete* for some business you don't currently have. It might take a little more selling, but great salespeople will tell you that a *yes* often starts with a *no*.
- Need and interest, but ambivalent or even unhappy with current supplier. (Sometimes education is all it takes! If they like you better than the current supplier, you might get the business!)
- I don't have any need or interest, but I can tell you who might (and that's my segue into the Third Level of Value.)

Third Level

The Third Level of Value is all about influence; the ways in which current customers can help you to develop new customers. Here we're taking about two things, referrals and testimonials.

In order to fully appreciate this opportunity, let's understand that there are *referrals* and then there's something called *word of mouth*. That term is often used to describe the phenomenon by which one of your customers says something nice about you to a friend or colleague or family member, and that person in turn initiates contact with you. *Word of mouth* is really more of a testimonial than a referral, but more importantly, it's mostly a passive strategy. By that I mean you're probably appreciative when *word of mouth* brings you a new customer, but you don't do enough to encourage it.

Encouraging it is simple. Just add an element to your "if you want to know, ask" practices. When you ask a customer if you've met or exceeded his/her expectations, and the answer is *yes*, go the extra step and ask your customer to tell someone else about the experience of doing business with you. It's been proven that it *might* happen if you say nothing. Doesn't it make sense that it might happen more often if you encourage it?

By the way, if the answer is *no*, that's the wrong time to ask for a testimonial. But if you learn that you have a problem and then fix it to your customer's satisfaction, it becomes the right time again.

Referrals and Introductions

Now let's go back to *"I don't have any interest, but I can tell you who might."* This is a real Third Level opportunity, but that won't get you maximum value. Here's another question I often ask in seminars: "Is there anything that's even better than a referral?" The answer is: "Yes, an introduction!"

Let's consider word of mouth, referrals and introductions in order of value potential. The first one, as we've discussed, is essentially passive. Yes, you can encourage word of mouth, but you still have no guarantee that the person who's been "referred" to you through word of mouth will take the next step and contact you.

The second one put you in a more proactive position. If *you* have the referral, you have the opportunity to reach out and make contact. The only negative here is that this usually puts you in the position of making a *cold call*.

Many salespeople have argued this point with me, telling me it's not cold at all to be calling someone and telling them that you're calling because So-And-So told you to. I think it's cold, though, any time you appear out of the blue, whether it's a phone call or an e-mail or in person. And I think cold is always bad in selling, at least to the degree that warmer is always better.

Let's consider the relative temperatures of a referral vs. an introduction, and let's set the baseline as a "pure" cold call — no referral, no previous contact — and set that temperature at 32 degrees Fahrenheit.

"Hi, my name is Dave Fellman. John Smith gave me your name and number. He told me that you're the person who buys Product Z for your company, and I'd like to talk to you about that." That's a referral call, right? But I'm still rating the temperature of that call pretty low, maybe 45 degrees. It might be higher if John Smith is a good friend or a valued colleague. Don't forget, though, it might also be lower if John Smith is *not* one of those things. Here's some Fundamental Wisdom that applies to any referral/networking activity: *The value of the referral is highly dependent on the quality of the relationship that exists between the referee and the referrer.* I once called a guy because I had been referred to him in this manner, and he said: "Listen, I don't really like John Smith. So I don't see any reason to like you any better." Then he hung up.

The Power of Introduction

"Hi, this is John Smith. I want to introduce you to someone. His name is Dave Fellman. I buy a lot of Product X from him, and he also sells Product Z, which I know you buy a lot of. I think it would be good to get the two of you together. Can I have him call you?"

That's an introduction. It can be delivered by phone, or by e-mail, or even in person, which is probably the best of all possible worlds. Now, who would you rather be, the person making the "John Smith gave me your name" call or the person calling to follow up on an introduction *after* the referee expressed interest or at least willingness to talk to you? I think this brings the temperate up considerably, maybe to 65 or 70 degrees. You haven't made the sale yet, but you are almost certainly starting from a better, warmer position.

Maximum Value

Let me end this by asking you a question. *What percentage of maximum value do you think you're getting from your customer base right now?* If your answer is 90% or higher, you still have some opportunity here, but I'd say you're doing a really good job of getting value from your customers. If your answer is 70% or below, though, you have *a lot of opportunity*, and depending on how well you're protecting the First Level of Value, you may have *a lot at risk*.

From what I've seen, the majority of specialty graphics printers are in the *a lot of* category. Hopefully what you've just read will get you started on doing something about that.