

# **ARE YOUR CUSTOMERS DOING THE RAVE?**

Regular customers are good.

Raving customers are great!

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## Introduction

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A customer dissatisfaction crisis is developing. When doing business, customers have repeatedly reported a decrease in confidence towards companies and a reduction in customer care from these companies.

Gaining a customer can be very expensive. It is often a delicate combination of art and science to convert a prospect into a customer. Appropriate timing is required, product or service demand is needed. Buyer and seller chemistry is important. Trust must be an element of the customer's buying equation. A value consideration is in the mix. Price points and terms are also imperative in the customer's mind and wallet. However, losing a customer can be even more costly.

It seems inadequate attention is being paid to customer retention and customer service. Corporate America wants growth and transaction efficiencies; numbers, numbers, and more numbers. In reality, the loss of a customer is perpetually costly: not just in one-time revenue but in goodwill, exponential customer growth, and lateral referrals.

*"Customers aren't statistics. Customers are people."*

Stanley Marcus

Replacing brand loyalty is buyer disillusion. Recent reports reveal that a customer ceases to patronize a business because they feel they are not important to that business. Harris Interactive found that over 80% of customers quit doing business with a company because they aren't valued or had a bad customer experience (Customer Experience

Impact Report). Regular customers can be easily recruited elsewhere. They don't have the same level of loyalty as “fans,” nor do they give you as much benefit of the doubt. Customers who are fanatics about your business and are doing business with you can be described as more profitable, fiercely loyal, willing to relay your brand message, walking billboards, referral sources, recommenders, helpful resources, cheerleaders, willing to give honest feedback, repeat customers, validators, and sold-out defenders of their customer relationship with you and your business experience (product or service).

*“Make a customer not a sale.”*

Katherine Barchetti

The following chapters will expound on the value of a raving customer. There is a significant difference between a regular customer and a raving customer. A regular customer can be fickle while a raving customer can be a fanatic. A regular customer is sold to, but a raving customer wants to buy. I hope to encourage you to consider a customer-centric culture, a service platform improvement, laser-recruiting, and thorough training. As a result, your organization will enjoy raving customer relationships and the rewards associated with rave level relationships.

## More Profitable

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Heard in every conference room in every business in every city is an overused business phrase: "Our organization needs to be more profitable." How to get there seems to be the magic GPS that few figure out. Well, having more profitable customers that are FANS of your organization will produce the growth you want. For example, a CFO for a sales organization wants more profit per sale and more net gain revenue per client. When customers are fans and not just regular customers, more purchases, more interaction, more loyalty, and more profit can be expected.

The banking industry reports if the branch can secure the deposits, savings and checking accounts, minor investments, and safety deposit box income, their profitability improves by 300% and lasts four times longer. For example, Zappos customers are fans. They visit Zappos frequently and outperform more than 99% of all web available businesses. Attracting a new customer costs five times as much as keeping an existing one (Lee Resource Inc.). Additionally, the National Association of Insurance Agents recently reported that if an insurance agency offers four insurance policies to a fan (client), they are more likely to keep that profitable client for over a decade.

Again, a more profitable client is a fan of doing business with you. They like the experience of buying from you. When they think of your product or service, they do not hesitate to buy again and again. Your goal is to make certain the experience is excellent. You don't have to reengage with the fan. The fan already has a deep understanding and appreciation of what you have done and will do for them when they buy from you. A

raving customer usually buys more. They enjoy your product or service. They are not tire kickers; they are tireless customers.

A good read: *Exceptional Service; Exceptional Profit* by Leonardo Inghilleri, Micah Solomon, and Horst Schulze

## Fiercely Loyal

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A fiercely loyal customer will stand in line for your next product to be released, they will order ahead of time, and they will stand up for you and your business even when others are fickle and not fanatic about doing business with you.

*“Loyal customers - They don’t simply recommend you. They insist that their friends do business with you.”*

Chip Bell

A personal example of fierce loyalty is my experience with my family and the Wendy’s restaurant organization in my hometown. They served Pepsi products, particularly Mountain Dew, which is a favorite of ours. We are unashamedly and partially addicted Mountain Dew drinkers. Unfortunately, the Wendy’s franchise decided to switch to Coca Cola products. I have not been back to Wendy’s since. When in the mood for a fast food sandwich, we visit Arby’s, which carries Pepsi products. Ironically, we drive four miles past a Wendy’s to reach Arby’s to get our sandwiches and our Mountain Dew.

There is a mentality among customers in which they will go without their favorite brand product or service as opposed to going to a competitor. I was interviewing a business executive for this e-book, who shared that her family loves Applebee’s. This summer the Applebee’s in her hometown was closed for remodeling. They would get a

good old fashion “hankering” for Applebees and drive to the next major city (18 miles away) just to get their fan. Now that is a raving fan. Peppers & Rogers Group found that 81% of companies with strong capabilities and competencies for delivering customer experience excellence are outperforming their competition (2009 Customer Experience Maturity Monitor).

Fiercely loyal debates among office workers can be heard in offices across America about who is the best coffee shop. They will deliciously describe why they are fiercely loyal to their favorite caffeine source. The top five quick serve coffee shops are: Dunkin Donuts, Einstein Bagels, Starbucks, Caribou and Tim Hortons. Loyal coffee customers are fans to the bitter end.

*“Satisfied is well short of loyal.”*

Greg Heeres

*A good read: Customer Satisfaction is Worthless. Customer Loyalty is Priceless*

by Jeffrey Gitomer

## Validation

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*“Nothing is more highly empowering than you feeling good and someone unsolicited validates your good.” ~ Steven Pressfield*

As a business person, you may have experienced the awkward networking event at which you did not know very many people. Even though you were dressed sharply, your breath was minty fresh, and your favorite scent splashed on, you felt invisible at the event. Then someone acknowledges you, walks over, begins to chat and does the most amazing thing: they introduce you to new people, validating that you are a respectable person and someone others should know.

This happens in the marketplace with raving customers. Regular customers can almost act like zombies going through the motions. Raving customers are energized and proud to have done business with you and your organization. They are more than willing to validate your organization’s values or the value they received being a customer of your organization. Validation is a powerful customer phenomenon. Some customers are risk takers, pioneers and enjoy being trendsetters. Most customers wait for others to try and then look for validation before they proceed. It’s just like the old Life cereal advertisement, the two boys waited to see if Mikey would like the new cereal. Mikey validated the cereal was good, and the other two boys followed suit.

*"A true friend says nice things about you behind your back."*

Jack Lemmon

A good read: *Customer Loyalty: How to earn it and how to keep it* by Jill Griffin

## Walking Billboards

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“Word-of-mouth” is a marketing slogan often used but rarely accomplished with sustainability and success. Whether it’s among family or friends, at coffee shops, or social media sites, the average American mentions all their favorite brands, products or services over 35 times a week.

Every year, companies spend millions of dollars on billboards and other advertising media. Word-of-mouth advertising is much more effective because the expressions of endorsement of a company, brand, product or service are more believable and positively acted upon. Brand-related conversations are 75% more positive about the brand; other advertising media can’t brag that positive of numbers..

*“Courteous treatment will make a customer a walking advertisement.”*

J.C. Penney

*“If you do build a great experience, customers tell each other about that.*

*Word of mouth is very powerful.”*

*Jeff Bezos*

As a flashback from the 1980s, Heather Locklear was the face and the voice for a catchy advertisement that illustrated the power of validation. The gist of the advertisement was that Breck shampoo users were so happy that they told one person

who told two persons who told two persons and so on. This example reflects the power of validation and word of mouth. Breck didn't buy 10,000 billboards. They advertised that validation to your friends would be greater than a billboard campaign. Conversely, negative word-of-mouth can be extremely costly. It is projected that 15% of dissatisfied customers will tell *over 20 people* about their experience (White House Office of Consumer Affairs).

*"You can not buy someone's word of mouth. You must earn it."*

Greg Heeres

To learn more about the value of word-of-mouth, check out Word of Mouth Marketing Association (WOMMA). Additional insights and information are provided to prove the priceless value of word-of-mouth advertising.

A good read: *You are a Walking Billboard for Your Business* by Sherrie Giddens

## Mulligans

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A mulligan is a do over, a second chance, a fresh restart. They are frequently used around golf courses all over the world. Many years ago, I started playing golf with one of my best friends. We were hitting a lot of errant balls while scoring very inconsistently on the course. We decided to offer each other the freedom to hit a mulligan any time one of us felt we messed up and needed another chance. That was twenty years ago, and our friendship continues. Our mulligan golfing improved our golf experience too.

Friends provide each other with mulligans whether on the golf course or just in their friendship. You know who else does? Raving customers. Additionally, friends forgive and forge deeper loyalties through challenges in and to their friendship. Raving customers are similarly loyal. They are so committed to the brand, the service, or the experience, they are willing to give you another chance. They may even offer suggestions or help you fix the problem for them.

Some of the highest rated customer service organizations have the highest ratio of raving customers. There is a correlation; no coincidence about it. Raving customers are forgiving. They are glad to extend a mulligan for an incorrectly shipped item, or a backordered item, or a meal prepared not to their liking. Happy customers who get their issue resolved tell at least five people about their experience (White House Office of Consumer Affairs). In addition, a raving customer is willing to provide valuable feedback and honest comments to improve your brand, your product and your service delivery.

*“Customers don’t expect you to be perfect. They do expect you to fix things when they go wrong.”*

Donald Porter

*“Your most unhappy customers are your greatest source of learning.”*

Bill Gates

A good read: *Customer Mania* by Ken Blanchard

## Good Connection

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A good connection means both parties are in tune with each other, equally involved, committed, and freely exchanging and engaging. A good *connector* is willing to put their name and reputation on the line to recommend your business to others, often when you didn't even ask them. A good *connector* often thinks of ways, ideas, and inventions to make your business better not only for them but for all others they recruited to be your additional customers.

*"A referral is the key that opens the door of resistance and unbelief."*

Bo Bennett

*"The prosperity of the human race is contingent on the degree of how helpful we are to each other."*

Greg Heeres

In the book *Endless Referrals* by Bob Burg, he convincingly illustrates the fruitful and fun results of referral focused business. Sure asking for a referral can be stressful. Trying to make a living in sales without referrals will be down right exhausting.

A good read: *Endless Referrals* by Bob Burg

## Differentiation

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Businessman Scott Addis of Beyond Insurance speaks, writes, sells and lives with the mindset of fighting being a commodity. He endorses the idea that you must swim against the current and stand out with a process, an expertise, and corner on the market. As a result, not allowing chance, or worse yet price, determine your success.

The best brands and the most sustainable organizations have the highest degree of differentiation with their loyal customers. If you look like a competitor, regular customers resort to convenience and commodity comparisons.

Recently, I asked a group of high school students what the brand of Hollister represented. I received puzzled looks and a few guesses. The brand is a surfing company from California. They sell most of their clothing line in the midwest and eastern United States. From my geography classes, I do not recall much surfing happening in those two regions. Hollister is an example of a culture not a trend. These high school kids are fanatics of surfing clothes.

Raving customers are a business value and asset. When you consider growing your current company, merging with or acquiring another company, remember to determine the ratio and strength of raving customers, not just sales or profit.

A good read: *Blue Ocean Strategy* by W. Chan Kim

## Friendly Fire

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*“Every great business is built on friendship.”*

J.C. Penney

People buy from people they know, like, and trust. Regular customers may buy, or can even be sold a product or service. A raving customer has the capacity to learn (know about you and your company/brand/products), like (emotionally connect), and engage (trust). An enthusiastic customer experience starts with passionate, mission-conscious and customer centric employees who are recruited and trained with raving customers in mind.

*“All things being equal, people will do business with and refer business to, those people they know, like and trust.”*

*Bob Burg*

As the saying goes, enthusiasm is contagious. If your company culture celebrates enthusiasm, your customers will sense this and convert to raving. They are enthusiastic customers and want a company to have enthusiasm as well.

Recently I had a “WOW” customer service experience. I had to return a product but needed a replacement ASAP. The company representative was upbeat and unfazed by the time crunch. His disposition and solution made me feel at ease.

*“Nothing is as contagious as enthusiasm.”*

*~Samuel Taylor Coleridge*

A good read: *People Love You: The Real Secret to Delivering Legendary Customer*

*Experiences* by Jeb Blount

## Conclusion

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Over the past chapters, you have learned of the multiple differences between a *regular* customer and a *raving* customer. A fanatic of your product or service can have a powerful impact on your business both today and in the future. In order to have a raving customer centric culture in your organization, it begins with you in hiring, training, and monitoring. Hire passionate people who wish to serve and succeed for the customer. Offer training when and where your organization needs a refresher or a rave initiative. Monitor the rave culture so it doesn't slip into regularity again.

## Author Information

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Greg is the founder and CEO of Maximize. Maximize was established in 2005 by a group of top level business consultants, whose expertise encompasses a spectrum of business services. We execute our services through consults, assessments, coaching, workshops, training, projects, contractual arrangements, and outsourcing. Our mission is to motivate leaders to be their best; to move organizations from good to great; and to activate solutions and systems for profitable growth in sales.

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