

The Power of **Passion**: How Your Company *Thinks About* Prospects and Customers Determines Your Revenue

Two Little Words Can Drive Your Revenue, and Propel Your Company, Forever

by Drew Morris
Great Numbers! LLC

What company couldn't use more revenue right about now? But revenue only happens when people decide to buy, buy again or tell others they should—and they do. Each of the three is rooted in people's *feelings* about the company and what it offers.

CEOs need to take the lead in creating those feelings—because the every part of the company will have a hand in bringing them about. As we'll see, it's not a problem that can be laid in the laps of brand managers, marketing or those responsible for customer service.

Customers' feelings about the companies they do or don't buy from fall on what we'll call the *Passion-in-Customers Spectrum*.

At the problematic bottom of the spectrum is a passion we've seen many companies evoke in customers: "No way, no how, will I ever buy anything from you again!" These are people who have been "dissed." Poster child: Dell's offshoring their tech support a few years back.

Dell's senior management made what looked like a necessary decision from a cost perspective (cheaper PCs no longer permitted high-cost support).

What they didn't fully appreciate was that their customers thought they had a *relationship* with Dell. They liked the company and bought their products. And you'd get a lot for what you paid, even if there were some soon-to-arrive issues like key tops falling off.

Then Dell, by offshoring its support, badly, conveyed to its customers that they, and their technical issues, were not important. This included a support process someone actually *designed* that drove Dell's technically troubled customers straight up a wall. Now Dell's suffering "The Revenge of the Dissed," and its president at the time is, well, "former."

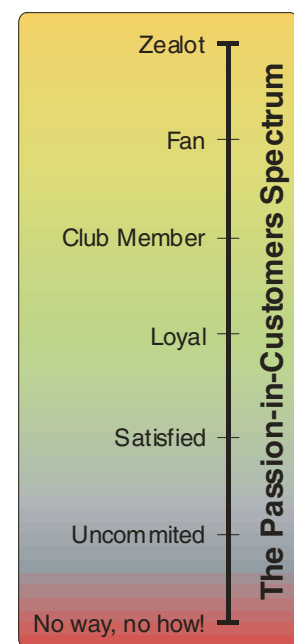
Worse, in May '07 the New York State Attorney General, Andrew Cuomo, sued Dell claiming that "At Dell, customer service means no service at all." According to The New York Times, Mr. Cuomo said that the suit was filed after talks with Dell executives *failed to resolve the issue* (a new high in lows in the annals of brand management).

Once a customer perceives that they've been disregarded by a company, is it even possible to get them back?

Next on the spectrum are the uncommitted. These people have no strong opinions about your products, services, brands or company one way or the other.

Further up are satisfied customers. They have no unresolved issues and would buy from you again. They've received good customer care, been treated fairly and regard your offerings as a good value. But these customers might just "look at another provider" the next time they buy.

Moving customers to the next rung of the spectrum requires that you create loyalty. Not bribery-based loyalty like frequent-flyer programs (those are just behavioral incentives, aka attempted manipulations, none of which come from the heart). Loyalty springs from liking and trusting.



Still further up the spectrum, we find the Club Member, the customers that take part in a like-minded *community* related to your business. An off-line example is the Harley-Davidson (motorcycles) Owners' Group (HOG). On-line examples include literary, product and fan forums.

Communities work because people have an innate need to belong and contribute to groups they're passionate about. As long as their psyches are entwined with the community, "they ain't goin' nowhere."

Higher still, we find fans—customers who will enthusiastically tell others about your business or what you offer.

Atop the spectrum are zealots—the highest level of customer passion. Zealots will enthusiastically recommend your offerings to any and all, and not even consider using a competing provider.

So how can you create zealous customers?

For me, the key came while watching the film, *The Mask of Zorro*. In the story, Zorro (a nobleman in "Superhero" guise) foils the arrogant colonial governor's repeated attempts to kill, enslave and abuse the peasants. They in turn were zealous (and then some) in their passion and regard for Zorro. The learning lies in *why*.

Zorro was **for them**. If you're poor, uneducated, oppressed, etc., it's easy to feel that nobody's *for you*. Zorro showed them through his actions that *they were important* to him, as was *making their lives better*. He deeply cared about them and their plight, and he put himself on the line.

The film makes vivid the enthusiasm that came back. It came back because it's so rare that anyone really gives a damn.

Showing people you think they're important is powerful... *More examples:*

- If you've ever left a holiday tip (or a 6-pack) out for the trash collectors, you've no doubt noticed how everything you later need to dispose of, even if it's excessive, is taken away.
- A man was having a house built. Every few days, he would go see how it was going and bring coffee and donuts for the workers. Upon completion he remarked to a friend how many nice touches were in the house that he never expected, or paid for.
- A well-regarded, privately held firm that manages retirement accounts, untarred by recent debacles, noticed that in mid-September 2008 its call-center volume had spiked, because people were nervous. Some calls were dropped because of longer-than-normal wait times for a representative. But the firm had the account (and phone) numbers of those who had decided not to wait. They brought in their call-center staff on the weekend and *called all of those account-holders back*.

Most people who hear that story think it's wonderful. The sad truth is *that should be normal*.

Creating the "For Them" Mindset - Some of the Dimensions of Enriching the Customer

The basic idea is well captured in the old saying, "I love you not only for what you have made of yourself, but for what you are making of me." What can you do for your customers that they'll deeply appreciate and for which they'll want to freely reciprocate? Here are a few powerful ways to accomplish that. Visits to the Web sites of the companies we'll cite will prove instructive.

Teaching: The American Girl (americangirl.com) historical character dolls provide a deep emotional connection to the situations, challenges and stories of young girls from various backgrounds living in (or coming to) America years ago. The company has created a powerful social and learning community and a deep ongoing revenue stream.

Teaching and Protecting: You don't hear much good said about financial-services firms these days. One exception is T. Rowe Price (troweprice.com), for two reasons—their efforts to educate prospective investors (kids included) and, based on many years of direct experience, I *know* they have my back. It has long operated with a squeaky-clean nose. When something (like a fund redemption) does go awry, one of their associates will grab ownership of the problem and ride it until it's resolved.

Tellingly, a few years back, T. Rowe Price's fund managers were working to ensure that private-equity firms didn't team up with a company's management to take it private for less than it was worth, leaving public shareholders (such as TRP's investors) the poorer.

Enabling: An oft-cited example of working to improve customers' lives is A.G. Lafley's legacy at Procter & Gamble (pandg.com), in which P&G's people actually live with consumers so they can observe their problems and challenges in P&G's product areas and help to craft solutions. P&G's Children's Safe Drinking Water and Live, Learn and Thrive programs are exemplary.

Monsanto (monsanto.com) is a great example of a company *designed* to help its customers succeed. When CEO Hugh Grant took the reins in May 2003, Monsanto was challenged. Its Roundup herbicide franchise faced fresh generic competition and it lacked a clear next success. Grant chose to pour resources into R&D, creating a seed technology that makes farmers more productive and cuts crop-failure risks. The ensuing turnaround led to Monsanto being named one of the S&P 500's top 5 wealth creators in Chief Executive's 2008 ranking.

The outdoor equipment retailer REI (rei.com), led by Sally Jewell, is another classic practitioner of enriching the customer. On its Web site you'll find all sorts of outdoor gear, the sales pages for which are infused with quality advice for things like not breaking your neck, or getting buried in an avalanche. You'll find a set of communities as well, by activity.

Some enablers help customers show the world who they are. Target (target.com), chic for less, is a good example of this approach.

Other enabler examples: Amazon (amazon.com) and Google (google.com).

Why the CEO Has to Lead This Charge...

Only the CEO can bring the necessary consistency to the company's "for them" efforts. The problem is well illustrated by the author's experience as an HP customer. Upon buying an HP All-in-One (a combination printer, copier, scanner and fax machine) in early 2006, I was invited to enroll in HP's free online courses on both technical and general topics. I did, found them to be excellent and have taken a number of them.

So I loved HP. Until a flimsy plastic element of the All-in-One's printing mechanism broke. Not only was the part impossible to replace—there weren't any, anywhere. After all, "The printer was more than 3 years old," I was told by support. Worse, the scanner and fax would no longer function if the machine was unable to print. Don't ask me why; I'm just the now disillusioned customer.

The point is that unless the CEO makes it crystal clear to everyone that product-design gaffes and other dissonance (lack of parts) are unacceptable, because they enrage customers, we'll continue to see customers like me moving from "zealot" straight down to "no way, no how."

The Revenue Impact of How Your Company *Thinks About Its Customers*

The upper diagram (at right) shows the typical situation—in which the customer is treated as an inanimate object rather than as a person. The company makes offers, often based on price, to an emotionally unengaged prospect. Note the thin lines leading to the revenue pot.

In the lower diagram, we see an engaged, enthusiastic customer. She feels respected, and has gotten value from her purchases and experiences as a customer. And she looks like a promoter of the company. Her feelings and their intensity are reflected by the wider arrows leading to the larger revenue pot.

The Leader's Job

The CEO's first decision is, where on the Passion-in-Customers spectrum will we be?

You then have to craft, alone or with others, the customer mindset—the way of thinking about the customer—that everyone in the company will need to embrace, and to communicate that mindset emphatically and repeatedly. It should include:

- *Why* we (the company) are here.
- *What* we will do to enrich our customers.
- *How* we'll make that happen.
- What we'll do *to continue* to achieve that.

The CEO also needs to shape the company's culture so that those who embrace the customer mindset are rewarded, people who share the mindset are drawn to the company and those who just can't get into the mindset are encouraged to move on. T. Rowe Price is a great example. People who just want to do what's best for their customers are drawn to it, and they stay, for many years, because they believe in what they're doing and it gets reinforced by their customers, every day.

About the Author

Drew Morris is the founder and CEO of Great Numbers!, which helps executives figure out how to create them, and to master the skills needed to do so repeatedly. For more ways to boost revenue, by drawing it away from competitors, visit greatnumbers.com or contact Drew at drew.morris@greatnumbers.com. He has no financial interest in any of the companies mentioned here. Contact him to request presentations on the material in this article.

