

Five Great Ways to Tank Customer Loyalty Before it's Even Begun

by Stever Robbins

Don't the best relationships begin with tricks, manipulation, and deception? You'd think so, from the way some companies treat new customers. We all want strong relationships; they lead to loyalty and word of mouth. The buzz builds, and soon you're thriving. Customers stay because they love us (who can compete with love?) and Life is Good. As with any relationship, beginnings are fragile. Missteps up front can set the stage for arms-length engagement forever. Here are a few mistakes you've either made or been victim to, and what to have the best chances of keeping your customers.

Customer Mistake #1: Collecting Customer Information Too Soon

I needed a quote from an article in a famous business daily newspaper. The business daily was happy to let me search their last month's archive, but first I had to register, giving them personal information up front. A common practice, but how stupid. Sure, they want to market to me. But didn't I come to their site on my own? They have my awareness already. The free offer isn't so free. They want contact info in return. Why would they want my info, except to send me junk mail? Oh boy, I can hardly wait!

If you promise a free offer and want to capture customer information before you deliver, make the information capture optional. Most people will be happy to share their contact information with you. After all, they're there because they hope you'll solve their problem.

Strong relationships are built on understanding each other's needs and filling them so well both parties want to stay. At first contact, fill *their* needs first. Then you've earned the right to ask further questions and explore how to get what you want.

This is an introduction, so ask only for information needed to deliver the free offer. If you're mailing something, you'll need a person's mailing address. Ask for it. But stop there. Keep questions respectful. Quizzing someone about their

household income before you know them is tasteless and rude, no matter how much you like voyeurism.

If you ask personal questions before you've earned the right, people will lie. Even about phone numbers. When a stranger asks for your number and won't take "no" for an answer, you give them a fake one. And probably a fake name. And an address in Poughkeepsie. Spending a little time to earn trust before asking is the best way to start *any* relationship.

Customer Mistake #2: Making Customers "Opt-out"

Unfortunately, the quote wasn't in the one-month archive. But to search last year's archives required signing up for a free two-week trial of the publication. My trial was active within a few hours. After finishing the search, my day moved on and the incident was forgotten. Two weeks later, a receipt arrived from nowhere informing me my credit card had been charged \$30 for "change in account status."

"Try for two weeks and cancel before we start charging" is a great way to generate active hostility. The free trial is nice. The burden of having to remember the trial expiration is not. If a customer intends to cancel, hoping they forget the due date and get tricked into taking your product isn't going to inspire fierce devotion and a desire to purchase more. At best, they'll feel like they screwed up. At worse, they'll blame you. Do you really want people choosing between shame and anger as how they feel about your company?

The same thing happens with opt-out marketing lists. "Check here if you **don't** want us to share your personal purchase data with everyone from General Electric to David Letterman."

Face it: people (except a few fanatical direct-mail marketers) don't want more junk mail, no matter how profitable it is for you to send it. Making them "opt out" demonstrates that you act only in your own interests unless a customer takes the initiative to have their needs considered.

Stever Robbins is president of Leadership Decisionworks. He can be reached at:
P.O. Box 400158
Cambridge, MA 02140-0002
+1 (617) 354-1446

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The daily business site did an especially bad job, because the first reminder of the trial expiration was the charge receipt. What's worse, the site gave no instructions for canceling a trial before it became real.

If you're going to offer people a trial that turns into commitment, warn them before the transition. Otherwise, people convert by fiat. If you'd rather have them convert out of enthusiastic satisfaction, spend the trial period giving them value, value, value. Teach them to use your product better. Give them tips about how many problems they can solve for ever with just your product and a bag of odds-and-ends they can find around the home. Then let them know the transition is coming up, and only then start charging.

Moving from dating to marriage should require ceremony in any relationship. Sure, if you shack up together for a while, you're married under common law. But make sure you check in together before it becomes real. Accidental marriage is no fun for either party.

Customer Mistake #3: Plan for separation

Well, there was no obvious way to back out of my trial. The "My Account" section of the web site let me modify my account settings and include all kinds of add-ons to my subscription. There was no way to cancel, however, nor did anything in the help file mention canceling. It took a half-hour on the web site, plus calls and emails to customer service before the charge was removed.

What were they thinking? "Gee, if we make it hard to cancel, someone who wants out will just knuckle-under and keep paying us forever?" The marketing genius who came up with that one should be put out of their misery. Making it hard to cancel won't stop a customer from leaving; it just adds frustration. People leave for all kinds of reasons. They might come back. Don't guarantee their last memories of you are of trickery and manipulation.

And make it easy for customers to leave and return. Many relationships are paradoxically strengthened when the parties involved feel as if they have the freedom to leave.

Customer Mistake #4: Making bad first impressions.

While waiting for my subscription refund, I bought new backup software. Installing it took half an hour and then it wouldn't run. Reading the fine print, it seems I was supposed to bring my system "up to date" before installing. In plain English: download 100 Mb of software updates from Microsoft and install them all. No way. Not until I can afford to go computerless for a week while my tech person fixes everything the updates broke. The backup software went back to the store, amidst grumbling over the lost time.

Those pesky customers. They buy your product, take it home, and expect it to work. When they find no batteries included with their new \$180 MP3-player, they curse, scream, and run out to buy the \$2 extra batteries. How unreasonable can they get?

When I worked at Intuit, we followed customers home and watched them struggle with our product from purchase until successful use. We quickly learned to streamline the purchase

and installation until it was ran as smoothly as melted Velveeta on nachos¹. We identified everything a customer would need to use our product and make sure it was all included or clearly identified before purchase.

Trying and buying a product is your customer's first impression of you. Orchestrate it carefully; first impressions count. It's worth doing whatever it takes to make their experience a joy. It may mean more work for you, but if it gets you a customer for life, it's probably worth it. We recently bought a manual lawn mower that assembled with no tools and needed a single sheet of instructions to master. We've already recommended it to friends. You can bet when it needs replacing we'll stick with the same brand.

Remember when you picked up your spouse for your first date. Were your first words, "By the way, the car is out of gas. Here's the gas can. Why don't you run out and snag a gallon while I wait

"If you want a customer very much, let them go free. If they come back, treasure them forever."

– New Age Quote

"...If they do not, sell their name and address to your direct marketing partners, because at that point, you have nothing to lose."

– Marketing Department

1. Pulitzer Prize "Best Metaphor of the Year" committee, please take note.

here with your parents?” Of course not. You are smarter than that when it comes to personal relationships. Be smart in business, too. Include the \$2 batteries in your \$180 MP3-player.

Customer Mistake #5: Invading personal space

I signed up years ago for a marketing newsletter with a man rumored to be one of the most famous, successful marketing consultants of all time. Imagine my delight when I've received great offers directed to his "exclusive inner circle of personally important customers." My delight waned a tad when I noticed the letter was addressed to "Dear Nospam-marketing." Personal friends? Exclusive inner circle? I think not.

Just don't do it. Computers may provide "mass customization," but your customers know the difference. They own laser printers, too. Fake friendliness won't impress them. If your letters aren't hand-signed by someone whose name they know, they won't believe for a moment that they're any more special than anyone else. They just believe you have a good mail merge program.

If you waste your "Dear close friend" on people you barely know, you do a double disservice. First, you make it hard to make your true close friends feel special. How do you start the letter, "Dear close friend—no, I mean it this time, you really *are* a close friend"? I don't think so. You also deliver the reek of insincere carnival con-man to your customers. They know they aren't your close friend. Don't insult them by presuming you can play off a relationship that doesn't exist. If this is a new customer, don't be afraid to

admit it. After all, they're under no illusions that you've been friends for life. Just say "Dear new customer, here's a chance to meet your needs for marketing advice!" A little refreshing honesty can work wonders.

Honesty is the foundation for great relationships. Even if you can get away with pretending closeness where none exists, think twice. If the truth comes out, it could be worse than playing it slow to begin with. Just ask any pair of identical twins who pulled the dating switch-a-roo back in high school. It might have been fun for an evening, but once the truth came out, they found themselves suddenly single.

Business leadership is first and foremost about forging relationships. You'll be most successful when you build those relationships to last. Customer relationships are only part of the story. You also have relationships with employees, vendors, and investors. The same principles apply everywhere: give good first impressions, answer their needs before pushing your own, respect their personal space, and make it easy for them to pull back to their own comfort level. It takes a bit longer than just charging ahead, but anticipation is, they say, the spice of life!

Stever Robbins is President of Leadership Decisionworks, Inc., providing professional speaking, strategic planning facilitation, and leadership coaching around decision-making. He has appeared on CNN-FN, in the Wall Street Journal, and in Harvard Business Review. You can reach him at LeadershipDecisionworks.com or by phone at 1-617-354-1446. ●