

Numbers may count, but customers buy from the heart

GM is having all kinds of problems in the car business these days. So are many other car companies. And we won't even talk about how bad it is for the airlines today.

Yet, in the midst of these industries and specific companies doing so poorly, Yahoo Inc. reported profits had doubled on soaring Web advertising revenues. Google Inc. reported a profit nearly six times higher than a year earlier. Even old-timer Dell Inc. – “old” by Internet standards – saw profits rise by 28 percent.

So, what's the difference between some companies doing very well and others sucking wind? Of course, no single explanation accounts for everything but one factor looms larger than life.

In the cold, hard world of business we are taught about numbers, sales forecasts, cash flow, and a bunch of other logical, real-world stuff. This is the key to success in business, right?

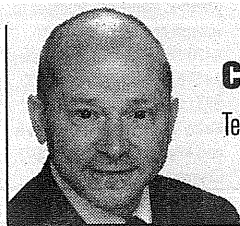
Nope. Not by a long shot.

It is not in the logic and cold-hard reality where you win customers. It is in their emotional link and buy-in to you, your business and how you make them feel. Each of the companies that are doing well plays on the emotional appeal of having customers feel like they belong to a community. Those companies where there is a loss either in real financial dollars or in customer loyalty – and there is a link – can usually be attributed to customer detachment and lack of involvement.

A good case in point is the soaring success of Apple's iPod. These little rascals are so popular now that they are hot items with thieves who are targeting them. An iPod, just in case you have been living under a rock for the past few months, is a portable music playing device that Apple has touched and turned into a serious profit-generating machine for shareholders.

From the iPod success has emerged a whole category of support products that enhance the iPod experience. In this support category you find cases, external speakers, batteries and more. Customers feel emotionally involved and connected. Apple's profits benefit from this increased loyalty.

So what does this mean for your business? How can you be more like a Google, a Yahoo or a Dell and less like a General Motors Corp., an American Airlines, a United Airlines or others? Well, you have to think about the total customer experience -- from the customer's point of view.



Cybersense

Terry Brock

We have raved about discounter Southwest Airlines for years. Rather

than cite yet another story about how Southwest is beating the socks off the competition, just think about the emotional experience on a typical Southwest flight vs. one with one of the larger carriers. Those that can connect with the customer in a favorable emotional way, win the day. Yes, price is always important but Southwest is winning now even when price is equalized because of other carriers matching its low fares.

This is not rocket science. They didn't really drill this stuff into our heads in business school in Quantitative Analysis class. You can't run it through multiple regression models.

It is human nature, pure and simple. Logic will make people think but it is the emotional involvement – in a favorable way – that makes customers buy and keeps them coming back again and again.

And here's a practical, specific way to do it. Call your customers. See them face to face. This becomes a real competitive advantage in an age with e-mail overkill. And then connect with them emotionally in a regular, pleasant manner.

One technology that can help with that is fast-emerging podcasting. Modeled after Apple's iPod, a podcast is your own radio broadcast on the Net. Once you have the specifics down, you can send a pleasant audio message to customers, employees and others easily and quickly. Make the message relevant

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and beneficial to them, not just about you and what you're doing.

Customer service is a part of this. Paul Stewart and Janelle Barlow discuss this in their recent book, “Branded Customer Service.” They talk about companies that have made a difference in the bottom line by involving customers emotionally. Great reading for a serious entrepreneur who wants to gain a strong competitive advantage using kindness to customer.

Today, you have enormous opportunities to get ahead. Leverage the technology to serve customers more. It will keep customers connected and boost the bottom line.

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