

10 THINGS

YOUR CUSTOMERS WISH YOU KNEW ABOUT THEM



HOW WELL DO YOU KNOW YOUR CUSTOMERS?

It's a tough question. One way your business can find answers is to examine research in social psychology. Below are 10 such studies that reveal things your customers WISH you knew about them.

1 CUSTOMERS VALUE "GOOD" SERVICE MORE THAN "FAST" SERVICE

Recent studies show that customers who receive competent, knowledgeable, and all encompassing services are more likely to remember their experience and tell their friends.

Additionally, customers cited "rude, incompetent and rushed" service as their #1 reason to abandon a brand, 18% more often than "slow" service.

15 minutes in paradise is better than 5 minutes in hell

► <http://businessjournal.gallup.com/content/727/when-speed-kills.aspx#1>
► <http://www.rightnow.com/files/analyst-reports/RightNow-Customer-Experience-Impact-Report-2011.pdf>

2 CUSTOMERS LOVE PERSONALIZATION, THEY WILL GLADLY PAY MORE FOR IT

In a study from the Journal of Applied Social Psychology, researchers were able to increase the average tips that waiters received by over 23% (without changing service quality).

They accomplished this by having waiters follow up with a second set of mints after they brought customers their check (waiters that brought mints but didn't follow up received an average of 7% less for their tips).

► <http://onlinelibrary.wiley.com/doi/10.1111/j.1559-1816.2002.tb00216.x/abstract>

3 CUSTOMERS WILL REMEMBER YOU IF YOU CAN REMEMBER THEIR NAME

Speaking of personalization, according to recent research examining brain activation, few sounds are as pleasant as hearing our own names.

Fact is, people are more attentive (and interested) when they hear their names; be sure your small business takes advantage of getting to know your customers by using their names when appropriate.

Nothing makes me feel loved quite like a post-purchase email from "DO-NOT-REPLY"

► <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1647299/>

4 THERE ARE FEW THINGS CUSTOMERS TALK ABOUT MORE THAN A PLEASANT SURPRISE

One of the most lasting (and talked about) customer experiences is a pleasant surprise: reciprocity, especially when it's unexpected, is a very powerful force.

Zappos recognizes this: without so much as a single mention on their sales page, Zappos regularly upgrades customers to overnight shipping free of charge, just to brighten their day.

► <http://econweb.umd.edu/~ozbay/reciprocity.pdf>
► <http://hbr.org/2010/07/how-i-did-it-zappos-ceo-on-going-to-extremes-for-customers/ar/1>

5 CREATING GOODWILL WITH CUSTOMERS DOESN'T NEED TO BE EXPENSIVE

The concept of "Frugal WOWs" is important to small businesses: creating goodwill with customers has proven to be more about the act, rather than the cost.

Nate Ru, founder of Sweetgreen restaurants, regularly has his employees leave small gift cards next to cars with parking tickets to create a memorable brand based on random acts of kindness.

Business has grown 300% year-over-year since the inception of Sweetgreen's "Random Acts of Sweetness"

► <http://www.ana-valenzuela.com/wp-content/uploads/2010/02/paper-1.pdf>
► <http://boss.blogs.nytimes.com/2010/10/06/getting-people-to-care-about-your-business/>

6 CUSTOMERS WILL STICK WITH YOUR LOYALTY PROGRAMS IF YOU GET THEM STARTED

Consumer psychologists Dreze & Nunes were able to reveal just what makes a loyalty program "stick" across all industries in their now infamous car-wash study.

The researchers were able to show that customers are TWICE as likely to stay with loyalty programs if the programs appear to already be started; tasks that seem to be under way are much more likely to be completed.

► <https://msbfile03.usc.edu/digitalmeasures/jnunes/intellcont/Endowed%20Progress%20Effect-1.pdf>

7 CUSTOMERS LOVE BRAND STORIES AND SELLING THROUGH STORIES IS EFFECTIVE

Research lead by Melanie Green & Timothy Brock reveals that a well told story is one of the most persuasive forms of writing (or speaking) available.

They concluded that this was because stories have the the ability to "transport" us to another place, allowing brands to leave powerful (and lasting) messages to customers.

When it comes to storytelling, transportation leads to persuasion.

► <http://psycnet.apa.org/?&fa=main.doiLanding&doi=10.1037/0022-3514.79.5.701>

8 IF YOU'RE STRUGGLING TO INNOVATE, YOUR CUSTOMERS ARE A GREAT RESOURCE

MIT's Eric von Hippel conducted a study with the Institute of Management Sciences on the relationship of "lead users" (superstar customers) and company innovation.

Through a study of 1,193 commercially successful innovations across 9 industries, Hippel discovered that 60% came from customers.

► http://www2.sa.unibo.it/summer/testi/15_muffatto/von-Hippel-Lead-users.pdf
► <http://web.mit.edu/evhippel/www/papers/HBR%2099%20LU%20pub%20version%203M.pdf>

9 SELLING "TIME" OVER MONEY HELPS CUSTOMERS SEE THE VALUE OF YOUR BRAND

There's a reason that inexpensive beer companies promote having a good time (ie, "It's Miller Time!") rather than their low prices.

New research from Stanford reveals that customers have more favorable feelings towards brands they associate "time well spent" with; memories of good times were more powerful than memories of great savings.

Most people see time spent as a better indicator of who they are vs. money spent on what they own

► http://www.gsb.stanford.edu/news/research/aaker_time.html

10 IF YOU BRING UP MONEY, IT MAKES CUSTOMERS MORE SELF-CENTERED

Research by psychologist Kathleen Vohs has shown that when people are "primed" with images of money, they become more self-interested and less willing to help others.

This reaction can be used by businesses that sell luxury items, but could backfire with promotions that are associated with doing things for others (ex: Mother's Day Gifts).

► <http://www.carlsonschool.umn.edu/assets/101518.pdf>



EMAIL SUPPORT SHOULD BE A PLEASURE, NOT A HEADACHE.

