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Increasingly I see businesses waste money on marketing activities and advertising.

When sales are down, all too often the reaction is to ramp up the marketing and advertising, spend more on SEO or Adwords or Facebook Ads - but for little real bottom line impact.

The reality is this has been going on in different forms for decades and is closely aligned to the old 1950's push marketing model.

Don't get me wrong, marketing and all its supporting elements have their place - but only when aligned to an understanding of the customer's world and what is actually important to them.



Critical steps before you begin throwing money at the problem!

Is there another way to help ensure the hard earned monies you allocate to marketing will deliver the outcomes you are seeking? Is there an alternate approach?

Before madly throwing money at the problem - why not take a step back and ask:

"What would need to be in place - how would our business need to operate - if we didn't spend money on advertising, SEO, marketing, sponsorships etc. and had to rely solely on word of mouth from satisfied customers?"

Forget price, or discounting - that may drive short-term results, but is also a quick way to decimate your bottom line.

Why a different customer experience is needed!

If you are not sure where to look for a solution - think about the following research findings:

- 68% of customers switch to someone else because they do not feel value
- 62% of so-called "satisfied customers" are unlikely to buy from the same business again (Because they do not feel valued!)
- 90%+ of customers see no difference between businesses from which they buy (When this occurs the focus becomes price!)
- In Australia only 27% of people purchase based on advertising

Conversely

- 40% will purchase from a business because of their reputation for good customer service
- 55% recommend a business due to outstanding service
- 83% of people rely on recommendations from trusted sources - family, friends and colleagues
- 85% would be prepared to pay up to 25% more to receive superior customer service

So again, armed with this information (& your own experience of dealing with businesses of all types) - consider the question:

"What would need to change in our business if we were to rely on word of mouth and referrals as our sole source of business?"

Put another way:

"What needs to change to create raving fans, to have people come to us because of our reputation for service and be prepared to pay more for it?"

View your business as the customer sees it

Step back and take an objective look at your business. Are all your people, processes and policies aligned to allow your customers to have an outstanding service experience?

Be assured, if everything is not aligned, the customer experience will be less than optimal and you will remain forever condemned to the customer acquisition treadmill!

How far is your business currently from being able to rely solely on referral business or word of mouth? If like most a fair way then, what needs to change?

Begin by understanding your customer's world

Begin by first understanding your customers world. Really, understand it! Not just demographics. What is their world like? What challenges do they face? What keeps them awake at night? What are their aspirations? What is truly important to them? Crucially, how do they think and behave?

Immerse yourself in your customer's world. Live it. Breathe it!

Talk to them! Listen intently!

Consider how you improve or change the customer's world – is your focus on this or like most, your product or service.

Map your customer experience journey

Having developed an insight into your customers world - then map your customer journey and evaluate each and every customer “touch point” from their perspective

Involve your whole team

If you are truly committed to providing an outstanding customer experience, involve your whole team in the Journey Mapping and review process.

Get everyone in the business to Map their own area of influence and look for opportunities to deliver an enhanced customer experience.

It is important to not fall for the trap of thinking provision of an outstanding customer experience extends only to the customer facing personnel - it doesn't - it needs to encompass the whole organisation - everyone and every role, needs to align to one aim - exceeding customer expectations!

Crucially, just because things have been done in a particular way within your business or industry for many years - doesn't mean it is right, that it is important to the customer or adds to the customer experience.

Sometimes eliminating elements can provide a leap forward in terms of what is important to the customer.

As you work through this process it is important to create excitement, listen to all recommendations, no matter how minor, - continually ask - How does this add to the customer experience?

Summary

By asking the question – “What would need to change in our business if we were to rely totally on word of mouth and referrals for growth” - I am not suggesting traditional forms of marketing are not needed, they are!

However if you work through this process and truly understand what is important to your customers, align all your people, processes and systems - imagine how much more effective your marketing spend will be and how your levels of referral business will soar!

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