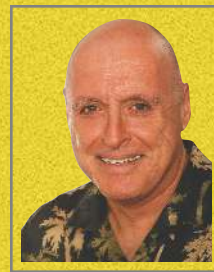


THE EXTRA POINT

BY JERRY ROBERTS



708 How to Make Your Business Legendary – Part 2

How can you build a business that captures the hearts of customers, to the extent that they become raving fans. Such fans, that if you go out of business, those fans actually mourn the loss. Is there a formula for this? I'm Jerry Roberts and there is such a formula. We'll get back into this conversation, next, on The Extra Point.

Yesterday, we spoke about the closing of Linda's Coffee Shop and how customers had reacted to the news, in a very personal way. Many have discussed it openly, and other long-time businesses have been mentioned, which also evoked similar feelings.

How do these enterprises build up such loyal fans? The first three elements we spoke of were:

1. Longevity. We have a soft spot for companies which have been around as long or longer than we've been around.
2. Having excellent products and services is a big part of it and, in fact, is the start of it.
3. Then, delivering them in a consistent manner is a key to success. Customers can always count on a good experience and value. But what else draws us close to these legendary companies?
4. Hire service-oriented people who like people, treat them fairly and make it so they come to view your company as their working home, and coworkers and regular customers as family. When workers fully embrace that others see real value in what they do, they will begin to see real value in it, too. Those are the folks that will be with you 20, 30, 40 years, and will be a prime reason why customers will return over and over again.
5. Empower those workers to make things right for customers who don't have the experience they had planned on having. Whatever business

you're in, give workers the authority to decide how to fix things. Set reasonable limits to start, then expand as needed. Workers love it when they know you trust them to do the right thing. Over 80% of consumers say a critical factor in customer service is having their issues solved quickly.

6. If you've got popular products and services, be very careful about making big changes to them.

In the 1980s, Coca-Cola was still the dominant cola, but Pepsi was gaining ground. In its Pepsi Challenge, a blind taste test which began in 1975, many people chose Pepsi over Coke, and Pepsi used these tests in its advertising. As Pepsi took away market share, Coca-Cola made a decision they would long regret.

They stopped producing their flagship cola product, in favor of a new formula they called "New Coke," which was closer to the sweeter taste consumers enjoyed with Pepsi. It was a disaster, and many people refer to it as the biggest marketing mistake ever.

Coke fans were furious and turned a cold shoulder to New Coke. It was a public relations nightmare. The only good thing was that social media didn't exist then.

The company realizing the severity of their error, which included the loss of even more market share to Pepsi, brought the original formula back three months later, under the label "Coca-Cola Classic."

What Coca-Cola had lost sight of was the value of what their product meant to its customers. It reminded them of traditions, friendship, and unity.

(Con't.)

They forgot a foundational rule of marketing: Keep your most loyal consumers in mind when making decisions. If you lose them and their passion for what you do, you risk losing your foundation.

If you want to attract a new market segment, produce for them, but be careful to avoid altering what made you successful in the first place.

By the way, Coca-Cola stayed with New Coke from 1985 to 2002, when it was discontinued. It never had anywhere near the positive impact the company was sure it would.

As I said yesterday, the old line holds true. "If it ain't broke, don't fix it."

Tomorrow, we'll wrap up our look at how to make a business legendary, with the one thing that really means everything.

That's The Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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