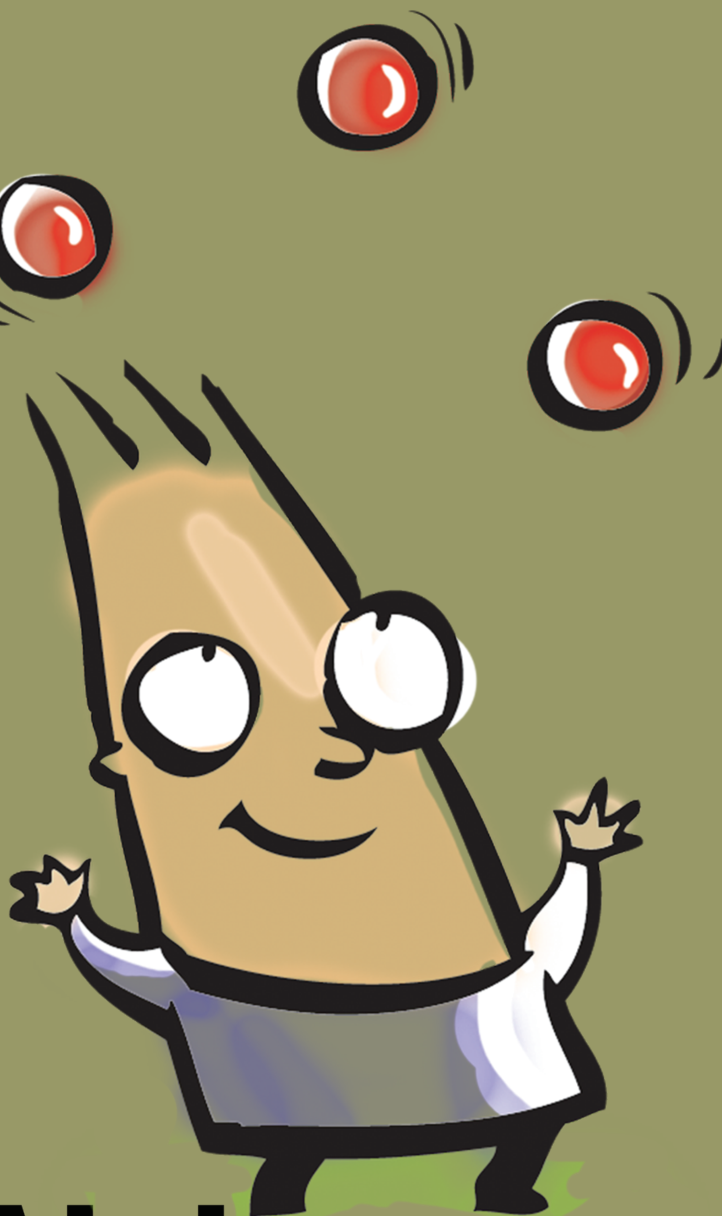
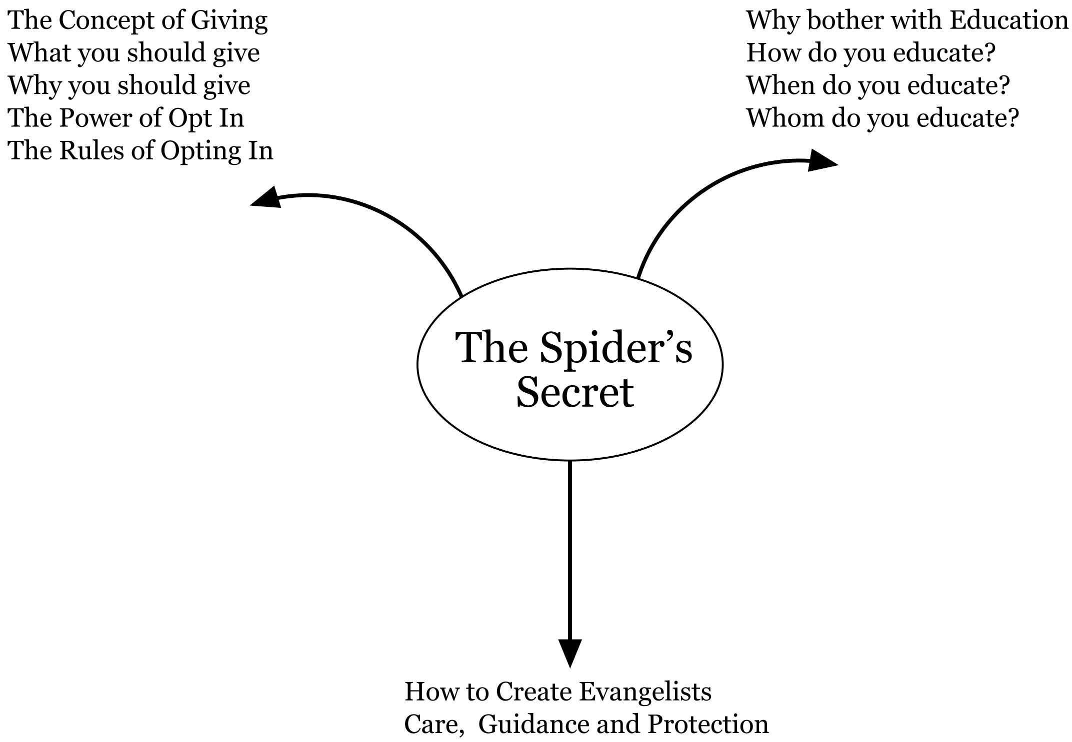


THE Brain Alchemy Masterclass

HOW TO GET, KEEP AND GROW CLIENTS

Section 5

The Spider's Secret



You've tried everything under the sun to get new clients. Well, almost everything. You see you've been facing the wrong way. You keep trying to get clients, to get referrals. And yes that works but it's pretty inconsistent. Sometimes it works and sometimes it doesn't and you tear your hair out wondering what the heck you should do.

The answer is to stop trying to get clients. Use the '**Spider's Secret**'.

If you look at a fox, the fox is always trying to run after its food. Many a time a fox will fail. Often it will go hungry. When was the last time you saw a spider run after its food? Spiders are smart. They know what they must do. They build a web and they attract their food to the web. And you've got to learn the spider's secret too.

Learn how to draw clients to you instead of chasing after them like a fox.

So what's the secret? It's called GIVING. That's it? Giving? Nothing else? What kind of secret is giving? Actually it's a pretty old secret. It's been around for thousands of years.

Surely you've heard of 'Give and You Shall Receive,' but hey this is business. Why should that concept work for business?

It works because of a simple reason. It’s called the law of Reciprocity. A law that’s well know and reasonably well documented in the book ‘Persuasion’ by Robert Cialdini, that you must read by the way. When you give you bring down the defences of the person you’re giving to. They feel compelled to return the favour. And bingo... you get back. Instantly you’ve created a web. The more you give, the more you start to get back. So, if all you did was created a web of giving and spun it around till it was nice and big, you’d keep getting back way more than you put in. Makes sense doesn’t it? So it’s example time.

A friend of mine Wayne was trying desperately to sign up potential customers. You see, Wayne had just joined a freight forwarding company as a salesman. And he was given a list of potential clients. Well, Wayne called and called and called. And Wayne’s pitch was simple. He said, “ Hi I’m Wayne from XYZ Freight Forwarding and I’d like to tell you how we can help you with your freight forwarding.” Then he’d give details and prices and basically never hear from most of the potential clients.

Wayne was clearly upset. This strategy wasn’t working too well for him at all.

So he used the Spider’s Secret. He decided to give. But Wayne had no idea what he could give. I mean he didn’t own the company so there was precious little to give. Except he did have information. So we sat down and worked out the information he could give. Apparently he knew that freight forwarding companies had their own skeletons in the closet. A client could quite easily lose between $2,000 to $20,000 or more a year by minor shading of currencies, etc.

Wayne found there were 20 different ways a freight company could rip off a client. He jotted it down in a booklet called ‘20 Ways a Freight Company Could Be Ripping You Off.’ Then he started making the calls. He’d give the client two or three ways they could be losing money on the phone. And then promised to give them the 17 ways when he got the appointment. And Wayne started to get appointments galore.

At the appointment, he’d give them his little booklet and then ask for permission to keep in touch via email or regular mail. And he’d keep sending helpful information. Some of the prospects turned into clients instantly. Others came on board shortly after. And Wayne kept converting clients as the months passed.

And his conversion strategy?

Giving!

Notice I didn't say conversion tactic!

I said strategy. Most people think of giving as one of the things you do. I want you to get those darned foolish thoughts out of your head. It's not one of the things you do. It's the only thing you do! You give as a strategy. And then watch as the customers come trooping in through the door.

Claude Hopkins, father of modern marketing outlined it extensively in his book 'Scientific Advertising.' Here is a small extract:

Offer Service

Remember the people you address are selfish, as we all are. They care nothing about your interests or your profit. They seek service for themselves. Ignoring this fact is a common mistake and a costly mistake in advertising. Ads say in effect, "Buy my brand. Give me the trade you give to others. Let me have the money."

That is not a popular appeal.

The best ads ask no one to buy. That is useless. Often they do not quote a price. They do not say that dealers handle the product.

The ads are based entirely on service. They offer wanted information. They site advantages to users. Perhaps they offer a sample, or to buy the first package, or to send something on approval, so the customer may prove the claims without any cost or risks. Some of these ads seem altruistic. But they are based on the knowledge of human nature. The writers know how people are led to buy.

Claude was bang on. So why does giving not work as it should? I mean you could stand on the street corner and give stuff away all day. And some people would take a look at it. Some people would throw it away. And some people wouldn't even take what you're giving them.

Ahem...Giving has rules.

Rule 1: There must be opt-in

Rule 2: There must be a value

Rule 3: Only then do you give

So why all the rules?

Because when a person doesn't opt-in, you're throwing seed on stony ground. They haven't asked you for anything have they? So why should they accept what you're giving just because it's free? And then if it is free, then free has no value right? Right in most cases! People have no value for free. So you've got to create value for a product, even if it is free.

Let me give you an example online and offline:

Offline example:

At PsychoTactics you get free information. You get 26 articles absolutely free. Nothing to pay. No obligation. So what happens when you run out of articles to read? Um...you sign up. You opt in. Why? Because if you don't sign up, you don't see the hidden articles. So that is the price you have to pay. That's the value. You have to give us your email address in order to get the newsletter. Only then do you get the newsletter. These three rules have to work sequentially or you're wasting your time by just giving away stuff. You can give away by the truckload and still not get too much of a return.

So how does the giving strategy fit in?

Well people read the newsletter. They buy products. They attend your workshops. They pay for consulting. And this is without us doing any advertising or publicity whatsoever. Nothing. Just simple, structured giving.

Offline example:

Julia had a bed store. Every time some one asked for a quote for a bed, she'd give that prospect a pillow worth $50 (retail value) absolutely free. The prospect would be gobsmacked. They'd never ever got a gift like this before and would take it only after a fair bit of explanation. So there you go with the rules. Not everyone would get the pillow. Just the ones that opted-in. Then there would be a value for the pillow ($50).

What was the result? We tested and the people that returned to buy a bed was a staggering 70%. Imagine that. One act of structured giving, one pillow that didn't cost Julia too much and a whole 70% returned to buy beds all well over $2000 or more. That's the power of giving. Plain and simple.

When there is no opt-in, you get tire kickers. The customers fail to qualify themselves and hence latch on to any freebies you have to offer. Now freeloaders are the last thing you want. The more qualified your customer, the more chances you have of them converting to a permanent client.

So remember **Rule No: 1** - Always get opt-in.

Rule No. 2 is pretty easy to justify. If something's free, it means the product or service has no value. If you don't value your products/services, how is your clients going to value the products/services.

Example: Many business owners offer to meet with a client to assess the client's situation. Most business owners will do this assessment complimentary. Now you've created zero value for yourself. You've just become another supplier. If however, you put a value tag on your services, the client would value your time far more. So you tell the client that you charge $200 for the consultation. And they have to fix an appointment. Let the client protest. Let them say the $200 is too high. Then say, that's what you charge and you'll waive the fee, if...and you roll out the conditions. The conditions could be:-

1) You bring in all the relevant documentation that we'd require for this meeting

2) You agree to meet at a venue of our choice (I like to meet clients outside their office where the meeting ground is neutral) and so on. The key is to create value. If you don't create value, and you just say "Oh, I'll turn up for the meeting at this time in your office"...you've created no value. Creation of value is very important.

In the case of Julia's store, she created value by giving the prospect a pillow and informing them that it was an $50 pillow. The sticker was on the box, but she still informed them about the price and why they were being given the gift.

Rule No.2: Make sure the value of the goods/services are adequately described to the customer. They should know and feel the worth.

Rule No.3: Only once you've created Rule No.1 and Rule No.2 do you finally give. And give freely. And you'll find that you'll receive many times over.

I realise you may be wondering why there are conditions to this giving process. Why should giving be conditional? It has to be conditional otherwise you'll be swamped with so much activity that the quality of the giving will go down. And this brings us to an important point. The quality is what matters most of all. Any one can give anything at all. But if you're going to give a potential client something, you want to be sure that the client is qualified to use what you're giving. If they are qualified for what you're giving, then you want to be sure you give them a very classy product or service. And you cannot get quality in your business if you spread yourself way too thin.

Added Resources: To get the Power of Opt-In

What should you give?

The most prized gift of all is information. We live in an information age and are getting more and more confused all the time. The information we get through conventional media is random, disconnected and causes chaos in our brain. So people look to an expert to give them the information they require, no less and no more. This information can be packaged in many forms.

You've seen this in the leverage section where there are close to 50 ways to package and distribute information to your potential as well as existing clients. And clients lap it up. They can't have enough of information in a specific niche. For instance, if you wanted to learn about fly fishing, wine making, real estate investing, marketing or any other topic you'd want the best information from one source as far as possible.

So the first thing you should do is figure out how you can package your information. Which immediately brings us to a roadblock. What if you can't write? What if you can't speak eloquently in public? What if you can't create products as easily as others can? The answer to this question is quite simple. Firstly, everyone can write, speak and do anything they choose to do. It's just a skill like walking. You would not be walking if you didn't try and work out the science of walking and then practise how to walk. And today, you just get up and walk.

But what if you don't want to wait forever?

Well here's what you can do. Say you want to create an audio, all you have to do is get on the phone and ask a friend to ask you pre-arranged questions on your speciality. They ask the questions and you answer. And you record the conversation.

Now you've got an audio. A little computer wizardry, and the audio is on a CD and ready to be given out to a potential customer. Now darn it, you've got to write as well, don't you? Well, not really. All you have to do is create a transcript of the same audio and bingo you've got a book or a report.

Till you get comfortable writing or speaking the system above, is the simplest, most cost and time effective system you can ever follow. Of course, there are other ways to create the concept of giving. You can actually give product or services. Maybe even someone else’s services...Ooh I’m getting ahead of myself so let me explain.

In Julia’s case (refer to case study at the start of this chapter) she gave away $50 pillows. That’s product and cost her real money, but it also brought back a whole lot of customers that normally wouldn’t return to buy a bed. So the pillow was and is a worthwhile investment. If you have product to give away, then it’s not hard to measure the direct impact of giving vs. non-giving. To add to the resource, Julia also sent them a newsletter. It was a series of collated articles from many places, cut and pasted and put together. The customer got great information and a great gift and headed back to the store within days of getting a quote off Julia.

However you don’t always have to give away your product or services. As you get skilful in your marketing, you’ll realise you can add on other businesses as a giveaway. So Julia would invite her customers to a talk by a chiropractor. In the bed store! And the chiropractor would give a demonstration, give away some information plus some goodies and his contact details. He got access to clients he would have never reached. And Julia gets to give her clients an additional bonus by having another business give away information and product. All Julia had to do was to convince the other business- the chiropractor, of the value of getting clients that had already warmed up to the bed company.

Of course, when the clients get to the bed company, what are they going to look at? Why, beds of course! So you see, giving works. And you don’t even have to pay for it yourself. Which is cool, isn’t it?

Why giving works

It’s a trigger in our brain. It’s almost impossible to get something and not want to give something back. It’s literally a balance of nature. Nature likes to keep the balance going. It hates imbalance. So on the African savannah, if the deer get faster, the cheetah get faster. The same balance applies to life and business. Once you give, an unnatural force takes over and the customer feels compelled to give back. The beauty of the system of giving is that it’s really a form of branding. The more you give, the more you create a sort of branding in the person’s brain.

The weird part of the balancing is the imbalance

In many a case, while nature is trying to rectify the balance, it doesn’t understand how much to give back. So a pillow give away, results in the sale of a bed. An hour’s training results in the purchase of consulting for a year. The imbalance between what you give and what you get back is amazingly loaded in your favour. So why wouldn’t you give?

But this is all touchy-feely stuff isn’t it? I mean where are the hard facts of giving?

Before Robert Cialdini wrote his book ‘Influence: The Psychology of Persuasion’, there were few recorded instances of hard proof. As human beings, we know that each time mum sent a few slices of chocolate cake to one of the neighbours, they would feel compelled to give something back. Maybe muffins, cookies or even an invitation to tea or dinner. That’s proof in my book, but not in a scientist’s book. He or she needs to have the hard numbers. In his book, Robert talks about a few scenarios that were proven, tested and measured by irrefutable scientific proof. Here are just two of the experiments.

In condition 1: When waiters were presenting their bill, they included a mint for each person at the table.
In condition 2: When the waiters were presenting their bill, they included TWO mints for each person at the table.

What happened is pretty predictable. But look what came in the next condition.

In condition 3: When the waiters were presenting the bill, they included one mint for each person at the table, started to leave, turned back around, reached into a pocket and gave each person at the table a second mint saying, "But for you..." (indicating they were given the second mint only because they were special).

Let's look at what happened to the tips under each condition.

There was a 3.3% increase for just one mint.
There was a 14.1% for two mints given at the same time.
When the waiter gave one mint and then added a second mint, there was a whopping 23% increase in tips.

Why would this happen? If we look at the "Principle of Reciprocity" we see that when giving a gift of any kind, the key to making it more effective is to make sure the gift is:

1. Significant
2. Personal
3. Unexpected.

In the third condition the waiter had all three of these elements.

And here is some even more startling evidence:

One of the reasons reciprocation can be used so effectively as a device for gaining another's compliance is its power. The rule possesses awesome strength, often producing a "yes" response to a request that, except for an existing feeling of indebtedness, would have surely been refused. Some evidence of how the rule's force can overpower the influence of other factors that normally determine whether a request will be complied with can be seen in a second result of the Regan study, besides his interest in the impact of the reciprocate rule on compliance, Regan was also interested in how liking for person affects the tendency to comply with that person's request. To measure how liking affected the subjects' decisions to buy his raffle tickets, Regan had people fill out several rating scales indicating how much they liked Joe. He then compared their liking responses with the number of tickets they had purchased from Joe. There was significant tendency for subjects to buy more raffle tickets from Joe the more they liked him. But this alone is hardly a startling finding. Most of us would have guessed that people are more willing to do a favour for someone they like.

The interesting thing about the Regan experiment, however, is that the relationship between liking and compliance was completely wiped out in the condition under which subjects had been given a Coke by Joe. For those who owed him a favor, it made no difference whether they liked him or not; they felt a sense of obligation to repay him, and they did. The subjects in that condition who indicated that they disliked Joe bought just as many of his tickets as did those who indicated that they liked him. The rule for reciprocity was so strong that it simply overwhelmed the influence of a factor - liking for the requester - that normally affects the decision to comply.

These two examples are excerpted from The Psychology of Persuasion by Robert B. Cialdini. If you haven’t already read this book, you should read it. It’s an absolutely outstanding book!

The Immense Power of Education

If you put an ad in the newspaper and you got 4000 responses, you'd be dancing around the office wouldn't you? Imagine this ad then continued to pull responses and ended up with 5003 responses by the end of the month. Cool, huh? Now keep that imagination going because in the next few months you have over 10,000 responses.

One ad. Ten thousand responses.

This is no imaginative theoretical exercise. It's an actual fact. Merrill Lynch released just one full page ad on October 19, 1948 in the New York Times. And if you think the responses stopped at ten thousand, you're sadly mistaken. In the next three years following 1948, Merrill Lynch printed and distributed one million extra copies.

Why did one ad cause such an intense response?

The answer is education. Merrill Lynch's ad was 6000 words long. And it explained the intricacies of stocks and bonds. How to buy and sell securities. Best of all, there was a little paragraph at the bottom to ask for more information. That was it. Merrill Lynch got thousands of leads from simply educating the public.

Attract and Retain Clients with education

Stuart, is a friend of mine and also the master franchisee for a coffee chain. When people walk into Stuart's cafes, they have no idea why they should be paying $4 for a coffee. They know other coffee houses charge that kind of money, so they think it must be a standard rate.

Stuart attended one of my workshops.During the workshop I get Stuart to stand up. I say to the audience. If the leading coffee brand is charging $4 for a cup of coffee, would you pay $4.50 for the same quantity and the same type of coffee? Almost everyone said no. They won't pay more for what seems to be the same coffee.

So I ask Stuart about his coffee machines. What kind of coffee machines does he use? How much do they cost? And he tells me they cost $6000. What? Per machine? And how much does the café down the road pay for their machine? He tells me they pay about $1500 for their machines. "So why pay so much more for a machine?" I ask. And that starts Stuart on a roll. He talks about how his machines only measure out the exact coffee you need to grind. Most cafes don't have the capability to grind out a specific amount at a time, so they grind a lot of coffee well in advance. Once coffee starts to sit around, it starts losing its flavour. When you drink coffee at Stuart's cafes, your coffee is less than 30 seconds old. It's absolutely fresh and delicious. Then the audience takes over. They ask Stuart questions about roasting, flavours, types of coffee, the quality and origin of coffee beans. Twenty minutes later, Stuart reels from the incessant questioning. To his credit, he answers every question to their satisfaction.

Twenty five minutes later I ask the audience, 'Who would pay $4.50 for Stuart's coffee?'. The response is dramatic. Almost everyone in the audience is now willing to pay a premium of almost 13% to drink at Stuart's cafes. And the difference is simply education.

The customer doesn't know 'WHY' they should buy from you. They don't know what makes you different. They would love for you to answer their questions but all they get is your portfolio. Look at your website and brochures. Do they educate? Look at your sales pitch. Can it be turned into an education? Look at all the marketing you do. All you're doing is selling. It's time to do some telling.

Educate your customer. Because they have no idea about the value of your product or service. Here is a previously written article that will tie exactly to what we've been discussing in the previous paragraphs.

<u>Why Are Customers So Indecisive?</u>

Do you know why your customer won't buy? You've given her the best price, possibly even the best options. Yet she fidgets. Maybe, maybe not, she ponders.

You stand by the wayside and sweat, praying the sale will go through. Then almost inexplicably, it slips out of your hands, and you don't even know why. You curse, rant and rave silently at her indecisive nature. Yet ironically, the fault is all yours.

Don't agree? Hold your horses and you'll learn a simple, fundamental psychological factor you've been missing in your marketing strategy, and how you can rectify it in a flash.

Why The Trees In Our Front Yard Are Still Looking For a Barber

Let me tell you a story about our front garden. Any time now, I'm expecting Tarzan and a couple of chimps to swing merrily by. Like something out of a horror movie, the foliage has spread its tentacles, and now hangs menacingly over several parts of the house.

Yes I know we need an arborist to lop off those branches. And yes, we have called in at least half a dozen. Incredibly, we haven't made up our minds on whom we should choose. Like deer caught in the headlights, we've been frozen in indecision. One itty-bitty factor would have made it easy to decide, but it has eluded us completely.

I Know What You're Thinking, And It's Not Price…

Oh boy! We have estimates up to our ears. One quote is as high as $800 (aaargggh!), while the other one blushes at $250, and all the rest do a merry dance in between. You'd think the cheaper quote would get the thumbs up right away, wouldn't you? Well it didn't.

In fact, it has added to the confusion because we can't understand why there would be such a huge difference for what is essentially the same job.

And Here Is The Reason Why We Can't Decide...

It's a factor called the *Full Story*. While every single one of those arborists provided us with quotes, not one of them gave us a single reason to choose them. Any reason would have been better than none. Ten reasons would have clinched the deal, even with a higher price.

This is one of the main reasons why most deals seem to disintegrate before the eyes of most business owners and sales people. We fail (and fail miserably) to educate our customers about the unique advantages of working with us.

It's An Impossible Puzzle If It Doesn't Have The Pieces

People need to be gratified psychologically. Our brains are dying to know more about the companies that bid and all we get are terms and prices. The arborists should have educated me about the quality of their cutting, their comprehensive insurance policies, their warranties, their skills, and their service guarantees in detail. I needed to know anything and everything that would help me decide in someone's favor. Not one of those bids included that kind of information.

Look at yourself. Let's say you hire someone for your firm. How little would you like to know about him? Or say you go out on a date. How little do you want to know about your partner? Every piece of the puzzle is absolutely necessary. Don't forget to give your customers a reason to buy from YOU. Tell them about yourself. Provide all the juicy details, and you will leave your competitors crying in their beer.

What Is The Psychological Reasoning Behind The Whole Story?

The strong, silent type is the one our mamas told us to watch out for. We instinctively trust people less who tell us less. Even if we do like the person, we want them to open up. If you want people to trust you, you have to tell them about yourself.

This instinct of distrust is hardwired in our brains, and you'd do well to pay attention to it. A lack of adequate detail doesn't help to build trust, which is why customers go from hello to sayonara very quickly. Once you have their attention, stop saying stupid things like, "Buy from me," and start giving them all the reasons WHY they should buy from you.________________ ______________________. Add spices to your marketing strategy curry, and your customer will be captivated by the aroma. Churn the gastric juices in their brains. Make them salivate. Get them to drool. And when they're ready to eat, feed them well.

Ta-Ta Risk

Telling the Whole Story eliminates a big hurdle called risk. The less your customers knows about you, the more they are frozen in indecision. When faced with this scenario, they resort to the only thing they know—price. Just like you, they make a decision on the cheapest, trashiest option available… because that's all you gave them!

Abolish the hazard of your customer choosing to buy solely on price. Give her a first class education about why she needs to buy from you.

The worst thing you can do is leave her hanging without sufficient info.....

Educate your customer well

I'll give you another example before we move on to the next section. I consult with a sofa company. Here are only some of the factors that are vital for you to know when you're buying a sofa.

1) The range of colours. What colours to choose if you've got kids.

2) The types of fabrics. How to use different fabrics for different rooms.

3) The foam. What are the foams available and what to look out for.

4) You health. How to choose the sofa which doesn't absorb moisture and get mouldy.

5) The arms of the sofa. How to choose sofas that will support heavyweights.

6) The support system. Do you need one or two? And why does it matter.

7) How to give your sofas a different look each season.

8) The importance of the wooden frame and how it can make a comfort difference.

)

Now if you were buying a $5,000 sofa you'd love to know a lot about this wouldn't you? To the sofa dealer this is old hat. That's why you've got to use your brochures, posters, websites, newsletters, ads and any other media to keep education. Just remember, as long as you're selling your up against a wall. When you tell, customers lower their wall and welcome you with open arms.

Be a 'teacher' and see the difference it makes to your business.

Do you know how the dictionary definition of a client? You're guessing aren't you. You think a client is someone who pays for your holidays. Someone that pays your office expenses. Someone who can be an angel one day and a pest another day. You help the client overcome their challenges and voila...they pay your bills.

Webster's dictionary violently disagrees with you

Here's how Webster's dictionary defines a client. 'One who comes under your care, protection and guidance.' See that? You've kinda got it wrong mah friend. That dictionary is telling you just how you should be treating your clients.

So read the article below. It will give you an idea of where you should be headed and how your dealings with your clients should be from now on. And by golly, if you detest your client, maybe it's time to get clients that you adore and can care, protect and guide.

Are you concerned about customer loyalty? Are your customers so loyal that they will stick with you through hell and high water? And if not, you really need to question how you can create a customer relationship that's so gluey, that you never go *bluey in the face. Funnily you don't have to go far.* R*each for your Webster's dictionary and you'll discover a hidden secret to customer loyalty.*

Do you find it amusing? Giggle if you must, but stick with me and I will show you the simplicity and longevity of this sane advice that will change your marketing strategies and tactics forever.

But First, Let's Look At Nasty Hurricane Andrew

In August 1992, Hurricane Andrew went bananas. Like a drunk on one too many Tequilas, he tore into South Florida with wind gusts of 175mph, redrawing the landscape as he stomped onwards. Approximately 600,000 homes and businesses bore the brunt of his menace.

By the time Andrew left, he had run up a tab of $26 billion dollars and the curses of some very, very angry insurance companies. Andrew had single handedly run up the highest insurance recorded payout in history – if you don't count September 11.

Many an insurance company looked gloomily into their crystal balls and decided the future was too dicey. So while they grudgingly forked out the costs required to cover the claims, they refused to renew customer policies.

State Farm Insurance Had a Different Opinion

The biggest reason Hurricane Andrew blew the roofs off the houses was because contractors had not anchored them to the frames. State Farm not only happily forked out the policy claims but also paid its customers more to bring the houses up to code.

Amazingly, this insurance company was willing to overpay just to make sure their customers have peace of mind should Andrew or one of his family come visiting.

State Farm Wasn't Too Far From the Leo Burnett Advertising Agency

Agencies are like turnstiles. Clients come, clients go and it's the same mantra for employees. Not if you look at the Chicago-based agency called Leo Burnett. At Leo Burnett, over a four-year period from 1986 to 1989, 98 per cent of business came bounding back from repeat clients. No other agency even came close.

Furthermore, this Houdini of advertising has had an almost zero client defection rate for decades. In an almost boring, old fashioned way, they adopt a loyalty based management that keeps clients superglued to them. And it continues to amaze and fascinate the roller coaster advertising industry that can only watch in awe and extreme fascination.

Which Brings Us Back to Webster's, Doesn't It?

Now let's look at how Webster's Dictionary defines the word Client. It says: A client is one who comes under your care, guidance and protection.

See those words?

It doesn't say someone you need to get money or make profits from. It asks, even beseeches you to care, protect and guide your clients, like you would with your own child. Everything you do, you do unselfishly for that child. You put your heart and soul into creating a safe, educated environment. You become the guide and the protector. You create a bubble as secure as you can to make absolutely sure they get the very best.

Scary, isn't it? Especially when you look out there at so many companies, whose single motive is to simply get the sale and move on.

Hurricane Andrew Moved On, State Farm Moved Up

As soon as the brouhaha of Andrew's visit died down, up came the vultures from other insurance companies. They tried to woo State Farm policy holders with discounts and other incentives. Most of them found doors slammed in their face. Their customers were staying loyal no matter what bait was being dangled in front of them. When the chips were down, State Farm pitched in to help like family. There was no way the customers were going to let down their own *family*.

Adhering strictly to Webster's, State Farm had cared, guided and protected its clients. And the clients were repaying that with rock solid loyalty.

Leo Burnett Did The Same With This Hidden Clause…

The same principles apply to Leo Burnett. Like mother hens, they fuss over their clients, doing acts of guiding and protecting that other agencies would never even consider. Its first client, Green Giant, is still a customer some sixty years later. Even back then, founder, Leo Burnett, put in an additional clause that enlarged the standard vendor agreement of buying space, producing ads and maintaining confidentiality.

It read: *Counselling with you in regard to your advertising and sales efforts, seeking new ways to improve your advertising, make it more productive, and in every way within our power, working with you to advance your business.*

Hey, those customers are going to walk anyway, once they find their exact needs aren't being met. And if they get stuck with something they don't really need, they're going to be mighty mad once they find out. You aren't doing yourself or them a favour by making them stick to what you have to offer. Sending them to a competitor that you know will treat them well, endears you to the customer and ensures a tidy profit as well.

Welcome To The Land Of Endless Loyalty

Loyalty at its very roots is exceedingly simple. It's exactly like a parent-child relationship. While no doubt you will come to depend on technology as your client base grows, the enduring thread that binds it all is the underlying psychology.

Inevitably, you won't always have a trouble-free course, and both Leo Burnett and State Farm have had stormy days. The only way out of the driving rain is to heartily embrace the care, guidance and protection concept. Let it be your guiding light, far superior to any mumbo jumbo mission statement, leading to exponential profits and devoted clients.

All you have to do to succeed is play Mother Hen.

And say a silent thank you to a certain Mr.Webster.

The Leaky Bucket Syndrome

Loss of clients are inevitable, no matter what you do. The aim is to gain a whole lot more than you lose.

Here's the math:
Lose 5% Profits - Gain 10% Profits= Double the size of the business in 14 yrs
Lose 5% Profits - Gain 5% Profits = No Growth

Why Profits are not a good measure of Loyalty
1) You can't measure defections
A bank manager might think he's got great customer loyalty. After all none of the clients have closed their accounts in the past year. These facts mean nothing. Because the clients can quite easily be dealing with other banks and doing a huge number of transactions. On paper, Bank 1 sees their clients as being loyal, but defection and profits are not a good measure of loyalty.

For example: I have three merchant accounts to accept credit cards to sell product via my website. I first started with merchant account No.1. I still haven't closed my account there. But most of my credit card transactions are now processed through the other two merchant accounts.

The account manager at merchant account No.1 may look at his figures and think I'm still loyal. But I'm not. I've just dumped their account. The account manager should have been in touch with me. If they had, I'd have told them why I was moving. And they could fix the problems thus really creating a sense of loyalty.

2) You can juggle figures
If you're a big company, you can layoff staff. That will increase profits. If you're a small business, you can cut down on expenses. That will show a

profit. And your accountant will be happy and so will you.

And good on you! But this system doesn't allow you to measure loyalty.

The only real measure of loyalty is repurchase loyalty. When the customer keeps coming back to you time and time again, that's the only measure you have to understand the level of loyalty.

Oh and there's one more. The level of complaints. The more you can get your customers to complain, the more you can get them to stay with you. Understand the reason why customers complain. They want you to fix your act. When you don't encourage complaints, you're doing yourself a big disfavour. Get customers to complain. And see your loyalty going up.

Of course, if you ***care, protect and guide you just can't go wrong! :)***

Summary: 5

The Spider's Secret

The Spider's Secret

Care, Protection, Guidance (CGP)

1) Webster's defines it differently.
2) You've got to treat clients like they're your children.
3) Companies such as Leo Burnett, State Farm Insurance managed quite well. So can you.
4) For CGP to work, you need less clients. Therefore you need to select your clients very carefully.
5) If you can't care, protect and guide your clients, you need to send them to your competition.

The Power of Giving

1) Giving creates reciprocity
2) Tests prove that giving creates more attraction
3) Giving isn't one of the things you do. It should be your singular strategy.
4) Giving needs rules.
a) Opt In b) Create Value c) Give freely
5) Make your giving
a) Significant b) Personal c) Unexpected for best results.

Education makes customers smarter
It helps them to know why they choose you
It gives new life to what you may consider mundane
Education creates a teacher-student relationship.
Sales creates a customer-buyer relationship. Which one do you prefer to be?
Education bring better results- Remember Merrill Lynch?

The Leaky Bucket

Lose 5%-Gain 5%=No Growth
Lose 5%-Gain 10%=Double in 14 yrs.

Profits are a poor measure of loyalty

1) You can't measure defections
2) You can juggle figures