



# The Raphel Report

**Observations on marketing,  
advertising, sales and  
promotions  
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## Be An MVP To Your Customers

With the Major League Baseball All-Star game approaching Tuesday, it's time to be on the lookout for the MVP. The MVP is the Most Valuable Player, the one who does the most to help his team win the game.

To win the game of business you should also try to be an MVP. You can become a business hero if you focus on your loyalty and your responsiveness to your customers. If you start caring about the **Meaningfulness** of your contacts with customers, the **Velocity** of your contacts with customers and the **Politeness** of your response to customers, your business will quickly become an MVP.

Marketers are fascinated by measurements of customer response such as RFM (recency, frequency, and monetary). The more often customers visit, the more recently they have shopped, and the more customers spend when they come in, the more valuable the customers are. By focusing on these better customers, businesses believe they will make more money.

It's true. It is profitable to contact your best customers often. The 80-20 rule works for many businesses. 20 percent of your customers are responsible for 80 percent of your profits.

But let's look at the situation from the customer's point of view. They don't like to be nagged incessantly with offers from companies unless those offers are really valuable. In fact, constant contact (badgering?) from companies can turn your customers' annoyance radar into high gear.

The annoyance factor comes to play in businesses of all shapes and sizes. My mother likes to contribute to political parties and charities. But because she contributes, she is tagged as being a "best" customer and receives ceaseless pleas for help. She has to threaten to cut off her contributions unless the charities and politicians only contact her once or twice a year. And that still doesn't stop many of them from nagging her every week for more money!

I often contact businesses to hear about their services. But if I give an email address, I can be barraged with offers, sometimes several a week from companies whose email list is impossible to be extricated from. And then they sell your marketing information to other companies because you are a "hot" prospect.

Some companies make you go to a lot of trouble for a little reward. One local supermarket makes you punch a card every time you go to the store. After \$500 worth of purchases you receive \$5 off. It's a lot of effort for a little reward, and I've decided to pass up on their program.

What are these businesses doing wrong? They are not being MVPs to their customers. To be successful in business you have to (with apologies to President Kennedy): "Ask not what your customers can do for you but what you can do for your customers."

Here's how you can become an MVP for your customers:

**M = Meaningfulness:** If you are going to give rewards to customers, make them meaningful. Our local supermarket with the punch cards does not even record basic customer information like name, address, phone number, email, or birthday. The reward the store gives (one percent back on \$500 of purchases) is not significant. If you are going to run a rewards program, you should make it meaningful. It would take only a little more effort for this supermarket to run a program that gives significant rewards to its best customers. The rival supermarket in town gives substantial rewards for using its loyalty card, and I shop there often and make sure I have my card swiped every time.

Meaningfulness also suggests that I will only be contacted with offers and information that interest me as a customer. If I have a couple of babies, I'll be delighted with an offer for diapers. If I'm approaching retirement, the diaper offer will probably seem inappropriate. If I am a regular diner at your restaurant, I'll be delighted with an offer for a free entree and free champagne on my birthday. Make the offer match the occasion.

It's not all about money. Regular customers like to be informed about upcoming sales. They like to be invited to private parties. They like tickets to ball games, art museums, and movies. They like to be informed about significant developments at your business. Maybe you're opening a new department or have new hours or even some new employees. Your customers care about you, so let them in on what's new in your business. The long-term relationship is more important than the current sale. That's what many of my mother's charities have forgotten.

**V = Velocity:** From a customer's point of view, she wants service. Now. If you don't return phone calls or emails, you might soon lose a previously loyal customer.

In this day of instant communication, velocity that meets the consumer's expectation is hard to maintain. Sometimes you may have to wait to fulfill a customer's request (e.g., the red shoes the customer wants are backordered). If you can't fulfill an order, that's ok. But you must let the customer know right away that the order will be delayed. Give the customer some choices. She can order another color shoe or find another store that sells the shoe or decide to wait until the shoes come in. But she must be told about the problem right away.

Velocity of response is most noticeable to customers when they try to communicate by phone. They are given endless choices and never one to talk to a live person. It may be true that for some businesses it is not cost effective to talk to customers. But those businesses are few and far between. If you look at the lifetime value of customers and the

customer goodwill you can maintain by keeping in contact with people, it makes sense to try to respond with a human voice to customers.

Speed is especially important when a customer has a complaint. A complaint is a bonus to a business. Rather than just stop shopping with you, a customer has decided to give you a chance to redeem yourself. If you handle complaints well (and that usually means fast!), you can rescue a customer who has one foot out the door.

**P = Politeness:** Businesses do not often ponder how they can be more polite to their customers. But from the customers' point of view, politeness matters a lot. How you are treated while you are shopping is one of the most important considerations when you decide if you are coming back.

How do you judge "politeness"?

- Are employees nice to customers when they shop?
- Can customers receive help when they are shopping or have questions?
- Are employees eating in front of customers, having conversations with other employees, or complaining about the business? These are not polite things to do.
- Do employees and management really care about their customers, responding to their requests, handling their complaints promptly and efficiently, offering new products and services that meet their customers' needs?

Politeness is a state of mind. If you think about how you would like to be treated by a business, and you apply that same level of politeness to your customers, then your business is bound to be a success.

So get ready for the All-Star game by becoming an MVP. Make sure your business has the proper combination of Meaningfulness, Velocity and Politeness to receive your customers' votes for the MVP award!