



How Big is Your “R?”
Customers who “love” you will leave you in a heartbeat.

A Big “R” relationship is when the customer will fight tooth and nail - and even pay premium prices - to stay with you. A little “r” is when they love ya and then “out-of-the blue” will switch to a competitor. *Don’t confuse good times and warm personal vibes with loyalty.*

Once as a services product manager, I was scheduling visits with long-time customers for market research. The sales VP gave me a customer name saying, “We play golf, he loves us, would never leave us, we’ve gone above and beyond for them.” So, I hop on the plane expecting a good meeting. No sooner do I get settled in the Customer’s office than he said “We really love you, *but* we’re switching to XXX.” The reason given - XXX’s service was perceived as more consistent, although higher-priced. I raced back to HQ to fix the problem. Did the VP listen? No. He was convinced he had a BIG “R” relationship and blocked my efforts. Did we lose the multi-million dollar account? Yes.

So, how can you build the right kind of relationship with your customers?

1. Be Consistent. This applies in any business. It’s better to be a bit dull but reliable, rather than a shooting star. Don’t, for example, tout 24 hour project turnaround if you can’t do it consistently. If 24 hour turnaround is a deal-breaker - do the planning (and budgeting) so you can deliver it consistently. Also, don’t habitually give free services or products - more times than not, it sets you up for failure. (Note: Consistent doesn’t mean mediocre.)

For example - which of the following dry cleaners would you prefer?

Dry Cleaner A: For years, your clothing always comes back on time, neatly cleaned and pressed, as promised. No extras.

Or

Dry Cleaner B: They often deliver your order early as well as - without being asked or charging extra - re-sew buttons and repair linings. But, what if on your fourth visit - as you dash by on the way to the airport - they’ve broken the buttons on your new suit? All those freebies (which also reduced B’s profits) don’t look so good now, do they? Wouldn’t you rather have reliable service all the time, versus stellar service most of the time?

2. Fix the Problems. An unhappy customer is a great opportunity. A former colleague of mine was a product manager at DEC back when it was a major computer vendor. One weekend a financial services customer called saying their network was down, which meant they were going to lose a lot of money on Monday. The product manager personally drove new equipment to the site and spent all weekend fixing the network. Was that level of service in the contract? No. Was it in the product manager’s job description to do this? No. But, the customer stayed a DEC disciple (probably long after it made technical and financial sense to do so.)

3. Don’t Make a Habit of “Above and Beyond.” The product manager in Point 2 made a judgment call and ensured that the customer knew this was extra-special, crisis support. But, if you routinely over deliver for the normal fee or price; the first time you deliver the “normal” service, it will be perceived as a failure and you’ll have an unhappy customer.

The bottom line: Say what you do, and do what you say.