

Consumer Revolution

Brett Harward

We're not in a recession... We're in a REVOLUTION. Unfortunately, this revolution isn't being led by business it's being led by consumers who are dumping the proverbial tea in the harbor of our economy.

Let me start by dispelling four ideas that I frequently hear about today's economy. In my opinion, they're all four myths:

1. Myth number 1: "I can wait this economy out". No you can't. Everything has changed. We're not in a slump. We're in a new world.
2. Myth number 2 is related to the first: "The economy will go back to 'NORMAL'" What we're experiencing right now **is** the new normal. If you're waiting for the old days to come back—they won't. They never do.
3. Myth number 3 is "I can retract to a reasonable level and return to profitability." Doing less of the same thing won't fix the problem. Being a smaller version of the same business won't fix the problem, either.
4. And finally, "No one is succeeding right now." Not so. Some companies are getting this figured out and others are flourishing.

I believe that the universe of business has undergone a revolution in the last year. Marketing and advertising, as we know them, are done. Stick a fork in them. What used to work to attract new customers no longer works. The same efforts don't pull the same results. What we once did to sell our stuff now falls flat. The old standard of products, services, customer service and value is no longer acceptable.

But you shouldn't write me off as a "doomsdayer" yet. I'm pretty sure that I'm an off-the-hook optimist. I believe we'll see the biggest increase in productivity and the largest leap toward excellence in history over the next few years. It's being demanded in this revolution and enough companies are hearing this call that the clock cannot be turned back. The big question is will YOU hear the call.

It doesn't matter whether your business is brick and mortar or online. If you're in housing, construction, banking, coaching, network marketing, retail, manufacturing, hospitality, marketing or service sectors, the rules have changed. People expect more, and they don't buy if they're not yet convinced that you're truly excellent. What you do better make perfect sense and better LAUNCH your customer out of their seat. You must be willing to prove yourself... often **before** a customer buys. You better know who you are, and perhaps even more importantly, who you aren't.

Consumers are screaming for Authenticity from businesses. Authenticity creates trust, and trust is like an oasis in today's economy. But plenty of businesses are trying to figure out how to sound authentic without doing the deep work of putting their whole soul "out there." It's not about the words you use, nor is it about being blunt. Authenticity lives at the center of you as a human being, and then it transmits itself into your company. . It involves feedback and massive amounts of dialogue between YOU and your customers. Notice that I didn't say "your employees and your customers." YOU and your customers. It's a critical distinction.

Some companies are figuring this out. Consumers are rewarding them. One shining example in this economy of authenticity and Transparency is Apple. They're booming. Their very brand is that of authenticity. Just watch their commercials as they make fun of

all the spin and confusion that surrounds PC. Microsoft's response, of course, is commercials with lots of cool people claiming that they are PC. We notice the sidestep from the issues that we've all experienced. Apple's open platform and easy entrance for app developers is largely credited with their resurgence. They've become the "peoples" computer. The result... record shattering profits, 17% year over year increase in MAC sales, and unprecedented growth in market share. All this with a significantly more expensive product in the middle of the poorest economy in decades. I know personally, because after years of laughing at my slowly growing group of Mac friends, I finally switched sides and find myself scratching my head wondering what I was thinking before.

For most of us, authenticity is terrifying. It requires transparency, and that scares the hell out of the typical business leader. It exposes our secrets, our problems, and our self-doubt. On the other hand, we're real and it's a huge relief to be totally real – and it's a big market advantage. These days, people can tell the difference between marketing-speak and real-speak. It's like telling the difference between gourmet Italian food and Spaghetti O's. One whiff and we know exactly what kind of person and what kind of business we're dealing with. It's time that businesses relearn how to be authentic. I know that sounds like an oxymoron. How does someone *learn* to be real or authentic? You're either being authentic or you're not, right?

We've been taught for generations to be inauthentic. We've been taught to carefully craft the image we want others to see. Here are 5 traditional business rules that revolutionists (consumers) are demanding that we change:

1. **Keep problems close to the vest.** This includes building walls between customers and tightly controlling what information people have on both the inside and outside of the company. We don't talk about the unhappy customers, the mistakes we've made, or the areas we need to improve. We figure things out behind closed doors, encrypted emails, and low level employees that can only generate stop gap solutions.
2. **Small group decisions.** Problem solving and product design are relegated to one person, small groups or departments, or focus groups. Decisions are made in board rooms based more on marketing and promotion tactics than actual value. The are based more on "educated" guesses and assumptions than real information. Once a product or service is designed it becomes fixed and the status quo rarely changes. Innovation comes to a crawl, and large investments are made to "sell" customers that the product as developed is what they want. Suggestions and complaints are met with resistance and client relationships are largely treated as adversarial once they have made their purchase.
3. **Communication is confusing and decision making segmented.** Often we're dealing with complex phone menus, automated responses and even online processes that are less than intuitive. It's funny how simple businesses have made ordering product or giving them money, those steps are usually crystal clear. If you have a problem on the other hand, It's not nearly as clear, much of the time ending because of frustration not because of resolution. Communication must happen not only within normal "Business Hours", but only using prescribed methods; "your request must be submitted in writing". Not only does this apply to complaints, but also to suggestions, success stories and other feedback that all get caught in the same meat grinder of information flow. Customer service in most companies is often comprised of the bottom feeder positions which garner the lowest wages and skill sets deferring the much higher compensation to those in marketing and sales. In other words, we'll pay people lots of money to convince you to give us your money, but once we have it, you'll be relegated

to someone making \$7/hour, or even worse someone in India who doesn't speak good english, to try and make you happy.

4. **Lack of trust.** Businesses don't trust that their customers can make decisions given good information. They don't trust that if they were to tear down the walls they've built between customers and even employees, that those people wouldn't destroy their company. When products don't work as sold, businesses are quick to point the finger at "dumb" consumers, even to the point of having an almost adversarial relationship with their own customer. The arrogance of businesses thinking they know better than the customer about what the customer should want is amazing. On the customer side, this lack of trust shows up as we try to unspin everything a business says and separate truth from smoke and mirrors.
5. **Spin.** As I mentioned in the first four rules, spin trumps reality in most current businesses. It's not even as if business all have the same image they are spinning toward. Many businesses present themselves in opposing ways with their spin. Big businesses position themselves as small, small businesses as much bigger than they are. Chains focus on appearing independent and independents on appearing like a chain. In traditional business all too often the question becomes how do we spin this in our favor rather than how do we do what's right or best for our customer. We live in a world of illusions, so much so that as consumers we've become programmed to immediately recognize the spin that businesses put on things. We reject out of hand things which appear too good to be true. We discount words like best, quality, and customer service as pat pitches with little to back them up. We all know that even testimonials are often fabricated and coached to sound a certain way.

These old rules have been replaced with a new set of rules that will make even the best businesses have knots in their stomach. It takes guts, commitment and often a bruised ego to thrive in this revolution. Here are some of the new Rules:

1. **Open communication.** Customers and even non-customers want to be part of the process. Spending as much time simplifying the feedback process as we have the purchase process is critical. Trusting that customers will not only provide good feedback, but when happy will play critical roles in support, sales and marketing that is authentic to those looking at purchasing what you make. Imagine a world of unpaid customer service or even sales people who will gladly perform the service in exchange for having a voice with your company. This requires that we tear down the walls we've so carefully crafted and provide simple and easy tools for customer feedback, complaints, and just plain old communication.
2. **Trust.** This is perhaps the most difficult new rule. I mean what might happen if we were to just open ourselves up for feedback, acknowledge our mistakes and shortcomings, and openly commit to what we are changing. I believe that consumers are almost endlessly forgiving. Notice the difference of how we treat those public figures who are authentic and acknowledge their mistakes and those who sidestep, mislead and often blatantly lie. We're much more forgiving of those who openly say "I screwed up!" even though it doesn't feel like that when we're faced with prospect of being exposed. Those who deny, justify or avoid those conversations simply fan the flames of consumer resentment, anger and mistrust. Trusting people to be smart, to distinguish between irrational complaining and relevant complaining or suggestions, is critical. It means trusting that if someone says something completely untrue about you that your customers will rally to your defense perhaps providing an even more compelling

argument for your product or service. I've seen it over and over again with companies who play by these rules. It keeps businesses honest.

3. **Transparency.** This means that we tell others why we are doing something. We can't just say we're going to give you this product for free with no obligation. That statement reeks of obligation and consequently dishonesty. Instead we must say "We'll give you a sample for free because we think you'll love our product and buy more from us." It may sound small but it's important. It also means we tell others clearly what we do, the days of magic wand processes that aren't fully explained are coming to an end. Consumers want you to tell them exactly what you or your product will do for them and how you will accomplish what you say. This brings up the next area of transparency which is with results. Consumers don't expect perfect results. They do want to know what your results are, and even more important, that YOU know what your results are and that you learn, acknowledge and change when results are less than you desire.
4. **Partnership.** More than ever, as consumers we are buying into our role in the business process. We recognize that our contributions not only make products and services better for us, but also for anyone else. We've become accustomed to rating companies and products, providing user reviews, and overall satisfaction ratings. I recently purchased some new luggage online. Although the pictures and spin provided by the various luggage manufacturers made each piece of luggage seem amazing, the customer reviews were what ultimately tipped my purchase decision. Even though some people had given the luggage I eventually purchased some very low ratings, the high ratings and commentary resonated with what I was looking for. I appreciated the time that other customers had taken to comment on their satisfaction. There were also some great suggestions for the manufacturer if they were to read those reviews. Consumers are recognizing that they have to be part of the process in order to fix the problem and not end up less than satisfied with their purchases.
5. **Simplify.** As I've spoken to at least hundreds of people about what's changing for them in this economy, one of the most common responses involves the word simplify. Businesses that focus on making it simple for customers in every respect. Simplified information, products, features, purchasing, delivery, service, complaining, refunds, and suggestions. Even in technology, an industry known for its ever expanding feature set, some companies have started a trend of removing features and simplifying operations, leaving (and trusting) other companies to provide for more complex specific individual needs. The current apps tidal wave we are experiencing is a perfect example. Most apps are simple and provide a very limited operation vs the old enterprise software bundles to which we've become accustomed.

If you're thinking about minor adjustments to your business in order to fit the new economy – like a little foray into social media or finally advertising online -- then I think you'll continue to struggle in this revolution.

But, if you're up for radical change, there's never been a better time to reinvent your business. More importantly, I think we're talking about a shift that will turn your customers into rabid fans. How would that be? To go into this "bad market" with a thousand rabid fans singing your praises to anyone who'll listen. In my experience, that's the world of the authentic business leader. If you're starting a business, throw away the old play book. Start off being real. For more examples and free tools visit my blog <http://web.me.com/brettharward/smallbizrevolution/Home.html>.

If you're willing to do the work, dig deep, and follow through, your organization will be transformed. . I realize that authenticity and transparency are risky. I think we can all agree, though, that just being in business at this point in history is risky. Trying to hold onto the status quo is probably a death wish. Risk is our reality, either way. I'd argue that the path of *least* risk and greatest likelihood of success is to punch straight through these uncertain times by making yourself more powerful and more streamlined. In my mind, that equates to "more honest."

And, there are many fringe benefits. Authenticity is liberating on many levels, not the least of which is being able to sleep better at night. You'll work harder, to be sure. But you'll sleep the sleep of the righteous – knowing that you're business is straightforward and that it's taking the path of greatest promise. I firmly believe that this is your best bet and mine. But we can't adopt authenticity just for the money. Strangely, it doesn't work that way. We start by doing what's right, being real and telling our story from a passionate, true place. Then, we reap what we've sown.

That's all I have to say for now. Keep an eye on my blog-site for more.
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