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THE Customer Evangelism Manifesto



by Ben McConnell and Jackie Huba



“ We are encouraging our clients to fly Southwest Airlines. We are buying more stock...and we stand ready to do anything else to help. Count on our continuing support. ”

— Southwest Airlines customer Ann McGee-Cooper, in an October 2001 letter to Southwest President Colleen Barrett

Ann McGee-Cooper is a Southwest Airlines customer who stands by a company she loves.

After the 9/11 attacks, which crippled and jeopardized airlines for months, McGee-Cooper wrote Southwest a letter. She said she was persuading clients, friends and family members to fly Southwest Airlines. She was purchasing tickets on their behalf. She bought the company’s stock. Perhaps most tellingly, she included a \$500 check with her letter, saying that the airline needed the money “more than I do.”

She is more than a loyal customer; **SHE IS A CUSTOMER EVANGELIST.**

Airlines often consider loyal customers as those who accumulate the most frequent flyer miles. This is true for other businesses too, such as grocery stores, clothing stores, pipe-making companies or furniture manufacturers...they may define loyal customers as those who purchase repeatedly. But this loyalty may be driven by convenience or low prices. In effect, they are repeat customers, not necessarily loyal customers.

Repeat customers...[are] not necessarily loyal customers.

Relying on a frequent-purchaser model exclusively presents lost opportunities. A frequent purchaser may not recommend you. He may even bad-mouth you to friends, colleagues or customers in line or online for any number of reasons.

A customer evangelist not only purchases from you regularly, she feels compelled to tell others. Ann McGee-Cooper honestly considers Southwest part of her family. This doesn't mean that Southwest is for everyone; it has its share of detractors who don't care for its policies of no-reserved seats and low frills.

But your business isn't for everyone, either.

What makes Southwest and other companies with dedicated armies of evangelists stand apart from their competitors?

They have crossed the emotional chasm that separates most businesses with customers. Their customers believe.

They don't do it with trickery, or by having the lowest prices, or the fanciest web site. They do it by being authentic.

Southwest's executives boil it down to "doing business by the Golden Rule." In almost every example we've found, it's the opposite of what most people consider a professional "corporate" relationship.

TO UNDERSTAND HOW A CUSTOMER EVANGELIST BEHAVES, HERE ARE SOME CLUES:

- They passionately recommend your company to friends, neighbors and colleagues.
- They believe in the company and its people.
- They purchase your products and services as gifts.
- They provide unsolicited praise or suggestions of improvement.
- They forgive occasional sub-par seasons or dips in customer service.
- They do not want to be bought; they extol your virtues freely.
- They feel part of something bigger than themselves.

The lessons from the original evangelists—the religious believers who roamed the back ways of the world to spread the word of their faith — teach us that beliefs are based on emotional connection, deep-seated convictions and the promise of a better way. Strongly held beliefs compel many of us to tell others. The root of the word "evangelist" is based on "a bringer of the glad tidings."

But this manifesto is not about religion. It's a diatribe against traditional marketing practices. They no longer work. They're being usurped by customer-driven referrals as the valuable new currency in an organization's growth.

THE WORLD IS CHANGING.

Technology has leveled the playing field to make quality less of a competitive advantage. Product and service saturation is rampant. We're drowning in a sea of media. In a world with so much choice, how do people even make decisions anymore?

By relying on trusted friends, colleagues or family members.

Empirical evidence shows the best indicator of year-to-year revenue growth is the organization's net number of customer evangelists. The more people who recommend your product or service, the more likely sales will grow.

In the new world of marketing, evangelists act as key influencers on future customers. The ideal scenario is when a customer has been made on your behalf well before they hand over their credit card.

WHAT'S WRONG WITH MARKETING TODAY?

“Who’s to blame/for this state of distress?

It’s the Marketing Director! We all confessed.”

If it’s not the messenger that companies shoot first, then it’s the marketing director.

In 2001, Harpell, a Massachusetts ad agency, surveyed prospective technology marketing managers to discover their pains. Respondents said, “My budget’s been cut but I have to produce more.” “I’m on my way out the door.” “My staff’s been cut.” It was a bleak report.

As part of a marketing campaign to promote its services, Harpell produced an old-timey, saloon-style, song with plunky piano about the trials and tribulations of a marketing director who is continually blamed for lackluster sales. Harpell reminds us that whether it’s the marketing director’s fault or not, she usually takes the bullet for disappointing sales.

Why? Let’s examine the current marketing environment.

MARKETING TODAY IS BASED ON 1960S PRINCIPLES.

Most college marketing classes still teach the 4 P's: product, place, price and promotion. E. Jerome McCarthy introduced the 4 P's in 1960. Forty-four years later, most marketing education programs are still based on the 4 P's. Promotion, the fourth of the four, is all about advertising, sales promotion, public relations, and personal selling. Most college marketing textbooks today cover very little, if any, about word of mouth and customer evangelism.

MARKETING IS ADVERTISING.

The next time you're at cocktail party, ask someone for their definition of marketing. Chances are they'll say its advertising. Worse yet, your imbibing test subject may define marketing as telemarketing, which is more like caveman marketing — hunt random fields of prey and beat the ones you can catch into submission.

Unfortunately, the common definition of marketing is what we are bombarded with everyday: advertising. Author David Shenk surmises the average person is exposed to more than 3,000 advertising messages per day. Our senses are under continual assault, much of it by bad or meaningless information.

Which marketing professionals are glamorized in the media? Ad executives. Remember the devious ad agency owner played by Heather Locklear on the television show “Melrose Place?” How about the lead characters on the show “Thirtysomething?” Dustin Hoffman was the beleaguered father and ad agency executive in the Oscar-winning film “Kramer vs. Kramer.” The Darrin Stevens character from the popular Bewitched TV sitcom was an ad man. Ad execs, all of them! When was the last time a customer service manager was the hero of a blockbuster film? Don’t answer that.

POWER GOES TO THOSE WITH THE BIGGEST BUDGETS.

How do some marketing managers measure their success in the corporate hierarchy? By the size of their advertising budgets. Bigger ad budgets are often more about coalescing internal power; the bigger the budget, the more influence you wield internally and with external partners. Helping customers solve problems is not necessarily at the top of the list. At some large companies, you had better spend your annual budget completely or you’ll receive less money next year.

What’s the fastest way to spend money? Mass advertising. Ambitious marketers are given few incentives for creating customer evangelists and word-of-mouth programs that cost dramatically less than mass media budgets. Unfortunately, many company marketers are promoted and hired based on the size of the budget they grew and managed, not on the results they delivered.

MARKETING MUST PRODUCE RESULTS NOW, DAMMIT.

Our technological society demands instant gratification. We want our food fast and our Internet connections blazing. Why save up and pay cash for something when you can have it now on credit? So it goes for marketing.

The stock market rewards companies for growing revenues and profits quarter by quarter. Wall Street has no interest in long-term investment. The Street does not want to hear about money spent on customer evangelism and loyalty programs. Investment bankers care only about one thing: the number of new customers you will generate in the next 12 weeks.

Revenues down? The Street wants to know what actions you will take now. It rewards layoffs with a stock-price bump. If sales are slipping, panicked CEOs often order marketing directors to throw more money at print materials for the field sales force. Or create a new and more aggressive telemarketing campaign.

MARKETING IS DESPERATE.

The globalization of commerce has produced an economy rich with choices. How do we decide, really, between 165 cereal products and 85 different breakfast bars?

Every day, we are inundated with ads on television, buses, under computer browser windows, in the waiting rooms of physicians and dentists, on phone cards, on the backs of lottery tickets and on banners towed by noisy planes circling around crowd-

ed beaches, annoying people trying to get away from it all. At 3,000 advertisement exposures per day, that's 188 messages per hour, three per minute, every minute of every day.

With so much competition, mass media ads must scream louder and more often just to squeeze through the clutter. In 1980, ad agency pioneer David Ogilvy argued that ads must run at least nine times before a future customer grasps your message. Of course he would. He was an ad executive who made money from the size of your ad budget and the number of times you ran your ad. With this desperation marketing the mass advertiser pleads with you to please, please, please... nine or more times, actually...buy!

Creating customer evangelists and word-of-mouth programs...cost dramatically less than mass media [advertising]

Continuous repetition of mass media ads is like adding water to the ocean.

If a company cannot differentiate its products or focus on a specific target audience, then it usually settles for advertising “the lowest price,” the last refuge of a company that has lost its way.

MARKETING TO NEW CUSTOMERS IS SEXY.

Evidence shows that acquiring a new customer is five times more expensive than keeping a current customer happy. Moreover, customer profitability tends to grow the longer a customer stays with you. It costs less to keep them coming back for more.

Yet, we see many otherwise bright, college-educated marketers spend millions of dollars on advertising, direct mail, and a black hole from outer space known as “branding” — all in the name of acquiring new customers. Why?

Acquiring a new customer is **five times more expensive** than **keeping** a current **customer happy**.

It’s the thrill of the chase. The opening scene in “Kramer vs. Kramer” shows Dustin Hoffman accepting congratulations from his ad agency peers; he says that landing the coveted \$2 million Revlon account was “one of the five best days of my whole life.” Landing new customers is sexy, like cavemen slaying a gazelle on the grasslands. Keeping current customers, like gathering nuts and berries and growing a garden, is hard work.

MASS MARKETING IS DYING.

Response rates for several campaign tactics continue their inevitable decline. Measures of the average Internet banner click-through range from 0.005 to 1 percent. The average direct mail response rate is 1–2 percent. Response rates for television and print advertising remain unclear. Measures such as “brand awareness” and “purchase intent” are vacuous at best.

Landing **new customers** is sexy...
keeping **current customers...is hard work.**

Traditional message platforms are so crowded they're no longer effective. Marketing principles are from a vastly different world. Exponential growth of a media-driven culture, the ubiquity of information sources and since 1994, the advent of the World Wide Web have made mass media effectiveness inert.

Continuous, mind-numbing marketing repetition is clogging the arteries of trust and attention every day.

There's evidence for the decline among traditional advertising and the rise of word of mouth for making future purchases:

HOW PEOPLE GET INFORMATION ABOUT...

	WORD OF MOUTH	ADVERTISING
Restaurants	83%	35%
Prescription drugs	71%	21%
Hotels	63%	27%
Cars	58%	36%
Financial services	57%	12%
Computers	40%	18%

Napsterized knowledge:
Make it a point to **share knowledge freely.**

How do we evolve from the primordial ocean of advertising? How do we help our best customers become our best sales people?

We find there are six common strategies among organizations that benefit from remarkable levels of customer evangelism. We call these strategies the six tenets:

1. **CUSTOMER PLUS-DELTA:** Continuously gather customer feedback.
2. **NAPSTERIZED KNOWLEDGE:** Make it a point to share knowledge freely.
3. **BUILD THE BUZZ:** Expertly build word-of-mouth networks.
4. **CREATE COMMUNITY:** Encourage communities of customers to meet and share.
5. **MAKE BITE-SIZE CHUNKS:** Devise specialized, smaller offerings to get customers to bite.
6. **CREATE A CAUSE:** Focus on making the world, or an industry, better.

How do you employ these tenets? Here are a few ideas.

1. Customer plus-delta

Understand what evangelists love by continuously gathering their input. Dallas Mavericks owner Mark Cuban is a feedback machine. He conducts mini-surveys with nearly every fan he meets, asking how to improve the fan experience (the “delta” in plus-delta). His email address shows up on the American Airlines Arena scoreboard. Build-a-Bear Workshop, the interactive retailer where children can build their own

personal stuffed animals, uses a “Cub Advisory Board” as a feedback and decision-input body. The board is made up of twenty 8–12 year olds who review new product ideas and give a paws up or down. Maxine Clark, the company’s Chief Executive Bear, says that after 6 years in business, 99% of products in the store are customer ideas.

The more **knowledge** you **share**...
the more that **people will tell others** about it.

2. Napsterize your knowledge

The original Napster, the file-sharing service that turned the music industry’s distribution system on its ear, taught us that sharing your knowledge freely increases the perceived and actual value of knowledge by making it more accessible. The more knowledge you share with the world, the more that people will tell others about it. Fans around the world devote dozens of hours weekly to their product or company websites and weblogs. Embrace them. Invite them to meet your back-office team. Give them plenty of statistics, photos, and anything else they need for their websites. For companies that primarily sell to other companies, discover routes to sharing more information among all of your trading partners so the experience of being a customer becomes more valuable.

3. Build the buzz

Customer evangelists are often information junkies. They're influencers who spread the latest news through their networks. That provides them stature and authority. They'll use many mediums to spread buzz about products or companies, whether it's face-to-face with friends and family, or huge audiences via email, online forums or chat rooms. Shepherd your evangelists into a special program, where they're given a backstage pass to try new products or meet the rock stars of your company.

4. Create community

Provide like-minded customers the chance to meet one another. PAETEC, a telecommunications company that provides services to hotels, universities and other companies, hosts informal customer dinners around the country. Current customers and key prospects are invited for food and good company. No boring PowerPoint presentations here; just customers talking about their telecommunications challenges and how much they love PAETEC's service and support. Prospects are sold on the company by other customers. When customers meet one another underneath your umbrella, the value you deliver as a vendor increases exponentially.

5. Make bite-size chunks

Even if a customer doesn't purchase, she may spread favorable word of mouth because she could try before buying. Bite-size chunks of your products and services reduce risk, sales cycles and offer up-front value. Those are three key qualities evangelists seek out.

[Give] your evangelists...**a backstage pass** to **try new products** or meet the **rock stars** of your company.

6. Create a cause

Companies that strive for a higher purpose – like supporting “freedom” as Harley-Davidson and Southwest Airlines do — often find that customers, vendors, suppliers and employees naturally root for its success. A well-defined cause can change the world, no matter how big or small. Customer evangelists crave emotional connection and validation; a well-defined cause generates strong emotional attachments.

THE WORD OF MOUTH REVOLUTION IS UPON US!

Today's always-on information has turned competition in a 24-hour playing field. To compete now and in the future, focus your energies on creating a loyal following of passionate customers who support them and evangelize everyone who will listen.

Fan the flames of customer love. Demonstrate that you appreciate their support in good times and bad. Give them meaningful, authentic reasons to work harder for you; the investment is repaid by evangelists like Ann McGee-Cooper.

ENDNOTES

- 1 "The One Number You Need to Grow," *Harvard Business Review*, December 2003
- 2 From the song "Let's All Blame the Marketing Director," by Harpell
<http://harpell2.iserver.net/site/songbook/BlameTheMD.mp3>
- 3 "Data Smog" by David Shenk
- 4 "Ogilvy on Advertising" by David Ogilvy

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BUY THE BOOK

For more details or to buy a copy of *Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force*, click here.

ABOUT THE AUTHORS

Ben McConnell and Jackie Huba are the authors of *Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force* (Dearborn, 2002). Read their blog, Church of the Customer, and more about their work examining customer evangelism at <http://creatingcustomer evangelists.com>. Both live and work in Chicago, which they love. Except in the winter.

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