

THE POWER OF

By Kevin Oakley, Contributing Editor



Many home builders emphasize the idea that every member of their organization is a salesperson, no matter what their actual title or position. But this rallying call can, unintentionally, get everyone in the company focused on the wrong metric: sales volume.

There are only two mission-critical items in business: an exceptional customer experience and profitability. A focus on high volume without an equal focus on profitability and high customer satisfaction can crumble your company's foundation faster than almost anything else. Sure, there will be periods of intense growth in any company where reaching a certain level of volume matters and creates efficiency. But losing sight of your mission can do serious damage.

FOCUS ON EXPERIENCE

All companies have a purpose—a mission—and require certain elements that are crucial for the company to survive. For generations, the customer experience was less of a concern than profit, or customer experience was ignored altogether. It wasn't that long ago that customers' voices could never match the power of a company's advertising budget. As long as the product was profitable enough, the company could buy its way out of trouble by running enough ads to drown out pesky, upset customers. But things have changed—dramatically.

Brand reputation management. A handful of bad online reviews, or just one ticked-off customer with 3,000 loyal followers on social media, can seriously harm your business. What's the best way to deal with these issues? Prove that those less-than-ideal testimonials are nothing but a freak occurrence, representing a tiny 0.001 percent of your customers' experiences. A second option is to have a brand so strong that it can take a direct hit and still give you time to prove

the high level of customer experience you regularly provide. Unfortunately, most companies in our industry aren't strong enough to do this, despite their own opinions.

Customer experience first, profit second. Yes, profit keeps the doors open and the engines of business humming, and a predictably higher satisfaction level will let you command a price premium and increase your profit. As soon as you start getting raving fans, it's important to give them a voice. Every year traditional advertising methods become less effective—even those that use new technology platforms. A customer testimonial in any form is the only thing I can promise you will become more valuable to you year in, year out.

So, how do you communicate to your team the crucial link between customer experience and bottom-line results? I'm going to tell you how to run your next management meeting and then how to consistently produce high-quality testimonials for use in all of your marketing efforts.

YOUR HIDDEN-EXTRA TAX

At your next management meeting, announce that in 30 days your company will begin charging every customer a \$500 Experience Tax that will be called out in detail at every closing. You'll likely get negative reactions all around.

No one likes taxes, so suggest calling it an Experience Fee. Explain that this fee will be substantial, perhaps up to several percentage points of the final sales price. The reaction will become more intense. You'll hear excuses about how this will lower customer satisfaction, increase customer expectations, slow down construction time, and increase your costs (because you'd have to offer something extra to justify it).

Here's the reality: Your company already has an experience tax, and it's built into your current price. The question is, are you delivering a good enough experience to justify your price? If not, there's always another company down the road willing

POSITIVE IS MISSION CRITICAL

SALES ARE IMPORTANT, BUT POSITIVE CUSTOMER EXPERIENCE IS A GOLD MINE

to eliminate that experience tax (or lower it) and offer a similar product for a lower cost without any promise of a great experience. This other company may start out as the bargain alternative, but if you don't offer and deliver on something and they do, they'll become known as an overall better value.

BUILD A TESTIMONIAL ENGINE

There are more-complicated systems, and companies that can capture customer testimonials on your behalf, but here's a basic bulletproof way to generate new stories of great customer experiences.

1. Short pulse-checks at closing. The closing table should be one of the high-points of a customer's experience with you. At a closing, buyers are already used to signing a lot of paperwork. Use a simple scale of one to five to ask questions about completeness of their home, the individuals involved from sales and construction, etc., and how likely the customer would be to refer you to friends and family.

If they give you high ratings and say they would refer you, slip a copy of the survey in a file to review in two to three months. Anything negative needs a prompt response from someone at a high level in the organization. A copy of every pulse survey should also be sent out to each manager on the team the following day. This continual transparency for all departments regarding who is falling behind will elicit better behavior from each department.

2. Follow-up. For those who are happy and would recommend, have someone from marketing reach out in two to three months to confirm that the homeowners are still highly pleased and would recommend. If they're not, pass the information on to warranty, service, or a manager to quickly respond. If all's well, invite the homeowners to participate in an upcoming video or photo shoot (based on their comfort level) with several other homeowners. Make sure they know that they'll be compensated for their time.

3. Lights ... camera ... action! Have multiple customers scheduled for video shoots on the same day over a couple of hours. Each individual story may not come across as a home run. Some people will be nervous, or not be as outgoing. That's OK. Edit each story to be as long and as detailed as needed. Some videos may run just 30 seconds and others may be more than 4 minutes long if the story is compelling.

Do this as often as necessary to create an extensive library of testimonials for your marketing and sales teams to pull from for their various advertising channels. Your customers' experiences—and your ability to capture and share them—should be a mission-critical part of your overall marketing strategy. **PB**

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