

- Intro: Welcome to the Empowered Entrepreneur Show. Discover your life's purpose, reprogram your mind for success, and attract an abundance of paying clients to your business. Now here's your host, Tom Tenaglia,
- Tom Tenaglia: Aloha empowered entrepreneur. I am Tom Tenaglia and you're listening to the Empowered Entrepreneur Show. Today I want to talk about listening to your customers on a slightly different level than I've talked about in the past. I think a lot of the information that we can use to grow our business can come from our customers and so somebody said to me, why would I want to listen to my customers? To me, it seems obvious because those are the ones that are buying your product or service. Those are the ones where your best feedback can come from. Now, we talked about it in the past where sometimes your customers are going to ask for things that are just not in alignment with the direction you want to take your business. And then there are other times where your customers are going to ask you for things that if you hear it enough from enough people might be an opportunity for you to pivot.
- Tom Tenaglia: So, if you take any company that didn't roll with the times, didn't change for the better, they're not around anymore. So, it's knowing when to pay attention to what your customers are saying and the direction in which they're edging you to go and when to tell your customers, "Hey, that's not the way that we're going" or "That's not what we stand for. That's not our business model." So, in figuring out what's in alignment with you and your business, you can take into account the information that comes from your customers. And the customer information may not be actually direct information. They may not go, "Hey, this is what you should do" or "Here's something that I would really like your business to provide" or "Here's an offer" or "Here's a product or service" or "Here's an approach to take."
- Tom Tenaglia: The more the businesses do say, "Hey, send in your feedback" and show that the feedback is actually put into practice, the more likely they are to get feedback from customers. So, if you listen to the interview I did with Matt Champagne on surveying, closing that loop as he calls it, letting those folks that submitted the survey be aware of the aggregate responses and what you're doing with that information is helpful and shows that they really do have a voice. So, I think it's important that we pay attention to what information we glean from our customers. This basically can also be any difficult customer. We can learn so much from difficult customers just like we can learn from the easy customers.
- Tom Tenaglia: A lot of the easy customers might share the positives and share what they really value and why they like doing business with you. And then the difficult customers might say, "Hey, here's just an expectation that I have" or "Here's something that I would really like to see from your business." There's a lot of

things that come out like that. Like, I was at a food place. It's not a restaurant but it's not fast food either. So, it's kind of a hybrid.

Tom Tenaglia: And there was a certain item that would be an upsell in their store, meaning they would charge more for it. When I was talking to the manager a number of times he was saying that a number of customers were very surprised by the fact that there was an upcharge for this and it got me thinking, "Well, that should be a clue" because those same people are probably going and saying, "Well, hey look, if you go there, it really doesn't cost this much because if you really want to go get the thing that you expect from everywhere else, it's going to actually cost you this much and there's an upcharge for it and all that." And so people are going around and telling people about the upcharge instead of focusing on the quality of the food actually.

Tom Tenaglia: It took me a while before I got them to explain to me that the meat that they used is grass-fed and grass-finished and I bet you if I had asked him about the other items on the menu, like egg and stuff like that, that they would actually tell me that they're a higher quality of everything and basically use the higher quality words for each of the items on the menu and no one knows that, really. Very few people know that that's what goes into their product. So, it got me thinking, "Well if a lot of people are telling you about the upcharge and people don't know about the quality, you should probably be promoting the quality in your messaging and why not roll the price of the upcharge into the product?" This way, if the majority of people get the upcharge anyway, essentially, then at least it's rolled into the price of the product and it's not like you're asking more from them. So, it goes in alignment with the episode I did on basically don't take stuff away. Make sure that what you're doing is actually giving more.

Tom Tenaglia: So, it got me thinking like if he paid attention to ... because he basically had a cookie-cutter response to "Why is there an upcharge on this?" And he wasn't just a manager. He was actually the owner. So, instead of paying attention to it and going here's what we could do from a business perspective so that the people that want it ended up getting it included in the price and it wasn't any different to the folks that ordered the product. Because most people aren't going to complain about the initial price of the product. They're going to complain about the microcharges that come along with every variable that they want to change on the menu. So, it's often beneficial from a perception standpoint to just include those upcharge prices.

Tom Tenaglia: It's actually kind of funny because I think they would actually make more money because not everyone takes advantage of the upcharge anyway. So, what'll happen is instead of actually having to give everybody everything which they paid for in the base price, they actually profit significantly more from the fact that they just included the upcharge in the base price and the customer feels

happy. Customers are happier and they're like, "Okay, cool. I can ask for something and I can get it and there's no additional charges. This is fantastic."

Tom Tenaglia: Yeah, of course, as a customer we should realize that what we are asking for is already included in the price. People go, "Oh, this company offers free shipping. Well, if you have to pay a membership to get the free shipping you're kind of paying for the free shipping." It's just the perception of it. So, looking at it from a customer standpoint and looking at it from a business standpoint. For some reason, people who run businesses tend to think like a customer when they're a customer and they tend to think like a business owner when they're a business owner and they forget to connect the two together. They forgot to go, "Well, how would I feel in this situation as a customer telling the customer the exact thing that the customer is telling me? What would I want the store to do? How would I want the business to respond?"

Tom Tenaglia: So, listening to your customers is kind of paying attention to the themes, paying attention to the things that occur on a recurring basis, pay attention to what more customers are saying. If you have valued customers, letting them know that they're valued. Not rewarding the complaints so to speak, but letting them know, "Hey, you know what? I want to respond to you. I want to take an action based on what you're telling me. How can I best get in touch with you to let you know what I've done based on your feedback?" And if the feedback is constructive enough, being able to act on it, being able to respond to it and then getting back to the customer to go, "Here's what we did. Here's how we listened."

Tom Tenaglia: I had an experience with, funny enough, another restaurant chain in the same niche in another part of the country. And I filled out their online corporate "Hey, give us feedback corporate wise." And I specifically gave certain things to them that I'd like to see. Even though they didn't actually deliver on the specific items, when I went back into the particular franchise that I was visiting, the manager there who got to know me because I would frequent the restaurant quite a bit, said, "Hey, you know what? The home office actually came in and they were evaluating." She actually said to me, "Did you fill out our online thing?" I'm like, "Yeah. Yeah, I did." She goes, "Yeah. I thought that was you because the home office came in and started evaluating based on your recommendations if it would be a fit for us or not." I mean, that was pretty freaking cool. I mean, even though the home office didn't contact me to tell me they did it, the fact that they did it and it came through the franchise manager was pretty helpful.

Tom Tenaglia: I had another one where a restaurant where I filled out a recommendation and they acted on it. They didn't tell me they acted on it, but what happened was the next time that a similar situation came up, the recommendation was actually implemented and I got to go, "Oh wow, this is done. This is perfect." And it's really neat to see three different levels of "How do we respond to the

customer?" There's that level of "Let me just hear what they're saying, but not really do anything about it." There's a level of, "Let me hear what they're saying, evaluate it, and then word gets back to the customer in one form or another." And then there's, "Okay. Here's what they're saying, let me evaluate it, let me go do that, and then it's there next time."

Tom Tenaglia: Now, all three of them actually could have benefited by circling back to me, especially the two who had my contact information. The third one could have asked me for it. Actually, he had it because it was part of the loyalty program. So, they could have circled back to me to say, "Hey, here's what we did, here's the action that we took, and here's what we'd like to do." I used to work in food service earlier on in my life and one of the things that the manager there did was anybody who would fill out the survey information, he would give them free product. Whether you said the service was great or the service sucked, it didn't matter. He would just say, "Hey, you know what? Next time you're in the area, come in, mention my name, tell me this is that the other, and we'll give you a free whatever." And he came out with a bundle, basically a full meal actually. Drink, meal, and whatnot.

Tom Tenaglia: So, that's like rewarding the feedback in general. Especially if you can act on the feedback, the more constructive. So, word might've gotten around that that occurred at that restaurant. I'm not sure. I didn't really hear that many. It only happened one time and I was working there several years. At least on shift it only happened one time for me where I had a customer who filled out the survey and came back in to claim the free product. It was interesting because I had to check with the manager and say, "Is this real?"

Tom Tenaglia: So, there's this paying attention to what is the customer saying and then figuring out does it align with the direction you need to go? Or is this a chance where you really need to pivot? Like, if so many people are saying the same thing, "How can I eliminate that frustration for the customer and still keep the business profitability and the business success and everything like that?" Rather than just trying to make an individual situation right, let's look at how can we make it right for more.

Tom Tenaglia: See, how can we get more people saying positive things about our business? But you can't really track it as much if it's word of mouth. So, you don't know that they had an amazing experience and then they go and they tell their friends, "Oh yeah. If you go there and you ask for this. It's high-quality stuff and they didn't care if I got an extra something or other" and it was like, "Okay cool. They included it." Why? Because people weren't going to take advantage of that. They weren't going to get three or four upcharges like the restaurant was thinking, "Well, we have to because it costs us money."

- Tom Tenaglia: Well, just include it in the base price. If they want more than a single extra, okay, fine. And maybe say, "Well, you know what? We give you a bonus extra but we have to charge for more than that." I mean, that's only reasonable. I think most customers would understand that. But the majority of their customers weren't asking for more than one. I was at another restaurant where the upcharges were clearly spelled out on the menu clearly. I don't like it necessarily if a server offers something and doesn't tell you if there's an upcharge. You can always ask, but I normally prefer the transparency. More often than not, if a server is transparent and they go, "Hey, would you like X, Y, Z for 75 cents extra?" I'm actually more likely to take it because I'm factoring all the variables versus if I have to go, "Is there an upcharge?"
- Tom Tenaglia: And they go yes. And then I go, "Well, why did they not tell me there was an upcharge?" And then I almost want to say no as a matter of principle to go, "You should have been transparent with me about this." That's kind of how I tend to want to operate. And if I say, "Is there an upcharge?" And they say yes and then I go, "Well, what is it?" And they don't know, that's even worse. I'm not trying to be picky on price. I think transparency in what somebody is paying and what they're getting for it is extremely important in business.
- Tom Tenaglia: So, I have another episode that I'm going to be recording that'll be out shortly following this one on consistency because I had a similar situation where there were some inconsistencies in price. So, I want to explore that for you and tell you a little bit about consistency.
- Tom Tenaglia: So, I hope it took paying attention to what your customers are saying and looking at it from a different lens. I know we talked about the analogy before of Henry Ford. If you had asked people what they wanted, they would've said faster horses. One camp of marketers goes, "You can't ask your customers." And the other camp goes, "You have to ask your customers." And I think it's really a hybrid of both. I think that you can ask your customers then go faster horse if you find out why they want a faster horse. "Oh, I want to get from point A to point B faster." Then they just need a vehicle to get from point A to point B faster. They think the implementation of it is a horse but if you can solve the problem and if you can articulate their problem in a way better than they can articulate it like, "Hey, you just want to get from point A to point B faster, more reliably, safer, more economical, all of that. Here you go. Here's what we have for you."
- Tom Tenaglia: So, that's how you can really connect the dots together. So, I just wanted to dive deeper a little bit further into that based on a couple of experiences I was having and I really hope that's helped you. So, pay attention to things that your customers are saying, whether that's positives or complaints or criticisms, or even if it's supportive feedback to just go, "Hey, can you clarify this for me? Is it really that?" And then you can pay attention to the consistency between the

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messages. So, you can then act on them. You can keep growing your business.
So, with that, Aloha; a hui hou. I'll talk with you again soon.

Outtro: Thank you for listening to the Empowered Entrepreneur Show.