

Profitability Crisis

4 Sure-Fire Strategies for Cultivating Consumer Credibility, Trust

BY BRIAN GREENBERG

There's been much researched and reported about why businesses don't turn a profit – some chronically operating “in the red” month after month until failure finally ensues. In fact, reports reveal that a staggering 50 percent of new small businesses fail in the first year alone, and only one-third survive 10 years or more. While the litany of business failure postmortems have asserted viable collective reasoning for said profitability pitfalls and outright failures, including money mismanagement, operational inefficiencies, poor needs analysis and price planning, and being out-competed among them, not enough have focused on the all-mighty consumer credibility and trust factor when analyzing a business boon or bust.

And, no industry is more vulnerable to flailing credibility and trust among consumers than retail. For its part, the retail trade crisis has also been well established, particularly with respect to dwindling foot traffic to brick-and-mortar stores. Even online, it's shocking to learn that fully 97 percent of visitors to eCommerce and other sales-minded sites bail out without purchasing on their first visit. Clearly there's a severe disconnect between vendors and the marketplaces they hope to serve – a situation resulting in some serious economic opportunity loss. These disparities are also among the biggest misperceptions that both online and offline marketers hold.

Far too many companies are churning out traditional sales lingo laced with fluff and vague, or entirely overinflated, claims, spending paltry little time and energy establishing credibility with prospective customers. At the most fundamental level, credibility translates into trust, and trust translates into sales.

Today's consumer is quite savvy, but is often overloaded, overcommitted, overdue for a vacation and, thus, easily annoyed. From telemarketer calls coming in at dinnertime or, worse, before the alarm sounds in the morning; an endless stream of SPAM emails jamming inboxes; and mailboxes overflowing with white mail that proceeds directly to the recycle trash

bin, statistics show that consumers can be bombarded with more than 300,000 messages every day. This overwhelming demand for consumer attention and dollars has created a market filled with cynics, whose defenses are on full alert.

What I've learned over the years is that shoppers go through different phases, such as interest, awareness and action, before transitioning to the “buying” stage.” However, the successful marketer offers multiple ways to prove the company and/or the product's credibility through meaningful and relevant engagements that will carry a consumer through the emotional continuum of interest to final sale ... and referrals and recommendations to others beyond.

Below are four proven tactics I've learned on the sales and marketing front line, which are critical to building a loyal client base and ultimately boosting revenue in kind:

1 Righteous Reviews

Studies show that, in general, people like to do what others are doing, especially in situations where they feel insecure. That fact can be emphasized by another fairly understandable statistic: customers are more likely to make a purchase from an entity that can produce favorable reviews about their product, service or company. In fact, according to a survey conducted by Dimensional Research, an overwhelming 90 percent of respondents who recalled reading online reviews claimed that positive online reviews influenced buying decisions, while 86 percent said buying decisions were influenced by negative online reviews.

This can best be accomplished by deciphering what stage of the buying cycle the visitor is in, and then publishing or offering real and applicable reviews and testimonials allowing potential buyers to align themselves with others who have made purchase decisions. And, given the different stages of the buying process, it's essential to showcase reviews and testimonials that touch on more than one aspect of a previous buyer's experience. Prospects want to know that the person who wrote the review really

exists so be sure to list real names (with permission of course). And, if you sell to other businesses, also list job titles and the companies they represent. It's also advisable for marketers and business owners to take proactive steps to encourage buyers to provide written reviews, whether through a dedicated web page, a follow-up email or phone call, or a reminder next time they stop by to shop with you.

2 The Science of Social Proof

Simply put, social proof is influence created when one discovers that others are doing something. While reviews and testimonials are two of the most persuasive forms of social proof as detailed above, there are other important considerations. We now know that – with the rise of Internet sales and social media – potential buyers can amass a great deal of information even before visiting a store or certainly making a purchase. Endorsements from organizations or celebrities with a positive public image and “wisdom of the crowds,” can definitely provide the emotional risk relief needed to close a sale.

Social media also presents tremendous image opportunity. For example, Facebook is considered the “most effective” of the social media sites. “Likes” on Facebook are positive reviews about your products or services and ultimately show potential users that your brand can be trusted. Another highly effective brand-builder is publicity! Being mentioned in the media is extraordinarily effective as having your brand or company featured, or offering expert source “thought leader” commentary, is essentially an implied endorsement from the media outlet in which it runs.

3 Transparency Translates

The word “sales” has become synonymous with “hype.” Modern consumerism is now based on transparency. This asks that we operate with openness, clear communication and accountability. A marketer that truly cares about the prospect's perceptions and experience will have nothing to hide. Ensure marketing speak has no hidden agendas or false promises, and that all who come in contact with your business gain a sense of the company's mission, vision, philosophies, environment, culture and core.

Potential customers consistently rank customer service as the No. 1 factor impacting vendor trust. And, understanding that things sometimes go awry in business,

I've found that people admire companies more when they readily admit to a mistake and address the issue directly.

4 Take Direction from Your Customers

No matter what business you're in, your most precious asset is your existing customer base. Why not intensely focus on their behavior and commentary (whether solicited or not), as you do business with them? Ask them for honest feedback. Motivate and compel them to provide it. It's the only way to gain a deeper insight into their thinking, how they feel about your business, product or approach, and what you can do to make their experience better. This can be informal discussions or “interviews,” or anonymous surveys and polls that provide anonymity and can make subjects more comfortable to express their real thoughts and feelings.

What does your expressed desire to listen to your customers say about a company or brand? It tells them that it cares; that it's serious about satisfying them; that it wants to succeed; and, most importantly, that you're open to change.

Being a credibility-conscious sales operation does not take a large budget. It largely involves not telling people what they want but rather listening to what they need. If you provide valuable information; offer a product or service whereby the care and quality is evident; rally existing customers, partners and other constituents to get on your bandwagon through testimonials, social media and the like; and consistently demonstrate top-notch service over a sustained period of time, your reputation alone may be enough to spur that coveted sales growth. *I95*



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