



**THERE ARE NO MORE CUSTOMERS – ONLY PROSPECTS! (Part 2):  
Step 1 = Awareness = “I was an Internet lead and you never knew it.”**

The Internet has caused a dramatic flattening of the relationship / loyalty curve. Under the old way of thinking, the longer you were with a particular supplier – the higher your loyalty to that supplier’s goods and services. Unfortunately, statistically, consumers are identifying more with value and less with specific suppliers/stores.

Products are being viewed as being very much the same between the stores. An increasing number of consumers are less concerned about where they shop, than where they are finding value. More than 22.2 percent of consumers surveyed recently said that they had “no preference” on where they shopped. In one year, that number has almost doubled – and is on track to reach 44 percent (double again) in 2003!

Consumers seem to be opening their Sunday circulars and picking the store with the best deals, and not worrying about which one that might be. And, in the competitive zero-sum sales environment, when someone grows it's usually at the expense of a competitor.

The sales environment has extended to your web site, and you must:

- **“A” = Awareness** – quickly raise people’s awareness of products and services through conversation.
- **“B” = Balance** – Because Abby has the ability to listen as well as speak, this creates for better information delivery, or balance.
- **“B” = Behavior** – A conversation from Abby can quickly change people’s response and behavior.
- **“Y” = Yield** – Since Abby is digital and scalable, she creates higher yields at lower costs.

These elements are called –**“ABBY”**- and will be discussed going forward.

The following scenario is all too often the norm:

- I was a prospect on your web site and you never knew it.
- I contacted you from your web site, and you never responded (in time)
- I bought from someone else.

In Marketing 101 we are taught to develop a profile of the target market, and then figure out how to attack that target given the budget, talent and delivery channels available. Well, currently the most inexpensive and under used delivery/decision-making channel is the Internet. But somehow we need a mechanism of interacting with our prospect within



this delivery channel, in order to identify and pre-qualify the 'real' prospect.

A particular consumer behavior pattern is spreading, and it is one where the main product consideration battle is being fought and decided on the Internet, not in the store. Consumers are moving all the way through the purchase funnel online, leaving the last step - the purchase itself - for the brick-and-mortar channel. Currently, more money is being spent in online advertising and marketing.

Knowing that a good percentage of this category's purchase decision-making happens online, should also bring about a radical change in messaging that shows differentiation designed to **show advantages over competitors**. Messaging should also focus on the qualitative aspects of products, in order to help fight increased commodification and price sensitivity.

A normal process of getting a 'visitor' to declare themselves a prospect is one of signing up for e-mail programs / newsletters, etc. A superior process, that was unveiled at Carnegie Mellon University, has been one of - "interacting" directly with the prospect. The company spear-heading this development is Eidoserve. Suffice it to say, the results of direct customer interaction border on amazing (in some cases, 600% increases in on-line transactions after six months).

In terms of traditional e-mail / newsletter programs – the factors that motivate consumers to sign-up for these programs are: (Quris, 9.2003)

- 41% = sweepstakes offers
- 40% = customer pre-disposed toward your product / service
- 38% = supplier requires an e-mail address as part of the give / get experience (in order to get this content / you need to give me your information)
- 37% = recommended to you via search engine (paid search)
- 24% = through a friend's recommendation.

The good news is that the characteristics of a 'loyal customer' are in your favor. Loyal customers shop more frequently, increase their level of purchasing, and recommend the supplier to others. And although a recent Walker Information study revealed that 90% of customers say they are "at least satisfied with their current suppliers."

The disturbing element is that less than 50% can be considered "truly loyal". And of the group that considered themselves loyal, and despite a high customer satisfaction index, 43% of that group considered themselves trapped.



"Many customers are satisfied wherever they go. They may look at two comparable stores and say, 'Both are great and meet my needs, and I don't see any difference in them.' But, the truly loyal customers say, 'That's my favorite store' and I refuse to consider buying from a competitor," says Bob Kizer of Walker Information.

It is the truly loyal customers that everyone fights for. In this same survey, customers were asked to pick the brand where they shop most regularly. We found that consumers shopped at their favorite store only 4.5 times out of 10 – which means **they're playing the field**. That means that a lot of money is being left on the table because of the lack of loyalty.

"A surprising number of shoppers are trapped," said Jeff Marr, loyalty expert. "For some, it may be habit, for others it could be location that trumps the dissatisfaction of the shopping experience in the short term. But if stores do not become more focused, it's only a matter of time before customers go around the corner to a competitor that can provide a better shopping experience."

And the easiest way – "around that corner" is through the Internet and the mouse.

We need to recognize visitors at our web sites. We must recognize them as prospects and potential customers and treat him accordingly. The time for – "brochure-ware" is over – that is assuming that we wish to maintain and grow our customer base.

The next installment will discuss the **behavior** of the Internet lead. After all, if we are headed for 44% of all customers, - "not caring where they shop" – then, truly, "**there are no customers – ONLY prospects.**"

Thank you for listening.

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