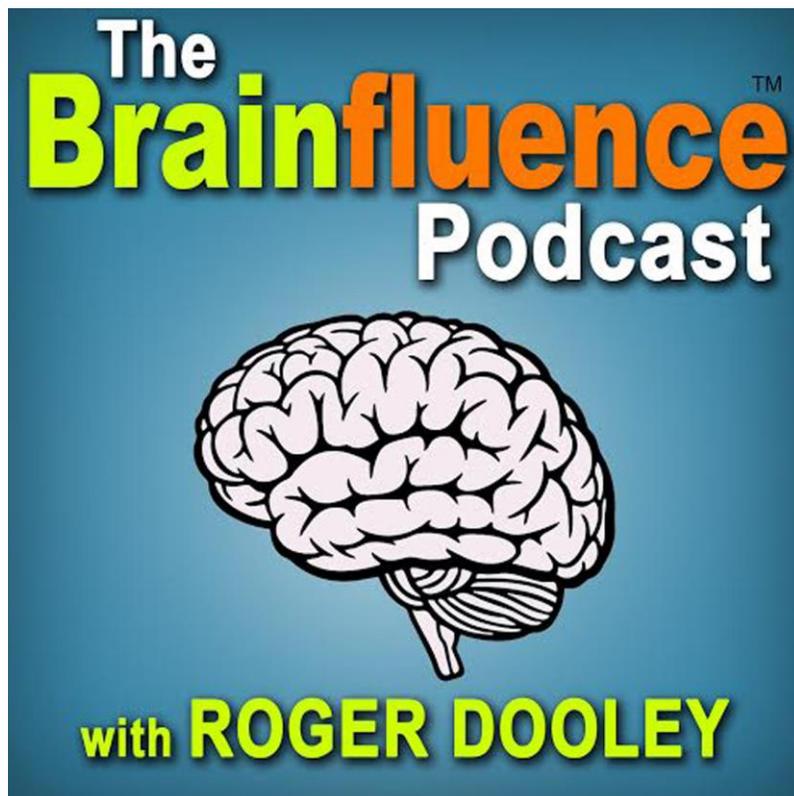


Ep #43: Grow Evergreen Customers with Noah Fleming



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Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the Brainfluence Podcast. I'm Roger Dooley. Our guest today is Noah Fleming. Noah is a consultant and coach focused on strategic marketing and customer loyalty. He blogs at Fast Company and is a regular contributor to The Globe and Mail's Report on Business Section. Noah is the author of a new book, "EVERGREEN: Cultivate the Enduring Customer Loyalty That Keeps Your Business Thriving". Welcome to the show, Noah.

Noah Fleming: Thanks, Roger.

Roger Dooley: Great. Loyalty means different things to different people. We hear about loyalty programs, and loyalty cards, and so on. I think there's probably different kinds of loyalty there, true loyalty. I'm loyal to United Airlines because they bribe me with whatever perks as I fly more, but at the same time, I'm not always a fan of the airline. I think they are getting better or at least my experience is getting better.

In contrast, Apple has truly loyal fans in many cases who could ... They could ship a terrible product, and the true loyalist would defend it, and they'd find some way to justify the fact that it's a bad product, but it's still awesome somehow. When you talk about loyalty in the title of your book, what kind of loyalty are you talking about?

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Noah Fleming: I think you make a great point right there, right? A lot of companies think the moment they give somebody a loyalty card and they start getting stamped there, they start getting punched, they've got a loyal customer, but that's not the case, right? Loyal customers are like the fans of Apple. Loyal customers are like the fans of Starbucks. Different companies, Zappos. You mentioned United Airlines. You might be disappointed with them sometimes, you're still loyal to them because they perk you, they take care of you, and typically, it sounds like you probably fly with them most of the time.

When I talk about loyalty, I'm talking about true customer loyalty, the type of customers that come back and spend with you again and again, the type of customers that do look at a bad product or a little mishap as just something that happened, right? They forgive and forget, and they move on, but they tell people about you. That's the type of loyalty I'm talking about. Too many people think that loyalty is essentially that, we just give someone a card, or they're on our email list, or they shop with us once in a while, so they're loyal. That's not really the case.

Roger Dooley: Yeah. I suppose everybody is once loyal customers; but I think today's environment in certain ways, maybe it facilitates loyalty in one sense, but it's also very difficult because there are so many choices that we're presented with constantly. If I'm doing business online, every time my customer search for me, they're going to probably see a ton of ads from my competitors even in sometimes in person.

Now, technology is finding new ways to reach people with alternative offers. I'm walking down the street, expecting

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to go into my coffee shop, and then some other coffee shop is going to detect my presence and ping me somehow. There's so much choice out there. Do you think that building loyalty is fundamentally more difficult, or could it be easier now?

Noah Fleming: I think it's a challenge both ways. You just gave again some great examples, right? You've got to think of it like this is that the great companies, they know how to build that. They foster that. They nurture you. They take care of that relationship, so yeah. You might try coffee at the next shop down the street, you might go somewhere else once in a while, but chances are you're going to be back, and that's the type of loyalty that I'm trying to help my clients and different companies build.

You're right. There's a lot of price shoppers out there, right? We all know that we can find a cheaper price. If there's a company that we know that takes care of us, we know that they've got a great reputation for taking care of other customers, we're interested in what they do, they make it fun, they make it engaging, that's probably the company we're going to do business with. I know with me, you're right. I could spend days looking for a cheaper price on something; but at the end of the day, I typically go back to the companies I'm truly loyal to, even if sometimes I have to spend a little bit more money.

I do think it can be hard, but it can also be easy if you follow the right process, if you follow the right steps, and you really make it a point to make every customer feel appreciated. You want to make every experience a great wow experience, right? I talked about the wow experience in the book as something that's been a bit overused. We

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somehow believe that if we provide a great experience one day to somebody that was above and beyond that we've done this great wow thing, but wow is really about day in and day out taking care of them and showing them that you care.

Roger Dooley: Yeah. I think you could probably go both ways on that because, obviously, somebody can wow you once, and then disappointment you forever after because you're not going to stick around as a loyal customer. At the same time, sometimes just introducing a one-time wow once in a while that goes over and above can do that. Let's change topics. You talked about Evergreen Marketing, what do you mean by that?

Noah Fleming: Evergreen Marketing, I mean ... I used the metaphor of the tree, right? Evergreens are green all year long. They're eternal. They don't have to put new growth on the trees every winter. They stay green. They stay fresh. They stay lively. Whereas deciduous trees, they drop their leaves every year, and so they're cold, and so winter is ... It's a tough time for deciduous trees.

Great companies are evergreen, and so Evergreen Marketing, evergreen organizations are the ones that follow these specific things that I'm talking about in my book to help them become evergreen. When I apply it to marketing, I talk about it really as the relationship, right? The effort, the time, and the things put into building that relationships with those customers, that's what it means to do Evergreen Marketing.

Roger Dooley: You have a little Venn diagram in the book that shows the intersection of customer acquisition and customer retention as marketing. Is it really bigger than all of that? It

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seems like there's a whole lot going on there beyond those two areas although that intersection is definitely important.

Noah Fleming: If you look at it in really simplistic terms, right? Again, most companies, most businesses, most organizations, they look at something like marketing, and they consider marketing as the getting of new customers. That's what marketing is. We go out, and we market, and we try to attract new people to our business, but that's not just what marketing is. Marketing is equally getting as it is equally keeping the customers you already have.

Loyalty, building that loyalty is really a function of marketing day in and day out on an ongoing basis, so keeping in touch with those existing customers, reaching out to them once in a while, reaching out to past customers that you haven't seen in a long time, sending that email newsletter out, being consistent in the things that you do with your existing customer base.

That's really what marketing is, so my classic line that I often say to people is, "If you only hear your sales and marketing team only talking about the next big promo or the next big ad campaign they're going to run, they're only doing half their jobs." Right? They need to be constantly looking at, "Well, what are we doing to take care of the customer base we've already got?" That's really the diagram you're talking about. I call it the "Marketing Equilibrium". You're right, there's a lot more to it than that.

That's a really simplistic view of the way that I approach marketing, right? In fact, I'm more focused on a business that's already got a deep interested existing customer base. I want them to really nurture that to really capitalize

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on that to really build that and to see how much value they can extract from that. Typically, what they find is it blows their mind what they're able to do with that when they just spend a little bit more time and focus there.

Roger Dooley: Yeah. In your book, you talked about data. Some call it "big data", others maybe just "customer data" depending perhaps on how much they have, but how important of a factor is data in building customer relationships?

Noah Fleming: It's huge, and it's becoming bigger more and more, and more. You're right. We hear the term "big data", right? That's because big companies now can extract so much data, right? I give this story in the book about Kmart. Kmart knew from specific trends that a girl was pregnant before her own father did, right? They knew just because of products she was buying. They were able to look at that, and so they were able to put new offers in front of her face, "Here's a pregnancy test." Right? "Here's this. Here's that."

I get emails from Amazon, and they actually go through the life cycle of my children with me, so they know that three years ago, we had our first daughter. Now, I start to get emails for toddler toys or for toddler clothing, and they're almost following me through that lifecycle, and they're using the data for that. Now, the big problem I see though is that a lot of companies, smaller companies, small to medium-sized companies, get caught up in that we need to be collecting data, right? We need more data. We need big data.

The reality is, what they really need to do though is ask some fundamental questions like, "What do we want to do with this data? What is it we actually want to learn here?"

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Why do we need all these?” Because much of the time, you don’t need as much as they’re getting, and so we’re getting a lot of companies now that are just inundated with data, and they don’t really know how to make sense of it.

Roger Dooley: Right. Yeah. I think it’s definitely a tradeoff because I think on the examples that you mentioned of the finding that the girl is pregnant, there was, in that particular anecdote, a problem where they started marketing products for pregnant people to her, and her father was very angry about that until finally they had a discussion, and they said, “Oh, so I guess you can come both ways.” I think the more companies can leverage useful customer data, and it’s still I think in its infancy.

I’ve recently was looking for a piece of luggage, and now, I did quite a bit of online research. Holy cow. In the last two weeks, every website I go to, I’m retargeted by different luggage vendors and seeing everything from knapsacks to suitcases, and it’s just following me everywhere.

Noah Fleming: Right. If you remember in the book when I talked about that story, I said, “Some of it is a little bit creepy.” Right? The whole Kmart example is a little bit ... There’s a little bit of a creepiness factor there, but the example you just said, when companies can really leverage that, and make sense of that, and put those things in front of you, then it’s smart, right? Then, you can attract new customers.

Even with a small company that isn’t collecting any data, they can collect simple things like, when was the customer last here? When did they last do business with us? When did we last reach out to them? It’s really just a

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matter of how do we use that data to improve our business to generate new revenue and to really engage our customers more.

Roger Dooley: One of the interesting examples in your book was GoldieBlox. Explain that story a little bit.

Noah Fleming: Sure. To do that, I'll just briefly explain the three C's which I talked about in my book. I have this framework that I've looked at over the years, and I've started to look at big companies like Apple and the typical examples, right? They're used off and probably used too much, Apple, Zappos, Amazon. You start to look at these companies, then you start to look at smaller companies that are really doing well at the same time, and you start to see they're following a very similar path. I found out there was these three key areas which I talked about in depth in the first half of the book.

The first C is character. Now, character is really your store. It's who you are. It's your positioning for the century we live in, right? It's being able to engage your customers in a way that's interesting that they want to connect to you, and so I give lots of different examples of how this is done. The second C is community. The great companies out there right now are building and facilitating community and in different ways. I give examples from tire companies to restaurants. Again, the big companies. Then, the third C is your content, so it's the thing you provide in exchange for money.

Now, GoldieBlox is a toy company that creates toys for ... Really, for ... I guess for females, for young girls. On the outset, it looks like a toy company that just provides toys for girls; but when you start to look deeper, you start to

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see that they're doing all three of these concepts remarkably well. They've got character. There's a great story there, right? The founder of GoldieBlox tells her story proud and how she was brought up in a family where there wasn't really toys for girls.

She always wanted to be an engineer, and all toys she could find were pink, right, when all she wanted to do was build things, and make things, and deconstruct things, and take things apart, and put them back together. The example she gave was Lincoln Logs. We all know Lincoln Logs, those little wood logs.

Roger Dooley: Sure.

Noah Fleming: When there was a girl's version of Lincoln Logs, the only thing the company did was paint the toy pink, right? That was the standard for her. She created this company that creates these toys for girls. Now, each one of them is a set of gears, a set of blocks, a set of tools, and then it comes with a book. The kids read through the book, and they put together these levers and pulleys, and they're engineering things. She's got this great character, this great story. She's built a strong community, and so what that means is she's built a website where the kids can actually go, and they can upload their favorite videos of the toys that they've created or the new creations that they've used their imaginations to put together.

Then, her content, the thing she gives, it's not just a toy, right? It's a much more emotionally engaging experience. The kids get involved. They get into it. They're passionate about what they're doing. I talk about that a lot in the book, just how they've taken these three key areas. Whether she knows it or not, whether she planned to do

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things this way, but she captures all these concepts remarkably well, and so I just think it's a fantastic example.

Roger Dooley: I think some people think that social media sites like Facebook or not so much Twitter, but are taking the place of branded communities. What do you think about that? Would you advise a company to develop its own community platform, or try and build on one of these established social media sites?

Noah Fleming: I think it depends, but I've got clients right now that Facebook is their primary community, right? They've got pages with anywhere from a few thousand fans to ... I've got clients with hundreds and hundreds of thousands of fans, right? That becomes really their area, but it really depends on your customer base. It really depends on ... I'll give you just a random example. A senior citizens home for example, right? They might not built community through a Facebook page, but they can easily do it through something as simple as the old humble paper newsletter, right?

They can still capture that feeling. They can still publish that out. They can still print that out. They can still get it out there, but it really depends on your customers. If you're a guitar manufacturer and most of your clients, and your fans, and your customers are in Facebook, and Instagram, and Twitter, then that's probably the places you need to be doing that. You see a little bit of people doing it internally or doing it on their own platforms, but I think it's much more challenging to do it that way.

Roger Dooley: I think definitely a tradeoff clearly. If you're building on someone else's infrastructure and their networking setup

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and so on, it's a lot easier; but there also seems to me some kind of a significant risk associated with that where the folks for instance who had built up a big fan following, and then suddenly found out that Facebook was throttling their updates down to nothing, so they were unable to communicate with any of their fans. When you're building on someone else's platform, you're always vulnerable to changes in their priorities that may or may not coincide with your priorities.

Noah Fleming: Yeah, sure. It's always a risk, right? If you can build there, if you can build it on other places, you don't want to be the one trick pony, right? The example I give on the book is the best companies in the world, the greatest companies, the ones that are really harnessing community actually don't do it themselves, right? These things happen organically outside of the company. Now, we've had examples where these larger organizations have gone in and tried to shut these things down where they wanted to control them, but the reality is they need to embrace these.

They probably be better off getting an employee in there to take part in the conversation or to join in instead of trying to be worried about this as a threat to what they're doing, as a threat to their message. Get in there and be part of it because that's the ultimate. Now, when it's a negative community against your brand, that's a little bit more challenging to deal with, but you can certainly harness that. Harness it especially when it's a fan-generated thing.

Roger Dooley: Right. I think that if you've got basically a strong brand and a strong product, that independent community can

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also ... It can be more authentic than your own branded community where people might assume that, "Okay. Well, your moderators are deleting anything bad that anybody says." That makes a lot of sense. What's the difference between a tribe and a community? I guess I never had made that conscious distinction before, but how would you define them as different entities?

Noah Fleming: My mentor Allen Wise, who's the author of 50-something books on consulting, and he's probably the most well-known solo consultant in the world. He made this distinction once that he said to me ... You know what he said? Seth Godin is really wrong about tribes. He said, "Tribes are closed off." Right? They're not open to others. They're not welcoming, where communities are open. He just said it ... It was a word distinction that he disagree with.

I said, "You know what? I think you're right; but I think if we look at it as specific words and what the meanings are, I think companies can use aspects of both." I provide that distinction in the book that you should be building a community, but you should be using aspects of tribes, so tribes typically share their own language. Tribes typically share different rituals. Tribes typically share things that are really internal to them, but then tribes are mostly closed off, right, where communities are open. Communities are welcoming to others.

I provide the examples of how you should be harnessing each in your company, how you should be trying to make sure you're paying attention to the language your customers are using. If they're using things that are special, can you grab on to those? I give examples of the

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Canadian company Tim Hortons. Tim Hortons for a long time, their customers were using words like “double-double” to refer to the classic Canadian coffee with two milks and two sugars. This was Canadian pride and joy in Tim Hortons.

It wasn't till just maybe two years ago. Tim Hortons now is a company that's been around forever. It wasn't just till maybe a couple years ago where they started using that language back to their customers. They started referring to things as the “double-double” or the “Timbit” which was the round ball that comes out of the middle of the doughnut. These were all things that their customers generated, right?

I try and say, “You need to pay attention. Is there this sort of language being used in your community? Are your customers using different language, or short forms, or different terms to refer to your products?” A lot of times, you find examples of that. If you can start to use that and start to harness that, that's just one example of a tribalistic tactic that we talked about in the book.

Roger Dooley: Do you think that some brands are afraid of community? Are they afraid that customer dissatisfaction will somehow be contagious or that one bad remark will spark another dozen bad remarks?

Noah Fleming: Yeah, and I think that's a great point. That's why I talked about ... You really need to make sure that you are the one starting the conversation, right? Again, I talked about these user-generated forms which can great, user-generated communities which can be great, but your core ideal customers, your core hardcore fans, your core hardcore customers aren't going to let that dissatisfaction

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really bubble up. They typically don't, right? They're the ones to get in there and talk about the bad experience as the anomaly or that say, "This isn't typically the way things happen."

You're right. There's a lot of companies that are afraid of it, but we're also seeing the great companies, the ones that are thriving are the ones that are totally embracing it. I just believe that if you're not building a community, if you're not facilitating the structure of community, then your competitors will. I think that this is how we're going to see the web evolve over the next 5, 10, 15 years is we're going to see more of this type of ... More sites like Amazon where hundreds and thousands and millions of customers come to review products and get together, and they have ongoing discussions and debates about everything we could think of. Reddit, right?

If you're familiar with Reddit, you can find a subtopic on Reddit which is essentially a mini community about any single thing you could think of, right, to the darkest, deepest webs of the internet right up to ... My kids watch these videos of people that unwrap Kinder eggs for a living, right? This is what they do, but there's communities that have been built around just these random things.

Roger Dooley: I think the example of Amazon is a good one. People were very afraid about product reviews and community commentary initially. The product manufacturers themselves really fought that because they said, "Well, people could say anything about our product on there." In the long run, that's been one of Amazon's greatest strengths is the fact that they do have this community of

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users who will provide feedback on products, and it helps people decide.

I know that I don't always buy product that is rated five stars by everybody, but at least I have the information to go in and see, "Well, what didn't people like about that?" If I find that they're not liking the same kind of thing I might not like, well, okay. Then, I won't buy that product, but it really enhances my shopping experience there. I'm a huge Amazon customer. At least in my own scale I am.

Noah Fleming: They do a lot of really neat things with that component of the community. As a reviewer, you're ranked, right? You're given votes for how helpful you are on your reviews, and people can comment on your reviews of your reviews, and so it just ... There's a very deep component there that again, we're seeing a lot of that. This is not just a ... It's not just a review, right? There's so much more going on here, and that's really the concept of community. Again, we're seeing this played out in other companies as well, different niches, different industries.

I think almost any industry, any type of company can really facilitate and harness community. Again, it might not be online, it might be offline. I talk about the different ways you do that in the book, but I really truly believe that this is what needs to happen if you really want to thrive and you really want to embrace your customer base.

Roger Dooley: What about the work involved in maintain a community? That seems to be something that is challenging for companies where they expect that, "Okay. We'll start this website up, or a Facebook page, or whatever," however they would define their community. Then, maybe a few times a day, somebody will check it out when in fact the

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world is active 24/7. It's not always easy or cheap to really maintain a busy community.

Noah Fleming: Yeah, and I talk about that also in the book. I give diagnostic set of questions that companies can be looking at, and they can ask, "What is it we need to do? What is going to be worthwhile here?" That's why I keep making the point that it might not be an online thing, right? It might be an offline thing. I talked about the concept of, which I mentioned earlier, the printed newsletter is facilitating a sense of community if done right. I give the example of Warren Buffett who bought ... He bought ... I forget the number right now, but it was over a couple billion dollars' worth of struggling newspapers.

People said, "Why did you do this? You're one of the best investors in the world." He bought all these small town newspapers and he said, "I did this because there's a sense of community here, and I think that where there's a sense of community, these papers, these small town newspapers will thrive. They will grow, and it's the same thing that a company can do." Again, you really need to look at your customer base. You need to look at what's going to be worthwhile, what you can manage, what makes sense, what's actually going to add value to the bottom line because you're right.

You don't want to start a big web forum where you're going to have hundreds or thousands of customers who are there posting whether it's negative, whether it's positive, and you got to have somebody there to manage it 24/7. You really need to do what makes sense, so I give a diagnostic there to look at and questions to ask whether

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you're a large organization or just a small mom-and-pop shop.

Roger Dooley: Noah, do you think today, cultivating loyalty is easier or more difficult than in the past? Because on the one hand, you've got this hyper competitive environment where people are really bombarded by information from everywhere including competition; but at the same time, you've got these new data tools that let you perhaps develop and manage relationships better. Where do you think we're at compared to the past?

Noah Fleming: I think in the past ... You're right. You didn't have a lot of choice, you didn't have a lot of places to go. I remember growing up at the small town I lived in. Every year, my mom would take me once a year to the small town shoe shop, right, where she knew everybody's name, and they all knew her, and they knew our names, and they would ask about us. I think that is gone, right? It's also coming back now because we're seeing now the smaller companies are able to use these tools, to use the web, to use Facebook, to use Twitter, to use Instagram or all these things to really connect and engage. They're able to use email to do that.

In one sense, I think it's actually become easier. I just think a lot of it is being done incorrectly. I think we're missing the point of a lot of these tools to run around, and try and get the new customer. We're missing the boat to think that we can get on these new platforms and suddenly we're going to have a flood of new customers out our door. What I'm saying, there's probably a better, smarter, a more effective way that you can be using these

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tools to actually grow your business, and actually engage your customers, and actually build loyalty.

Roger Dooley: We're nearly out of time, but can you explain, Noah, the Evergreen Triangle in relatively brief terms?

Noah Fleming: The Evergreen Triangle is really just the three C's which I talked about which are content, character, and community. I really just talk about those and ask you to look at what is our character, so why is it we do what we do? What's our "why"? Right? Simon Sinek, the author of the great book "Start with Why". He wrote a fabulous book where he said, "Organizations need to start with why." I say he's right. You need to start with why; but now, we need to take it six steps further.

We need to build that story in a way that we can tell it and we can put it into our day-to-day actions of our company, so it's not just a mission statement in the wall that people in the organization might buy in to. They might not, but it's something that actually resonates with customers and resonates with people doing business with you. Again, then I ask about community, and I talk about how are you going to structure that, how are you going to facilitate that.

Then again, your content. How can you change the experience of doing business with you, so it's not just, "Here's our money, here's our stuff. Have a great day," right? I give examples of companies that have taken what they do and done it in a much more emotionally engaging way that really resonates and sticks with those customers, the ones that you want to become loyal.

Roger Dooley: Great. Let me remind our audience that our guest today has been Noah Fleming. Noah is the author of

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“EVERGREEN: Cultivate the Enduring Customer Loyalty That Keeps Your Business Thriving”. You’ll find links to the websites and content that Noah and I discussed on the show notes page at RogerDooley.com/podcast. Noah, how can our listeners find your stuff online and connect with you?

Noah Fleming: They can visit my website which is NoahFleming.com, N-O-A-H-F-L-E-M-I-N-G-.com. Of course, they can check out Evergreen on Amazon. If anybody wants to write me or check in, just feel free to head over to my website and send me an email from there, and I’ll happily get back to you.

Roger Dooley: Great, and we’ll have links to all those in the show notes, of course. Noah, thanks for being part of this today.

Noah Fleming: Thank you, Roger.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.