

# Behaviour speaks volumes about your brand

By IAN HARVEY

Your brand's reputation and future sales potential lies in the hands of your least-paid and most overlooked employee, says best-selling author Scott Stratten.

In a Toronto lunchtime address at the HRP 2015 Conference and Trade Show entitled *UnSelling the Employee*, Stratten, author of four books about viral marketing using social media, said that's because companies have no control over their brands.

"They have a logo, but that's not the brand," said Stratten, who has 175,000 Twitter followers and 139,000 Facebook fans. "The brand is how people emotionally react to your logo or name."

That reaction, he said, is driven not by just by your advertising and marketing spending, but ultimately by front-line employees engaging with customers where those experiences will end up on social media.

The goal today, he said, is not to just make a sale but to create a relationship and a trigger an emotion which resonates after the transaction and drives lifelong loyalty.

In retail it starts with the first meet-and-greet at the store and continues through the support and follow-up provided by the corporate entity after the customer gets home.

It's not sales which drives revenue, said Stratten, whose most recent book is titled *Unselling: The New Customer Experience*, it's people who drive sales and revenues, and that starts with the hiring and training process. Entry-level, minimum-wage customer service agents and sales associates have the first interaction with customers, and first impressions mean a lot.

"If you want to improve your bottom line, start by investing in your front line," he said.

As an example, he described how he went to Square One Shopping Centre in Mississauga, Ont., a few years ago to do some "undercover research."

"At Tuesday at 2 p.m. it was dead but when I walked into stores I was treated as if I was interrupting something," he said. "Then I walked into Lush."

He said the sales clerk at the soaps and lotions retailer greeted him with a megawatt smile, asked if



Photo by Robin Photography

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*Scott Stratten, author*

it was his first time in the store, and then gave him a guided tour.

"She showed me around all those 90 square feet or so like it was the White House," he said. "And I walked out of there with \$79 worth of soaps. I have no idea what happened."

To make sure it wasn't just a chance meeting with a great worker, he went to several other Lush stores and got the same reaction.

What happens after the transaction is just as important, he said, pointing to the story of a woman who bought some furniture from Ashley. The sale was fine. The delivery was the problem.

"They showed up on the wrong day, at the wrong time with the

wrong order, which was broken to boot," he said. "The driver was also a jerk. You couldn't have screwed this up more if you put money into it."

She went online, posting a review in which she noted she would have given zero stars instead of a single star rating if she could have done. The owner of the store was immediate in his response, calling and apologizing, promising to make it right.

"She reposted what happened and raised the review to five stars," he said. "Would you shop there? Yes, I would."

How you react to negative postings on social media is just as important as how you project your

own postings.

"More than transparency and authenticity, which we hear a lot about in terms of social media, it must also be immediate," he said.

In his own experience a rude encounter with a Delta flight crew at LaGuardia Airport in New York sent him ranting on Twitter. Within three minutes Delta responded with a sincere apology and his anger diffused.

"It would have been different if they responded three hours later or three days later," he said. "I had nowhere to go with it after their response."

Stories like those go viral in hours, he said, and can damage or enhance a brand image overnight.

"Then there's the story of Joshie, the stuffed giraffe who was a child's favourite," Stratten recounted. "On vacation in Florida the family left Joshie behind. Dad had to tell his young eight-year-old son that Joshie was just on an extended vacation and would soon rejoin them."

Behind the scenes dad contacted the Ritz-Carlton, explained the predicament and was relieved they'd found the toy. Then the customer service concept at Ritz-Carlton went the extra mile.

Dad asked them if they could take a picture of Joshie enjoying his extended vacation. Sure, they said and promptly exceeded expectations.

"Not only did they return the toy, they included a series of photographs of Joshie," Stratten said. "There was Joshie getting a massage, lounging by the pool, being inducted as an employee in loss prevention at the hotel and meeting new friends at the bar."

The father was Christopher G. Hurn, the co-founder and CEO of Mercantile Capital Corporation, and the author of *The Entrepreneur's Secret to Creating Wealth*. He was thrilled, blogging and posting the story online. It went viral. With just a simple, touching gesture, Ritz-Carlton's front-line employees had done more for the brand than millions of dollars spent on advertising campaigns.

Hire the right employees with the right attitudes and trust them, said Stratten. Give them challenges and make them feel part of the team and they will respond by driving sales with a passion.

Treat them like children and they will disengage and your brand will suffer — and never overlook the power of humour when combined with timing.

"Someone posted on Twitter they were about to give birth to a food baby after eating at Taco Bell," he said. "How do you respond to that? What do you say? You can't stoop that low to the level of male humour."

The response, he said, was as inspired as it was brilliant, and down to a single employee thinking fast.

"We want a DNA test," came the official response from Taco Bell's Twitter account.

## Agreement falls short, Peking U professor warns

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proceeding against all four firms.

Encouraged by the developments, Doty said PCAOB staff members are "working closely with our Chinese counterparts to develop an inspections protocol. We are also working with the Chinese authorities to increase the efficiency of the Memorandum of Understanding process for the production of documents in PCAOB enforcement matters."

Brian Hunt, CEO of the Canadian Public Accountability Board, noted that auditing of Canadian reporting issuers with operations in foreign jurisdictions has also been a challenge for CPAB for a number of years, citing CPAB's continuing "limitations in accessing and evaluating component auditor work in certain jurisdictions," such as China. Efforts in this area are showing results, however, he says. "CPAB has been in discussions with Chinese authorities and expects to make

significant and positive progress in this area in 2015."

However, Gillis said he was not satisfied.

"China has won in these negotiations. Missing from the settlement is the ability of the PCAOB to inspect Chinese accounting firms. That dispute has been ongoing for a decade, and this deal takes the pressure off Chinese regulators to find a way for the inspections to work." He is, therefore, "skeptical about the PCAOB reaching a

meaningful deal on inspections. There might be some face-saving deal that allows the PCAOB to say they are doing inspections, but the restrictions around them will likely make them meaningless."

But he added he does expect China "will be more discerning of when it will withhold co-operation with the SEC and PCAOB. When it does not matter to China, documents will flow much quicker in the future. But, when it does matter, say a problem with a large state-

owned enterprise or a politically connected individual, we will be back to where we started, and investors will be screwed."

Doty reiterated earlier statements, saying that "firms have statutory obligations to co-operate with PCAOB inspections and investigations and, if we are unable to establish an effective inspections protocol, or we determine the MOU is not a viable avenue for obtaining material for our investigations, we have to consider other options."