How to Tell Customers You Exist: Crash Course Entrepreneurship #11

Crash Course: Business - Entrepreneurship
https://youtube.com/watch?v=gaPWVChiyfk
https://nerdfighteria.info/v/gaPWVChiyfk

Here's a cold, hard truth: no business, no matter how innovative and amazing it is, will survive if people haven't heard of it.

If people don't know something exists, they'll never be able to purchase it. Beyonce might drop a surprise album, but then she promotes the heck out of it.

The hype she gets from the surprise is part of her entrepreneurial strategy! Ever since we've had products and services, we've needed channels to create awareness and communicate with our customers. And as our culture has evolved, so have our channels -- from simple posters in the 1800s, to the launch of Pinterest (and the heyday of DIY wedding inspo) in 2010, to whatever's happening on Instagram now in 2019.

We're always looking for new ways to share messages and stand out in the ocean of media around us. It's time to work on our communication skills. I'm Anna Akana, and this is Crash Course Business: Entrepreneurship. [THEME MUSIC PLAYS] As we talked about in the last video, we're in a relationship with our customers (probably several different types).

And the key to any successful relationship is communication, which, in the business world, should have at least one of three main goals. First, there's acquiring new customers. This means finding and telling new people how valuable our business is, which is by far the most expensive kind of communication.

Second, there's retaining customers, or making them want to stay with our business ahem, can you say loyalty program? This means communicating with them to demonstrate the value we're providing and how much we care. And third, there's growing customers into better customers -- people who are more devoted to our brand or spend more money at our business -- by telling them about the awesome new products or services our company is offering.

To acquire, retain, and grow customers, there are lots of things we might want to tell them: That we exist. That we're awesome. That the soup of the day is potato leek and it's really tasty.

We've developed so many different communication methods that it's hard to know what will grab someone's attention. Anna 1: So I tried out those electric pogo sticks the other day -- you know, like those electric scooters but pogo sticks -- and actually really loved it! It lives up to the hype.

Anna 2: Oh really? I totally heard about that on a podcast the other day. Or… was it a Hulu ad?

Anna 1: I saw it all over Twitter and Instagram, so I signed up for their mailing list, got a discount code, and finally decided to try it. Anna 2: That's good to know. I feel like it's the only ad I see on YouTube lately.

Anna 3: Hey, this carrier pigeon dropped this fancy scroll advertising Po-GO! Have you heard of it? Some companies even go the extra, uh, 24 miles, like Red Bull.

Back in 2012, Red Bull set all kinds of records when they sponsored the world's highest skydive -- 128,000 feet -- and live-streamed the whole event to over 8 million viewers. All these communication strategies (yes, even the skydiving) fall into two types of channels, depending on who's spreading the message. There are direct channels and indirect channels.

Direct channels are communication pathways a business already owns or controls. So ultimately, you're in charge of the message your customers receive. Now, direct channels can be a physical message like an ad in the mail or a flashy billboard.

Physical messages also include conversations in physical places like stores or trade shows, or even over the phone. Or there are digital messages, like a website, an email, or posts from a business's social media accounts. REI, the outdoor equipment cooperative, is a master of the direct channel.

On the physical side, they've developed a strong community relationship with customers. When you walk into a store, the staff are typically avid outdoors-people and know the products well. Customers can also call a local store to ask questions.

They offer classes for anyone who isn't born knowing how to backpack or fly-fish. And they send coupons and distribute annual dividends to each member through snail mail. REI's digital communication is also pretty sophisticated, with an e-commerce website that includes customer reviews on products and links to photos, videos, and writing about the outdoors.

Plus, they have an expert advice blog with posts on everything from how to fall off a paddle board to fixing a jacket zipper. They send emails with coupons, event updates, and new gear announcements. And customers can download eight different REI-developed mobile apps for climbers, skiers, trail runners, hikers, mountain bikers, and national park enthusiasts... to name a few.

On top of all that, they're active on social media. With their hashtag #OptOutside, they let followers "share their adventure." Each of these direct channels helps them acquire, retain, and grow customers! REI encourages beginners with how-to classes and helps members stay engaged with updates, sales, and other opportunities.

Indirect channels, which are owned by other businesses and organizations, can be really useful for customer communication too. So you can do all the talking, but you might also let other professionals talk to people for you to widen your reach or get new customers to trust you. I might doubt a TV ad that tells me a restaurant has the best turkey sandwich in the world, but if John Green says it's good in a vlog, I trust his judgement.

I still won't eat it because I don't eat turkey, but I'll believe him. Physically, an indirect channel could be selling a product in someone else's store -- anything from a big retail store like Target, to a wholesaler like Costco, to an independent brick-and-mortar business. These places already have customers and key infrastructure in place, so this can really help you keep expenses down.

Digitally, indirect channels have exploded. Customers could find a business from another website, a podcast, a video, word-of-mouth, or even featured on the news if someone famous is seen using a particular product. Have you seen Channing Tatum's video talking about The Pattern?

Google it! Product reviews count as an indirect channel, too. [Like, who hasn't scrolled through Amazon reviews as research? Just me?

I'm the only one who reads all 792 reviews before buying a cat tower? Even if a customer review is negative, people are still talking. That can be good for entrepreneurs because certain complaints can help us learn for the next iteration or product.

Don't forget, we LOVE feedback, so don't let the critics get you down! Listen to the trolls. And then, there's the social media phenomenon of influencers.

No matter how you feel about that label, everyone seems to be talking about #ads and #spon. Usually, influencers are people with

a lot of followers on different social media sites who get paid to try out a product or promote a brand. This has really widened the reach of some companies, while also contributing to what makes marketing so complicated and messy.

But love ‘em or hate ‘em, professional marketers are recognizing the power of social influence. For example, it was my dream to work with Calvin Klein, so I took some killer photos and was ready to post on Instagram to attract their attention. Before I even could post them, the company reached out, and now we have a formal partnership!

Plus, I was already done with all the work! I did it anyway! Every entrepreneur has to go through the process of setting up customer channels.

And with any new business, we want to focus on talking in places where our target market is. But we also want to make sure we have enough channels to acquire, retain, and grow customers -- in order to get the word out as wide as we can. So how do we decide which channels to pursue when we’re just starting out?

Let’s explore this in the Thought Bubble. Brian is passionate about rainbows and sustainability, and he figures out how to engineer color-changing reusable straws from recycled materials. But as a one-person operation, he can’t be everywhere at once.

So Brian needs to make some smart channel choices that hit his target market. He knows from customer research that his straws look cool and appeal to a more youthful, environmentally conscious crowd, but also small children (and their eco-friendly moms). So, where do the young people hang out these days?

Social media. Or at least, that’s what they say when he asks them. Brian wants to be in control of his message, so he directly posts about his straws on an official business Instagram and Facebook.

He also starts a Pinterest account because that’s where he’s heard all the crafty moms are. It’s going...ok. He’s sold a few straws, but he only has one like on each social media post.

From his uncle. Brian’s posts, while informative, don’t have much visual appeal. But his emails, with joyful snark and reputable articles about how much plastic is thrown away everyday, seem to be helping his web traffic.

Social media can be powerful, but it’s not clicking for Brian. So he begrudgingly realizes he needs help, and tries to get his message out indirectly. So he reaches out to friends and even tries to contact some of his favorite YouTube and Instagram stars, asking if he can send them a box of his best straws to review and post about.

After pictures and videos of the color-changing magic spread, he hopes his straws are going to be flying off the shelves! Thanks, Thought Bubble! Even new businesses can communicate through a whole spectrum of channels, but what a business should tell their customers can vary drastically.

Marketing messages will look different depending on the entrepreneur in charge and what value they’re focused on providing. That being said, here are four solid starting points from the online entrepreneurship magazines Entrepreneur and Inc: One, use familiar language -- not a bunch of business jargon -- and empathy. Two, be clear, concise, and timely. Three, delight the customer with originality and make them smile. And four, communicate trust: engage with the customer and attempt to persuade them. But the bottom line is: get the word out! Vary the ways you choose to communicate with your customers so you capture the whole range of your target market.

Next time, we’ll learn the art of the sales pitch and learn how to sell not just products, but ideas and even lifestyles. Thanks for watching Crash Course Business, which is sponsored by Google. And thanks to Thought Cafe for our beautiful graphics. If you want to help keep Crash Course free for everybody, forever, you can join our community on Patreon. And if you want to learn more about communication, check out the writing and speaking tips of Crash Course Business: Soft Skills.