

# Customer-centric Thinking and ROI

These are notes from a SDForum Marketing SIG meeting held on February 8, 1999.

## All Customers are Not Created Equal

We see marketing as charging people up, getting them excited. We like to think that we know what will get them excited. But the reality is that customers vary considerably.

Customer dilemmas are overriding problems or frustrations – they are more than a need.

Now, just as a thought, most business theories of the last 25 years have been focusing attention into the business, and not to the customer outside the business.

A lot of us rush through a SWOT analysis, when we should take our time doing one. Look at competitors by geography and culture. There are different ways of thinking in different cultures, e.g. bribes are a normal way of doing business in many cultures.

## You want to look at customers with the market in mind

Our customers are changing. In Europe, over 50% of the content is from outside of the border. Over 50% of Internet traffic comes from outside the United States. There are over 600 million executives / managerial class worldwide. Increasingly, integration is what is wanted, not centralization.

## Culture

Values are an abstract idea of what is believed to be good, right, and desired. Norms are the rules and guidelines of the culture. Society is a group of people with common rules and goals. A culture is a collection of the religion, social structure, language, education, political philosophy, and economic philosophy. While you need to understand and be able to empathize

with the culture, it is not necessary to become a member of it. Remember that two words can mean many different things when translated into different languages.

Think about your business. What business are you in? Understand how to overcome. Think about the customer. Think about the product.

It is important to get the right people in the room. The most important people are in sales, followed by field engineering, marcom, product engineering, and R&D. You want cross-functional inputs. You get people to the meeting by showing them the reason for doing so. You want the meeting to be interactive, dynamic, fast paced. Ideally, you should meet between the beta testing and the roll-out of the product, so you can incorporate any changes wanted by customers. It is never a wrong time to think rightly.

Take the expression, “Quality of Life.” This expression means different things to different cultures.

## Strategic Thinking

What will get in your way? What strengths do we have? How and when can we use them?

## Jericho Principle

Belief in the mission. Build with outcome in mind. Involve everyone – remember that the receptionist is the face to the world. Be radical. But make it simple – what do I say to the customer? Be persistent. Maximize your resources – what do I have right now?

It’s not the height of the wall that matters, it’s where you are when they come tumbling down.

Who is the TARGET and by segment? What do customers need? Do they know needs? What does company offer? What can we do for them? What do customers think we offer?

Determine the target. Management. User. Other buying center members such as purchasing, operations, ...

Personalize the typical user by geography, market, age, education, title, gender. Describe a typical day.

What is the dilemma that makes them pull their hair out, that your product will solve?

Describe how they solve the problem now.

Revise the dilemma, illustrating how their day changes with your product.

Features and Benefits went out some years ago. It is not how you sell a product. Rather, what are the advantages of the product? Motive is the underlying need that is met by the benefit. People buy products, not computers.

A metaphor is a verbal aid that allows you to make strikingly real the benefit, i.e. make it come alive.

## Develop a Positioning Statement

Who - target, What - need, Where, How - USP, How Not – how is it different.

You want your positioning statement to capture in the mind of the buyer, the reason to buy your product.

## Testing

Pick an international audience. Have them answer the following questions with respect to your positioning statement. (1) Makes it clear to me, (2) Will be understood by my customer, (3) Can be used in English in my area, (4) Can be translated into the local language, (5) Must be translated into the local language, (6) Even when translated, won't make sense, (7) Will be a good way to differentiate against competitors.

You can use the Internet to test messages, having people rate from high, to moderate, to weakly.

## Value

You begin to think from the customer need. Know messages that will compell customer in particular geography to consider offering. You

know competitive messages. Develop sales script based on elements of value. Advertising and PR becomes customer-centric, not we-centric. Drive product development based on need. Know where market research is needed.

## Remember

People do not like to be sold, rather they like to buy!

## Competitive Radar

Look at the 8 important attributes of why people buy, i.e. strengths, depth of product, sales force. Rate each attribute by 1 to 5, and draw on a 8 segment compass. Do this for you and another competitor. What's important are the details.

## Why Customer-Centric?

“Right here. Right now. Tailored for me. Served up the way I like it.”

- If it's not customer focused then it's “other “focused – self-focused, channel focused or technology focused. Customers don't care about those things. They are focused on their own needs.
- Whole product solutions are built around understanding customer needs. They are not built around understanding your channel or your technology or the market. It's always about the customer (at least it should be).

# Customer-Centric Thinking Process

## Begin with knowing what business you are in

- Have you had a conversation with your team about the business you are in? Do you know the difference between a product-centric answer and a market-centric answer? The Southern Pacific Railroad lost billions of dollars when it missed the opportunity to enter the fledgling airline business. SP mistakenly thought of itself as a railroad company, not a transportation company. Don't you make the same mistake.

## Refine the process by acknowledging the impediments to your success.

- Make a list of those issues, internal and external, that are impediments to your success.
- Rank them in order from the largest impediment to the smallest.
- What patterns do you see?
- What are your organization's strengths?
- How can those strengths be used to overcome the impediments?

## Enough about you: Now think about the customer.

- Define the customer's dilemma - those issues related to your product or service. Don't get tied up in thinking about issues unrelated to your product or service offerings - issues like flex time, etc. Think about dilemmas of the major participants in the buying process (manager . vs. user, for example).
- Describe the arsenal of resources that is available to solve dilemmas and customer problems. Those resources could be:

- Other products
- Process
- People
- Develop a narrative that describes a day in the life of your typical customer as it relates to your product or service. This narrative gives personality to your customer (age, gender, typical education, typical job title) and begins the process of "seeing" the target market as a person instead of a market.
- Address what his/her day is like without knowledge of your product / service. What issues must be handed? How d they contribute to the dilemma?

After a series of these vignettes are WI for both the " manager types" and the "user-types," then consider how life is ferent for these customers when using your product/ service.

- Pretend that everyone in the buyil center knows the value of your product/service, has assimilated it, and making it work for them.
- Address how their days are different using your product/service. What has changed?

## Understand even more about your customer.

The spoken and unspoken customer needs and value system are understood, in part, by the answers to these questions:

- What do these customers need? (See dilemma above)
- Are these needs
- Spoken, or Unspoken?
- Do they even know their needs?
- What does the competition offer them?
- What do you offer them?
- What will they think you are offering them?

## Consider your product / service again.

- Describe your core product features i.e. those attributes that are generally “specified” and are directly indigenous to your physical product or service. After you have listed all, decide for each which brings value to the manager-type and which brings value to the user-types.
- Describe your “whole” product features i.e. those attributes such as delivery terms, warranty, service, support, channel, the items “bundled” with the core product - anything and everything that is part of your offering. After you have listed all, decide for each which brings value to the manager-type and which brings value to the usertypes.

## Dig deeper into your product or service.

- For each core and whole product feature, describe its function in terms of what the feature does or provides.
- If a particular feature provides a SDA (sustainable differential advantage), note that, describe why it is sustainable and for how long, what is unique about that feature, and what the particular advantage is.
- Best stated when you know your target’s position on the Adoption Curve
- For each feature, describe its benefit and the
- The USP is an appropriate, compelling value or worth derived from the feature.

There are at least two kinds of benefits:

- Productivity/process benefits
- Financial benefits.
- For each feature, describe the motive – the underlying need met by the benefit (safety, economy, relieving fear, etc.)
- For each feature, develop a metaphor – the “just like” statement that a sales representative may use in describing this feature. For example, a software editing and

debugging tool could be described thusly: “It’s just like a Swiss Army knife with all the different blades and tools. For example, this blade is just like our etc.”

## Think about the customer again – The unique selling proposition.

- Most often based on the SDA described above message to the target and is:
- Attention Getting - it says something interesting
- Acceptable - It must be believable to be accepted
- Arousing - It is interesting to the point of compelling some sort of action
- Achieves a Solution - That’s what customers want

## Get into the customer’s head -- 4 Ps of positioning.

- **Price** - where will your price be in the customer’s mind on a continuum from “out of my league” to “easy to Justify.”
- **Performance** - That’s still important and can be placed on a continuum that best matches your customer’s thinking
- **Packaging** - Here meaning what is “wrapped up” with the core product or the whole product
- **Persona** - Are you generic or special?

Are you stable or on the bleeding edge? Know how you are perceived by the customer.

## Develop a positioning statement.

This is an internal document that classifies five issues about your potential customer, what they need and what you of them.

**For:** Target (the manager-type and the user-type are often two separate targets)

**Who Need:** A simple statement of their dire,  
**What:** The name of your product or service or the category of product/service offered

**How Well:** This is where your USP goes

**How Not:** A single statement of different' from the current arsenal of resources that customer is currently using to solve a problem. Only one competitor is differentiated from here and it could be apathy!

## Jericho Principle

### What Is An Impediment?

The dictionary defines an impediment as “anything that impedes progress. “

The Jericho Principle: Vision is lost when seemingly insurmountable impediments drain energy and resources needed to conquer them. Personal and business success is based on our ability to lay a solid foundation of correct thinking about anything that impedes progress.

## Overcoming Impediments To Success

### Background

The story of Joshua and the Battle of Jericho provides us with seven guidelines to use in overcoming impediments to our success. Popularized in both Judeo Christian and Muslim literature, this story exemplifies attributes Joshua developed and then exhibited as leader of the Israelites after the reign of Moses.

Moses, raised as a son of an Egyptian Pharaoh, became leader of the nation of Israel after leading them out of slavery from the land of Egypt. His protege was Joshua and he and a fellow named Caleb distinguished themselves after returning from a clandestine mission in the land of Canaan. These two, along with ten others, were sent by Moses to “spy out the land.” Upon returning, ten of the twelve came with only negative reports. Joshua and Caleb did not see the obstacles, rather they reported on the potential opportunities. They had

enough faith, vision and passion to report that the land was available for conquering.

### Be careful what you believe about opportunity

- Your belief system and thoughts about opportunity can destroy potential.
- Your words can influence large groups to make bad decisions.
- Those with a vision are often not heard at first.

### Back to the story

The nation of Israel was induced by the ten and chose to ignore Joshua and Caleb's report. The decision resulted in a lack of positive, forward motion. Instead a whole generation of people wandered in the desert wilderness.

Some forty years after that incident, Moses and the Israelites still have not crossed the dividing river, Jordan. Joshua is now the leader. It is now his destiny to lead the nomadic nation of Israelites to their “promised land.” He attacked Jericho by instructing all of his people (3 to 4 million) to march around the city for seven days. On the seventh day they marched around the city seven times. On the seventh time, Joshua blew a trumpet as a signal for all the people to shout. Upon shouting, the walls of Jericho fell inward, and the Israelites captured the astonished people living that fortified city.

# The Seven Guidelines

This is a guide to the seven steps to creating success.

## Begin with a fundamental belief in the overall mission.

Joshua had a strong, fundamental belief in the vision of conquering that land. He carried it with him for forty years. His belief, not shaken by circumstance, drove his passion to pursue a vision provided him with the discipline to commit

the and effort to do all of the little things required to accomplish a large task. Conquering personal business impediments to success starts with you. You must consider the following:

- Your beliefs.
- How you think about those beliefs.
- Your core values.
- Your purpose.
- Your vision is an expression of your fundamental belief system.
- Your passion which is based on a positive value system results in positive change.
- A strong value system increases morale of those around you.
- Passion gives rise to purpose.
- Beliefs, vision and purpose must be shared.
- Passion motivates.
- Motivating is the most important of the set of leadership skills.

## Build with the outcome in mind.

Joshua was faced with a vast land that was dominated by ten major cities. He knew that he had to capture all ten. He knew his ultimate outcome and planned with that outcome in mind. He sent spies and even spied out the city

himself. His choice of Jericho was not accidental. If it fell, the other city kingdoms would take note and be shaken. From this you must learn to: Clearly identify your goals and make sure they are:

- Short-term
- Attainable
- Measurable

Keep your objective in clear view and be:

- Continually preparing
- Consistently focused
- Completely committed

## Involve all the people

Joshua did not share his battle plan just with his army; he shared it with all the people. He – gave each person a way to participate so that everyone owned the outcome. Songs and poems celebrate Joshua, but it was his involvement of all the people that accomplished his goal. If one could walk and talk, he or she was part of the battle plan.

- Involved people can do anything - even march for seven days!
- Ideas are not the exclusive domain of managers.
- From the front desk to your shipping dock, everyone should know the vision, mission and goals being pursued - and the role each of them play. This is most powerful if discovered, rather than declared.
- A focus on internal people will help win the battles with an external customer-centric way of thinking. Internal habits become external executions.

## Be radical

Granted, the plan given to Joshua was a bit strange. Walk around the city once for each of six days, and on the seventh day, walk around seven times, and on the seventh time, at the sound of the ram's horn SHOUT. The walls crumbled all at once. And the people marched in and took the city. This was a radical ap-

proach, exactly the kind that everyone needs to be open to.

- The art of a miracle is the act of being aware that a power outside of you and your resources can control events. You need to be willing to recognize miracles in order to capture them.
- Radical thinking challenges conventions. Breakthrough thinking happens because someone is willing to be radical in his or her approach to problem solving.
- Collections of improbable events, if understood properly, help create the change you often desire. You have to be open to the suggestion of change, just as General Joshua did when he accepted improbable advice. He won the war.

## Make it simple

Joshua delivered simple instructions: “Shout when I blow the horn.” They did and the walls came tumbling down.

- KISS (Keep It Simple Stupid) was never more powerful than in today’s complex world of information management.
- Simplicity is not being “simple-minded” - it’s about staying focused.
- Simplicity increases your impact.
- Complicated personal or business strategies are confusing, discouraging and frightening.
- Understand the important issue and focus on that. Urgent matters will come and go; your challenge is to focus on the important.

## Be persistent

Marching for seven days and seven times on the seventh day was probably an adventure on the first two days. But by day three, it undoubtedly wore thin. But they marched, shouted and conquered.

- Sometimes in the pursuit of a goal toward your vision, you must persist - even in the face of boredom.

- Your vision will carry you through. Shared vision and values become an important motivator when the going gets tough.
- “Sticking to it” is the art of envisioning yourself one-step closer. Thomas Edison, when asked about his 10,000 or so “failures” when inventing the electric light is said to have commented, “...those aren’t failures. I just learned 10,000 ways not to invent the light bulb!”

## Maximize your resources

Joshua used what he had: a lot of people, a strong conviction in his vision, and faith in the complacency of the process and in the author of the radical plan. With millions of people marching and shouting, all sectors of his society played a role. He used what he had to the benefit of all.

- Like good coaches, good life or business man find the best of what has been given.
- Complaining about a lack of resources solves nothing and creates morale problems.
- It’s not the cards you have been dealt; it’s what do with them that counts. Maximize your time and the talents of your team members. Strive to put you and the team into situations that capitalize on your strengths.