

QUALITATIVE ● *Walk in their shoes*

Value proposition

View from the customer's world helps address concerns

By SHERRI DORFMAN

Last month I overheard one senior marketing executive say in frustration, "They don't get it." He was referring to customers that did not see the value in the new service that his company was launching.

Your customers may be coming from a different place, but it is essential for you to understand how they view their world. They are on the receiving end of many marketing messages for products and services that will make their business lives easier, better and more efficient. How do your products and services compare?

The truth is that taking this outside-in view yields new insights and perspectives minimizing the distance between their world and yours. Through customer conversations and other qualitative research techniques, you can capture this insight to see what your customers perceive as valuable.

How does your product fit into your customer's world? If your product is replacing an existing product, how can you differentiate yours to make it the preferred offering? If your product is solving an unmet need, how can you effectively position your product as the solution?

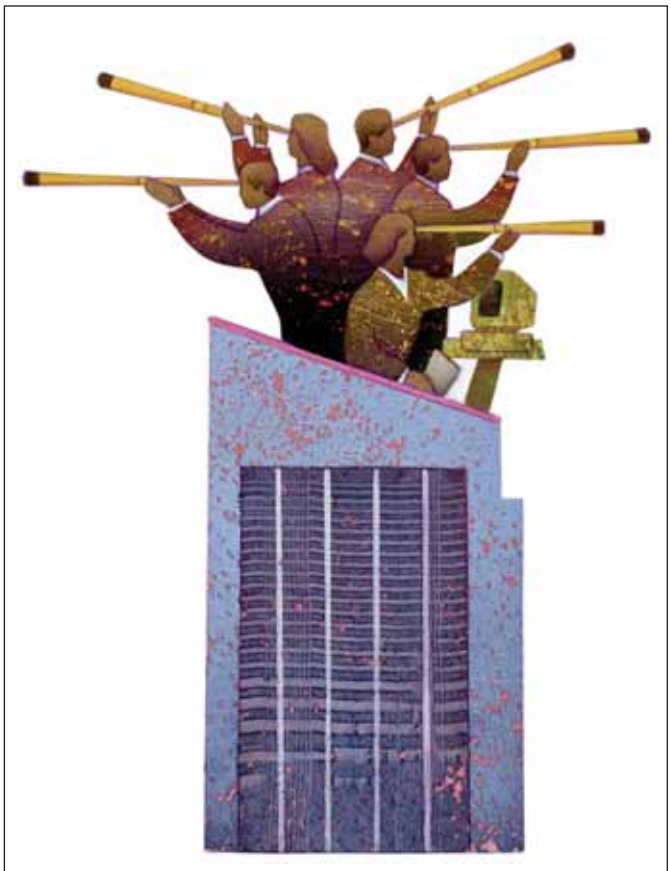
Learn about products for your customer's world

When a business software firm began

offering Web sites to small companies, they quickly learned that one size does not fit all. While conducting focus group research with different types of small businesses, they heard that companies will only invest in a Web site that fits the dynamics of their specific business. Consultants want a Web site that enables them to demonstrate their expertise by sharing their articles and white papers and offering the ability to sign up

for seminars. Contractors want a Web site that showcases their work by displaying pictures of completed jobs and captures requests for bids with project details. This software company has effectively used this customer insight to create industry-specific Web site templates.

Most companies push their product to market instead of uncovering the most



compelling way to package their product to generate customer demand.

Companies often conduct a competitive review while developing their product plan. They devise a list of competitors, review their Web sites and marketing materials. However, do customers see these companies in the same way?

View your customer's options

While conducting focus groups, a services firm listened to customers discuss vendors. To my client's surprise, the list of companies mentioned differed from the one that they developed, and customers only knew about some of the services that these companies offered. Why is that? My client assumed their competitors effectively marketed their services and their customers knew about the full set of services offered by each one.

During these conversations, customers were asked about potential providers for new services, and they described providers that were customer-oriented, innovative and most likely to offer these services. The services firm used these customer perceptions to successfully position these valued services against competitors.

See the difference

A New England community bank introduced a "totally, completely free business checking" account and could not figure out why they weren't getting traction. Through phone conversations, they quickly learned that prospective business customers did not see any difference compared with checking accounts from other banks down the street. They also identified ways to differentiate themselves by expanding their current set of business banking products and extending them through new channels, including the Internet.

When conducting research, many companies take an internal view and ask questions to validate their direction instead of exploring ways to increase value *with* the customer. However, with strong inertia to switch, it is essential that your company

gather, interpret and respond to customer input to deliver a more compelling product the first time around.

Engage in two-way dialogue

At a recent customer advisory council event, a healthcare firm devised a product roadmap presentation. After delivering a 30-minute monologue on their direction, they stopped to ask for feedback. Think about how these customers felt. You have just told them what you are going to offer in detail and you are asking what they think.

For starters, these customers may have been more receptive if the presentation began with customer needs and highlighted product features addressing these needs. With a more interactive and conversational approach, customers may have been more willing to provide feedback to validate company assumptions at each step of the product plan.

Schedule time to listen

Executives at another healthcare company shared their strategic direction at a customer advisory council last fall. Reviewing their meeting agenda, it was clear they were determined to cover a dozen topics during the daylong council meeting. The moderator that they hired kept the customers on schedule by continuously steering the conversation to the next topic.

When evaluating what they learned from this customer research activity, the healthcare company realized that they covered much ground but obtained little detail in any given area. While planning their next customer advisory council meeting, we selected fewer topics to give their cus-

tomers a chance to talk. By building in time for customer feedback, they hope to hear customers share new concerns and provide inside information about what products are being developed by other companies in the market.

Spend time in your customer's world

A company can identify more business opportunities by staying close to its customers. Keep in mind that the quality of the interaction is more important than the quantity of time spent together.

By asking the right questions and listening to customers' words, you will hear about new ways to meet their needs. You can capture and share these needs with your team and determine potential ways to address them.

By seeing the marketplace, from the customer's eyes, you will also determine how to position your products to meet their needs and become the chosen provider.

Over time, you will become more familiar with your customer's world, which once seemed foreign. You will become better at thinking like your customer, a real asset when designing and developing products and services to fit their world. ■

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