

## A splash of thought

### A SOLUTION MIGHT NOT BE THE ANSWER

#### Try this

Choose a product that you buy rarely and write down the top 10 features that you look for when choosing a product. Now select two suppliers and rate the suppliers on the features you've described. For unfamiliar products finding 10 features can be hard and rating suppliers harder still. Expert buyers use a larger decision set than novices who are more likely to rely on price and brand. For low-interest products, buyers often choose not to know anything about the product, so marketing must be strong, simple and brand based.

"We are a solutions company" is a familiar motto for many businesses. "I want a supplier that solves my problems" is a common customer refrain. The question is should you be trying to fulfil your customer's every need? Perhaps you can, but is the customer someone like the Sultan of Brunei, willing to pay for all that additional service?

From a business point of view you have to define what parts of the customer value-set you are trying to satisfy and understand how much the customer is willing to pay. Why offer a free lunch when what the customer wants is a cheap and cheerful flight? Once you know what customers really value you can put all your efforts to providing what they will pay for, and if you

can do it at a lower price than the competition then you can win the battle for market share.

Yet with so much talk of relationships sometimes there is the temptation to add and add marginal services and tailored options. The apocryphal grocer who knew each and every customer is used as an example of the power of customer relationships. But many small grocers lost out to supermarkets who ignored the relationship and focused on the core needs of good food at lower costs. And it's not just supermarkets, direct insurance, computers, airlines, on-line shopping are all thriving with these type of fuss-free non-solutions.

In building your offer you need to



Too many bells and whistles

know what is appropriate and where to stop. Does the customer really value the extras? This isn't to ignore good service, as good service is invariably good business—being quick, accurate, easy to do business with saves you money and the customer time. But do you need all the bells and whistles? If you really know your customers, a lower cost, more tightly focused non-solution might be a more profitable answer.

#### Did you know?

- Long-standing customers expect some give and take as a reward for loyalty. Being too rigid about rules can leave loyal customers hurt, let down and looking around for a new supplier.

### CUSTOMERS IN CONTROL

It will come as no surprise to find that most businesses still do not have a unified picture of their customers. Even simple tasks such as changing a customer's address can run into a systems or bureaucratic quagmire and with no guarantee that the change will be reflected throughout the organisation.

From the customer's point-of-view

this means inappropriate mailings, difficulty accessing services and the confusion of running multiple accounts with the same business each with different arrangements.

In the future as the Internet becomes entrenched in consumers' lives, customers are going to start to expect to have a single point of access to their details held by a

single organisation, so bank account, insurance and mortgage all through a single secure log-in.

Indeed, wouldn't it be easier to fill in one form on-line to change your address for all the products and services you have? Notanant, our on-line information treasury is designed with this personal control over privacy and access in mind.

## BUILDING BRAND EXPERIENCES



Brand experiences need to be tied to brand values

With increasing numbers of brands competing for our attention, creating sustainable points of differentiation is becoming tougher. Product innovations can be copied and every company is trying to deliver that “we look after you” service for customers. While customers pick and choose which brands and products deserve their time and attention (not just money), brands have to work harder to stand out from the crowd.

For brand managers this means going beyond brand image and customer satisfaction and understanding more about the holistic

brand experience for the customer.

This brand experience goes beyond features, design and product benefits. The brand experience for a product such as chewing gum will not be limited just to taste and texture but also how conveniently it can be purchased, the quality of point of sale and promotional materials, and even factors such as share-ability and disposability. The experience also extends to the way other people react to the brand and the way it fits into consumers lives.

For intangible services such as financial products the brand experience is the entire product. How

the customer experiences the company through advertising, information, branches, websites and service and support will be the brand. Consistent delivery is essential across touch and information points whether internal or from external sources. A brand cannot claim to be simple, yet have a complex telephone contact system. Similarly brands positioned as the customer’s friend must be felt to pass on discounts and benefits to the customer whenever possible. Ensuring brand experiences align with brand values builds strong long-term differentiation that in turn leads to defendable customer

## PURCHASING PROFESSIONALS

**“Professional purchasers are not just negotiation and deal specialists”**

In B2B markets, larger companies mainly use professionally qualified procurement and supply chain specialists. Such professional purchasers are not just negotiation and deal specialists. In business markets quality of supply can be more important than the price of supply. With lean production systems, being late with a delivery can bring a whole production system to a stop which can be far more costly than the cost of the components. In

a development project it can mean delays and overruns with products failing to get to market on time.

Strong procurement involves working with suppliers to find out where costs can be saved without compromising service. Which in turn means tuning the service that the supplier provides to meet exactly with the customer’s needs.

It also usually means working more closely with (fewer) suppliers over

a longer period to make order and supply processes quicker and more effective. For instance reducing hidden contingency and stock costs by enforcing a more consistent production processes and minimizing ordering processes and call-off.

Our Quality of Service Review process enables purchasers and suppliers to develop and monitor a custom service framework in order to make these complex partnerships work more effectively.

[dobney.com](http://dobney.com) is a market research and intelligence consultancy based in Bath.

Formed in 2000, we provide a full range of market information services off and on-line, from focus groups and depth interviews to quantitative projects, desk research, web-applications and consultancy.

Our clients range from blue chip companies looking for specific project-based research, to smaller pre-IPO companies who value our wider business perspective and the quality of our insight

[dobney.com](http://dobney.com)

67 Minster Way  
Bath  
BA2 6RJ

Phone: 01225 335 085  
Email: [enquiries@dobney.com](mailto:enquiries@dobney.com)