

What is it that customers really value most?

Ask any marketing guru how to improve your "customer experience" and pearls of wisdom will flow forth. Then ask them what is it that customers really want from us, and the answers may then be less effusive. In discussions about marketing, we, the marketing organisation, the consultants, and the gurus, all talk endlessly about providing 'customer value'.

But what exactly is customer value? What exactly are the benchmarks by which our consumers measure our performance?

And, whatever those benchmarks are, it is clear from falling satisfaction levels worldwide and the growth of official 'watchdogs' within every facet of commerce, that en masse we are failing in our endeavours to do a proper (let alone 'good') job.

Customers are becoming increasingly annoyed at our shortcomings, this backlash being evidenced by the growth of complaints about our services, whether locally or broadcast through news media, radio and television, the Internet, youTube, the growth of anti-business films, etc.

Maybe we should take a break from the mad rush to solve our internal problems of brand alignment, sales targets, conversion rates, etc, and take some time out to really listen to what our customers have to say. Let's try to look at 'value' from their point of view, and try to understand what they are benchmarking us against.

For, in Peter Drücker's words, "**our customers are the only profit centre we have**". And perhaps we would do well to remember these words in building our businesses.

The customer's benchmark

When customers make a purchasing decision, consciously or subconsciously, they weigh up (what one school of thought consider) seven vital factors. It does not seem to matter if the purchases were for personal use or business use - these factors are universal - the only distortion to which is the price cutting dogma of the 'purchasing department' of any organisation.

These seven factors are:

- Improved returns
- Solving problems
- Reduced complexity
- Creating convenience
- Demonstrating respect
- Linking-up communities
- Co-creation

Another facet of the consumers' benchmark is the movement from the rational "does this product do what I want", to the emotional "does this provider know me and want to make me feel involved".

Whilst the rational factors need to be met, it is actually the emotional factors, and the manner of execution, that tend to make the biggest difference in a purchasing decision and customer's commitment to that decision.

Therefore, attention to even the smallest detail of the customer's interaction, is vitally important.

1. Improved returns

Customers want to improve the quality of their lives and businesses. And they want the best return for their investment. Organisations look to improve their income, profits and assets, whilst individuals seek to improve their health, wealth and happiness.

Increasingly, today, this means a supplier providing the "feel-good factor" such as experiences, skills and social responsibility, rather than just the material goods themselves. If, for example, a customer buys an off-road 4x4, the real goal may be a 'macho' desire to drive on rugged terrain - so why doesn't the supplier think to offer an 'off-road' experience as well. Is that not a nearer match to the customer's want than simply providing the vehicle?

2. Solving Problems

Just as a consumer buys an electric drill because he wants a hole, so the supplier needs to understand the purpose of his customer's purchase.

Life, business as well as social, has become a rush – there simply isn't time for everything, especially routine or mundane tasks, and those tasks that require expert skills. Customers want solutions to problems, not just the product, and they absolutely hate companies who waste their time, make things tedious, or demand skills they don't have (eg setting up the computer they've just bought and struggling to link it to their broadband connection).

If Domino's Pizzas can deliver to the world at a competitive price, why can't the computer supplier train up a special task force for delivery and installation? Guess who might win the battle to supply computers!

3. Reduced Complexity

"Choice" has been one of the great watchwords of our age, but choice has also become a double edged sword as the complexity of 'choosing' between so many similar items has left customers more than a little dazed.

And who is there to help? Sales communications create a cacophony of noise (visual as well as audio) that infiltrates even the most private of sanctuaries. Customers are left gasping, desperate for trusted sources of personal advice and information to help them make the right choice. Ultimately, customers want empowering information to put them back in control.

Nowhere is this more apparent than the millions upon millions who "google" each day for more and more information. The Internet age, although offering a profusion of choice, also provides a wealth of information.

The supplier who is the best educator will be the customer's champion.

4. Creating Convenience

'Convenience' has to be perhaps the trickiest and most fickle of the seven factors. Convenience comes higher up any list of what the customer wants, indeed, if a product or service isn't convenient it is unlikely to be used - unless it is exclusive.

At its most basic level, 'convenience' in the form of self-service may look like the ideal opportunity to reduce costs, but it can be seen as either customer liberation, or corporate imposition, depending on the perceived intent. However, if there is even a whiff of intention to transfer costs from the company to the consumer, it will be decidedly rejected by the consumer. Conversely, the more trust people have in a company, the more self-service will be considered as a liberation.

It has been pointed out by many gurus that 'convenience is the success factor of just about every product and service that has shown steady growth' – witness catalogue shopping and the Internet. But surveys show that around 50% of consumers still want personal contact at all points, even if that is the telephone.

5. Demonstrating Respect

Consumers have ceased talking so much about about relationships; they now talk more about trust, the hallmarks of which are security, value the money and authenticity. Increasingly consumers also want and see demonstrable humility and a sense of humanity in business suppliers. This is especially so of those customers who provide loyalty far more than those customers who are habitual price hoppers.

But trust is a difficult 'recognition' to win and maintain, especially in the light of so many publicised disaster, notably in the financial services sector. By not having clear, emotive brand values, but are delivered in execution, what does your company stand for? What do customers expect of you? Do your customers experience your values when they deal with you? These are key questions for our age.

Companies need to look to their role in society and deliver value to all stakeholders, not just its shareholders. It is simply not acceptable for companies to continue reporting profits while depleting environmental, social and human assets.

As Terry Leahy, CEO of Tesco, said, "the battle to win customers will increasingly be fought, not just on value, choice and convenience, but on being good neighbours, being active in the communities, seizing the environmental challenges and on behaving responsibly."

6. Linking-up Communities

Values, attitudes and networking with kindred spirits, are beginning to dominate purchasing behaviour. Customers want the opportunity to feel "linked into" what's happening and to share talking points and information.

There is growing evidence from social and evolutionary psychology, that humans are designed to function best as herd animals, not lone individuals. They want to belong.

But the herd is a network, influenced by the actions of “movers and shakers” with connecting roles. And real differentiation can be found by organisation’s that recognize, and tune into, the herd instinct; who listen to and help build group “stories”.

7. Co-Creation

Customer want to be listened to, valued and respected; they want to be involved. As companies, we often spend too much time talking at customers rather than paying attention to what they have to say back.

Loyal customers will think of a company or supplier as “my band”. Engaging in these grand advocates and committed customers is what we aspire to, and takes time. Listening to and involving our customers is the one way it can be done.

Customers want to co-create whereabouts; after all they are the ones he used the products and services we provide; they are highly likely therefore, to have a beneficial and innovative ideas.

Give them a chance to help us.

Summary

Used carefully and thoughtfully, the above seven factors in customer benchmarking can act as a design template in our marketing propositions. For within the seven factors lie the drivers and inhibitors of purchasing decisions and customer loyalty.

(acknowledgements to Jennifer Kirby, writer on marketing and customer management)

Footnote:

Peter Drücker also observed that **“because it is its purpose to create a customer, any business enterprise has two, and only these two, basic functions: marketing and innovation.”**

Let’s not forget ‘innovation’ in our marketing campaigns – it can make all the difference.