



Redefining your assets from a Customer Perspective

Conventional Marketing Wisdom

The following is the textbook approach to marketing products and services for the past 50 years:

The goal of the marketing enterprise is to establish the unique advantages of its company, product or service, to differentiate itself and occupy a tenable position in the marketplace.

The business will focus its total sales and marketing envelope on these key differentiators and communicate them to customers, employees, and competition. The goal is attract and cultivate an exclusive relationship with a sustainable segment of the market. Thousands or millions of dollars will be invested to define this unique sense of value to cause a customer to change their choice of products and services (or appreciate the value of change at some future point). Profit forecasts are built on the expectations of entrepreneurs, senior executives and business owners that these unique values will be the source of their success.

In the language of Touch Marketing this is what we call the Marketing Assets of the enterprise. From the first sign of success, the assumption is that it will continue.

The Unpredictability Factor

If population, technology and economic growth were predictable then the value of these unique differentiators would also be predictable and stable growth of a business would be guaranteed. There was a temporary experience of this very phenomenon in the post-war 50's in America when industrial technology released from the war effort created a boom both in the economy and the birth-rate.

However populations age or migrate, economies fluctuate, technological innovation is unpredictable and consistent value delivery is a constant challenge to growth. These destabilizing factors are chinks in the corporate armor for competition to attack. And the greater the competition the more likely it is for a customer to be equally unpredictable in how they make choices.

Tunnel Vision

Despite all this uncertainty the most common practice of businesses and organizations is to mold their values around a core leadership within the business. And they define their marketing assets based on the values that are business-centric, such as:

- Leadership
- Profitability
- Patentability
- Productivity
- Stock Value
- Innovation
- Technology
- Functionality



TOUCH MARKETING: ALIGNING TO CUSTOMER VALUES

- Style/Culture
- Price.

Successful businesses are those that synthesize these assets successfully for mass appeal. But, if you think about it more deeply, the ability to sustain this performance throughout all the environmental and economic changes and fluctuations really depends on one thing: Customer values.

The Customer Value Grid

Customers make all their choices based on their values. And there is ample proof in population statistics to demonstrate commonalities in customer values to sustain both mass market and niche markets for products and services.

Customer values form a totally different grid to the corporations. Individual products are a fraction of each customer's total spectrum of activity. Even while the product or service provider is consumed by the advancement of its own interests, it is only addressing a small fragment of the customer's needs. Understanding the spectrum of customer values will inform the marketer how to keep customers engaged for loyalty, frequency and continuity i.e. stability within the context of change.

The first step is classify the assets of your product or service in relation to a comprehensive customer needs system of classification:

Achievement
Convenience
Comfort
Esteem
Pleasure
Trust.

How does your customer look at your product?

Achievement: how well will this product or service help me to achieve my goals?

Convenience: how easy is it to locate, engage or acquire this product or service?

Comfort: can I use this product in a comfortable way or to increase comfort.

Esteem: will the use of this product/service equate with or raise my esteem?

Pleasure: will this product/service directly or indirectly enable me to increase the amount of pleasure in my life?

Trust: is this product, service or company a reliable source for all of the above.

Don't be surprised that affordability is not represented as a customer value. One of the world's largest companies has built its business on the appearance of affordability. But this is because price is only a function of the degree to which all the above can be



TOUCH MARKETING: ALIGNING TO CUSTOMER VALUES

satisfied. The customer that orders the meal deal can be the same one that purchases a state-of-the-art home theatre system.

Customers will expose themselves to financial risk to maximize comfort, esteem or pleasure. A house purchase is a simple example of this. Few homebuyers purchase a house that is easily affordable. In a consumption-driven society customers will invest disproportionate to their means to maximize these values. Wal-Mart's value pricing simply enables their customers to maximize convenience and pleasure, often at the expense of comfort, through over-consumption.

It is also true of business customers as well as consumers. We do not stop being human at work, and businesses are complex human structures.

When your product meets all or most of the values that customers ascribe then you gain acceptance. This acceptance is not limited to one occasion, but all occasions in which your product is needed. This is the chain of loyalty, frequency and continuity.

Matching Corporate Values to Customer Values

Try to match the customer value grid to the corporate value grid:

Leadership	Achievement
Profitability	Convenience
Patentability	Comfort
Productivity	Esteem
Stock Value	Pleasure
Innovation	Trust.
Technology	
Functionality	
Style/Culture	
Price.	

They are not connected. Within a business people do not seem to have the capacity to embed the same values they would apply to themselves as a customers. What is the reason for this disconnect? It is because humans are, by nature, self-interested. The enterprise was established to fulfill a selfish function: the creation of wealth for its community. Consequently its values are self-interested.

This disconnect is a common reason for a business, even one that has experienced success, to ultimately fail.

The more the business values successfully to its customer values the greater its propensity to succeed. Sometimes this is coincident but it should be intentional.

The Coincidence of Corporate and Customer Values

On the level of coincidence there can be a bridge between customer and business value systems. If there were not there would be no customer satisfaction and no variety

TOUCH MARKETING: ALIGNING TO CUSTOMER VALUES

of product selection. For instance it is possible to connect the customer value grid with the corporate on a number of levels:

Functionality	may lead to	Achievement
Technology	may lead to	Convenience
Innovation	may lead to	Comfort
Style	may lead to	Esteem
Leadership	may lead to	Trust.

The operative word is 'may'. When functionality, technology, innovation, style and leadership become too introverted the product no longer fulfills a satisfactory need, regardless of its performance as a product.

The enterprises that succeed without aligning to customer values are regulated industries, or monopolies.

The Absence of Pleasure

Why is there no connection to pleasure shown in the coincidence of enterprise values? Isn't pleasure a key value of the customer? But giving pleasure is an unselfish act, and, although customers will derive pleasure from a product or service, only those industries dedicated to pleasure promote it as a value. Lunches, golf tournaments, contests and prize promotions do not speak to the intrinsic value of the product. Even the latest buzzword "Customer Delight" is relative to service delivery, not the product itself. Most businesses are not wired to think about pleasure in the context of their products and services.

Take a mundane example: If the world's largest paper-clip manufacturer developed a Customer delight program it would be careful to ensure timely delivery, a satisfaction warranty, some new, improved technology, the lowest price, personalized order entry and an assortment of colours, textures and materials to suit all taste. It would also invite distributors to its box at the Soccer World Cup, and offer a promotion including a prize trip to all its customers. None of these components explore the pleasure value of the paperclip to the customer.

So, how does a paperclip increase customer pleasure? It relieves the frustration of trying to secure multiple documents without damaging them. Consider a world without paperclips – it is a less pleasurable world. When you deliver a solution to a customer's problem you increase their opportunity for pleasure. I can speak from personal experience having been unable to locate a single paperclip, under time pressure and all the other implications of trying to get a simple job done without the right tools available.

Some notable examples of marketers that use pleasure as a key value to sell their products to customers:

- Floor cleaners – the pleasure of a clean floor
- Home Improvement Power Tools – the pleasure of a job you did well
- Toilet Paper – the pleasure of softness where gentle really counts.



TOUCH MARKETING: ALIGNING TO CUSTOMER VALUES

And, if you think about it (don't think too hard), their success depends on the full extent of the ACCEPT customer value grid. Now, consider how a computer-based accounting system can truly increase the amount of pleasure in your life. It's not that hard once you start to make the connection.

What Customers Don't Care For

Profitability, Patentability, Stock Value and Price do not appear the customer's value grid. They are all derivatives of successful customer engagement defined by board level executives that are totally cut off from their customers. Customer retention and engagement are the true indicators of stability. Yet the stockholders only listen to the Board and the Board regards the stockholders as their most important customers.

Intentionally Redefining Your Assets to Your Customer's Values

The determination of your business, product or service assets as they relate to your customer has to be examined in detail for each customer segment that you serve. Just as customers have different values, so each business has something that makes its relationship with its customers unique. The goal is to identify from your customers what this is, then leverage your business and marketing processes to maximize them. Always keep the customer in the loop, otherwise when things change you will be left behind. In order to stay focused you have to realign all that you know and believe about your business, product or service to what your customer values, wants and needs.

If you do this consistently you will build trust, help your customer to achieve their goals in a comfortable and convenient way, you will add to their esteem and enable them to have more pleasure opportunities than a less well-matched competitor at a price and purchase frequency that will drive up your profitability.

Remember the golden rule of business relationships: when you put your customer at the centre of your universe, it builds loyalty, frequency and continuity.

Article written by Jon Sherrington, President Hydrogen Creative Inc.

Jon Sherrington is the inventor of the Touch Marketing methodology for building customer loyalty, frequency and continuity and the founding partner of Hydrogen Creative Inc., a full-service, integrated, customer-centric marketing studio. Whether working for blue-chip clients, start-ups or small and medium-sized businesses, Touch Marketing can be implemented successfully at a program or enterprise-wide level. Hydrogen Creative specializes in the execution of customer-centric marketing programs using Touch Marketing as the strategic building block for achieving client objectives.