

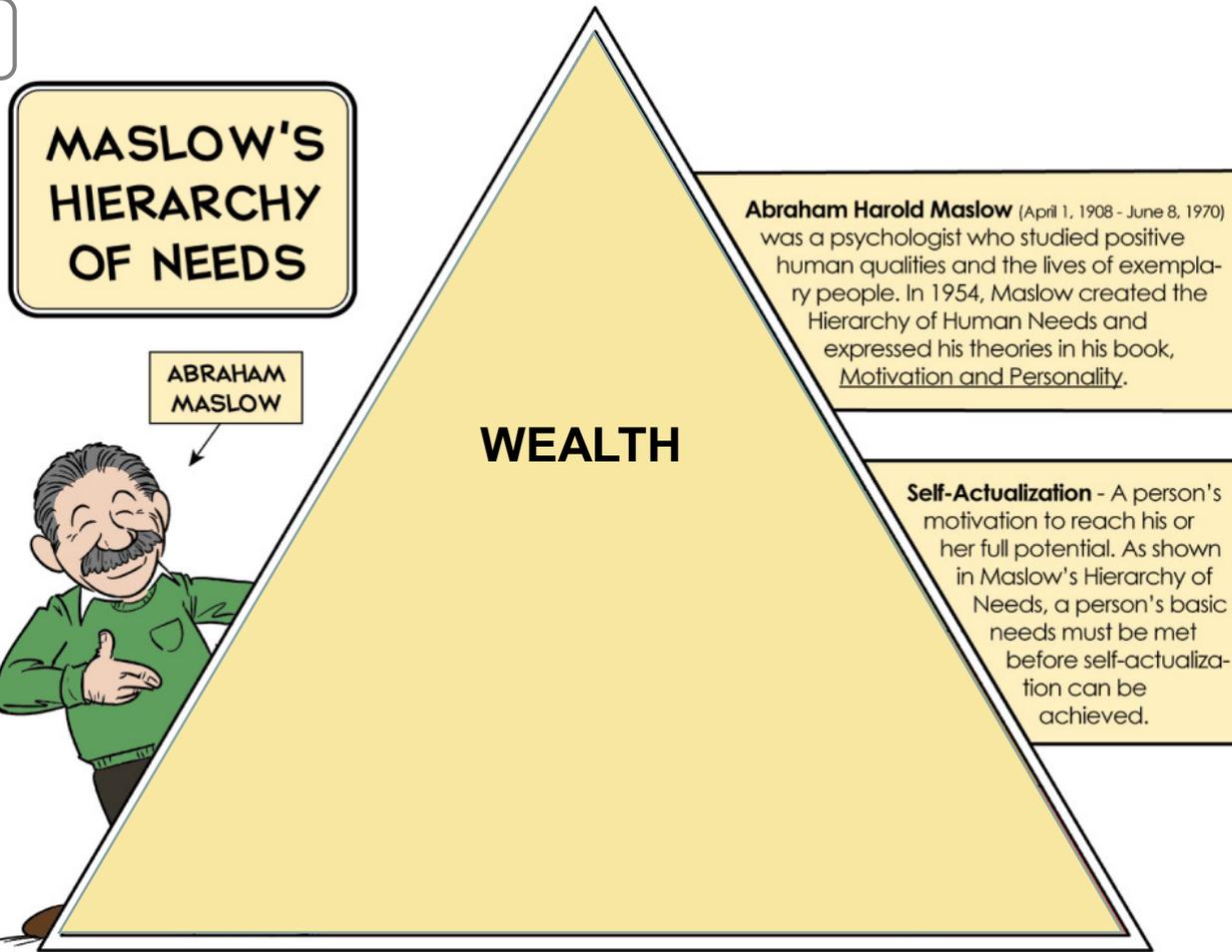
Why Will the Customer Buy?

Consumer Customer + Business Customer

Tuesday, May 18, 2021

Terry Kelman

Motivation



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What We Need Is Of VALUE To Us

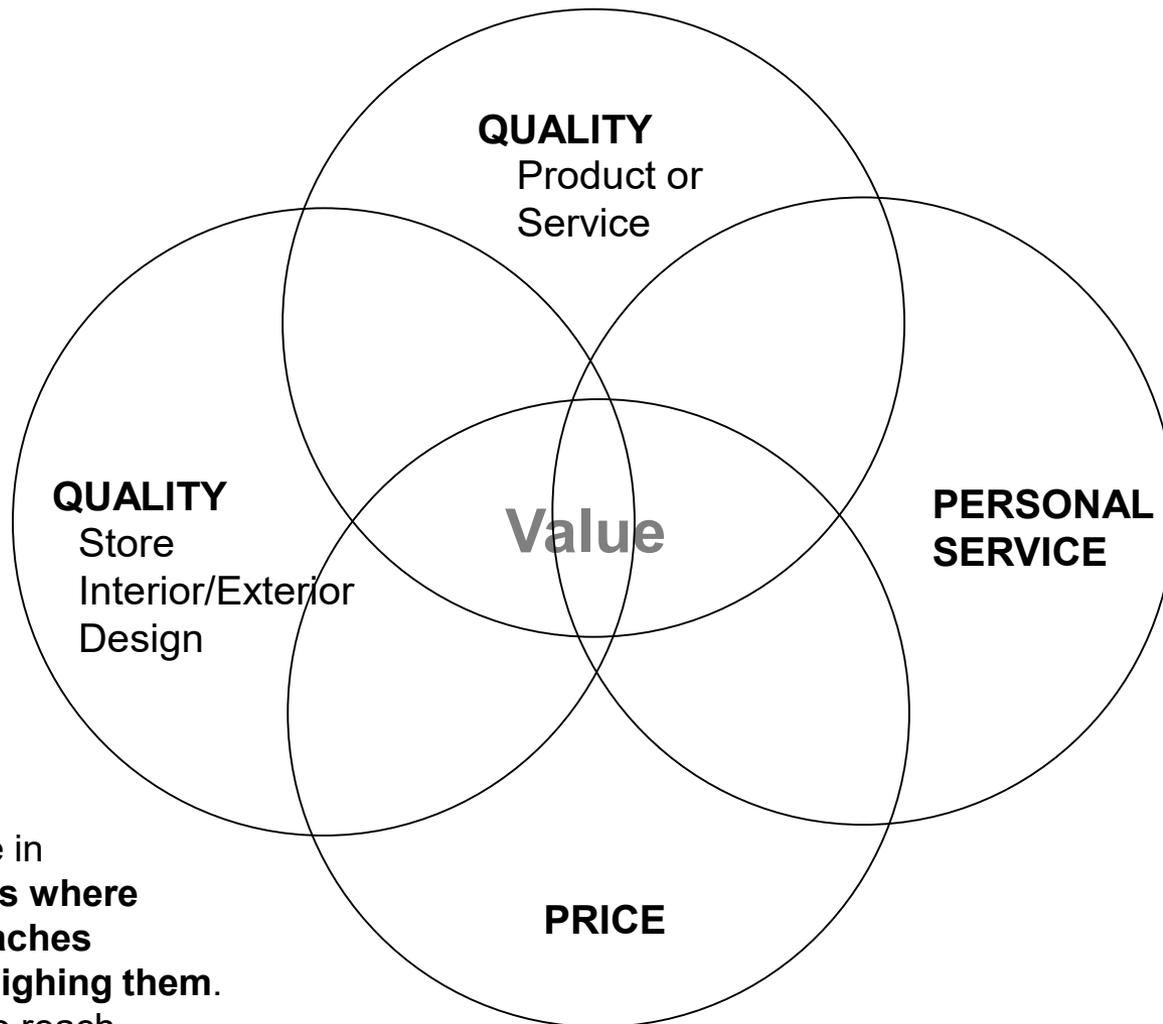
Hard To Take Care Of The Higher Needs, Until The Lower Are Satisfied
But Here Is Where We Run Into A Problem: Food

Food: Both of these satisfy hunger.



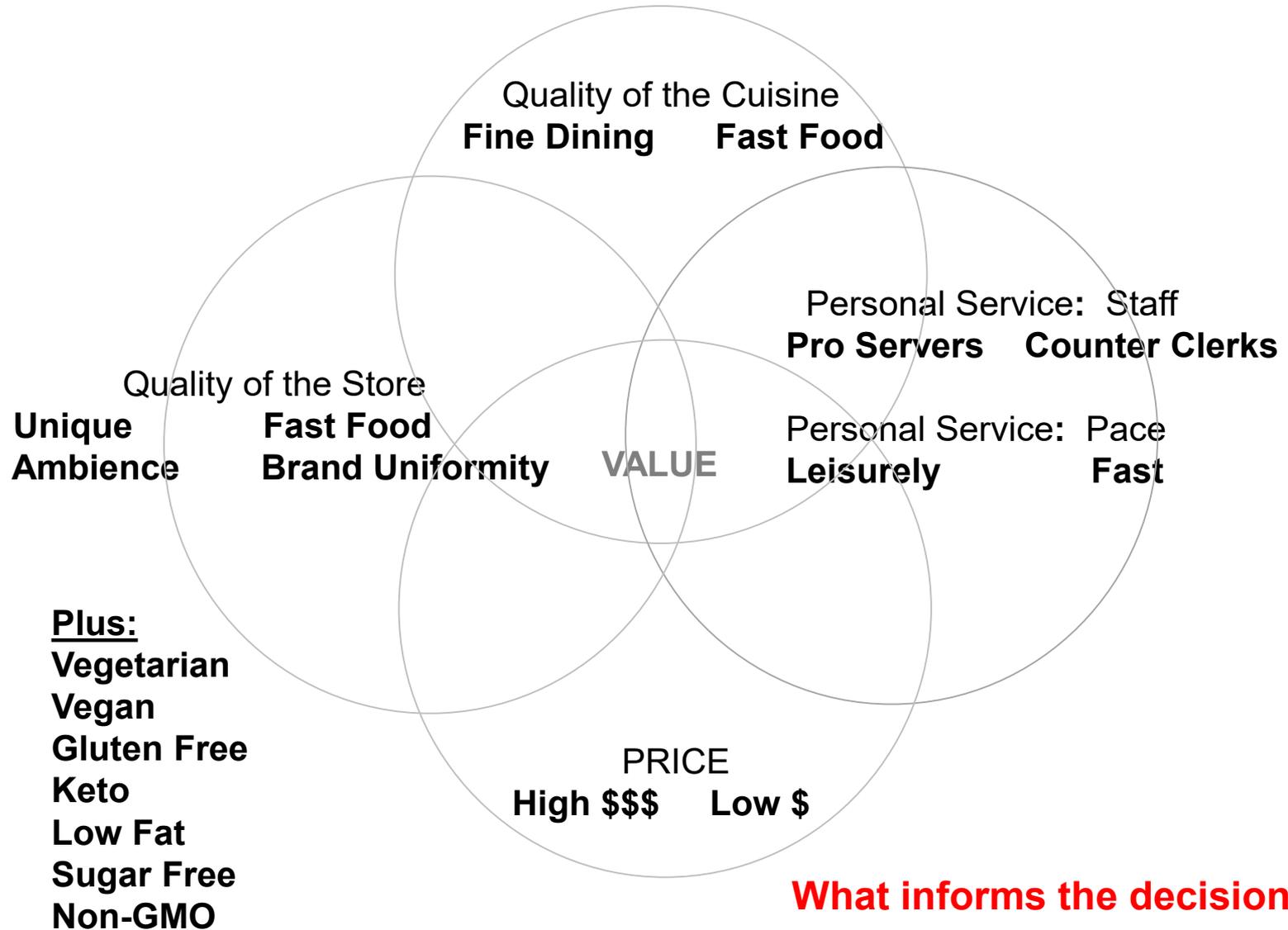
But what is their value in the consumer's mind ?

Value in the Consumer's Mind



These 4 things are in conflict. **“Value”** is where the consumer reaches equilibrium in weighing them. What is weighed to reach the decision?

Restaurant



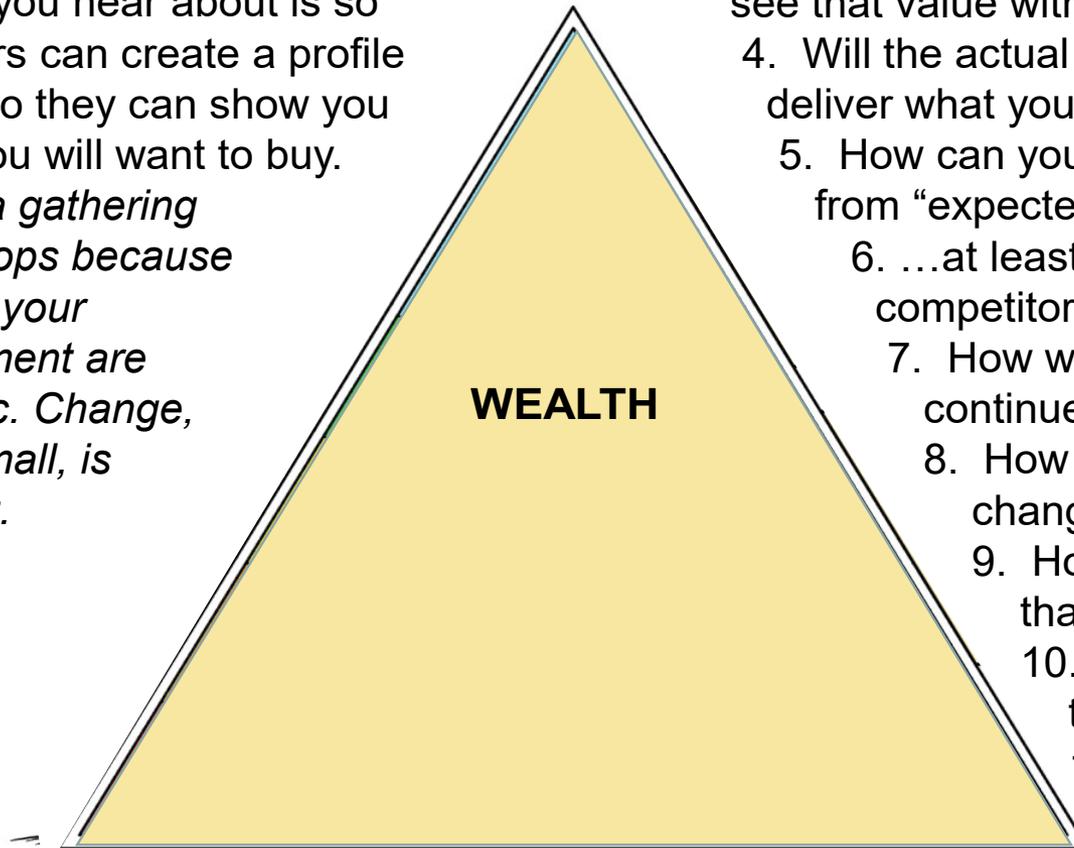
What informs the decision?

What informs the decision?

All the higher level things in your mind. We call that your **Identity**. Marketers call it your **Profile**.

All of the data gathering on the internet you hear about is so marketers can create a profile of you, so they can show you things you will want to buy.

The data gathering never stops because you and your environment are not static. Change, big or small, is constant.

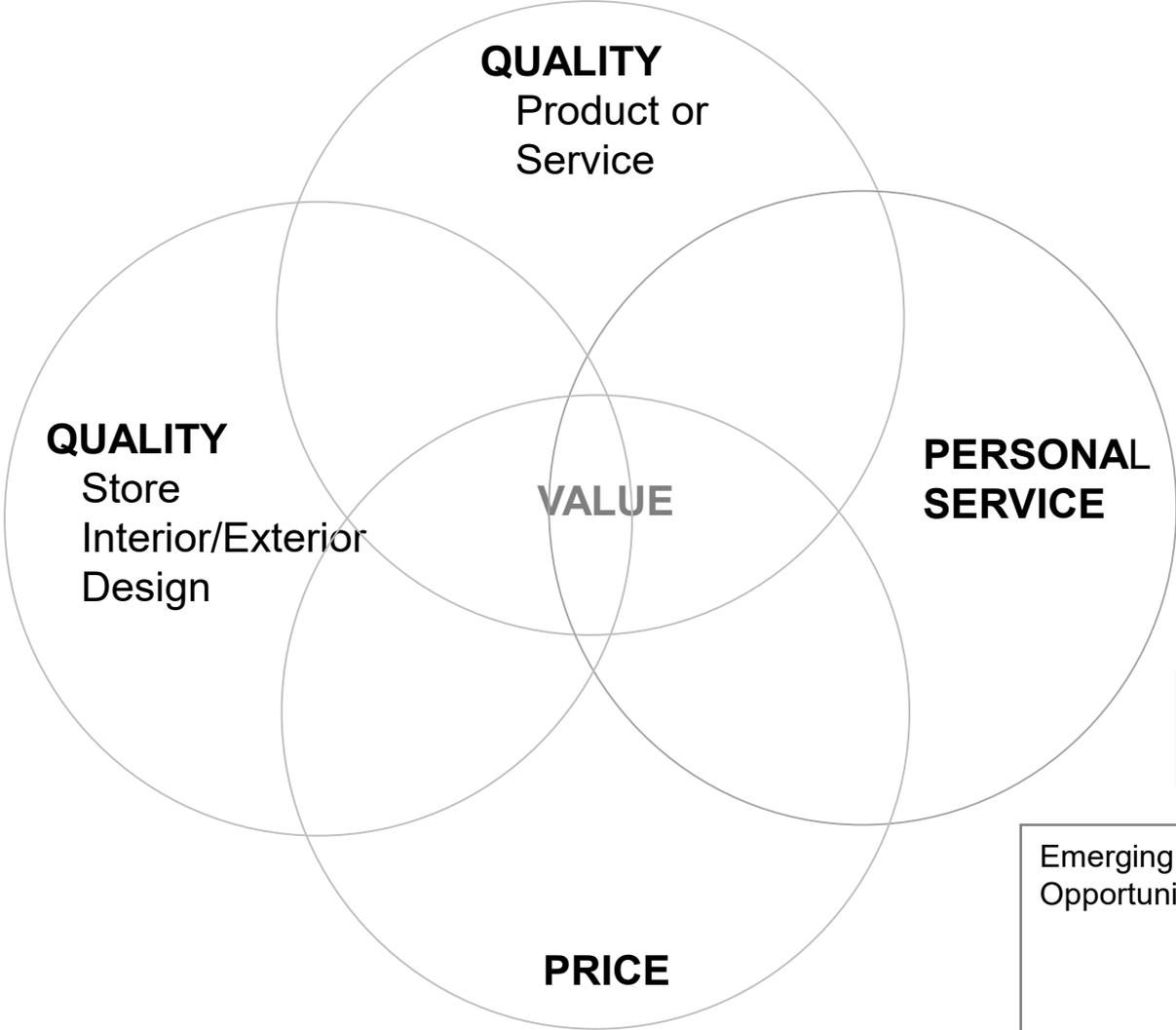


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Bottom line for the Retailer

1. What is **your Identity** or the **Identity of the customer** you want? = **Target**.
2. Where does that put you on the value chart?
3. If a Target customer looks at you will he see that value without having to think?
4. Will the actual customer experience deliver what you seem to promise?
5. How can you over-perform to get from “expected” to “wow”...
6. ...at least in comparison with competitors?
7. How will you know that you continue to deliver value?
8. How will you know when to change the 4 factors?
9. How will a new target learn that you exist?
10. How will you get them to come in
11. How will you stay in touch?
12. How can you grow revenue or profit?

Describe Your Value Profile. Type of Business _____



What is your value for a customer?

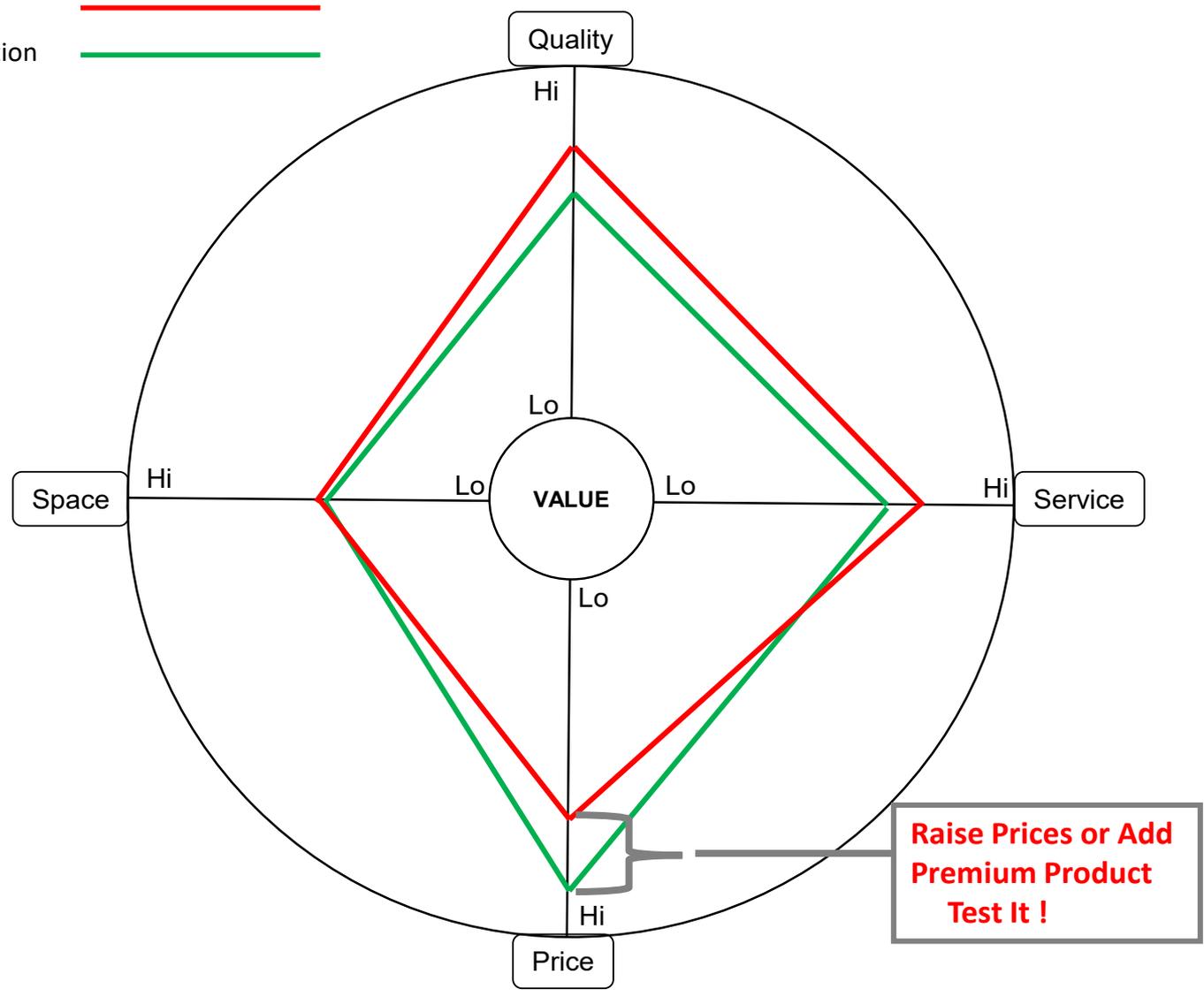
Why will the customer buy?

Read Ahead
What did you learn?

Emerging Issues, Challenges, Opportunities, Innovations ?

TEMPLATE Competition or Innovation

You —
Model or Competition —



Customer: Consumer
Why Will the Customer Buy?

Because he sees (aware,
Understands) VALUE
in your offer.

What is your VALUE?

Why Will The Customer Buy? Business Customer

Consumers make Purchases, but Businesses make...
...Investments

Consumers and Businesses both purchase necessities.

Consumers buy goods and services to keep their homes going: Food, drink, soap, toilette paper

Businesses buy goods and services to operate the business: raw materials, printing paper, coffee.

Businesses **invest** to improve the operation of the business: new equipment, software, larger offices, new plants.

Following are a few key concepts in selling to a customer who invests to improve his business

Investments are made by Decision Makers to contribute, directly or indirectly, to growth in Revenue or decrease in Costs, so the bottom line (Net Profit = Earnings) increases

What is a Decision Maker?

1. Can give you the order, doesn't ask for permission
2. Can get the money to buy, doesn't ask for permission
3. Introduces you to his Evaluation Group

What do you have to know so you can explain it to the DM?

1. How your product is used in and changes operations
2. How the changes improve operations
3. How the improvements improve his business
4. Model the improvements in dollars added to Revenue or subtracted from Costs. Both will drop to the bottom line

If the DM likes the impact, there is one more step before he will buy. He needs PROOF that your product will work as promised, so he can be confident he will get the result. This is where the Evaluation Group comes in.

Let's look at an example of modeling the improvement in dollars.

Apple iTunes Goal 700 Million to 1 Billion Customers
Economic Impact of Website Performance Risk of Downtime

Annual Sales 2013	\$16,051,000,000
Minutes per Year	525,600
Sales per Minute	\$30,538

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(1) How much downtime would have to be prevented to justify a \$2,000,000 sale?	$\$2,000,000 / \$30,538$	65 minutes
(2) As a percentage of a year?		0.01%

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Considering the value of the risk mitigation, the software was free.
 Meaning: compared to the dollars at risk, the cost of the software was insignificant.

The Software Was Free...It Only Cost \$2 Million

The software in the previous pages was sold at full price, no discount. The sales person walked away from the negotiation twice before the purchasing agent agreed to the price.

What was going on?

For Additional Help Contact

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