

MFB report

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Understanding Customers

Why Customers Buy and How to Make Sure They Buy From You

MFB

Manage Future Business



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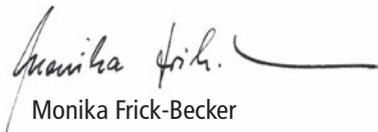
Vorwort

Welcome and Guten Tag:

Are you investing time marketing your product, but still not seeing a return in sales? The truth is customers have needs and steps that they go through when choosing what to buy. If your marketing and sales teams are not meeting those requirements it is probably the reason your product is not selling.

A successful relationship with a customer is based on meeting (and perhaps even exceeding) his or her needs. It is in determining what problems the customer has and in providing solutions to those problems.

Yours,



Monika Frick-Becker

Understanding Customers: Why Customers Buy and How to Make Sure They Buy From You

If you asked entrepreneurs why customers should buy their products or services, many would answer: because of its high quality, functionality, price or the accompanying customer service. Okay, but as we all know, it's always possible to find similar products and services. So the real question should be: "What is really unique about what you're selling that can make people come to you?"

Far too many business professionals can't adequately answer this simple question. They focus too heavily on creating internal value. However, without being able to answer that question it's virtually impossible to successfully implement a cohesive marketing program because you don't know what your potential customers want and why they buy. Understanding specific motivations of consumers or business buyers can be a challenge. We need to know why customers buy, how they gather and process information, and how they distinguish one vendor's product from another. The goal in understanding the customer decision process is to learn how we can define and implement an effective marketing strategy. The more companies learn about their prospect's decision process, the better their salespeople can help him or her make that decision.

How to convince your customers: The power of strong brands

A successful marketing approach will provide convincing reasons why a customer should buy a product and differentiate that product from competitors. Understanding customer needs is impor-

tant because it helps promote the product. Most businesses do not realize that they need to show the benefits of their product or service and not the features.

Most importantly, companies must show their customers that they have made the right decision by communicating and sustaining a good relationship with them.

Give your customers a reason to buy

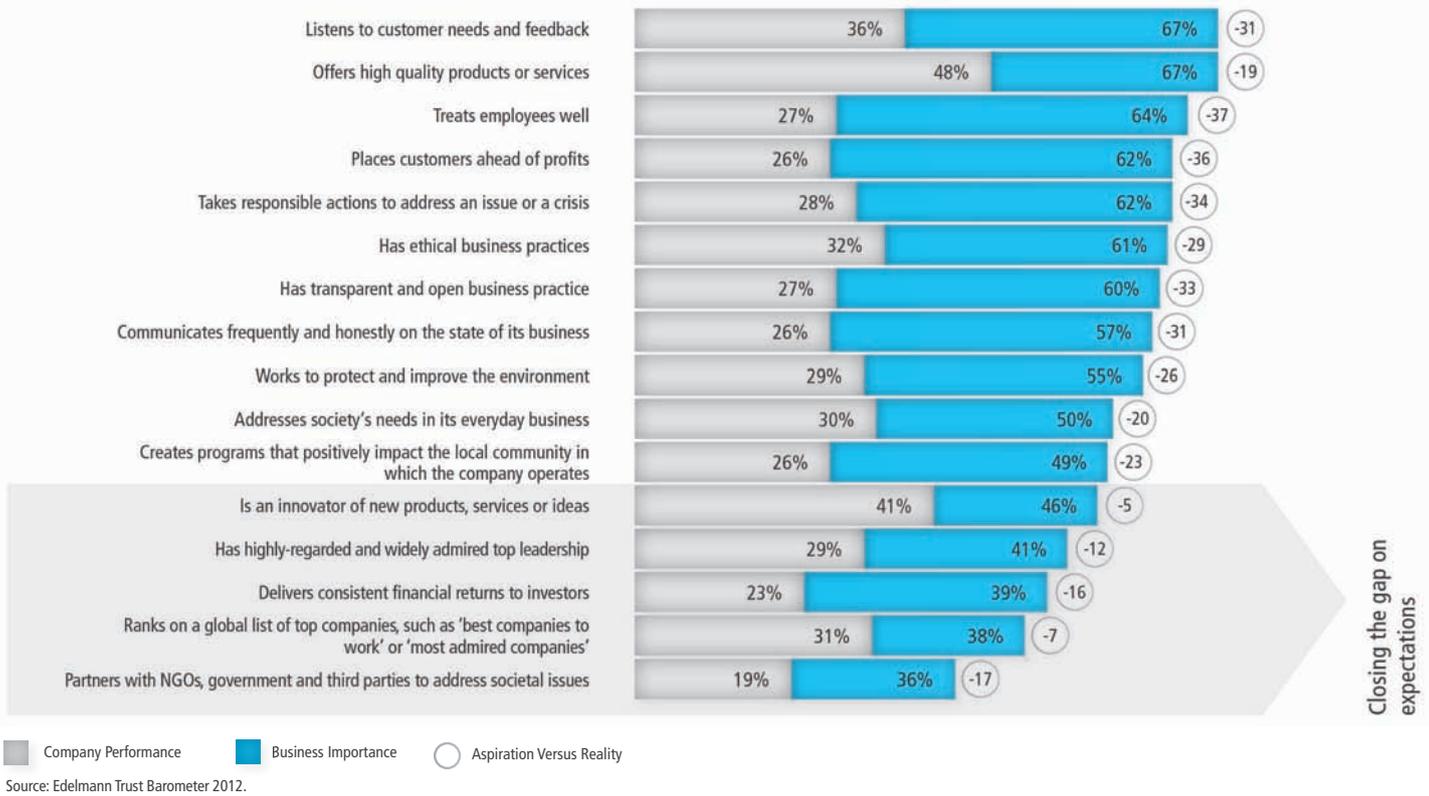
Gaining a customer's attention and approval will help build sales faster and more profitably, as well as work to increase market share. Therefore, a key element of strategy planning should involve the development of your brand and how you would like to be perceived. A strong brand is the perception of a product or service that is designed to stay in the minds of targeted customers.

Differentiating your product from competitors and identifying the benefits it will bring to the customer is essential before any marketing campaign is even started. Your unique selling point (USP) should be the solution to a problem the customer is experiencing.

USPs are why customers are currently buying your products and form the basis of your company brand values. However, brand values should constantly evolve to suit changing market conditions.

It's important to ensure that your customer experience reflects these values in every aspect of your business.

High Expectations – Big Disappointment



Customer Insights: Winning and keeping customers by delivering what matters most

In a rapidly changing business environment, companies need to put the customer at the center of all marketing decisions. In order to do that, they need current and relevant customer insights and translate those insights into competitive marketing and branding strategies. Sales and marketing experts must work hard to learn as much as they can about the customer – what they need, how they shop, why they buy.

In order to surprise and inspire clients, your employees need to believe in the value of each customer, to know how to serve them well, and be motivated to do so. Employees must understand their mutual dependence with customers – without excellent customer service, businesses stagnate and fail. It is only when employees are motivated and trained to meet customer needs, that they can be empowered to deliver great performance.

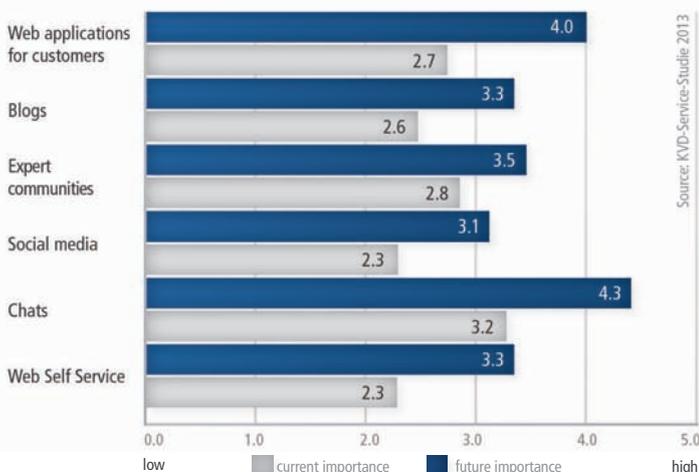
To persuade your clients to buy your product or service, you must present a strong case by sticking to the facts. Make sure they are clear and genuine. In your customers' eyes, the facts must lead them to a need. You must be providing a benefit to them if they buy from you. The facts just make it obvious that the customer needs that item. The benefits you find should be conveyed to your clients in their preferred method. It can be understood that a successful business is not really a sales business, but more of a relationship-building enterprise.

Customer Trust: People buy from people they trust



It is beneficial to invest time and resources in understanding the customer perspective. This enhances a company's value proposition. Value must always be examined from the customer's point of view. By effectively listening to customers and acting upon their feedback, companies will gain insight into customer needs and build customer loyalty. By communicating effectively and making commitments in your relationships you are extending trust to others. Understanding your customer's desires and adopting them yourself will make you successful. When prospects perceive you as being trustworthy, they feel safe to buy from you. Research shows that trust and transparency are as important to corporate reputation as the quality of products and services. Much of this trust centers on interactions with employees. Strong customer-employee relationships can build customer confidence. Engaged and satisfied customers are more likely to give you repeat business and recommend you to others.

Which Platforms Are Important To Building Customer Ties?



Shaping a customer-centric culture: Multi-channel customer service excellence

Customer trust is a critical success factor for any business. If they are disappointed with a product or service, customers will switch suppliers, change their behavior and demand improvements. Too many companies create this problem themselves. Some current statistics are concerning: Nearly 70% of defecting clients began doing business with a competitor following poor customer experience. They would have stayed if their problem had been resolved with one call instead of requiring wasted interactions. This tendency must not be merely minimized, but vigorously reversed. To ensure this does not happen, companies need to reevaluate their assumptions and fundamentally change how they interact with their clients. As customers become accustomed to the convenience of getting whatever they want, whenever they want and wherever they want, the importance of both multi-channel presence and multi-channel communication has never been as great as it is now. Yet, even in today's social media savvy business environment, there are still companies that fail to engage with their customers-particularly customers that are frustrated and unhappy. This can have serious consequences: a complaint on social media has potentially loads of power to you because it is in a public forum.

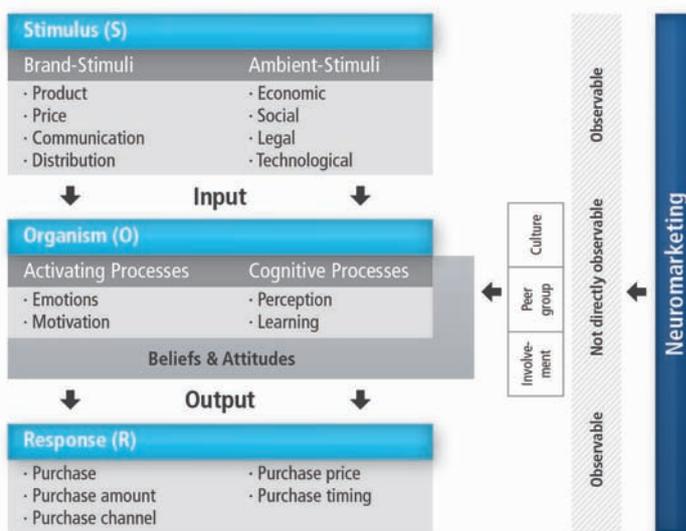
Different customers prefer different communication channels and they expect service to be agile – that is, being able to initiate an interaction in one communication channel or touch point and complete it in another. Multi-channel customer service excellence needs highly skilled and perceptive people to interact with customers, and to capture their insights in a way that can be applied to providing customized service. A strong, consciously developed pro-customer and pro-employee company culture will inoculate your brand against competitive inroads. However, sustainable culture transformation requires that the change is all-inclusive. For such a cultural transformation to happen, top management, departments and employees must be all aligned to the common goals, values and strategy of the company. Employees

must be supported by tailored trainings in order to deliver outstanding customer service.

Mind control: The advent of neuroscience in marketing

Brands are forever seeking more effective methods to build closer connections with the customer, boost recognition and build loyalty. It has been discovered that the majority of purchase decisions are made on a subconscious level. New findings in the field of neuroscience allow marketing experts to understand how the brain responds to creative stimulus and more importantly what particular emotions those ideas trigger. If companies understand the triggers that make people buy, then they can sell more. Neuroscience enables marketers to delve beneath the surface and understand what really makes the consumer tick. It enables fresher, deeper, and richer insights, and can add unexpected perspective to evaluations of advertising, brand perceptions, and shopper experience. By putting neuromarketing science into practice, marketers now have the opportunity to create an emotional affinity with brands and forge effective long-term relationships with customers.

Neuromarketing: Buying Decisions Can Be Influenced



Source: S-O-R-Model according to Pispers/Dabrowski (2011) p. 52.

To secure sustainable success in changing markets, companies need to implement a systematic sales strategy that focuses on specific customer needs and links them to their organization's processes and objectives. The ultimate goal is to develop loyal customers. Loyal customers buy more frequently and in larger volumes. They are also less susceptible to competition and more willing to pay higher prices. All of these business benefits enable the company to remain viable and successful. If you plan to improve your customer focus or strengthen your sales efficiency, MFB Resultants can help you find out where to focus and prioritize in line with your business objectives. Speak to us about how we can assist you with getting your message across. We will be more than happy to share with you some of our successful projects.