

THOMOND

THE
CUSTOMER
CONUNDRUM

**THE KEY TO ENGAGING
WITH CUSTOMERS AND
INCREASING SALES**

IT'S NOT WHAT YOU DO BUT **WHY**

In the age of big data brands know more about their customers than ever before. However, a wealth of insights and knowledge about purchasing habits isn't a sure-fire guarantee to great marketing.

Businesses can have all the data in the world, but unless they look at it in the right way, they run the danger of inefficient and wasteful campaigns.

The Customer Conundrum reveals how businesses can dramatically increase sales and their marketing ROI by simply asking **why** not what.

Looking at case studies from around the world, including how Netflix redefined content production, we show the importance of understanding why customers are motivated to purchase.

WHAT'S THE JOB TO BE DONE?

Having created strategies for both global brands and high growth SMEs, the strategy team at Thomond has seen first-hand how the obsession with gathering data and knowing more about the *who, what, where, when* and *how*, can actually take businesses in the wrong direction.

Knowing what product someone bought, when and how, only provides you with limited insights. You have no idea if the person was buying a one-off present, whether they were doing a favour for a friend or purchasing for an unusual trip they were going on.

This is a view articulated by Harvard Business School lecturer Clayton Christiansen, who, with two decades' experience of analysing numerous campaigns, concludes that when people purchase a product they are essentially hiring it to do a job. If it does a good job they'll hire it - use it again or repeat purchase - and if it doesn't, they sack it.

Christiansen labels this as the '**job to be done**', which, he argues, can transform a business' understanding of customer choice in a way that no amount of data ever can.

WHY THE DINING TABLE HAS THE ANSWER

A residential development company was struggling to sell plots targeted at couples looking to downsize.

Despite the company holding focus groups and subsequently implementing a number of changes, including making architectural changes and offering incentives, sales failed to increase.

The turning point came when the company decided to interview dozens of people who had already made the move to downsize - as opposed to people who were supposed to fit the customer profile. A recurring theme emerged. It was based on the dining table. Many of the people interviewed worried what to do with the dining table when they moved.

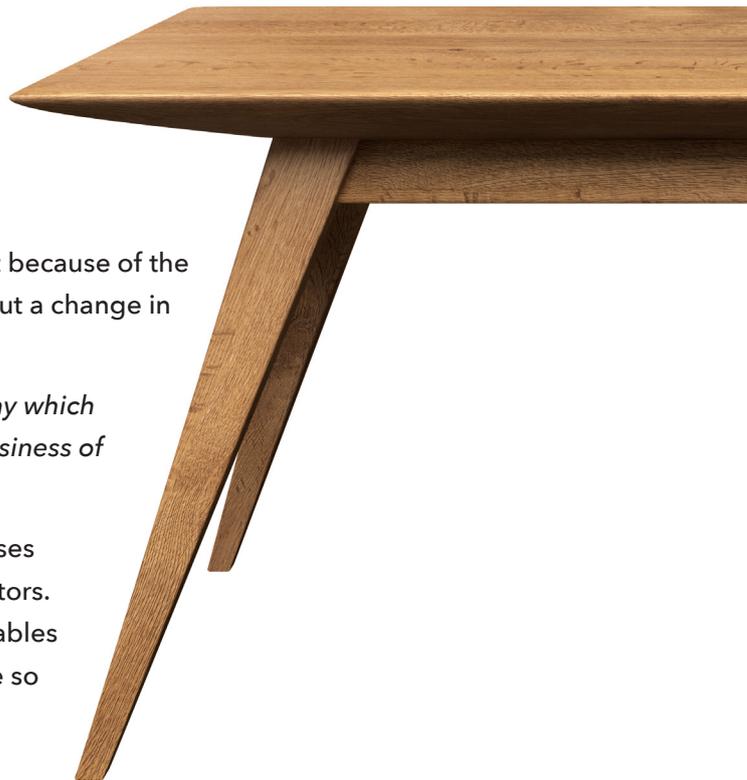
To them the dining table wasn't just a piece of second-hand furniture, it was the focal point of the family hub. It was where they celebrated birthdays and Christmas. It represented precious family time.

The reason people weren't buying the developments wasn't because of the specifications or architectural features, it was an anxiety about a change in their life circumstances.

This was the lightbulb moment for the development company which realised they weren't building developers but were in the business of 'moving lives'.

The business showed an appreciation for the emotional causes behind moving and evolved their product to meet these factors. The house designs were altered to create space for dining tables while the developer gave purchasers two years' free storage so they had time to decide what to do with their possessions.

The result was overwhelming with a 25% uplift in sales.



PREFERENCE, PASSIONS AND MOTIVATIONS

The temptation with so much data available is to look at patterns and correlations, rather than the decision for **why someone purchased.**

Rather than focusing on solving a client's need brands often fall into the trap of trying to make all their products relevant, which, more often than not, alienates the customer.

Research by Accenture shows that 40% of consumers have left a website and bought a product elsewhere because they were bamboozled by an overwhelming choice and array of unnecessary information.

Brands that truly understand why people purchase actually take products off the thinking list and only serve up solutions that are relevant.

Understanding **why** people chose a product, compared to what they bought, allows a company to build a picture of a customer's *preference, passions and motivations*, which are the foundations to creating outstanding marketing.

“Brands that truly understand **why people purchase actually take products off the thinking list”**

INFORMED DECISIONS NOT GAMBLES

The appreciation for **preference, passions and motivation** are the cornerstones for how Netflix so successfully turned from content provider to one of the world's best content producers.

House of Cards was seen by many so-called experts to be an enormous gamble. However, the decision was not based on a creative whim or brainstorm, as so many marketing campaigns are, but on deep rooted insights about what people had been watching, and most importantly, **why**.

Netflix was able to use data from people's viewing habits to understand their passions and preferences and therefore draw a detailed understanding of what 'job' they wanted done from their TV series.

So, when creating your next marketing strategy take time to step back from the data and ask yourself the simple question, why? *Why will the customer buy this and what job are we doing for them?*

Once this question is answered and you have a clear product positioning that matches the job at hand, then you can turn to the *who, what, where, when* and *how* data to determine which channels to promote your product through.

TIPS FOR WORKING OUT THE WHY

1.

Simply watching your customers and observing what they do is always more valuable than listening to what they say. People are human and their purchasing behaviour is based on meeting emotional or physical needs. When you ask a question, people know they are being judged so the best way to understand why someone does something is to observe them. Actions speak louder than words.

2.

If you do conduct interviews then make sure you speak to your actual customers, not just focus groups. Find out **why** people chose to buy from you, and importantly, **why** they may have stopped and chosen to use a competitor.

3.

Invest in behavioural insights and advanced analytics. McKinsey estimates that companies that focus on the 'why' outperform their peers by 85% in sales growth.

4.

Use social media to listen to what people are really saying. Nivea took this on board and discovered that customers were taking to beauty forums to complain how their deodorant left stains on textiles.

5.

Listening can be taken a step further by working with your customers to co-create and bring them into the creative and development process. Looking to boost haircare sales, Unilever engaged with women in the US via My Beauty Café. The result saw their share of the market jump from 9% to 16%.

ABOUT THOMOND

Thomond is a strategic marketing consultancy that works with senior decision makers to create and deliver marketing strategies that outperform the market.

Using our unique combination of research and insight tools, our experts analyse your sector's challenges, your customers' needs, and your own business complexities, to create marketing strategies that maximise ROI.

After that, we deliver lasting results with our fully-flexible agile activation model. Our independent approach means we're totally objective about the marketing channels we recommend for your business. This guarantees you'll always have exactly the right mix of tactics and talent to activate and optimise your marketing plan.

CONTACT

To learn more about how Thomond can help you create marketing strategies and activation plans that drive tangible growth, contact Head of Strategy, Jonathon Bates at

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