



PERSPECTIVE >

◦ Richness of Relationships Get to Know Your Customer Again (and Again)

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If you believe, as Rubicon does, that excellent sales and marketing revolves around meeting customers' needs, then this article will develop how that belief can guide the work of you and your team. "Knowing your customer" is not, of course, a new idea in marketing. Today's market landscape is characterized by pressure for high-volume, reduced transaction costs and e-commerce, ever-increasing specialization in products and needs, and shortened product life cycles. In this context, we are pressured to rely on impressions or memories or articles in the Sunday paper — anything that saves time — to provide a portrait of the customer. Following our beliefs, however, reminds us that it is more necessary to invest the time and energy in meeting, learning and understanding our customers. We want to get so close that the team can explain who the customer is, as a name, a place, and a voice — and know what the customer needs, and think about connecting points to help finish the route-to-market puzzle.

◦ Past Product Positioning

When some marketing people talk about their products or technologies, they say, "we're building XYZ to meet the needs of business enterprises." This is a Wall Street product positioning sentence meant to suggest that all businesses will want your product, and it can help orient a direction. But, as you know, it is not the customer solution.

Instead, it's important to determine which kind of enterprises we aim to help, and what issues they struggle to address. We want to:

- Understand their business drivers and pressures.
- Take the time to understand how they currently solve their problems.
- Learn what is broken in their workflow process.
- See how the different parts of their organization partner to provide solutions, and
- Feel the kludged way they hold things together now.

We want to eliminate the approach that is focused on some cool technology made in some sleek office tower that we are certain (after a fanfare launch full of pomp and marketing glitz) some other company will buy.

Rubicon seeks to consider how to move from the place of faceless market segmentation to a deeper relationship with our customers. Let our relationships guide who we become, and how we serve fel-

low people. We propose a way to develop richer marketing as a result.

◦ Hand It Over to the Experts

Recently, an executive of a Fortune 500 company described a sales and marketing program involving channel development for an existing product line. The noteworthy point was that a channel had recently been recruited for the product line, and thus the connection point between the company's offer and the customer opportunity was now addressed. The belief was that revenues would surely follow now that some hundreds of resellers had been signed up.

For us at Rubicon it was one of those "uh-oh" moments: if this was the entire channel strategy, then someone was likely to be deeply troubled within the quarter. And yet, we can understand what's behind this thinking: channels do connect customers to products — it is the pipeline of connections. After all, without this pipeline, surely the product cannot flow to the customer. And by signing up resellers, hasn't the connection been made? Hasn't the company done its channel development? And isn't more better? Maybe. Maybe not.

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So, what are the circumstances in which it makes sense for you to depend entirely on your channel? Ask yourself the following questions:

- Does your customer have good knowledge of the product or of the product category? If so, it may be quite possible that they just needed a good avenue – your channel partner — to buy more.
- If your product is part of a larger solution, does your customer already understand the solution that your product provides? If not, can your channel deliver that understanding? If so, then the fitting your product into a solution will not be a barrier.
- Does your customer recognize the usage benefit (i.e., the value) of your product, perhaps from an industry colleague. If so, then just getting ready access might be enough to open up a new pipeline to sales.

When the aforementioned vendor made an effort to recruit those channel partners who are best able to reach the customers, the vendor succeeded in making its product available. If the customer already understands the product (or product category), the solution that includes the product, and the product's value, then there will be the "pull" to drive new sales. (A senior marketing professional familiar to Rubicon has described "pull" as "the suck at the end of the hose," a great way of graphically describing the force behind market demand.) This pull will lead the customer to initiate a connection with the channel partner, or respond to the channel's overtures. This situation is usually associated with a widely known product or product category that has reached or is approaching "commodity" status. If, however, you don't have a "generic" product, then perhaps you don't want to ask an unprepared channel to fill a gap between your company and the customer.



- **Is it Magic?**

Frequently companies buy in to the notion that if a channel is hired, then some “magic” happens to bring the buyer or user to the product. What’s wrong with this approach? It’s like hooking up your end of the hose and assuming that the channel or your customer will handle the other end. There was a time when a channel could complete the product offer to the customer. The channel knew so much, and was both technically and market capable of providing the whole solution. But times have changed, and a vendor would be remiss to rely on some “magic” in the channel without doing its homework. As suggested above, a vendor can, of course, sometimes rely on its channel partners. For example, the retail channel can often handle the connection between us as consumers and many products that are within our understanding. We may not know exactly which calendaring software we want but, what the heck, head on down to the Palm software section at the local Fry’s and grab a product based on the features described on the box. Here, we customers already know the user benefit and are ready to make the buy decision, needing only a little information to choose between brands. That software vendor is relying on the channel’s presence and its platform’s (Palm’s) familiarity to provide the pull. In much of today’s high-technology offers, the connection is not so easy. In the more sophisticated, B2B market, for instance, if a vendor depends entirely on its channel, it runs the risk of being leapfrogged by competitors who take the time to understand more about the customer — who they are and what they need.

- **Getting past the “magic”**

Following a “magic” strategy reflects a certain confidence that the channel can address what the vendor does not choose to — or does not know how to — handle. In some cases the channel can carry the day, and not in others. The key is knowing when more than channel partnerships is needed. We in high-tech marketing can clarify the channel-customer connection so that the magic is something we can manage. In fact, that’s a big part of our role. Where do we begin? Here are some things to consider.

Know the real-world solutions. Rubicon recently finished doing 40 customer interviews worldwide in the XML Authoring/Publishing space. Though the users all appeared quite similar, a little investigation allowed four distinct groups of users to be identified. They used very similar words to describe their usage, but when asked their business environment, we could learn something very different. Some were using database repositories, and some were focused on different output vehicles. Some were focused on print documents while others were focused on content sharing. This apparently homogeneous market segment was actually several distinct subsegments when the business context and usage was understood. So consider the application, and specific context of the work. Learn all you can about how your high-technology product or service could be used and is being used. If possible, create a solutions guide that documents your product and the environment into which it is going. Understand what other products have to be purchased at the same time. And understand if your product is replacing existing technology or processes because this customer or institution may need some help to give up its existing ways. This richness of understanding also helps bring fulfillment to the work of marketing. In the process of developing the solutions guide, you just might be able to see the world from the angle of your customer.

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Know all the players wanting the solution. Sometimes marketing people can get really hung up looking at IDC or Gartner reports that boldly carve out a variety of market segments. Such studies can be useful in looking at broad trends, but such a simplistic approach to defining your market assumes that the report was considerate enough to align its (somewhat arbitrary) segment boundaries in accordance with your product. More likely, some supposed customers within the segment will be a poor fit, and many overlooked opportunities will exist outside of the segment. Start by connecting with folks at firms that “should” be in your segment. Look at their corporate culture, and their work conditions, but go beyond this as well. If you were interested in reaching consumer markets, you would probably consider age, gender, education, affiliations, race, income, lifestyle, magazine subscriptions, etc. Essentially the same categories can be applied to the commercial markets, because, yes, corporate customers are people, too. You can understand titles, department sizes, and the role that department and team plays in the corporation’s value chain.

Buyer and buying situation. Understanding who the buyer is can be important, but also understand their role within the purchasing organization. Specifically, what is the buyer’s position in the organization of purchasing and in the user community where the solution will be used. Understand the attitudes of the members of the users toward vendors and brands. Ask about yours but also ask about others. You can get a real sense of attitudes and perspectives. The range can be broad — one organization we recently studied had an IS-driven process, yet one year prior it had a decentralized process where people could purchase what they deemed appropriate. Do the organizations have set buying processes or do they employ contracts of any kind? If so, this might limit your channel strategy, and you’ll want to make sure you optimize for it. Perhaps a new kind of licensing program would allow greater adoption, or some kind of volume discounts when dealing with corporate purchasing houses.

And, finally, does your team know the User? The user in the commercial circle often has characteristics different from the buyer. So seek to understand the same things — attitudes, age, professional affiliations, et al. You’ll want to know the desired product features, service requirements, price sensitivity, and performance needs. In addition, you’ll want to know what is expected of them as they face this difficult economic condition, and what their bosses are asking of them. Understand that, and you can see more ways where you and your technology can help. By considering these different elements of the picture, you take away the mystery of the magic.

- **When should you get to know your customers?**

When during the life of a product should I get to know the customers? A simple answer might be “always,” but we recognize that is impractical. A more realistic approach is, whenever relevant change is evident. If you are bringing about the change, through a new product launch or marketing campaign or pricing change, then you can make pre-emptive contact with your customers. If the change comes from elsewhere, such as a competitive product launch or perhaps a significant merger or industry partnership announcement, you may be forced to do follow-up interviews. But there can be other opportunities as well. When doing a pre-launch customer interview for one product, you are often in an excellent position to “check in” on attitudes or patterns for sibling products. That can be particularly convenient when you want to avoid giving too much away with your questions. Other natural opportunities are, of course, trade shows or other industry events.

◦ **Who on your team should get to know your customers?**

Ideally, everyone in marketing should, over time, get acquainted with real customers. For various reasons, however, many marketing organizations will resist this approach, at least in the short term. Budget and time are often used as the reasons, but this reflects a lack of priority for this process. Some who do it may delegate the assignment to the most junior people in the organization because others are too busy handling “strategic” issues, or perhaps a questionnaire is developed and passed to an outside service firm to poll the customers. Rubicon urges caution in these approaches.

As suggested earlier in this article, market segments that appear to be homogeneous and monolithic can often turn out to have subtle but important differences that can be mother lodes of opportunity for you to add value. These subtle differences are not likely to be found via a multiple-choice questionnaire administered by a summer intern who would rather be surfing. Rather, a seasoned industry expert who cares about customer needs should be enlisted. A prepared questionnaire can be used as a guide, but don’t do a poll; instead, develop a respectful relationship. For each marketing executive, plan on spending one week of your year with customers in the field.

After all, the customer can probably do without your product if need be, but can you do without your customer? In the end, your customer will appreciate being valued, and you will learn more about what value you can bring to the customer.

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◦ **What do we need to give up?**

If we are going to pursue a customercentric approach, then we need to give up the abstract approach of turn-the-crank marketing. It is not a “build it and they will come” or even the more advanced “if we recruit a channel, then customers will get what they need.” The new economy of Internet commerce is changing the nature of marketing. Getting intimate, getting real, and understanding the depth of customers is part of who we can become in this new age of marketing.

We can deepen each aspect of what we do, and then targeting our efforts will foster a series of connections we can only imagine today. For many of your teams, connecting to your customer will be a new (or perhaps long-forgotten) process. Unfamiliar tasks always appear more challenging than the ones we’re used to doing. And, getting connected is not something that happens overnight. Being connected gives our relationships more meaning, and makes work more fulfilling. It is also no longer a “mystery” but a “richness of understanding.” It can transform who we are.

◦ **What is Rubicon’s vision for the future?**

We leave you with these thoughts. If you in Product Marketing can take the time to know your customers as people, you can better anticipate their needs. If you in Sales can broaden your listening, you will not only do well today, but in addition you will improve your customer rapport and provide feedback into your organization for tomorrow. If you are in marketing, you will find a way to associate people with segments and look for ways to make your deliverables powerfully connect. You will likely learn something new, and you will surely add richness to your work. Take the time. It works like... well...magic.

About Rubicon Consulting

Rubicon Consulting partners with leaders who want to grow their high-technology businesses with strategic marketing services. Specializing in go-to-market strategies allows Rubicon to develop marketing programs, channel plans, product positioning, and customer targets. We help clients to design, develop, and implement custom, practical solutions that work.

Rubicon Consulting is the brainchild of Nilofer Merchant, a 15-year veteran of delivering marketing strategies for world-class companies including Apple, Autodesk, Adobe, VALinux, and others. The garnered experiences led to the acquisition of knowledge, models and practices. In time, with sufficient insight, we've developed the ability to predict the outcome of actions accurately. We bring an unbiased, wise, practical, and fresh perspective to your business. Call us if you could use this.

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