THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability

Management tool #B-10: ©

Cooper's breakthrough process for creating compelling Customer Value & Experiences:

Every industry and every market is over-served and under-differentiated. Whatever product or service you sell, there are too many *other* people selling it. And most of us look alike and sound alike…and charge about the same price. So, the key to growing our sales, market share and profitability is to create and consistently deliver compelling value and experiences that 'grab' our target customers, clearly differentiate us from our competitors, make us 'famous'…and grow our bottom line. Mediocrity is no longer an option!

1. The simple truth about customer loyalty:

While most businesses complain that there's no such thing as customer loyalty anymore, the truth is that we're all desperately searching for businesses to be loyal to in every part of our business and our personal lives. It's disruptive to change suppliers of anything from hair cuts to heavy equipment and we'd rather find one good one…and stick with them.

A clear exception to this may be restaurants or travel destinations, where we'll likely have a number of favorites, depending on the experience we want, the budget, or the type of occasion being celebrated.

The simple truth about 'customer loyalty' is this…*"People are loyal to what's best for them…or what they assume is best for them."* That's it. So, if we are not experiencing the degree of loyalty that we'd like in either our business or our personal lives, it's for one of 2 reasons.

1. We aren't the best for our target customers yet. We aren't the clear 'wise choice', and we need to fix that.
2. We are the wise choice for our target customers but, so far, we've done a lousy job of communicating our compelling value story to those specific people. There's no point being the best if we're also the best kept secret.

2. So, realistically, are we the clear 'wise choice' for our target customers?

Do we understand them? Do we know what's most important to them…and do we always deliver that? For help in better understanding our target customers, see Free Business Tool #B-9.

- ☐ "Yes" we are the clear 'wise choice' for our target customers.
- ☐ "Yes" we have effectively communicated that.
- ☐ "No" we have not effectively communicated that.
- ☐ "No" we are ***not*** yet the clear 'wise choice' for our target customers.

3. Understanding our target customers on a whole new level is the 1st step to creating compelling Customer Value and Experiences that will make us the clear and compelling 'wise choice'.

The customer insights delivered by the 6-step process shown below will help us create dozens of ways to deliver compelling customer value and extraordinary experiences that will clearly differentiate our business! As we work through the 6 questions, we'll make a list of every 'value & experience' idea that comes to mind. Then, we'll choose the 10 most impactful and create an Implementation Plan for each. Then, we'll choose the next 10 most impactful ideas and repeat the process.

4. The 6 key questions:

The process starts with defining who our target customers are and what life's *really* like for them. To understand our target customers on this whole new level and start creating compelling value and experiences, we'll start by sitting down for 1 to 2 hours with a few of the best minds and hearts from different areas in our business to ask and answer the following 6 questions. Think and feel like a customer.

This transformational process may take a few sessions, but the results will be extraordinary. Below are the 6 questions:

1. Who are our 'sweet spot' target customers? We'll welcome others if they choose us, but on whom will we focus our clear and specific value and experiences? Describe our target customers, or groups of target customers, as specifically as possible. Once, we've described them demographically, the questions below will help us describe and understand them at a much deeper level.

2. When choosing, buying, using, maintaining or disposing of what we sell:

a) what are they really trying to do (*functionally, emotionally & financially),
b) What do they value,
c) what do they fear,
d) what do they want or need to know,
e) how do they want to feel,
f) and about how much do they expect to pay?

Note: When developing insights for this section, it will be helpful to understand these 2 key concepts:

1. ***There are 3 kinds of value:**
   - Functional Value (we'll offer products, services and experiences that 'work' for our target customers and we'll be available when they need us),
   - Emotional Value (our customers feel better about themselves and the world every time their life touches us and what we sell, in any way)…and,
   - Financial Value (our customers believe they paid a good and competitive price for all the functional and emotional value they got from us).

2. **There are '4 Currencies' in our customers' lives:** (a 'Currency' is anything of value to our target customers that they don't have enough of).

   Those '4 Currencies' are:
   - Money,
   - Time,
   - Feeling Safe (physically & emotionally safe)…and,
   - Feeling Special.

   So, how can we help our target customers to save or make them money, save them time (and respect their time) and help them to feel safe and special?

Question: What insights come from these 5 questions, a) to f), above in this Section #2 and what 'value and experience' ideas come from those insights? Ideas that will amaze and delight our target customers and clearly differentiate us from our competitors?

3. What help might our target customers need in finding us, having confidence and trust in us, and knowing about all the value we offer? (think of all the places that your target customers may be looking for you, or someone like you. Places like your physical location, your website, your videos or social media, your booth at a Trade Show, etc)

Question: How can we creatively and profitably help our target customers find us, have confidence and trust in us and know about all the value we offer? How will we do that in a way that will amaze and delight them and clearly differentiate ourselves from our competitors?

4. When our target customers are:

a) trying to understand the products or services we sell,
b) deciding whether to buy,
c) choosing which to buy,
d) making the actual purchase transaction,
e) transporting or receiving,
f) using,
g) maintaining, updating or renewing,
h) and, finally, disposing of or terminating…

…the products or services we sell, what are they confused, uncertain or stressed about?

Note: The products or services we sell might not have all of these touch point 'steps' listed in a) to h) above. Just ignore the ones that don't apply.

Question: What do the insights developed in answering points a) to h) above tell us about what value we can add, clarity we can create, confusion and stress we can reduce, experiences & convenience we can deliver and relationships we can build that will makes us the clear 'wise choice' and trusted and respected 'preferred supplier'? How can we become their 'Caring Coach'? How can we add joy to every transaction? Whatever we sell, people come to us for that, plus joy! If we ever underestimate the power of the 'joy' part, we make a huge mistake.

5. Which part of each of those 'steps' listed in Section #4 above do our target customers not know how to do, don't like to do, don't have time to do…or simply don't want to do?

Question: How can we creatively and profitably add value and reduce stress by 'bundling' into our offering some of the tasks that our target customers don't know how to do, don't like to do, don't have time to do…or simply don't want to do? If we don't want to 'bundle' some of these tasks into our offering, who can we recommend who will do that excellently for them?

…continued on Page 4:

6. How must we Improve our business to deliver the extraordinary value and experiences to which we commit. Specifically, what:

a) expertise,
b) talented, committed, passionate and joyful team members,
c) ongoing training & communication,
d) empowerment,
e) technology, systems & processes,
f) culture,
g) rewards & acknowledgement…and,
h) consistent proactive marketing…

…must we add or improve to consistently deliver and communicate the compelling value and experiences to which we commit?

5. In conclusion:

So, there we have it. Six questions to guide us through this powerful process of understanding our target customers on a whole new level that will lead to dozens, if not hundreds, of innovative ways to add value and experiences that will 'grab' our target customers, clearly differentiate us from our competitors, make us 'famous'…and grow our bottom line!

Remember, for each idea we commit to implement, we must get specific about what will be done, by whom, by when, at what cost, with what results, measured how and rewarded how?

Being extraordinary takes creativity, commitment *and* courage. Do we have the creativity, the commitment and the courage to be extraordinary…and when will we start this process?

Important note from Donald C: **This process has worked for hundreds of our clients.** I first created it years ago when I was a retailer of ladies' fashions and gifts. When creating our 13,000 sq ft Alive & Well 'warehouse boutique' destination store in Markham, Ontario, I sat down with our team and we thought about and 'felt' what it was *really* like to be a woman buying clothing. What did they hate about the experience? What did they fear and how did they feel? We thought about the functional, emotional and financial value of clothing. We thought about the '4 Currencies' in our customers lives…money, time, feeling physically & emotionally safe, and feeling special.

By going through the process described on these 4 pages, we came up with a 'value and experience' package that resulted in thousands of women driving up to 3 hours to shop with us, sales that were 3 times the national average, winning 7 'Awards of Excellence', including being voted 'Canada's Outstanding Innovative Retailer', all of which brought us endless media exposure. To get you and your team focused on 'possibilities, below are some of what we came up with and had the guts to implement:

1. A completely different business model (a free-standing 'Warehouse Boutique'). We rented inexpensive warehouse space and then, within that space, created a 13,000 sq ft clothing and gift 'boutique'. We saved a million dollars a year in rent, compared to renting space in a Mall, and that allowed us to sell current, 1st quality merchandise at honest saving of 25% - 40%, every day...'no games, no tricks, no lies'…and to create amenities and experiences that existed in no other store.

2. Our staff were not on commission, so no pressure on them or our customers. A large, welcoming sign at the front door announced, *"Our staff are not on commission. They treat you this well because they love what they do!"*

3. A 'Pirate Ship' play area for kids featuring a 28 ft Pirate Ship, a Pirate Island, Pirate Cave and Tree Fort. I'll never forget walking past the Pirate Ship and hearing a 5-year-old saying to his mother, *"Mommy, can we live here?"* Do your customers want to 'live' with you? Do they want to keep coming back?

4. 50 oversized Customer Change Rooms with 4 hooks, a shelf and a mirror in every change room. And our famous signs, found in no other clothing store in the world, *"Please take as many items in the Change Room as <u>you</u> wish!"* Then, we put a security tag on each item, because we were nice, not stupid.

5. A beautiful Drink Bar with 7 kinds of tea, 2 kinds of coffee, 2 kinds of fruit drink, or spring water, in real mugs. Help yourself…no charge!

6. Electric, reclining massage chairs for husbands and boyfriends. Beside each massage chair was a small table with a selection of interesting, current magazines.

7. Customer Washrooms with change tables, 3 sizes of free diapers, diaper wipes and cream. Help yourself.

8. Six high-end Perego strollers for mothers of young kids, so they didn't have to wrestle their own stroller out of their vehicle.

9. Large umbrellas just inside the front door and staff who would walk customers back to their car when it was raining.

10. Themes, events, contests and festivals throughout the year to create fun, joy and excitement.

11. Instant 'Birthday' Parties'. If you were shopping at Alive & Well on your birthday, you got a rose, a personal sized bottle of Champagne, $5 Birthday Bucks and the staff rushed over and sang *'Happy Birthday To You'* at the top of their lungs! Customers blushed…but they loved it!

12. We created 'Zelda the Pet Goose' our goofy cartoon goose mascot who had wonderful 'conversations' with women. Then, we found molded plastic 'Goose Lamps' in New York and sold thousands of them over the years.

13. No Credit Notes. If you returned something, you got your money back, or a replacement…your choice. And, if you had to return something because it was 'accidently' defective, you got your money back or a replacement (your choice) and a quantity of $5 'Goof Bucks', depending on how far you had to drive, to make up for the inconvenience of having to come back.

14. Whenever a customer was buying something as a gift, we gave them our 'No Hurt Feelings Guarantee' card to include with the gift. This allowed the gift recipient to discreetly return the gift to us, if she didn't like it, and receive a refund or exchange, without having to ask the giver of the gift where it came from, or to ask for the receipt.

If you'd like help with this important exercise, I'm easy to find at donald@donaldcooper.com

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