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Catalyst - Strategy

## Creative marketing

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*Instead of pampering existing customers with more features, it is better to cater to those who might be looking for a product or solution which is not as sophisticated or expensive. Such under-consuming or non-consuming customers are more easily satisfied.*

TODAY, most marketers are in a quandary. Not only are many of the leading brands struggling to grow fast enough, but launching new brands has also become far more challenging. Creative marketing has become the need of the hour.

Creative marketing must start by asking three basic questions: Who are the customers? What do they want? How can we meet this need in a superior way compared to competitors?

Identifying the target segment often holds the key to the success of a new product in the market place. Yet, companies continue to be surprisingly naive when it comes to targeting customers. They are surprised when a product they think is tailored to meet the needs of the targeted customers fails in the marketplace.

One reason for this phenomenon is the lack of imagination while targeting customers. Companies are often more focused on product attributes. Instead, as Christensen and Raynor put it in their recent book, *The Innovator's Solution*, they must ask the question: "What is the job the customer is trying to get done?" A new product must aim at getting the existing job done more efficiently or more conveniently.

The `job' must be carefully understood. Here, marketers have to go beyond the immediate functionality of the product. When Real Value launched its vacuumiser in the mid-1990s, it was telling Indian housewives that they could do the bulk of the cooking for the entire week, such as making *chappati* dough in one go. Housewives will like to spend less time in the kitchen. But that does not mean they will store dough for a week, however effective the vacuumiser may be. Indian housewives consider themselves to be home-makers. Any device that makes them feel they are not discharging their responsibility will create much dissonance in their minds. Not surprisingly, the vacuumiser was a major flop. Housewives who bought the vacuumiser have put it away in the attic and are using the vessels that

came along with it to store rice and *atta* in the kitchen!

Sometimes marketers are over-confident that they can create a customer need even if none exists. An important point which Christensen and Raynor make is that the jobs people want to accomplish do not change suddenly. If a job has been unimportant till yesterday, it is unlikely to become important overnight. New jobs do not emerge suddenly just because a product is available.

To get a better grip on customers' needs, companies must also reorient their market research activities. Many companies pride themselves on the elaborate market research they do and the systematic way in which they understand what customers are doing. Yet, when, they launch the product, they find a lot of customer resistance. The reason is that they take customer suggestions to modify the product by adding new features too seriously. The great marketers understand the role of market research. While talking to customers, they focus on the outcome or the benefit the customer is looking for. In other words, they make customers talk about the job they are trying to get done, not the product itself. They take it their responsibility to design and deliver the necessary product/service in the most cost effective way.

Creative marketing involves targeting the right segment. Instead of pampering existing customers with more and more features, it is often better to look for customers who find the current products too sophisticated and expensive or who might be looking for a product or solution which is currently not available. Such under-consuming or non-consuming customers can be more easily satisfied, compared to those who are happy with the current offering and are likely to find fault with the new product. Then, the trick is to stay connected with the customer, obtain feedback and improve the product performance and extend it to the mainstream market. So very often, the right way to identify the target segment is to ask the question, "What is the need our product is going to satisfy?" and then try to think of customers the company is not serving now, who have a similar need.

Sometimes, competitors may have identified the needs of a segment but may not have responded, say, because it is too small. But it is precisely in such segments that success is more likely. It is in segments that look unattractive to the other players where a company can thrive, as it can have customers all to itself, protected from the advances of competitors.

The point to note here is that even seemingly unattractive segments with limited spending power can be tapped and expanded, if companies make the necessary adjustments to their business models. For this to happen, the marketing function should work closely and seamlessly with other functions to develop a new product or modify the existing product. Often, the trick is to cut costs by offering a simplified product and stripping out unwanted features.

Southwest Airlines, for example, has removed all frills to offer air fares which compared favourably with road travel! Southwest is today the most profitable airline in the US. Our own Air Deccan operates a low-cost, no-frills, point-to-point service. Air Deccan has benchmarked its fares against first-class rail fares. The company wants even blue-collar workers to fly. Similarly, HDFC has targeted the middle-class segment which some twenty years ago looked so unattractive that no major business house thought of serving them. But by keeping costs under control, through careful credit appraisal, by setting up a good distribution network and by good customer service, HDFC has built up a hugely profitable

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business that also serves an important social purpose - meeting the housing needs of ordinary people.

At the end of the day, the right customer for a company is one who values what the company can uniquely provide. Such a customer will be loyal and willing to pay a premium for the service provided. Thus, marketers must find customers whose needs fit the company's unique capabilities, not ones who have to be pampered at the company's expense. If the right customers can be identified and tapped, many of the problems facing marketers today will disappear. And that calls for more creativity from marketers than what we are seeing today.

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