

WHO'S MAKING THE BUSINESS DECISIONS? AND WHAT DECISIONS DO THEY MAKE?

Corporate executives face many difficult decisions as they ponder the best ways to arrive at the right products or services to offer, the best ways to market them to their audience, and the best ways to sell them. For their decisions, and their strategic and tactical plans, they have to rely on what they know about their markets and about their customers; beyond that, educated guesses and intuition are often their best guides.

However, there is a better way to increase the chances of being right. This is by considering another set of dynamics in the business model used for those difficult and often onerous decisions.

The end result of any correct corporate decision—be it about product concept, marketing strategies, positioning, pricing—is to get other people to do what we want them to do: buy the product or buy the service that we offer. It follows that the best corporate decision is one that will take into account the reasons why the customers will buy or not buy. Or, more accurately, the correct business strategy will always be the one that will address explicitly the *conditions* under which the potential customer will make the correct—“correct” by the vendor’s definition—choice. Not knowing precisely what those conditions are will consistently lead to failed strategies.

So, what are those choices that the customers make? Those choices, made consciously or unconsciously, are many, and they are not always obvious to the corporate executive. Some of the most common are the choice of the product features and characteristics or of the price they are willing to pay. Naturally, companies had better understand those customer decisions thoroughly when designing a product or service or when pricing it.

However, beyond those decisions, potential customers make others all the time; for example, customers make the multiple decisions of the brand they buy and the manufacturer/vendor they prefer to buy from. They also decide when they should buy or what channel they buy from (if more than one is available). They decide which support services they will buy (and from whom), what level of services they will need, and so on. They decide how they will use what they buy, and they decide to buy again (or not) from the same source.

They also make the crucial decision from time to time *not* to buy, or *not* to buy from this manufacturer, or *not* to buy at that price, or *not* to buy that brand, etc.

In actuality, potential customers make all the decisions that affect them. What those decisions are, and *why* they are what they are, are critical to anyone in the business of offering products and services. And each one of those customer’s decisions, when understood and accepted by the product or service provider, yields the correct strategy for product definition, for positioning, for optimal pricing, for selection of the distribution channel, for marketing strategies, for messaging, and for sales tactics.

Knowing and understanding all the customer’s triggers make the corporate decisions that much easier, that much more predictable, and that much more profitable in the end.