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Why do customers buy from you?

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One of the most difficult things for a business to define is the primary reason its customers commit to doing business with it. Until the business fully understands this value equation, it will struggle to compete and never reach its full potential.

Assuming you know all the reasons customers buy from you is also one of the most common mistakes made both by startups and established companies. A business can get by for a long time without knowing its true client value. But the moment a competitor figures out what that value equation is, the business will be in serious trouble.

Buggy Whip Paradox

Imagine owning the most successful buggy whip manufacturing company in the world. As time passes, the demand for buggy whips dwindles until every one of your competitors eventually goes out of business.

The buggy whip that was once a necessity became a novelty because people started driving automobiles and the need for horse-drawn carriages went away. Even if yours was the only buggy whip company in the world making the best buggy whips any carriage driver ever used, you still would be confronted with a market that stopped using horse-drawn carriages.

The point is the mindset of a buyer is much different than that of a seller. The buyer tends to be focused on "what's in it for me," whereas the seller tends to focus on the technical aspects of "what we do," which buyers rarely care about. The buyer has a need they want to satisfy and the manner in which that need is met will always be of secondary value.

Why People Buy

Think back to your favorite dining experience. What was it about that particular experience that made it so memorable, so special? Can you even remember what you ate? Most people can't, because it wasn't a food experience they were looking for — it was much more than just food.

You can get food at any grocery store or fast-food place if food is all you are looking for. I go out to have a romantic dinner with my wife, or to get away from the grind and be taken care of for a couple of hours.

I know any restaurant I pick is going to have pretty good food — that's a given. What I'm looking for is exceptional service, a great atmosphere, pleasant staff, absence of disruptive noise and something pleasant to look at.

Even when businesses buy from other businesses, emotion is a central driving force. There are no real monopolies in this country, which means every business has a multitude of options when they have a need.

Whether buying office supplies or technology, the decision to buy always comes down to one person being convinced their need will be taken care of. Making certain it happens is what's critical — how it happens is less so.

Gaining Perspective

Once you understand the need your prospect is trying to fill, you can connect with them in a much more meaningful way. You'll be able to connect on an emotional level, which is where most buying decisions are made.

To discover what your customers value about your business, imagine yourself as your next customer. You probably have a pretty good idea of what you want. What are the questions you want answered before you're ready to make a buying decision?

- What if this doesn't work/solve my problem?
- What is the warranty?
- What is the return policy?

- How hard will it be for me to install/use it?
- What options do you offer?
- What discounts or financing options are available?

Think through what your customers are experiencing when they come to you. Ask yourself, "What am I looking for that would make me want to buy from Larry?" The answer must become the focus of your marketing and sales efforts.

The Moral of the Story

Failing to identify the value a business provides is a common problem. A clothing store sells clothes, an auto mechanic fixes cars and a mortgage company provides financing. Why is it so widespread when it doesn't seem all that difficult?

The answer is simple — you're not the buyer, you're the seller. You think about value in ways that few buyers can grasp or will ever understand unless they are in the same business as you are.

Far too many businesses suffer from a failure to communicate. Until you understand exactly what drives people to buy from you and what they value, your business will struggle through ups and downs and will be an easy target for a perceptive competitor.