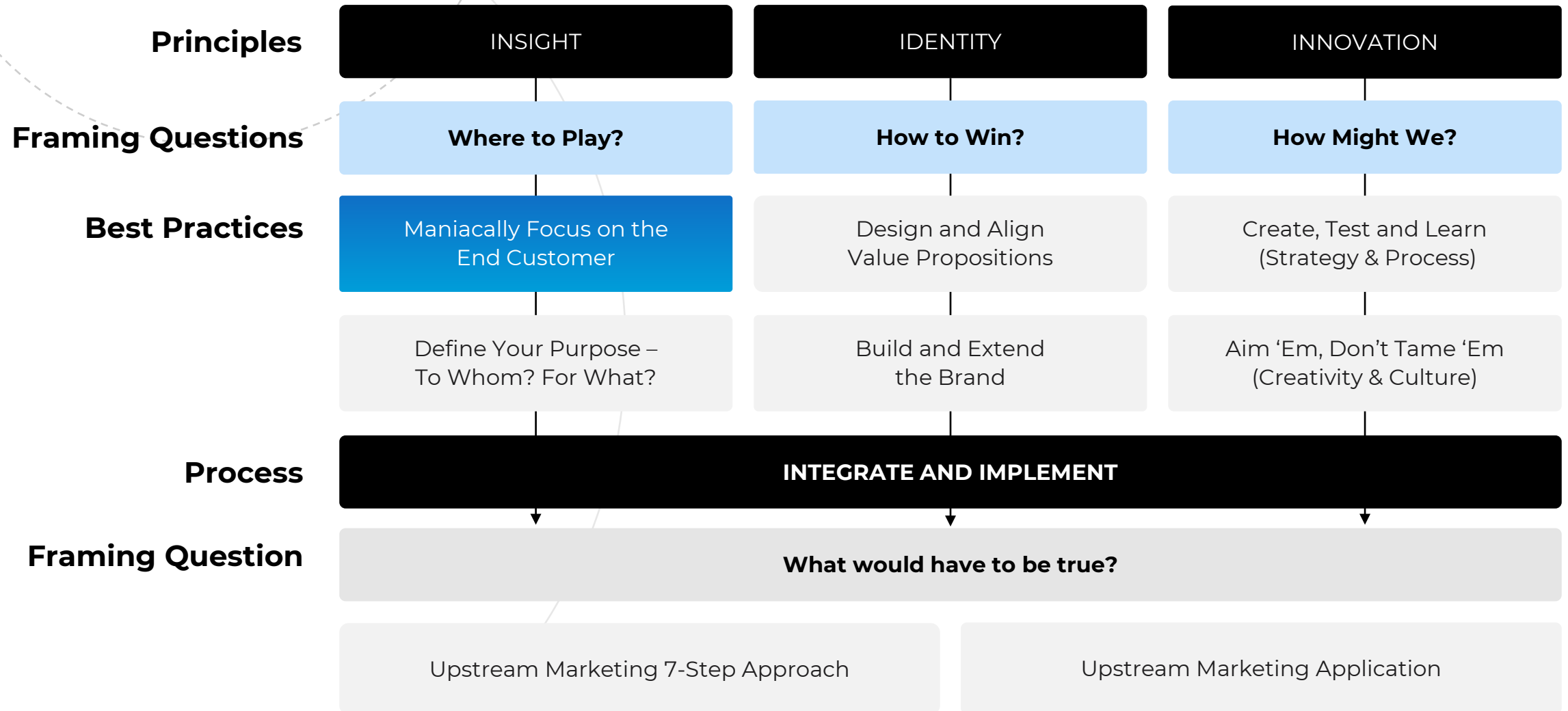


MANIACALLY FOCUS

ON THE END CUSTOMER

Upstream Marketing Framework





What is
MARKETING?

**Marketing is
meeting customer
needs and wants
profitably**

To do this, you must
understand them first, and
this is the role of insight

What is insight?

Insight is the ability to understand something in a very clear way by gaining an almost intuitive understanding of the situation – it's the “aha” or “eureka” moment

Knowledge	Understanding	Insight
Perception (What)	Comprehension (How)	Resolution (Why)
Facts	Meaning	Implication
Information	Principles	Application
Memory	Reason	Action

Another definition



Knowledge is measuring that a desert path is 12.4 miles long

Understanding is packing enough water for the hike

Insight is building a lemonade stand at mile six

Three broad types of insight



Market Insight



Customer Insight

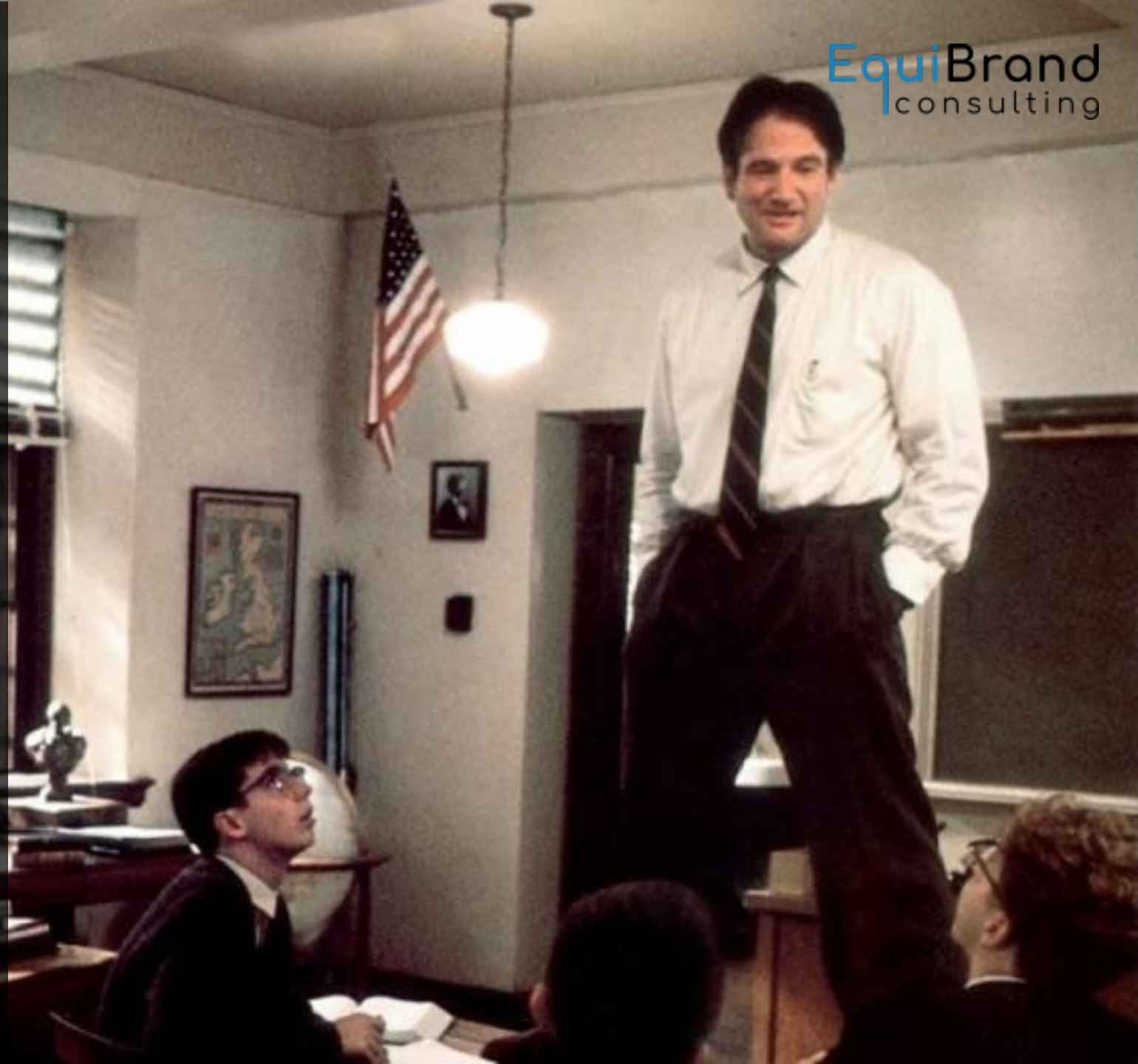


Technical Insight

**Look closer,
think deeper**

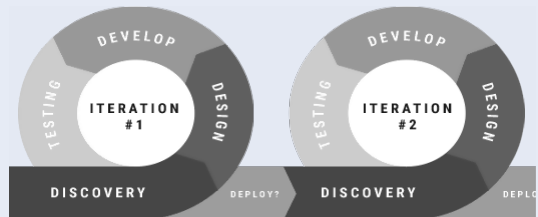
**Discovery
consists of seeing
the same thing as
everyone else and
thinking
something
different**

EquiBrand
consulting



Better insight comes from asking better questions

Customer Insight in Upstream Marketing

Type	WHERE TO PLAY: Strategic Direction Setting			HOW TO WIN: Concept Optimization	
Role	Segment the market to obtain proprietary insight and identify strategic opportunities			Conduct a “deep dive” and use concept iteration to meet target customer needs	
Process	Sequential			Iterative	
	Understand the Situation	Segment the Market	Confirm Strategic Opportunity Areas		
Method	Qualitative		Quantitative	Qualitative	Quantitative
Research Type	Exploratory – explain and frame		Segmentation – split the market	CORE – concept iteration	Validation – confirm the concept
Timing	Both foundational (segmentation every 3 – 5 years) and on-going (continuous listening)			Tied to business cycles, i.e., 90-day increments, including continual iterations	
Viewpoint	Broad ←			→ Narrow	

Key process tool – Concept Iteration

Broad and Deep Array of Strategic Need Areas

The “Bait”:

Benefit-based solutions that satisfy the need

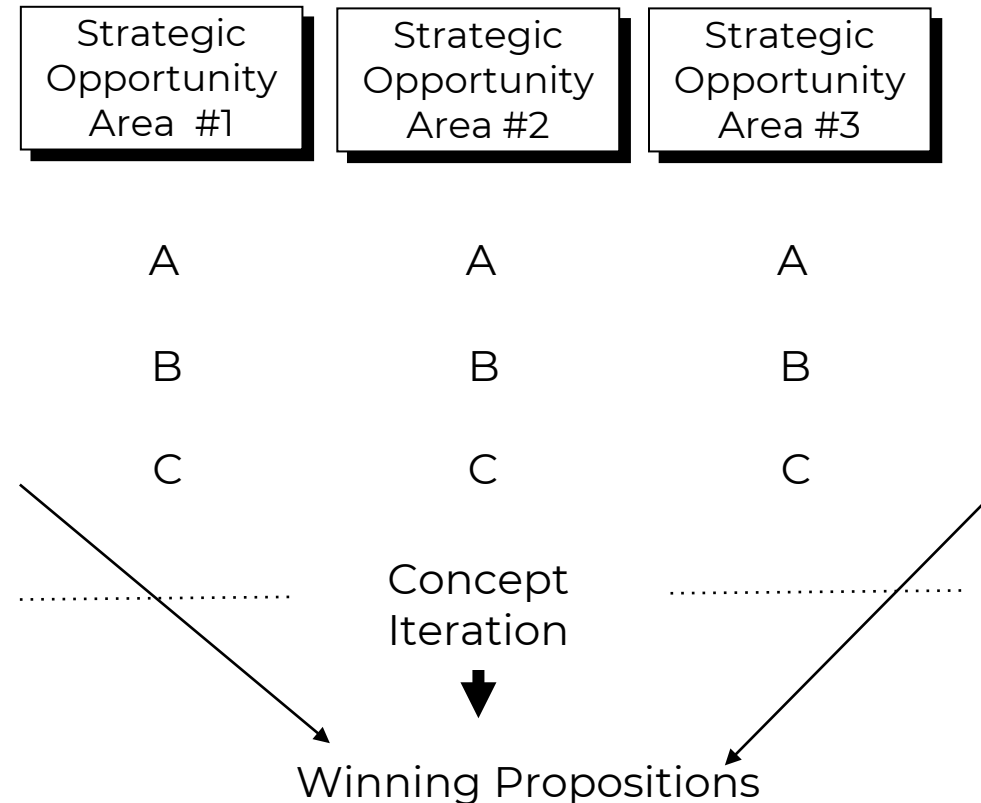
- Rational
- Emotional

with Refinement and Optimization

The “Result”:

A set of high- performing concepts

Broad and Deep Array of Strategic Need Areas (The “Pond”)



‘Whiteboard’ benefit-based concept example



“Physically, Disneyland would be a small world in itself. It would encompass the essence of the things that were good and true in American life. It would reflect the faith and challenge of the future, the entertainment, the interest in intelligently presented facts, the stimulation of the imagination, the standards of health and achievement, and above all, a sense of strength, contentment and well-being.”

How to Win whiteboard concept example

Transform your business using the principles of insight identity and innovation.

Create a headline that describes the core idea and benefit delivered

Describe the customer insight in one sentence

Explain your plan to help them, including product description and corresponding benefits

End by reinforcing the desired end state

- Describe this, through the eyes of the customer.

Unlock growth using the combined principles of insight, identity, and innovation

Many business leaders see their playing field as fixed and overemphasize downstream marketing. A downstream focus is necessary, but not sufficient.

Upstream marketing is a proven way to grow, though it lacks familiarity, understanding, and practical instruction. It takes time, can be difficult to do, and may be hard to measure.

The upstream marketing framework provides a structured way to enact the principles of insight, identity, and innovation and six corresponding practices to answer four key strategy questions.

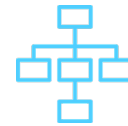
Tips for better insight



Be clear about who you're getting insight from



Focus on customer benefits, jobs to be done and new demand spaces



Construct a benefit hierarchy



Classify benefits by type



Envision the future state, then write it down



Use whiteboard concepts and strawman proposals to experiment and learn



Always be listening

01

Be clear about who you're obtaining insight from



There is no such thing as
an “average” consumer



Consider the 80-20 rule



Understand the needs of
most intense users

02

Focus on customer benefits, jobs to be done, & new demand spaces

People don't want to buy a quarter-inch drill; they want a quarter inch hole."

- Theodore Levitt, American economics and business professor

APPLE PRESENTS IPOD Ultra-Portable MP3 Music Player Puts 1,000 Songs in Your Pocket

CUPERTINO, California—October 23, 2001—Apple® today introduced iPod™, a breakthrough MP3 music player that packs up to 1,000 CD-quality songs into an ultra-portable, 6.5-ounce design that fits in your pocket.

iPod combines a major advance in portable music device design with Apple's legendary ease of use and Auto-Sync, which automatically downloads all your iTunes™ songs and playlists into your iPod, and keeps them up to date whenever you plug your iPod into your Mac®.

"With iPod, Apple has invented a whole new category of digital music player that lets you put your entire music collection in your pocket and listen to it wherever you go," said Steve Jobs, Apple's CEO. "With iPod, listening to music will never be the same again.

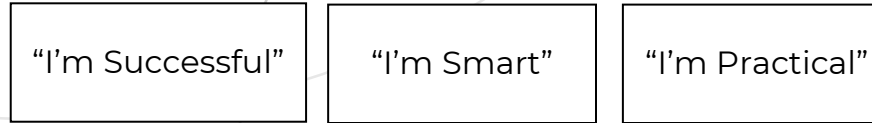
03

Construct a benefit hierarchy

Hypothesized Automotive Benefit Hierarchy

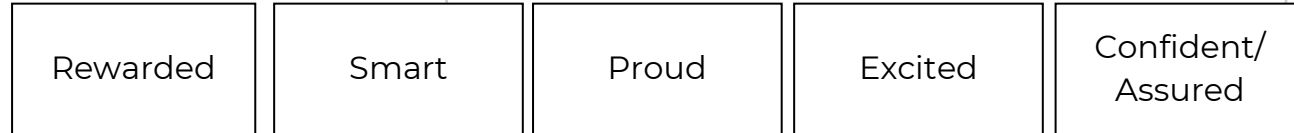
Self-Expressive Benefits:

What does it say about me?



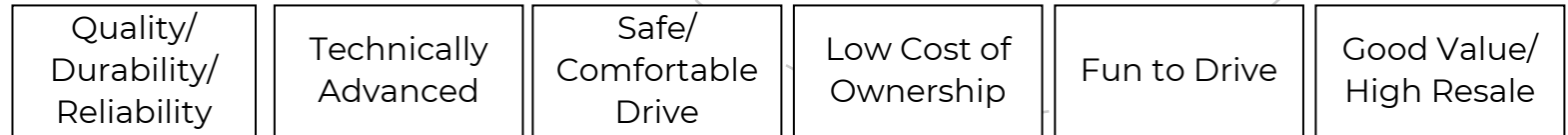
Emotional Benefits:

How do I feel about that?



Rational Benefits:

What does it do for me?



Functional Attributes

Functional Attributes:

What are they?



03

Construct a benefit hierarchy

Hypothesized Benefit Hierarchy

Self-Expressive

Benefits:

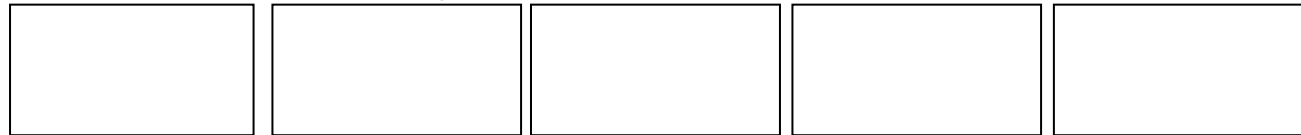
What does it say about me?



Emotional

Benefits:

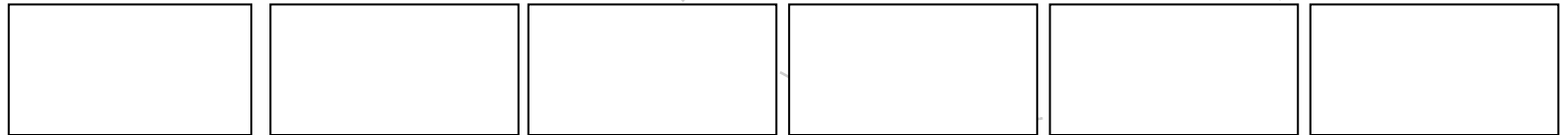
How do I feel about that?



Rational

Benefits:

What does it do for me?

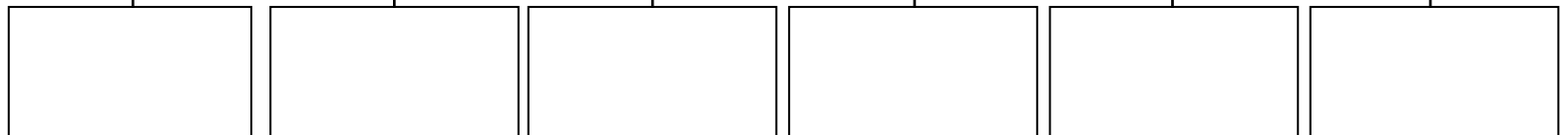


Functional Attributes

Functional

Attributes:

What are they?



04

Classify benefits by type

Benefit Classification		Fast Food	Financial Services	My Category
Ante	Required to gain entry to considered set	<ul style="list-style-type: none"> • Good taste • Timely 	<ul style="list-style-type: none"> • Adequate returns • Safety, security 	•
Driver	Key benefits that differentiate products and drive brand preference	<ul style="list-style-type: none"> • Never frozen, fresh taste • Family friendly 	<ul style="list-style-type: none"> • More convenient access (call, click, visit) 	•
Reassurance	Elements, often emotive, that solidify the bond with the customer	<ul style="list-style-type: none"> • Part of your community • Billions served 	<ul style="list-style-type: none"> • Longevity • Dollars under investment 	•

05

Envision the future state, then write it down!

Pick a date—say five years from today: Record this on a blank page

Think about where you'd like the organization to be five years from now: Should be aspirational, but also achievable

Write the headline of a WSJ article capturing the essence of the future state

Give the main idea and leave the reader wanting to know more

Finally, write a paragraph that describes the situation from two perspectives: Where you are today and how you got there (the ideal end state)

“Skate to where the puck is going, not to where it has been.”

— Wayne Gretzky, hockey great

06

Use whiteboard concepts and strawman proposals to iterate

Whiteboard concepts

- Desired end state
- Externally focused
- Consumer language
- Benefit-based

Strawman Proposals

- Internal debate
- Pick apart and improve
- Customer framework, value proposition, business model canvas

07

Establish an insights engine and always be listening

1. Nike's use of professional athletes in product development
2. Starbucks' crowdsourcing new product ideas on its company website
3. Disney's virtual reality, augmented reality, and artificial intelligence to reimagine, design, and prototype new experiences
4. Google's algorithms that continuously build on its customers' collective intelligence
5. Amazon breaks down its business in formulaic terms, then captures metrics to improve the customer experience real time

Maniacally Focus on the End Customer

Questions to consider

1. What do you know about your important customers that your competitors don't know?
2. Have you structured insight gathering to obtain critical where-to play and how-to-win perspectives?
3. How would you define the benefit hierarchy for the category in which you compete?
4. Are you using concept iteration to get people on the same page strategically?