

How To Create And Deliver Real VALUE

There is an exciting change going on all around us.....and we are all a part of it. It is transforming the well being of individuals and families. It is transforming businesses. It is transforming countries. It is transforming the world marketplace.

This change is generally peaceful, but sometimes painful. It is exhilarating, but sometimes exhausting. It is inspiring, but also somewhat intimidating.

What is this change?

It is the increasing universal understanding and acceptance that providing real VALUE is the bottom line for every enterprise.... whether it is privately held, publicly held or even governmental.

This change is the global recognition that Customers' perception of the VALUE provided determines whether an enterprise flourishes or goes out of business.

We see the results of this change daily in the stunning successes of VALUE providers like Dell Computer, WalMart and Coca Cola. We also see it in the disappearance of institutions which Customers judge to no longer provide VALUE.....from the old neighborhood corner grocery store to the former USSR.

This single, powerful idea of providing real VALUE is driving breathtaking change in organizations throughout the world!

We believe that this is happening right before our eyes, because the Customer is now in charge as never before. It is the Customer who is driving these incredible changes.....and we believe will continue to do so.

■ WHAT DOES THIS MEAN?

The implications for each of our businesses are significant.

Today we Customers (you and I) are more knowledgeable than ever about what we want, when we want it, where we want it, how we want it, and how much it is worth to us.....no matter what it is.

"It" can be a brand of breakfast cereal, a package delivery service, an airplane ticket, a fast food hamburger, office

supplies, or even a government program. In every case, we Customers are making more informed decisions everyday about the perceived Value that these products and services provide to us. Those that deliver VALUE to us receive our loyal support. Those that do not deliver VALUE to us are abandoned.

We Customers are the ones actually driving these changes, as we continually seek greater VALUE from all of the products and services we consume.

It's a simple idea.

Those who provide VALUE everyday will receive our support and thrive. Those who don't will struggle or go away.

■ WHAT IS VALUE?

VALUE is not lowest price.

Lowest price isn't how we make our decisions on what car we drive, what clothes we wear, what we eat and how we spend our free time. If low price was that important we would all be driving Yugos, wearing inexpensive look alike clothes, eating the cheapest commodity foods and watching network TV! That isn't happening.

VALUE is much more than that.

To begin with, VALUE means something different to each of us, because each of us is different (aren't we?).

What we need is a practical way to understand VALUE that we can use in our everyday business decision making.....so that we can focus on providing VALUE to our Customers.

■ OUR RE-INVENTION OF MARKETING

We have studied human behavior and companies for three decades, and have come to the conclusion that traditional marketing must be re-invented to help us all better understand the meaning of VALUE. Unless we truly understand what VALUE means, how can we deliver it?

Our firm has developed a powerful new approach to understanding and delivering VALUE. We call this THE NEW MARKETING™.

Recent issues of *The Stokely Letter* have presented an overview of THE NEW MARKETING™.

You, our readers, have responded enthusiastically about the power of this new approach.

THE NEW MARKETING™ helps to define and understand VALUE in a dramatic new way.

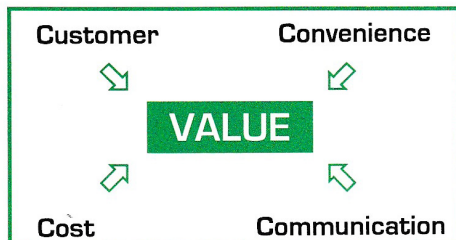
It is based on a synthesis of what we have discovered to be the four essential VALUE drivers of success in this new global economy.

The 4 VALUE drivers, which we call the 4 C's, are:

1. **CUSTOMER**
2. **CONVENIENCE**
3. **COST**
4. **COMMUNICATION**

These 4 VALUE drivers, the 4 C's, represent a practical and workable way for organizations to focus on creating and delivering real VALUE today....and tomorrow. Those that understand and pay attention to the 4 C's are winning in today's marketplace.

The New Marketing™ - The 4 C's



■ HOW THE NEW MARKETING™ CREATES AND DELIVERS REAL VALUE

Let's look briefly at why each of the 4 C's is so important.

1. **CUSTOMER:** Every successful enterprise must clearly understand how their current and prospective Customers are continually changing. Too often firms are so preoccupied with producing and selling their product or service that they lose touch with what their Customers really want. Staying close to your Customers through active asking and listening is key.
2. **CONVENIENCE:** We live in an Anytime, Anywhere, Anyway global economy. How, when and where products and services are purchased is dramatically evolving. Companies who make it easier for us, get our business. The more convenient the better.

3. **COST:** Low Costs enable companies to more effectively compete in many ways, including lower prices. Whether the product or service is sold at a premium price or at a discount, it is key to focus on your Costs. Greater efficiency and effectiveness for each dollar spent enhances the company's market position relative to its competition. It also enables the company to reinvest more in strengthening its offering.
4. **COMMUNICATION:** Building relationships with Customers is another key to future success. This comes through effective two way communication. The old hard sell promotional approach is being replaced by collaborative techniques. Products and messages are being customized to appeal to the needs of each Customer.

SUMMARY

We believe The New Marketing™ offers the keys to effectively compete in this new, global, high technology economy. By focusing on the 4 C's, companies are able to create and deliver greater VALUE.

In future issues of *The Stokely Letter* we will continue to share with you examples of best practices from leading firms. We will also comment on ways you and your firm may put THE NEW MARKETING™ and the 4 C's to work to more effectively compete.

As always, we enjoy hearing from you.



"Face reality as it is, not as it was or as you wish it were."

Jack Welch, Chairman, General Electric

"If you don't know where you are going, when you get there you'll be lost."

Yogi Berra

"Just because we've done things wrong for years is no reason to change things now."

Anonymous