

QUESTION YOUR WAY TO INNOVATION

Most organisations seem to base their innovation thinking on trying to offer some product or service that their competitors do not. This tendency to concentrate on just the products or services has the risk that they may well be missing out on another source of innovation. This new vista opens out only when the company works on the “consumption chain”. This chain refers to the entire gamut of customer experience as follows:

1. How do people become aware of their need for your product or service?
2. How do consumers find your offering?
3. How do consumers make their final selections?
4. How do customers order and purchase your product or service?
5. How is your product or service delivered?
6. What happens when your product or service is delivered?
7. How is your product installed?
8. How is your product or service paid for?
9. How is your product stored?
10. How is your product moved around?
11. What is your customer really using your product for?
12. What do customers need help with when they use your product?
13. What about returns or exchanges?
14. How is your product repaired or serviced? What happens when your product is disposed of or no longer used?

Having mapped the ‘consumption chain’ in this manner the next step on our goal of generating innovative ideas is to analyse the customer’s experience in each link in this chain. The purpose is to gain insight into the customer experience by appreciating the context within which each step in the chain unfolds. At each step the customer interacts with people, places, occasions, or activities. These interactions determine the customers’ feelings toward your product at each link in the chain. If we view these interactions in the right perspective we may well come up with innovations. Essentially what we have to do is to ask a series of simple questions - **what, where, Who, when, and how**---at each link in the chain.

LET US EXAMINE THE APPLICATION OF THIS TECHNIQUE IN THE CONTEXT OF A BANK WISHING TO EXPAND ITS CAR LOAN BUSINESS.

When does THE PROSPECT THINK OF BUYING A CAR? The answer could be that once a person has been riding a two wheeler for some time he or she may start considering buying a car. Also when a young person gets a high paying job he may seriously consider a car. A person who has received a promotion sometimes feels that he needs a car in keeping with his new status. Thus one of the ideas emerging from the point of view of the bank is an effort to contact two wheeler owners beginning with their existing clients who have availed of a two wheeler loan. Also a scheme to contact students graduating from top management or other professional educational institutions could be a source of business.

WHAT are customers doing at each point in the chain? What else would they rather do? What problems could they be experiencing? Is there anything the bank could do to enhance their experience while they are at this stage of the chain? Thus the bank could well reason as follows—the customer is pondering over the parameters of the buying decision, the cash flow implications if availing a loan, the hassles of buying, insuring, servicing the car etc. This leads to innovations as follows. The bank gives a brochure from all the major brands and suggests an expert approved by the bank to assist the customer in the decision making process. The bank also arranges for insurance, and gives a typical cash outflow statement covering all outgoings including fuel insurance, repairs, etc. This will help the prospect crystallise his thinking. And reduce the tensions arising out of lack of information in his decision making process.

WHERE ARE YOUR PROSPECTS WHEN THEY ARE AT THIS POINT IN THE CHAIN? Where else they might like to be? Can you arrange for them to be there? Do they have any concerns about their location? The bank could decide as follows—the prospect would prefer to take the loan decision in the comfort of his home in the presence of his family. Thus the bank official could well arrange to meet his prospect at the latter's home. Alternately the bank official could offer to meet the prospect at the dealer's showroom where the deal could be finalised after preliminary discussions between the bank and the customer have already reached an advanced phase.

WHO else is with the customer at any given link in the chain? Do these other persons also have any influence on the prospect? If you could arrange it who else might be with the customer? If you could arrange it how might

those influencers influence the decision? The bank might argue as follows—car buying decisions may be influenced by several people—family, friends, colleagues, experts, etc. In the case of a car mela this is eminently feasible—experts could be requested to explain to the prospect the advantages of each brand for example.

HOW does the customer handle the first experience after acquiring the car? A bank might argue as follows—the family goes on a long drive to a favourite place—Lonavala for many Mumbaiites. Thus the bank could offer a tie up with a discounted rate stay at a resort hotel at Lonavala for their first trip in the new car. The bank could also feel that the customer is anxious about the new car giving. Thus the bank could offer a tie up with the dealers or servicing agents to give priority repair services for their borrowers.