Practitioners' Use of the Buying Behaviour Theory: the Dibb/Simkin Buying Proforma

Most practitioners do not want to read an 800-page text book about understanding customers, but equally they recognise that in order to fully appreciate a business customer's requirements or consumers' buying behaviour, they must be able to:

- profile the targeted customers/consumers be them!
- understand the composition of the buying centre
- identify their key customer values (KCVs) customer/ consumer needs and expectations
- determine how the customers/consumers buy their buying process
- understand the influences at work on this process.

In order to devise effective marketing strategies and programmes, marketers must be able to answer three key questions.

- What needs must be satisfied and for whom?
- Where should marketers be active in the customer/consumer buying process?
- Which influencing factors can they in turn influence?

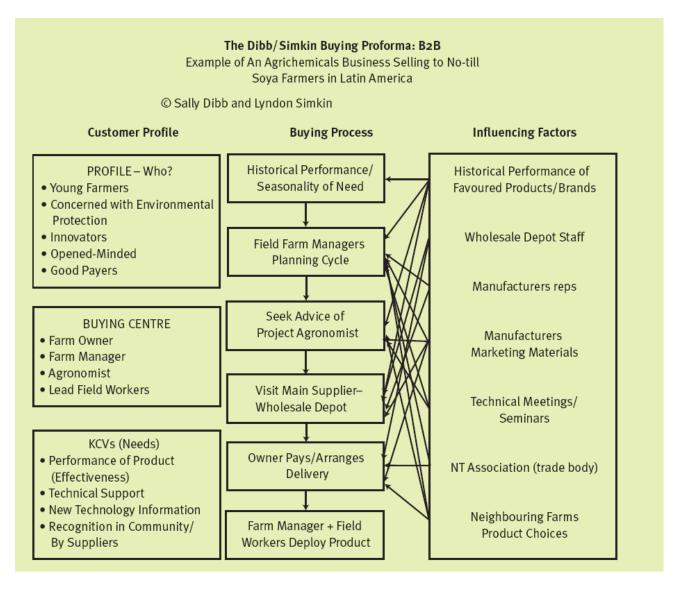
There are many approaches to addressing such an understanding of business customers or consumers, but one proposed by Dibb and Simkin has been widely adopted across consumer, business and service markets. Two examples are presented here in order to illustrate this approach.

A leading supplier of herbicides, pesticides and seeds segmented the farmers – the customers – in Latin America, identifying 22 market segments (see Chapter 8). As an example, one segment is profiled below, illustrating the types of farmer in this segment, the nature of the buying centre and the very specific, ego-led customer needs. In order to operate successfully in this market segment, a supplier has to satisfy these needs but also tailor marketing campaigns to the characteristics of these farmers and the varied mix of professionals within this buying centre. In developing a better understanding of the buying process, this agrochemicals business realised there were important influencing factors impacting on customer choice that it had previously ignored. Contact was made with organisers of the technical seminars and the trade association in order to gain an advantage over rivals.

In common with most banks and building societies, the bank that conducted this research marketed its products directly to the targeted consumers: first-time house buyers. Marketing research (see Chapter 9) identified the important influencing role played by the parents of these potential customers, and of independent financial advisers, estate agents and the bank's own staff involved in daily routine banking activities with such customers. Different marketing messages and campaigns were produced to appeal to these various target audiences. The real added value came from targeting information about its mortgage products to the parents of young adults aged in their 20s. It was quite straightforward for this bank to trawl through its customer database in order to identify customers with children in such an age range. Market share in this mortgage segment duly quadrupled in less than a year. This bank undertook a similar analysis across all of its segments in both consumer markets – as illustrated below – and in its business markets.

The Dibb/Simkin Buying Proforma:

- forces managers to 'think customer'!
- provides much more than just a description of 'who to sell to'
- identifies exactly what a company must provide/offer
- reveals the influences the company in turn must strive to influence
- provides a framework against which to compare competitors' moves and marketing programmes.



The Dibb/Simkin Buying Proforma:B2C Example of a Bank Marketing Mortgages to First-Time House Buyers, Non-Professionals in the UK © Sally Dibb & Lyndon Simkin **Customer Profile Buying Process Influencing Factors** PROFILE - Who? Parents' Experience of Research • 24–30 year olds Mortgages • Non-Graduates, Skilled Technical Workers Parental Advice/Friends Financial Services Average Income x 2 Best Buys No Children Providers/Brokers Lender/IFA Peers/Work Colleagues/ How much will they lend Friends BUYING CENTRE Identify the House/ Job Market/Security • Couple Purchasing or Make an Offer Individual Parents? Estate Agents Select the Mortgage Provider High Street or Online Advertising Application Form Media/Press KCVs (Needs) · Affordability • Discounted rates Relationship with Current Parental Contribution! • Support + Service Through Account banker a Complex Process · Cash-back to Buy Essentials Consistency Purchase House/ Staff in Branch of Bank No Jargon Move in (Prior Experiences)

The Dibb/Simkin Buying Proforma is copyright Sally Dibb and Lyndon Simkin. A more extensive explanation of this technique is offered in either The Market Segmentation Workbook (Dibb and Simkin) or The Marketing Planning Workbook (Dibb, Simkin and Bradley), both originally published in 1996 by Thomson, London.