

Meeting Customer Expectations

An important part of maintaining sales is offering products that customers want to purchase. When R&D decisions are being made, the customer buying criteria should be at the forefront of that decision. Finding the balance between meeting these expectations while remaining profitable is a key component of operating a successful company.

Two areas of the customer buying criteria change each year:

- **The ideal spot** – customers will always demand faster (*increase in pfmn*) and smaller (*decrease in size*) products
- **Price range** – the range provided on the customer buying criteria will decrease by 50 cents each year

Example Customer Buying Criteria for Traditional segment

Buying Criteria	Expectations	Importance
1. Age	Ideal Age: 2.0	47%
2. Price	\$19.00-\$29.00	23%
3. Ideal Position	Pfmn: 6.4 Size: 13.6	21%
4. Reliability	MTBF: 14,000-19,000	9%

When updating products in R&D consider the following:

- **Where is the ideal spot for this segment? (see next page)**
- **How important is age?**
 - Any change to the pfmn or size will reduce the perceived age.
- **When will these changes take place?**
 - The most drastic of a change that is being made to the product, the longer they will take. We recommend keeping your revision date within the current year in most cases.
- **How important is the MTBF (*mean time before failure*) to this segment?**
 - The higher the MTBF, the happier the customers will be (*while staying within range*) but the higher the material cost.

Below is a snapshot of the perceptual map from the Industry Conditions Report. In each segment, the ideal spot is represented by the shaded area.

Compare where customers would like you to be positioned (the ideal spot) relative to where you are currently. In section 11 of the Simulation Report, you will find the perceptual map with each products name displaying your current positioning. You can also find this in the R&D decision area.

If your products are not near these points, we would recommend thinking about adjusting them in R&D while considering the points on the page above.

