

A Customer Survey Score is your product's report card, with customers giving out the grade.

Your customers start by examining your products against the four buying criteria:

Price, Age, Positioning, and MTBF, which measures reliability.

Depending on the segment, the criteria could either be a major factor in the overall score...or a minor factor.

The Industry Conditions Report shows you how customers in each market segment weigh the criteria.

The Segment Analysis pages of the Capstone Courier also have this information.

*The Segment Analysis pages of the Foundation FastTrack also have this information.*

The Industry Conditions Report shows you how customers in each market segment weigh the criteria.

The Industry Conditions Report describes the Perceptual Map, which is a grid that plots the product coordinates that determine Positioning: they are Performance and Size.

This product is positioned at size 12 and performance 8.

These are segment circles. They represent a concentration of buyers with similar requirements.

We call the inner circle the Fine Cut...

... and the outer circle the Rough Cut.

Circle dimensions are the same for all segments. The inner circle has a diameter of 5 units; the outer circle has a diameter of 8 units.

Each Fine Cut circle has an Ideal Spot, a location where demand is highest. The closer a product gets to the Ideal Spot, the higher the positioning score.

The Industry Conditions Report will show you the Ideal Spot location for each segment.

A product in the outer ring is in the positioning rough cut. Survey scores drop when a product is in any of the rough cuts. The closer a product gets to the outer circle, the lower its score. If a product leaves the circle entirely, there will be no sales to that segment.

Sensors that are about to enter the rough cut can be revised by Research & Development.

Positioning scores change each month because segments and ideal spots drift a little each month in line with changing customer expectations.

Placing a product in the path of the ideal spot will return the greatest benefit through the course of a year.

Each segment has a price range. Customers prefer prices to be towards the bottom of the range.

The Industry Conditions Report and the Segment Analysis pages publish the price ranges. [For Foundation]

*The Segment Analysis pages publish last year's price ranges. Price ranges for the upcoming year will be 50 cents lower. [For Capstone]*

Prices follow a classic supply and demand curve: as price goes up, demand-- and the price score-- goes down.

Products priced above and below the range enter the price rough cut. Survey scores drop for products in the price rough cut. Customers will not buy products beyond the rough cut range.

Mean Time Before Failure, or MTBF, is a reliability measure. It tells you the number of hours a product is expected to last before it malfunctions. Each segment has an expected MTBF range.

The Industry Conditions Report and the Segment Analysis pages publish the MTBF ranges.

There's no additional demand for products that exceed the segment's MTBF range. When products go below the range, they enter the MTBF Rough Cut. Customers will not buy products beyond the rough cut range.

In a Seller's Market, when there are not enough products to satisfy customer demand, customers will buy all available products, even if they are Positioning, Price or MTBF rough cuts.

See "What Is a Seller's Market?" in the Online Guide's FAQ-Reports section for more information.

Every month, customers assess a product's age and award a score based on their preferences.

Preferences differ between the segments.

This segment prefers a product that is two years old.

This segment prefers brand new products.

There is no Age rough cut...a product will never be too young or too old to be considered for purchase. However, products well beyond the desired age will be at a severe disadvantage.

You can, however, make your products younger! When an R&D positioning project completes, customers will perceive your product to be half the age it was before.

The Industry Conditions Report and the Segment Analysis pages publish each segment's age preference.

<pause>

These four criteria are the starting point for calculating the Survey Score.

The criteria scores are multiplied by each segment's weighting. If a segment assigns a high level of importance to a criteria, it will be weighted more.

Three additional factors influence how customers view your products.

Accounts Receivable: The longer you give customers to pay for your products, the more they like them.

Awareness: The more familiar they are with your products, the more they like them.

Accessibility: The easier it is for customers to work with your sales force and distribution system, the more they like your products.

See "How Is the Customer Survey Score Calculated?" in the Online Guide's FAQ/Reports section for more information on assessing your product.

<pause>

Good Luck!