

## **J. Michael Locke**

### **Musings**

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#### **#107: Musing** **January 1, 2021**

Happy New Year. Good riddance 2020.

A key to success is seeing things from the consumers' perspective. You have to think "outside in" and from the "demand side." Call your own 800 number for support. Put an inquiry on the website. Another example is directions. Christmas always brings me some frustration as you try to assemble a product or start a service. Who wrote the often horrific directions? This is one of the lessons from Apple. I remember the first Mac computer our family purchased -- color coded, 1-2-3 steps on "getting started." I recently had a similarly positive experience with Sonos. Make it easy!

Another good move is having different price points with different levels of features to meet the various consumer segments -- "Goldilocks pricing." The three-tier of good, better, best with corresponding prices works best. Look at southwest airlines fares. Apple went this direction with their phone rollouts in 2020. Peloton headed this direction with a higher price new bike with big, swivel screen but also a more affordable one.

Everyone agrees that Covid has accelerated digital adoption from online shopping to telehealth. A derivative affect will be the business processes around data aggregation and analysis. The digital world means consumer behavior is all captured in bytes. How long were they on a given web page? Which color "buy now" button works best? Where was the consumer before they came to your web page (the tracking I hate)? Get ready for voluminous data sets and if you haven't already, staff up your business intelligence/data analytics function.

There is no work/life balance but rather work/life integration. Covid has just made this even more important. As readers know, I don't think you should ever turn on your "out of office" message and you should check emails regularly at nights and on weekends. Conference calls outside of 9-5 are totally fair and appropriate. That said, it is also totally fair and appropriate to do something personal in the middle of the "work day." Work has extend into evenings and weekends so personal life needs to extend into weekdays. Integrated.

Amazing how Bob Crandall's invention lives on in so many ways. He was the CEO of American Airlines who invented frequent flyer miles. Now most consumer companies are rolling out loyalty programs. They really serve to increase switching costs in otherwise commodity markets. Doordash has recently done it. You build up "points" at one provider which creates benefits and thus you are reluctant to switch. I am a Southwest/Marriott/Jimmy Johns/Starbucks guy. Probably some psychological profile in there somewhere.

Here are the top Google searches of 2020 in US. Shows the power of the entertainment world -- Naya Rivera and Chadwick Boseman (may they rest in peace) are up there with the election and coronavirus? Sorry but I could care less about Prince Harry and Meghan Markle. Google Top 10:

- 1) Election results
- 2) Coronavirus
- 3) Kobe Bryant
- 4) Coronavirus update
- 5) Coronavirus symptoms
- 6) Zoom
- 7) Who is winning the election
- 8) Naya Rivera
- 9) Chadwick Boseman
- 10) PlayStation 5

Happy New Year.

Jml