

# KINDUZ Customer Outcomes Matrix – A Case Study on Coke



# KINDUZ

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This case study has been created to simplify the understanding of the ‘KINDUZ Customer Outcomes Matrix’ which was first published under the KINDUZ Thought Leadership with the title “**Delivering Customer Outcomes: The Ultimate Goal of any Organization**”.

Let’s start by taking an example of the beverage industry legend Coca-Cola.

Let’s see how Coke fits into the KINDUZ Customer Outcomes Matrix and understand how it can continue to be a market leader.

		Outcomes your customer expects from you	
		Outcomes you Deliver	Outcomes you do not Deliver
Outcomes your competitor	Delivers	<b>1</b> <b>Red Ocean</b> Innovate for better Outcomes, or be ready to let go!	<b>2</b> <b>The Expansion Quadrant</b> Jump in if we can Innovate for better Outcomes
	Does not deliver	<b>3</b> <b>The Capitalization Quadrant</b> Continue to Innovate to deliver Outcomes	<b>4</b> <b>Blue Ocean</b> Innovate and be the first to offer these Outcomes

Fig 1: KINDUZ Customer Outcomes Matrix

Note that in this case, we are only considering Coke the drink; it does not include other products of Coca-Cola as a company.

		Outcomes your customer expects from you	
		Outcomes you Deliver	Outcomes you do not Deliver
Outcomes your competitor	Delivers	<b>1</b> <b>Red Ocean Quadrant</b> 1.1. Quenching the Thirst 1.2. Availability 1.3. Accessibility 1.4. Increased alertness	<b>2</b> <b>The Expansion Quadrant</b> 2.1. Health 2.2. Build muscles 2.3. Reduce weight 2.4. Cure diseases
	Does not Deliver	<b>3</b> <b>The Capitalization Quadrant</b> 3.1. An emotional connect that comes along with a brand 3.2. Happiness	<b>4</b> <b>Blue Ocean Quadrant</b> 4.1. Make you a super star over-night 4.2. Transport you to the other side of the world 4.3. Make you immortal

Fig 2: KINDUZ Customer Outcomes Matrix for Coke



Let's understand the matrix in detail.

## **Quadrant 1 i.e. Red Ocean of Customer Outcomes:**

This quadrant is the Red Ocean as you and your competitors provide similar outcomes to the same set of customers. All players fight with each other for customer retention and colour the market red. If you find yourself in this quadrant, you must innovate to deliver better on these outcomes.

- 1.1. Quenching the thirst:** Imagine walking for the last 1 hour in a desert and having a chilled coke. Well you know what is 'Quenching the Thirst'.
- 1.2. Availability:** Finding a Coca-Cola while on an expedition to one of the inner most countries of Africa. Coca-Cola is *officially* not available only in two countries all over the world they are North Korea and Cuba.
- 1.3. Accessibility:** A cup of Coke is sold at ₹ 10 (\$0.14) in rural Gujarat of western India and it is the cheapest, most accessible Coke you can probably buy in the world. In some western countries a bottle of water costs more than that of a coke.
- 1.4. Increased Alertness:** Imagine that on a gloomy and a sunny day you are in your office and an important meeting is about to start for which your brain is not ready, how about having a coke now? The caffeine in the Coke helps

These outcomes are also delivered by a Pepsi and many other drinks, hence creating a Red Ocean. You can try to deliver better on each of these outcomes, but the market recognition for the same will be tougher to achieve.

## **Quadrant 2 i.e. The Expansion Quadrant of Customer Outcomes:**

The Expansion Quadrant allows you to expand your customer base by adding products and services that you are not delivering right now. The key factor to be considered for this quadrant is innovation. Since your competitor is already present in this quadrant, you need to use innovative strategies to introduce yourself in this market space.

- 2.1. Health:** With more number of consumers becoming health conscious Coca-Cola has introduced many fruit drinks and drinks with lesser use of sugar.
- 2.2. Build Muscles:** Coke was always preferred by athletes and sports persons because the caffeine content in coke gives them instant energy and alertness, but it is not going to help them in building muscles though. Could Coca-Cola introduce drinks to help grow muscles?
- 2.3. Reduce weight:** Certainly, obesity is one of the causes which is making consumers abstain from drinking carbonated sugar drinks. What if this same drink going to work the other way around? How would you feel if coke is going to help you lose your weight? Coke has threats from many local and international players who are cashing upon the single word that is health. Can Coca-Cola introduce drinks to reduce weight?



**2.4. Cure Diseases:** Most of us hate / used to hate swallowing a tablet when we were sick. How about Coca-Cola making a cough syrup or digestive tonic? After all it is a drink.

These additional customer outcomes can be delivered using new drinks i.e. new products by Coca-Cola. Coca-Cola can expand their market with such new products. If Coca-Cola tries deliver all these outcomes using the Coke drink, it will only create a Brand Confusion in the minds of the customers. Too much of Brand Extension can lead to Brand Confusion and ultimately the death of a brand.

### **Quadrant 3 i.e. The Capitalization Quadrant of Customer Outcomes:**

Do you think that it would be possible for Coca-Cola to sell carbonated sugar water (read Coke) for so long if they depend on their taste or flavour alone? Certainly not. Then what is the Unique Selling Proposition (USP) basis which they kept selling for so long (126 years)?

This market space is your oyster. You deliver the outcomes that your competitor does not. It is your space to innovate and keep delivering these outcomes that your customers seek. You are already ahead of your competitors in this quadrant. The key factor to consider in this quadrant is to keep moving faster than the competition to innovate and deliver more value to your customers.

**3.1. Emotional Connect:** Coca Cola doesn't tell us about how sweet their drinks is or how different Coke is when compared to water. They understood that more than 50% the purchasing decision depend on emotional connect to the brand rather than the features of the product.

How would you feel when you see your name printed on the bottle of one of the most famous brands in the world? That is what coke did with the "Share a Coke" campaign. They gave consumers a chance to Share a personalised Coke with friends or loved ones and creating special moments of happiness, and memories.

The latest "Taste the Happiness" campaign celebrates the idea that the experience and simple pleasure of drinking an ice-cold Coca-Cola makes a moment more special.

**3.2. Happiness:** As a part of the "Open Happiness" campaign a Coke vending machine with words "Hug me" written on it was put up which gives you a free coke for hugging it. By making the consumer hugging the machine their goal was to put a smile on consumers face and share that emotional connection.

When the world was going through a severe financial crisis, Coca-Cola launched its "Open Happiness" campaign. The campaign invites people from around the world to 'open happiness' and enjoy the simple pleasures of life like opening a bottle of coke and sharing this happiness by sharing the coke with your friends.

These customer outcomes are what differentiates are product / service in the market. It is important for Coca-Cola or any organization to continue to invest on these customer outcomes, failing which they will lose their relevance in the market.



## **Quadrant 4 i.e. The Blue Ocean Quadrant of Customer Outcomes:**

This quadrant is the blue ocean and indicates that the market is still uncharted territory. Neither you nor your competitor have entered this space. You can capitalize this situation by introducing products and services that offer customers outcomes that they want but are not being provided. In this quadrant, speed of research, innovation and execution are key factors required for growth and sustenance.

- 4.1. Make you a super star overnight:** Can Coca-Cola make a new drink that makes you a super star overnight (assuming you want that to happen)?
- 4.2. Transport you to the other side of the world:** Can Coca-Cola make a new drink that transports you to the other side of the world (assuming you want that to happen)?
- 4.3. Make you immortal:** Can Coca-Cola make a new drink that makes you immortal (assuming you want that to happen)?

Coca-Cola can think of even more outcomes like this but one conclusion is undoubtedly that, “there is no limit to the extent of outcomes that we can deliver to our consumers - sky is the limit.”

So, what questions should a CEO ask for each service/product they deliver?

- What Outcomes should you continue to deliver to your customers?
- What Outcomes should you stop delivering to your customers, as they are no longer relevant?
- What Outcomes should you start delivering to your customers?

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