



By Richard D. Czerniawski

IS IT A SWITCH OR UPGRADE?

Many marketers are not entirely clear on intended target-customer behavior objectives. In practice, many marketers don't even consider "behavior" objectives when undergoing marketing planning. It's truly a big miss when they don't because, plainly stated, "you don't make a sale without generating a customer behavior." Said another way, "stimulating the customer behavior rings the cash register."

Considering those few marketers that do employ behavior objectives in their planning, many of them will incorrectly state the customer behavior objective. One of the most frequently misstated behavior objectives is to refer to a "switch" as an "upgrade." Let's be clear; both a switch and an upgrade represent switching behaviors. The former defines an external switch. The latter is used to identify an internal switch.

We use the term "switch" or "conversion" to direct our efforts at getting our competitors' customers to switch from using a competitive brand to our brand. For example, trying to get Pepsi consumers to switch to Coke. Alternatively, get an MD who prescribes a competing drug to switch to our brand for the same indication.

We use the term "upgrade" to get our target-customer, who is a current customer, to switch from one of our offerings to our new, improved, next-generation offering in the same category. The latest offering usually delivers more or better performance and outcomes for our target-customer, sports a premium price and affords the organization with higher margins. Brands with a dominant market share and a highly loyal franchise base frequently make this their objective. It is a way to generate incremental sales and profit without having to eke out increased unit share, which can be a costly undertaking.

Mobile phone marketing is a telling example of pursuing the objective of generating upgrades. Yes, these marketers do try to stimulate switching but primarily use next-generation products to fuel growth by upgrading their customers to the new offering. They focus on current users with the new offerings, promising more and/or enhanced features to get them to upgrade from their old (i)phone to the new one.

Marketers may argue that their next-generation offering is better than the competition's product and, therefore, represents an upgrade as opposed to a switch. After all, to their way of thinking, the competitor's target-customer is using something sub-standard or merely standard. Therefore, the competitor's customer is getting something that is better. Isn't that an upgrade? Yes, in the common

lexicon of the word but not in the marketing meaning. As applied to marketing, it is not an upgrade (or trade-up – a synonym for "upgrade"), it is a switch.

One last comment, you may believe that the difference in these two objectives may make no difference in your messaging. However, it makes a big difference to whom you message and how you message to them. Messaging to the target-customer that addresses an appropriate behavior objective in the right way increases your likelihood of ringing the cash register.

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