

Dow Corning customer value and segmentation



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-1Dow Corning Value and Segmentation Dow Corning is considered as one of the leaders in providing businesses with market innovations. The company has grown extensively by providing clients with innovative products and services that aid them in building and growing their own businesses as well. However, although the company was very successful in giving clients products and services that have superior technology, through time, the Dow Corning has been forced to re-evaluate its business strategies.

A change in business strategies in the case of Dow Corning ultimately means changing the way by which they look at and handle their relationships with their clients. The results of such re-evaluation are a new approach to customers and a newly formed customer segmentation.

Basically, Dow Corning has classified their customers into three main categories. First, the company has clients who aim to become the first in the market to introduce certain innovative products and services. For instance, when a company wants to introduce a new product into the market, it may require the expertise of Dow Corning so as to hasten the entry of such product into the market. Such customers want specific innovations that will help them produce new products or develop new services. As cited in the case study, one such company was Reliance Industries. Through the services of Dow Corning, the said company was able to bring to the market a new fiber optic cable that was easier to install and cost significantly less than other available alternatives in the market.

The second customer segment of Dow Corning is composed of companies involved in fast-growing markets. Being involved in fast-growing markets, clients such as these require innovative solutions that will improve their own productivity and performance. These clients require Dow Corning's expertise

so as to avoid being left behind by their competitors in their rapidly growing and changing industries and sectors. What Dow Corning aims to provide these customers is their " proven performance in technology, manufacturing, and supply chain management." (p. 265) With the help of Dow Corning, clients in this customer segment may see vast improvements in their productivity that may then help them become more competitive in their markets.

Lastly, Dow Corning has clients who compete in large and highly competitive markets. Usually, these are clients who have established themselves in the markets. Moreover, such clients have products or services that have been in the market for quite sometime now. The main requirement of such clients is innovative ideas that may help them improve their efficiency and effectiveness in bringing the product to the market. Most of the time, these clients want innovations that would help them become more cost-effective thereby increasing their profitability. With maturing products, such companies can only aim to get as much profit from their products and this can only be done by reducing costs by improving " process efficiency and effectiveness in manufacturing." (p. 265)

Dow Corning's customer segmentation is aimed at improving the value they provide their customers. Through such segmentation, the firm is able to easily identify what their clients need and more importantly, how such needs can be addressed. Although such a set-up is a big change from the company's well-established business strategy, it only goes to show that Dow Corning remains one of the leaders in innovation even when it comes to business strategies.