

# Creative Benchmarking

by Dawn Iacobucci and Christie Nordhielm



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tool

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When comparing your processes with those of other companies, it pays to look beyond the usual suspects.

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IT'S BEEN SAID before that companies should benchmark their practices against those of companies outside their own industry. After all, it's unlikely that the best practices of any one competitor—or string of competitors—will shed light on a company's entire value delivery system.

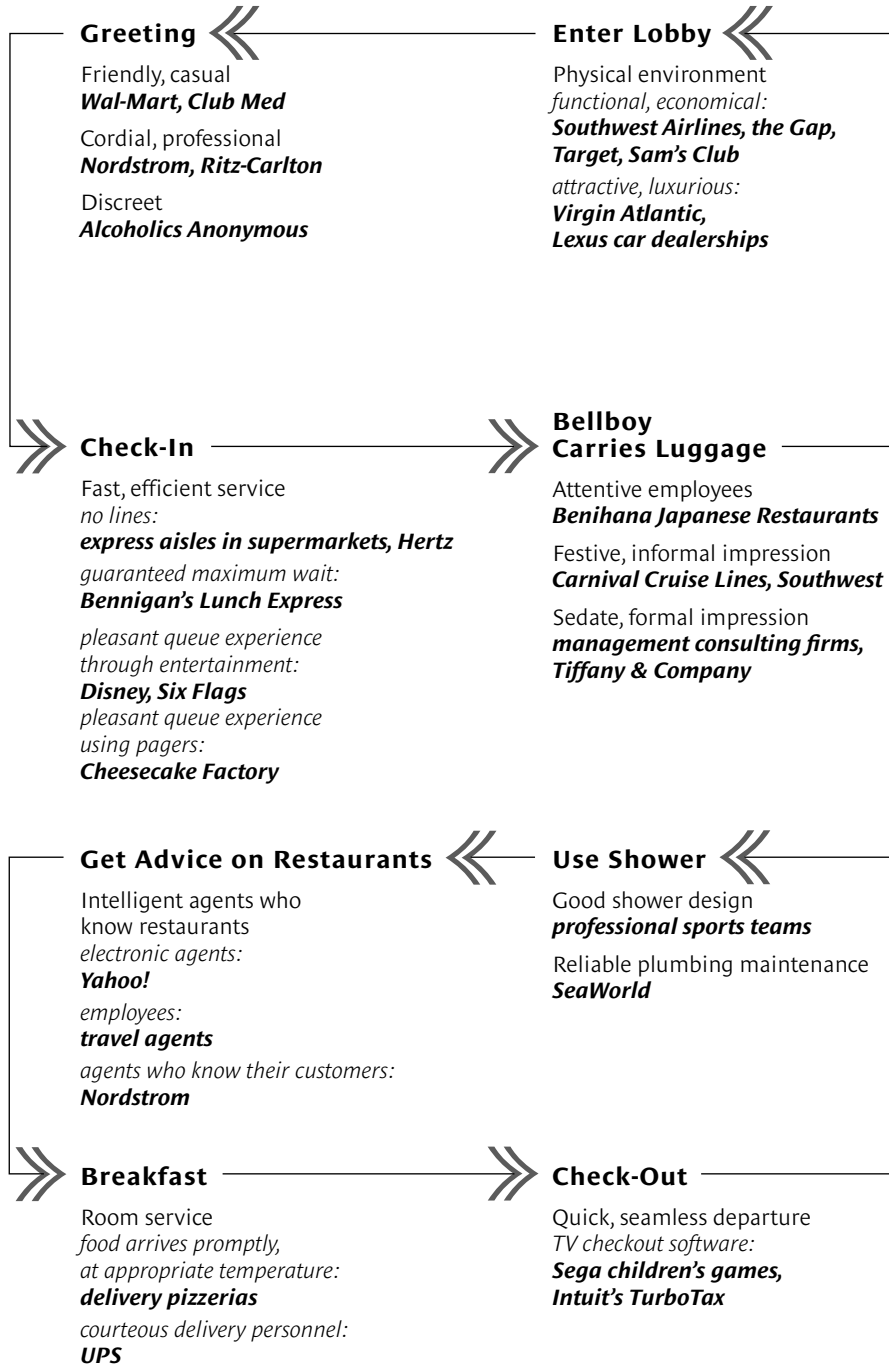
But many organizations aren't sure how to go about comparing themselves with companies whose core businesses do not resemble their own. To help them, we've developed a straightforward approach to creative benchmarking—one that starts from the customer's point of view.

To begin the process, list each step of your customers' buying experience, from the initial recognition of need to the final follow-up after the purchase. Next, determine which factors most influence customers' perception of value at each step. Finally, identify companies that excel at each factor—no matter what industry they're in. By breaking down the value delivery system into detailed, customer-focused steps, this process helps managers identify relevant companies to study.

Take a look at an example of our approach, illustrated in the accompanying flowchart, which shows the steps involved in booking and occupying a hotel room. As the chart makes clear, an astute hotel manager will look far beyond the hospitality industry for models of excellence to emulate.

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*This example lists all the myriad steps a consumer could actually go through in the seemingly simple act of booking and staying in a hotel room. At each step, it is clear that the possibilities for seeking best practices outside the hospitality industry are vast.*

**Choose Hotel**

Awareness and familiarity  
recall:  
**McDonald's, Pepsi**  
Competitive advantage  
price:  
**Crown Books, Gateway Computers, Old Navy**  
quality:  
**Barnes & Noble, Neiman Marcus, Hewlett-Packard**



**Make Reservation**

Availability, yield management  
**airlines, Wal-Mart**  
Flexible pricing  
**Priceline, Sprint**  
Telephone customer service  
**Coca-Cola, Frito-Lay**  
On-line access  
**eBay, Amazon, AmericanGreetings.com**

**Walk to Hotel**

Clear, not confusing  
good signage:  
**Disney**  
minimal effort:  
**major airports, theme parks**



**Park Rental Car**

Clear, not confusing  
good signage:  
**Mall of America**  
staff:  
**parking lots at concerts and sporting events**  
valet service:  
**restaurants, theaters**



**Travel to Hotel**

Easy access  
send map with confirmation:  
**Hertz airport kiosks, MapQuest.com**  
convenient site location:  
**interstate gas stations, McDonald's**  
Access any time of day  
**on-line banking, 7-Eleven, Taco Bell**



**Go to Room**

Sensible layout of rooms  
**golf courses**



**Look Around Room**

Nice ambience  
set designers: **Hollywood, Broadway**  
retail: **Crate & Barrel, IKEA Systems**  
Plush surroundings, generous amenities  
**resorts and health spas**  
Minimalist environment  
**Harvard College dormitories, monastery retreats**  
Top security  
**Secret Service, banks, jewelry stores, shopping malls**



**Require Assistance of a Hotel Employee**

Quick attention to minor problems  
**OnStar, Cellular One, Coca-Cola's 800 number, Xerox**  
Quick attention to major problems  
**hospital emergency rooms, Johnson & Johnson (e.g., Tylenol)**  
Customized, tailored service  
**Amazon, Nordstrom**

**Workout**

Location and range of equipment  
**Bally's fitness centers**



**Use Business Equipment**

Convenient business center  
**United Airlines' Red Carpet Clubs, Kinko's**



**Call Home**

Fast, friendly hotel-operator assistance  
**Lands' End 800 number**  
Smooth call-center management  
**911, Home Shopping Network, infomercials**



**Retrieve Car**

(see Park Rental Car)



**Head to Airport**

(see Travel to Hotel)  
Verify airline schedule  
**The Weather Channel**



**Follow-Up**

Satisfaction guarantee  
**Saturn, Hampton Inns**  
Effective handling of dissatisfaction  
**Sears' return policy, Lands' End**  
Tracking of preferences, direct marketing  
**Federal Express, Fingerhut, Amazon**