



Who is Your Customer?

“But really, who is your customer?”

A simple question. Why is the answer so difficult? We are constantly surprised how little companies really know about their customers. Sure there is some superficial knowledge of large blocks of customers but it isn't nearly good enough to be able to embrace specific targeted customers and know all the major hot buttons that will lead to the kind of loyalty needed to build an effective customer relationship strategy. Granted this is a broad statement but as we cross industry boundaries, from B2B and B2C companies arguably it is truly amazing how little effort is made to understand a company's most important asset.

Let's get beyond the obvious here. Every company has some demographic data. But how sophisticated is the information on customer behaviors? Or on the psychographic data? And do we have it by life stage? Now let's make this even more difficult by asking if we understand what they value. What needs do we understand? Are you sure about the explicit demands of your customers? Finally the most difficult: Do you have any idea of the perceptions they have of you...those unarticulated values that potentially represent the “wow” factors - things that delight customers.

So why do you need all this information and what would you do with it? You need it so you can do a better job appealing to your preferred segments and individuals than your competition. Customers, commercial or consumer, will always have choice and they are becoming much more discerning. Customers are harder to find, harder to sell, harder to keep and harder to please. Doing a superficial job about it opens the door to your competition. You risk someone else having a better understanding of the customer groups and marketing much more aggressively than your organization wants to. When that happens, you can expect churn among your customer base which will be costly, affect your reputation in the market and actually cause you to change your strategies making you look inconsistent and unstable.

Our observations is that major North American organizations do not want to spend money researching and learning the facts about the market. The assumption is they have “enough” data to do the job yet they never do. And when they have a lot of data they do not use it to develop solid strategies, to hurt competition, or create strong value propositions.

Understanding who your customer is and what's important to them needs to begin with a marketing framework or model so you can gather the right information. The construct I would recommend to you is a build the information around a “**value chain**” model. You must believe that this model will allow you to market more effectively than without it or even randomly. Once you select such a model you then should build your database information within that framework. The value chain I mentioned forces a multi-dimensional view of your customers. It is simple in its appearance yet it is very sophisticated in its output.



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Our Value Chain model has four basic links to it. First are the **Relationship** factors. This is a comprehensive view of how the customers want to interface with you. What type of relationship do they wish for? For example simply a transactional relationship or an advisory one. Understanding the difference can be very valuable to a marketer. The next major link is **Products & Services**. This is what you would expect. Understanding what value the products or services are that you offer in terms of benefits and features. These may also be bundles of products that have appeal.

The third link is the **Channel or Network** component. Here you must understand how the customer prefers to access you. For example today consumers have these options: in person through stores or branches, by phone through a call centre - incoming or outgoing, via the internet, or by a mobile sale rep or advisor. Your understanding of these factors will affect your channel plan, your communication plan and the customer access plan. No longer is one channel enough.

The final link may be one of the most important and that is the **Customer Service** link. What service levels are you providing, what are your customer expectations and how often are you delighting your customers.

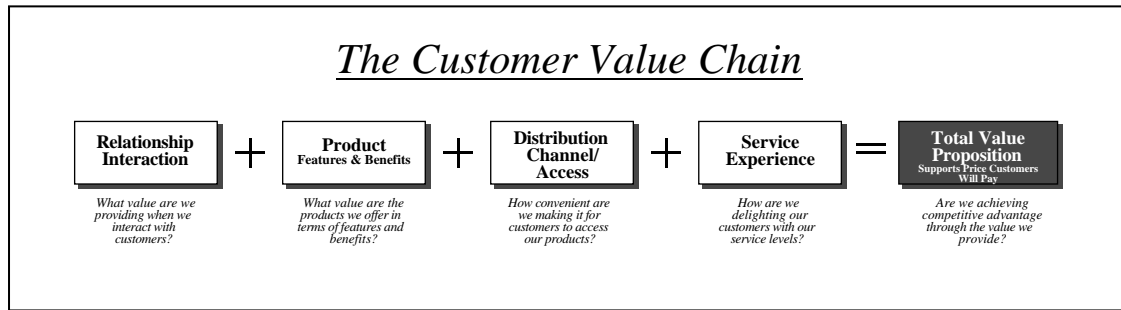
Putting these four key links together will allow you to build a very strong analytical framework that will force you to build integrated strategies around customer implicit, explicit and latent needs. Having this knowledge makes you a better marketer, and a better relationship-oriented company. A company that understands these loyalty factors will generate revenue, profits and build relationships better.



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The major point here is those companies that are one dimensional in the way they look at their customers are likely missing the components that will add up to the value proposition for which a customer is likely to feel they receive real value. **This value supports the price they are willing to pay for the product or service.**

We stress that you can never do enough digging and searching for information on your customers. If your customers are end user consumers, commercial account, or channel gatekeepers you must thoroughly understand who they are and what motivates them to buy.

The other part of this message is you must collect **useful** information to you in building an action plan. Nice to have information is no longer affordable.

So build your analytical or marketing framework first, then dig deep to get the right information and finally use the information in such a way as to build meaningful value propositions that create value in the eyes of your customers.

In the arena of data and information about customers, “good enough, just isn’t” anymore. And don’t guess at it either. Even worse don’t be smug about it thinking you have enough knowledge about your customers. The minute you start thinking you have a sure thing going, you will find you don’t. Competitive advantage lies in the information you have on your prospects and customers.

Build the value propositions on facts and the right triggers and they will come.

About

The Strategic Planning Group

The Strategic Planning Group (T.S.P.G.) is a **full service consulting firm** that can provide organizations with a wide range of advice, business tools and solutions. At T.S.P.G. our focus is on helping our clients solve their complex issues to realize their ultimate potential, whether we are assisting in a particular functional area or helping to set the overall strategy for the organization. Our full service approach combined with our commitment to helping clients realize their ultimate potential, results in an efficient and effective approach, creating great value for our clients.

We want to be more than just consultants. For us to be successful in helping you we need to understand how you operate and what challenges you are currently facing. We want to help you achieve your goals and your ultimate business potential. To accomplish this we must be trusted and objective advisors to our clients by contributing our knowledge, experience and thinking in ways that make a positive impact.

We are growing rapidly and on the leading edge of thought leadership with a goal to add value to our clients.

How to Reach Us

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