

# 10 THINGS TO KNOW ABOUT YOUR CUSTOMERS



## Executive Briefing Series

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**YCHANGE assists start-up and expanding small businesses with the planning and paperwork needed to get going. YCHANGE has the right people, skills, industry resources, business-planning expertise and track record to help your company achieve its business goals quickly.**

# 10 Things To Know About Your Customers.

To really understand your business, the way it is, what it needs to be, and how to win against your competition, you need to understand your customers, the pain they're feeling and the way that your products/services can alleviate their pain. It is essential to stay on top of what is happening while the customer is transacting business with you and what the customer takes away as a result. Some good techniques include customer surveys, focus groups or one-on-one personal or telephone sessions to get relevant information. Here are 10 things to look for:

## 1. Exactly who are your customers?

Are they individual customers or companies and how many are there? Be prepared to list their demography (age, sex, race, marital status, household size, occupation, income level, religion, education), geography (distance, urban/suburban, rural), psychography (lifestyle choices, attitudes and behaviours that influence buying habits).

## 2. How do they divide into market segments

Are there unique groups of your customers that share similar characteristics (women shop differently than men, weekday shoppers buy differently than weekend shoppers), different ethnic group may have different product preferences (Latinos have different color preferences than other ethnic Americans).

## 3. The pain they are trying to take care of?

What is the specific problem they are trying to address and do they need one or more of your products to do so. What product mix they need and exactly how will your product or service make their pain disappear.

## 4. How does your customer normally buy similar products?

Do they buy in the store and if so, where? Do they buy on the web and if so, how do they get the order fulfilled and what do they pay for shipping. Do they get the product door-to-door?

**5. How do they make the buying decision?**

What are the factors that influence their decision to buy: price, quality, warranty, service, color, size, weight? Are discounts and terms important to them?

**6. Who is making the decision?**

Is the buyer the same as the user? Who makes the decision, how many level of approval does the purchase have to go through and how long does it take to get a final decision.

**7. When do they buy?**

Is their buying period tied to a season or a specific time of the month or week. How often will they buy the item? How often will they be using the goods/services they buy? Understanding the repeat buyers and their buying frequency helps you control your inventory.

**8. How will they pay?**

Do your customers pay in cash or by credit card. Will they want to pay in installments and will they want to put advances on a purchase and have you place the item on hold. This help you get a feel for how your cash will flow and what collection efforts you may face.

**9. Do your customers want personal contact?**

Do you have to have employees responsible for regular customer contact because the customers need servicing or follow-on contact.

**10. What is the customer reaction to your products**

How do they compare your products to your competitors'? Do they consider your products unique. Do your products conform to their standards of fitness and usefulness.

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