

# CUSTOMERS

*"We don't see things as they are. We see them as we are."*

*Anais Nin*



# CUSTOMERS

## WORKSHOP TECHNIQUES:

### **one: CREATING CUSTOMER PROFILES**

How to understand your target customers better

### **two: CREATING PRODUCTS THAT MEET CUSTOMER NEEDS**

How to get the right product/customer fit

### **three: DEFINING WHAT CUSTOMER LOYALTY MEANS TO YOUR BRAND**

How to understand where your customers' loyalty lies

### **four: CUSTOMER SATISFACTION BASICS**

How to get the basics right

### **five: GAINING CUSTOMER INSIGHTS**

How to gain valuable customer insights

### **six: VALUING YOUR INVISIBLE CUSTOMERS**

How to identify real customer loyalty

## RECOMMENDED READING:

- **The Ultimate Question** – Fred Reichheld
- **Commitment-Led Marketing** – Jan Hofmeyr & Butch Rice
- **Herd** – Mark Earls
- **Decoded** - Phil Barden
- **Organisations Don't Tweet People Do** – Euan Semple
- **Value Proposition Design** – Osterwalder & Pigneur
- **The Workshop Book** – Pamela Hamilton
- **Exceptional Service, Exceptional Profit** – Inghilleri & Solomon



## INTRODUCTION: CUSTOMER LOYALTY STATISTICS

How loyal are your customers? Probably not as much as you might like, which is the focus of this section. Here's some interesting stats to set the scene.

- 80% of 'satisfied' customers will use a different supplier next time.
- It is over 6 times more expensive to win a new customer than it is to persuade an existing customer to return.
- 96% of unhappy customers won't tell the organization about it. They'll tell their friends instead.
- News of bad customer experiences travels three times as fast as good news, and reaches 20 times as many people.
- Prospective customers are over 3 times more likely to believe independent reviews as the company's own marketing.

Source: *The Reputation Book*, Arnold & Wood

- Customers view only 20% of the companies they deal with as unique.
- 60-80% of customers who defect were satisfied or very satisfied at the last survey.
- 45% of people with something positive to say about a company tell 3 other people. 48% with negative things to say tell 10 people.
- 57% of callers try to solve the problem themselves on the web, and 34% are on the website when they call.

Source: *The Effortless Experience*, Dixon, Toman & Delisi



# one: CREATING CUSTOMER PROFILES

How to understand your target customers better

**EXERCISE:** First identify your different customer profiles (or target audiences), then use this tool to help you get into the mindset of each target group – matching them with the right product, understanding how best to reach them, and establishing what messaging will work best.

ATTRIBUTES	MOTIVATION/ ATTITUDES	BRAND ASSOCIATIONS	ATTITUDINAL PHRASES
What am I like?	What do I want/need?	What do I read, wear, watch, eat? What brands do I associate with?	How do I express my needs?

**PRODUCT  
DEVELOPMENT**

What products/services are we offering to meet these needs?

**KEY  
DIFFERENTIATORS**

What makes us so special?

**CUSTOMER  
RELATIONSHIP**

What relationship do we have with this customer?

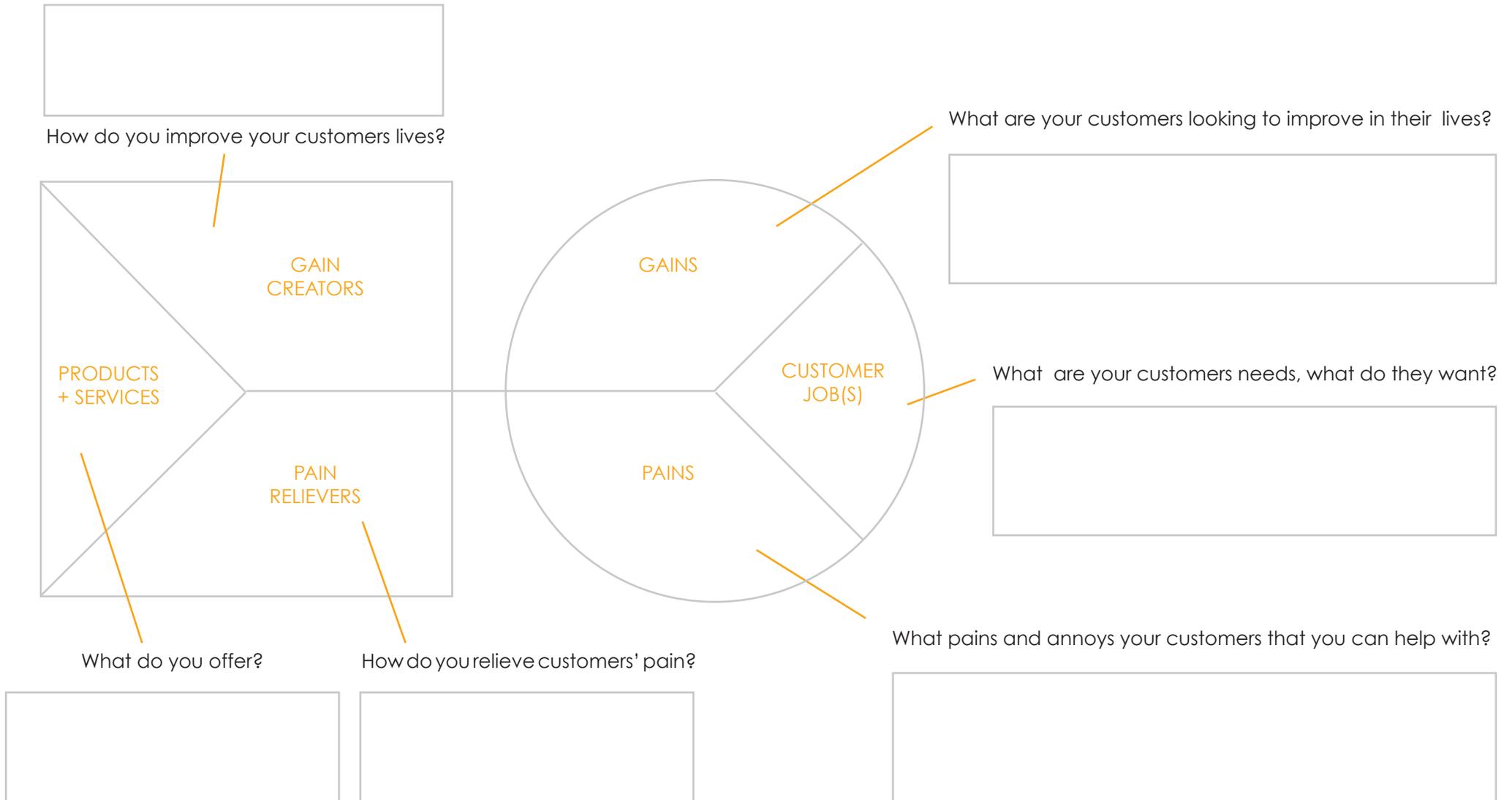
**MARKETING CHANNELS**

How can we best reach / communicate with them?

## two: CREATING PRODUCTS THAT MEET CUSTOMER NEEDS

How to get the right product/customer fit

**EXERCISE:** This draws out two of the main segments from the Business Model Canvas (see Branding) and allows you to drill down and ensure your products/services (your Value Propositions) are properly designed to meet the needs of each of your customer segment profiles (i.e, product-customer fits).



## three: DEFINING WHAT CUSTOMER LOYALTY MEANS TO YOUR BRAND

How to understand where your customers' loyalty lies

Customers can appear deceptively loyal but actually be uncommitted. It's worth working out what else your customers could be 'committed to' and how fragile your current relationship is with your customers.

**EXERCISE:** Use this tool to tick any boxes that might apply and decide how best to tackle this.

<b>PEOPLE</b> I like (or know) a particular member of staff and will follow them if they move on.	<input type="checkbox"/>	<b>THIRD PARTY</b> I'm actually not loyal to you, I'm loyal to a third party selling your product.	<input type="checkbox"/>
<b>LOCATION</b> You happen to be the nearest, but if someone else opens up closer I would be open to switching allegiance.	<input type="checkbox"/>	<b>LATEST TRENDS</b> It's cool right now (but probably won't last).	<input type="checkbox"/>
<b>CONVENIENCE</b> You deliver and no-one else (currently) does.	<input type="checkbox"/>	<b>CELEBRITY CONNECTION</b> If it's good enough for Kim, .....	<input type="checkbox"/>
<b>PRICE</b> I simply can't afford the alternative (at the moment).	<input type="checkbox"/>	<b>FEAR OF THE UNKNOWN</b> I'm scared to try something new.	<input type="checkbox"/>
<b>HABIT</b> I've always bought it, but habits can be broken.	<input type="checkbox"/>	<b>OFFERS / PROMOTIONS</b> Where's the free gift?	<input type="checkbox"/>

## four: CUSTOMER SATISFACTION BASICS

How to get the basics right

A couple of great basics here from Exceptional Service, Exceptional Profit by Inghilleri & Solomon.

**EXERCISE 1:** First a simple reminder of the four main elements of customer service (with an area to write your own notes).

**PERFECT PRODUCT**

**CARING DELIVERY**

**TIMELINESS**

**EFFECTIVE PROBLEM SOLVING  
(SERVICE RECOVERY)**

EXERCISE 2: Plus five simple steps to great service recovery.

**APOLOGISE**

**REVIEW THE COMPLAINT  
WITH THE CUSTOMER**

**FIX THE PROBLEM**

**FOLLOW UP  
WITH THE CUSTOMER**

**DOCUMENT IT (TO STOP IT  
HAPPENING AGAIN)**

## five: GAINING CUSTOMER INSIGHTS

How to gain valuable customer insights

**EXERCISE:** Here are a range of methods to help understand your customers better, from Value Proposition Design by Osterwalder & Pigneur).

### THE DATA DETECTIVE

Build on existing work with (desk) research. Look at data outside your industry and study from a different context.

Difficulty level: \*



### THE JOURNALIST

Talk to potential customers as an easy way to gain insights. Particularly when moving into a new geographical area.

Difficulty level: \*\*



### THE ANTHROPOLOGIST

Observe customers and potential customers in the real world to get good insights into how they behave.

Difficulty level: \*\*\*



### THE IMPERSONATOR

'Be your customer' and use your products and services. Spend a day or more in your customer's shoes.

Difficulty level: \*\*



### THE COCREATOR

Integrate customers into the process to learn from them. Work with customers to explore and develop new ideas.

Difficulty level: \*\*\*\*\*



### THE SCIENTIST

Get customers to participate (knowingly or unknowingly) in an experiment. Learn from the outcome.

Difficulty level: \*\*\*\*

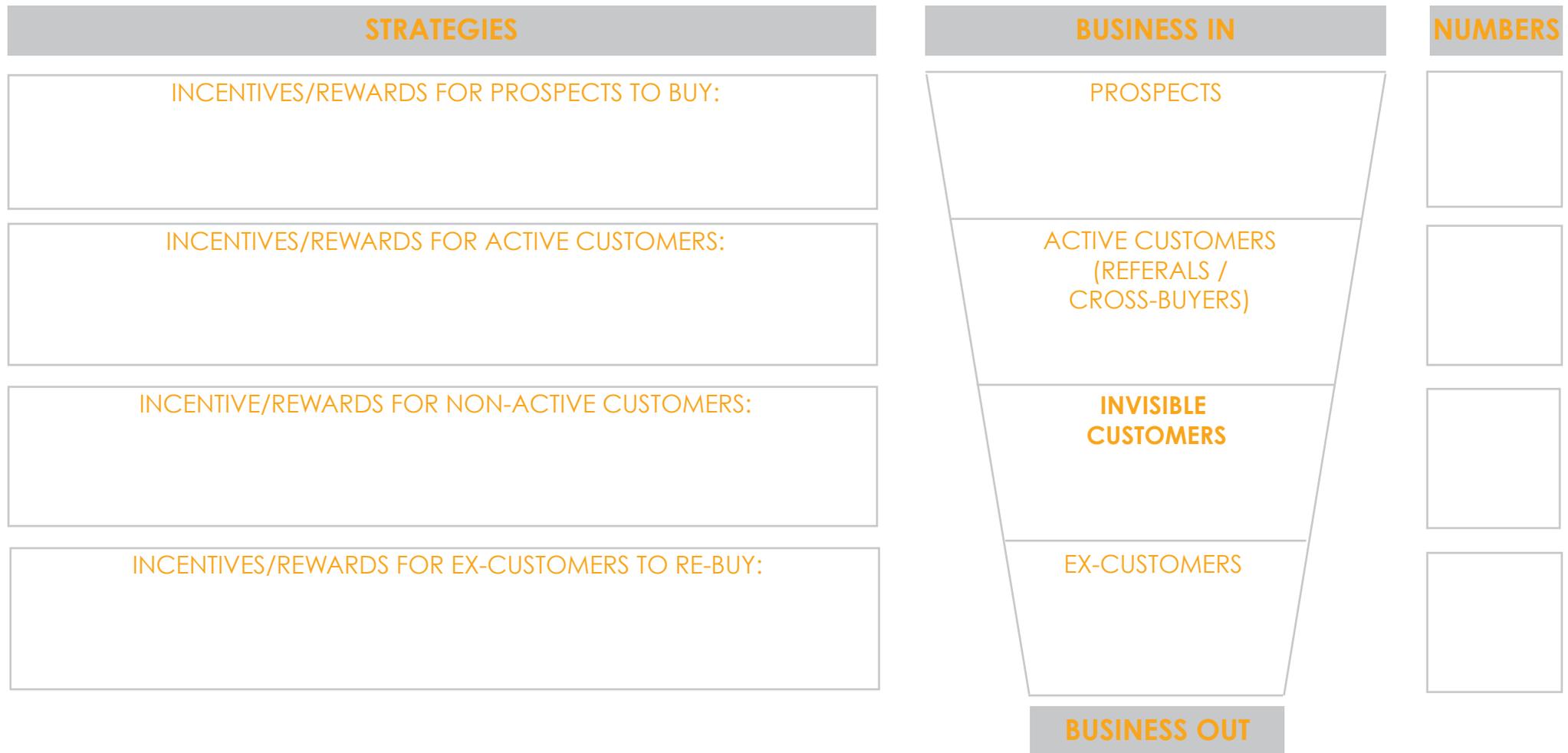


## Six: VALUING YOUR INVISIBLE CUSTOMERS

How to identify real customer loyalty

Businesses tend to focus on 'getting' and 'growing' customers using a range of promotions and incentives to attract new business or encourage existing customers to buy more or introduce friends. But remember the 'invisible' customer who simply continues to loyally buy a certain product or service – they need rewards too if you want to keep them from becoming ex-customers.

**EXERCISE:** First take a look at your current CRM data and add in numbers on the right hand side of the chart. Then write in the different incentives/rewards you are currently offering in each category. Are you offering anything to your invisible customer?



*"Some people take no mental exercise other than jumping to conclusions."*

*Harold Acton*



