SLEEPING LION
CUSTOMERS

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

Anais Nin

CUSTOMERS

WORKSHOP TECHNIQUES:

one: CREATING PRODUCTS THAT MEET CUSTOMER NEEDS
How to get the right product/customer fit

two: CREATING CUSTOMER PROFILES
How to understand your target customers better

three: DEFINING WHAT CUSTOMER LOYALTY MEANS TO YOUR BRAND
How to understand where your customers' loyalty lies

four: GAINING CUSTOMER INSIGHTS
How to gain valuable customer insights

five: CUSTOMER SATISFACTION BASICS
How to get the basics right

six: VALUING YOUR INVISIBLE CUSTOMERS
How to identify real customer loyalty

SLEEPING LION

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CUSTOMER LOYALTY STATISTICS

How loyal are your customers? Probably not as much as you might like, which is the focus of this section. Here are 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.

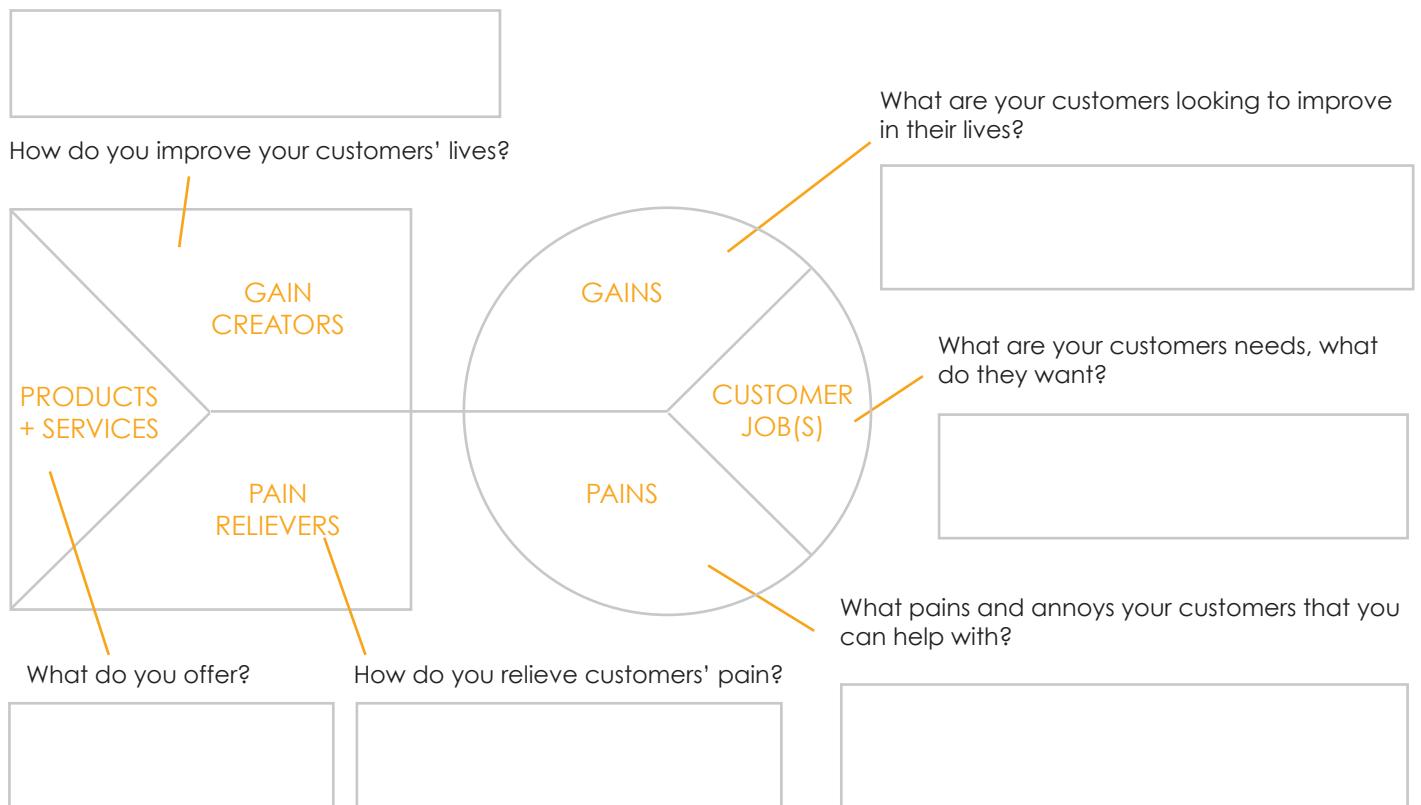 Source: The Reputation Book, Arnold & Wood

- 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

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).

How do you improve your customers' lives?

What are your customers looking to improve in their lives?

GAIN
CREATORS

GAINS

PRODUCTS
+ SERVICES

CUSTOMER
JOB(S)

What are your customers needs, what do they want?

PAIN
RELIEVERS

PAINS

What do you offer?

How do you relieve customers' pain?

What pains and annoys your customers that you can help with?

two: 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	KEY DIFFERENTIATORS	CUSTOMER RELATIONSHIP	MARKETING CHANNELS
What products/services are we offering to meet these needs?	What makes us so special?	What relationship do we have with this customer?	How can we best reach/communicate with them?

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 make notes on how best to tackle this.

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

NOTES

four: 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 CO-CREATOR
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: ****

five: 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)

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?

STRATEGIES	BUSINESS IN	NUMBERS
INCENTIVES/REWARDS FOR PROSPECTS TO BUY:	PROSPECTS	
INCENTIVES/REWARDS FOR ACTIVE CUSTOMERS:	ACTIVE CUSTOMERS (REFERRALS / CROSS-BUYERS)	
INCENTIVES/REWARDS FOR NON-ACTIVE CUSTOMERS:	**INVISIBLE CUSTOMERS**	
INCENTIVES/REWARDS FOR EX-CUSTOMERS TO RE-BUY:	EX-CUSTOMERS	

BUSINESS OUT