




# know your market

Part:6



What's the first thing, the most essential element, you need in business? No, not a plan: you need customers.

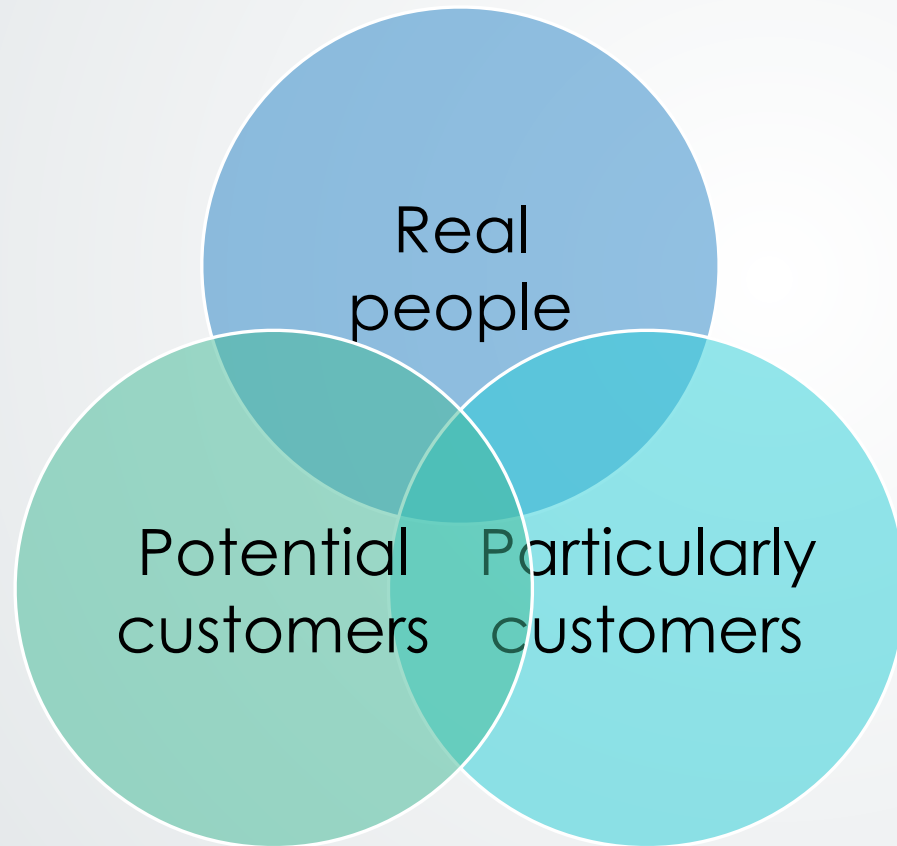
- Tim Berry



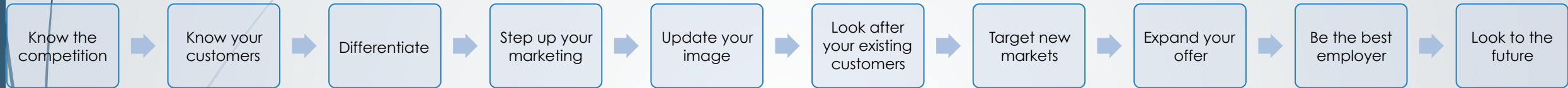
# The world has changed

so have your customers, your markets, your competition, your challenges, and your opportunities

# Practical market research



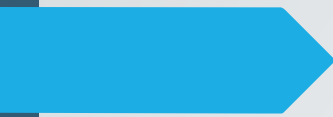
# Keep ahead of the competition



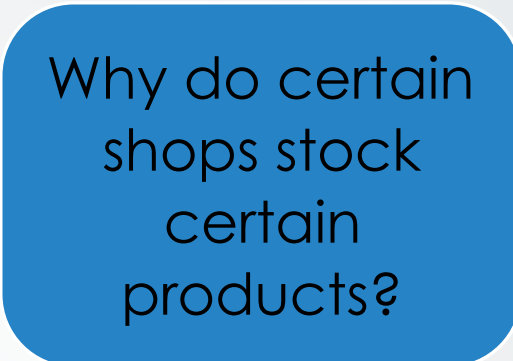
# The importance of knowing your market

Will my  
idea  
work?

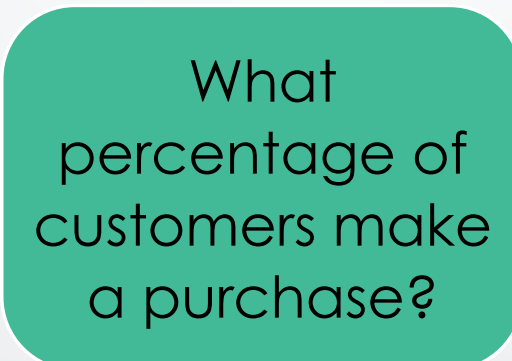




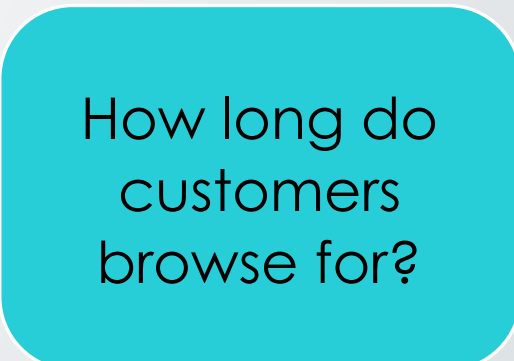
## The importance of knowing your market



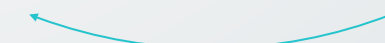
Why do certain  
shops stock  
certain  
products?



What  
percentage of  
customers make  
a purchase?



How long do  
customers  
browse for?



# The importance of knowing your market

Realise there  
is no market  
for it



# Who is your customer?

- ▶ Who is your customer?
- ▶ What are his duties?
- ▶ In what way does your product solve his problems?
- ▶ What benefits will your solution bring him?
- ▶ By what emotions is he driven at everyday work?
- ▶ What makes him satisfied and what makes him feel stressed?
- ▶ How to reach out to him?
- ▶ Who is a decision-maker and who are your advocates?



# Who is your customer?

- ▶ “Customer” refers to the entity, such as a household, organization, or individual who pays for, acquires, and uses your product



# Talk to customers

- ▶ If you cannot buy a customer – you do not have a business.

Tom Libelt

- ▶ A satisfied customer is the best business strategy of all.

- Michael LeBoeuf





## The importance of knowing your customer



# How to talk to your customers

Great communication is an art. Honing it to a keen edge is a science.





# How to talk to your customers

Maintaining a consistent tone

Mastering difficult conversations

Delighting your customers




# Analyzing customers in your business plan

1. Identify its target customers

2. Convey the needs of these customers

3. Show how its products and services satisfy these needs






## Analyzing customers in your business plan

1. How many potential customers fit the given definition and is this customer base growing or decreasing?


2. What is the average revenues/income of these customers?

3. Where are these customers geographically based?



## Analyzing customers in your business plan

- ▶ **1.** Do customers find price to be more important than the quality of the product or service?
- ▶ **2.** Are customers looking for the highest level of reliability, or will they have their own support and just seek a basic level of service?



## Analyzing customers in your business plan

- ▶ 1. Will the customer consult others in their organization/family before making a decision?
- ▶ 2. Will the customer seek multiple bids?
- ▶ 3. Will the product/service require significant operational changes (e.g., will the customer have to invest time to learn new technologies and will the product/service cause other members within the organization to lose their jobs? etc.)

# Voice of customer

*"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else"*



# Voice of customer analysis



# Customer survey



- ▶ diagnose strengths, weaknesses and opportunities to improve customer experience
- ▶ prioritize changes to the site based also on user satisfaction
- ▶ provide a positive customer experience helping to trigger a positive word of mouth and an increase in its audience faithful
- ▶ analyze unstructured data
- ▶ measure brand perception, overall satisfaction and navigation perception

# Customer feedback

- ▶ provide alert to key audiences to guide immediate actions and show users that organization is listening to their voices and working to improve their experience on the site
- ▶ measure performance in terms of troubleshooting and activities of the various departments
- ▶ optimize business processes and improve quality of service
- ▶ develop, test and refine new products and services by constantly monitoring user's perception



# Text analysis



- ▶ identify recurring subjects, a topic analysis can prevent problems proactively
- ▶ cluster comments by topic and analyze clusters interaction
- ▶ determine customers sentiment through analysis of the emotional content of their communications


# Data integration

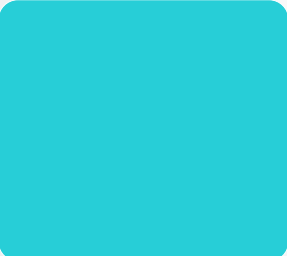
- ▶ enrich quantitative information with socio demographic details
- ▶ consider loyalty and customer satisfaction index as main KPI together with standard analytics ones
- ▶ use qualitative data to deeper investigate customer issues
- ▶ collect qualitative data at the start of any new product, process or service design initiative in order to better understand customer wants and needs, and as key input for new product definition and setting of detailed design specifications





# Study similar businesses

 Look at existing, similar businesses.

 Find a similar business in another place.



# Study similar businesses

Scan local newspapers for people selling a similar business

Shop the competition



# Who is potential customer?

- ▶ "A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want."

- Philip Kotler





# Potential customers



Not  
everyone





## Summary

- ▶ Projecting market growth is particularly important when your plan is related to finding investors or supporting a loan application, because market growth enhances the implied value of your business.
- ▶ Cite growth rates in terms that fit the available information, whether growth in the number of potential customers, projected dollar sales, meals served, website projects, tax reporting hours, yards to landscape, or whatever you have.



Thank you