

Do You Really Know What Your Customers Want?

By Eric Britten

In uncertain economic times, businesses often find themselves in a reactive mode cutting expenses wherever they can and hunkering down hoping their customers will weather the storm so they can, too. But when the economy is contracting, profitability depends upon a good strategy, not hope.

Tom Peters writes, “Tough times are in fact golden opportunities to get the drop, and the long-term drop at that, on those who respond to bad news by panicky across-the-board slash and burn tactics .“

One way to get the drop on competitors is to develop a strategy that ensures you know exactly what your customers need and want and then being sure that is exactly what you are delivering. Customer needs change as times, the economy, and the changing landscape of their businesses change.

Who is your target market? Although this may seem obvious, it’s always helpful to take time to write out this information. Start with a broad brush by describing your market and types of customers. End by actually listing major customers and targeted customers.

Once you have completed this exercise on your own, start gathering information from the companies you have listed. What products or services do they need? This answer only comes from your targeted customer group. Ask them. Although this may seem rudimentary, you cannot afford to assume you know what they want. While you’re asking about their current needs, ask them about their future needs, too.

Once you are comfortable that you have a good grasp on the needs of your target market, move to the next step. Match their requirements to your current offerings. Are you on target? Continuing to do something just because it has always been successful does not mean that it now meets your customer’s requirements or needs. Try to tune your offerings so that you are not wasting time or money providing goods or services your customer base doesn’t need.

How do your customers rate your goods or services? Again, ask them. It’s important to know how well you have interpreted their needs. You may find that you need to update your skill sets, inventory or services to align with changing times.

Who are your competitors and how do your customers rate their offerings? This assessment can help you understand where you may need to provide additional focus to get ahead of your competition. Again, the information you need comes from your customers.

Don’t stop here. Once you have spent the time to develop this information, use it wisely.

Analyzing your data will help you develop focused short and longer term strategies. It will help you form partnerships with your customers because you are anticipating and reacting to their changing needs. It’s always much easier and cost effective to retain existing customers than to go get new ones.

Develop tactics to implement your strategies. One tactic should be to continually update and refresh your customer intelligence data so it's always providing you with the critical information you need about your customers and their needs.

Measure your success. Once you have adjusted your business to meet your customers needs more effectively, is your strategy working? Data points such as gross sales, sales by customer, customer penetration and customer satisfaction should all help you gauge your effectiveness. Don't load yourself up with too many measures. Select the critical few.

We may still be facing tougher times before the economic climate turns around. President John F. Kennedy pointed out, "the Chinese use two brush strokes to write the word 'crisis'. One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger - but recognize the opportunity." Be sure your business is properly positioned for success so you can capitalize on opportunities in uncertain times.

About the author

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