

Customer Research – Why and How

Successful Businesses Know More About Their Customers

The corner-stone of any business is its customers and the quality of the relationships that are in place with those customers. Successful companies have developed a way to get inside their customers' heads and truly understand how to match products and services accordingly.

Unfortunately these proactive businesses tend to be in the minority with many companies not bothering to collect this information because they don't know how or don't understand its value.

Benefits of Customer Research

The benefits of customer research are significant and can include;

- Increased customer satisfaction
- Developing a position of market leadership
- Developing a reputation as an innovator
- Developing greater customer intimacy and protecting relationships
- Building a reputation for providing customer support and, for wholesalers, adding real value to customers bottom line
- Empower your employees with information to enable them to prepare in advance and maximise their sales opportunities
- Capturing and protecting market share
- Identifying new business opportunities and markets
- Developing a unique selling proposition
- Increasing sales and profitability

Assessing Marketing Activities

One of the simplest and beneficial forms of customer research to implement is finding out where your customers heard about you. Was it through advertising, by passing by or referrals from existing customers?

To collect this research, all sales staff need to ask customers one simple question:

"Where did you find out about us?"

Staff can then need to record the responses in a log and they can be collated by management. Other opportunities to collect this data come from feedback forms and web site tools.

Conducting this simple form of research provides opportunities to build on successful activities. For example if the majority of new business comes from referrals, rewards and loyalty programs can be implemented to drive additional business from existing customers.

This type of data may also highlight areas which are not being fully utilised and present untapped opportunities. If the majority of your business is coming from customer referrals you may wish to try increasing your retail profile to attract passing traffic or new advertising campaigns to tap into new customer segments.

Asset Protection

Once you know how your customers are coming to you the next step is to protect your relationship with them by developing a method of understanding what is truly important to them. This is equally important for retailers and wholesalers.

Financial and transactional information around customers is relatively simple to collect through your POS System or cash register. More valuable customer data, which is used to understand what is important to customers and build relationships, can be harder to collect, such data includes;

- What do they think of your product range?
- What other products would they like to have available?
- How good is your customer service?
- What are the opportunities for improvement?
- Who makes purchasing decisions?
- How do you compare with your competitors?
- What opportunities are there for additional services – reminders for key dates throughout the year?
- How would they like to interact with you long term – are they happy for you to send them material with new product information, offers or would they prefer to initiate contact?

Often this valuable data is either unknown or anecdotal information which is not documented or secured and often moves with sales staff and management to a new employer.

The reality of retail and wholesale businesses is that sales people generally have transaction driven priorities other than research. As a result the business suffers unless it provides a method for this information to be; collected, stored, maintained, used and shared as a business resource. Larger companies will also benefit from aggregating, analysing and sharing the information across the whole organisation.

Regardless of business size, collecting and this information and taking appropriate action will help management make better decisions and operate at a more strategic level.

Systems and Inputs

Businesses will also vary greatly in the sophistication of systems implemented to manage customer information. Typical systems range from none at all and manual files through to integrated systems that make customer data available to the broader organisation in real time.

The sad fact is that many businesses have no record of this type of information and when management and sales staff leave so too does customer knowledge and part of the businesses greatest asset.

An additional concern is that the inputs into these systems often vary greatly as what is considered important to one person may not be relevant to another.

Management need to provide a mechanism for data collection and mandate the data to be collected.

What to Do With the Data

So you've taken the time to collect data about where customers are coming from. You've then developed a method of collecting valuable feedback from the customer base to further develop your understanding of them and to improve relationships. There are many opportunities for jewellers who take the time to truly understand their customers and what they value.



This is all worthwhile but ultimately just a "feel good" exercise unless you then identify the key findings from this research and anchor these back into the business.

The key to realising benefits from the findings is to make careful and considered change to items which positively impact both the business and the customer experience.

When research findings are linked to this action, valuable customer data provides the opportunity to increase sales, realise significant competitive advantage and secure the future of your business.

"Your most unhappy customers are your greatest source of learning"

*Bill Gates (1955 -)
Founder of Microsoft*

More Information?

MJH Group are the outsourced marketing specialists!

For more information on Marketing Strategy, Outsourcing your Marketing Management or our Customer Understanding programs, please contact MJH Group on 03 9428 1315 or email us at enquiries@mjhgroup.com.au

We'll be happy to help!

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