

## **Customer Understanding: Satisfied Customers Successful Companies Know More Than Who Their Customers Are**

*Businesses may not always find out what they want to hear but as in life the rewards and opportunities are there for those who have the courage to find out.*

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 businesses tend to be in the minority with many companies either not bothering to collect this information or making it the responsibility of the sales team. The majority of businesses don't understand the value of this data.

### **Asset Protection**

Financial and transactional information around customers is relatively simple to collect but for many companies valuable customer data such as; what difference have your products or services made to their business, what value do they place on your products or services, who makes purchasing decisions, how they like to interact with suppliers - is either unknown or anecdotal information which is not documented or secured and often moves with a sales person to a new employer.

Sales people generally have other priorities such as achieving budget and targets. As a result the business suffers unless it provides a mandate for this valuable information to be collected, stored, maintained and shared as a business resource across the whole organisation. Often businesses find themselves operating at a tactical level rather than a strategic level as a result of their failure to collect this information.

### **Win More Business**

A further barrier to ensuring accurate customer information can be attributed to the nature of the sales profession itself. The sales role is about selling and sales teams are incited to engage in transactional and often mercenary behaviour. The tendency is to focus on easy wins and relegate more difficult contacts to the too hard basket and slowly reduce the frequency of contact. This behaviour is appropriate if the contact is genuinely not interested, but often this call is made prematurely. Having a mechanism in place to understand why a customer is not doing business with you can open the door for future negotiations and save time and money on misguided efforts.

### **Systems and Inputs**

Businesses also vary greatly in the sophistication of systems implemented to manage customer information ranging from none at all and manual files through to integrated systems that make customer data available to the broader organisation. The inputs into these systems often vary greatly as what is considered important to one person may not be relevant to another. The sad fact is that many businesses have no record of this type of information and when sales personnel leave so too does customer knowledge and part of its greatest asset.



### **Incorrect Timing**

Many organisations focus their energies on contacts that are in the buying phase. If there is insufficient customer knowledge and the relationship hasn't been developed prior to this, businesses will be forced into competing with other suppliers on price alone. Successful organisations have taken the time to understand their customers and prospects well and have built relationships based on customer understanding so that when the time comes to purchase they have positioned themselves to be successful.

### **Benefits of Customer Understanding**

Customer Understanding data can be used effectively across the total organisation. Management and Sales have the opportunity to assess the value products and services have with individual customers and price accordingly. Determining how important factors such as innovation and risk management are to particular customers is crucial when knowing how to present information. Customer Understanding can also;

- Highlight key organisational issues such as whether the sales force is structured effectively to meet the needs of the customer base
- Assist with tender preparation to ensure the best possible chance of success
- Ensure Service better understand customer expectations and can tailor their service levels accordingly.

Finance can use customer insights to build effective business cases. Satisfied customers also pay on time which assists with business cash flow as does understanding exactly how customers need to be involved. Marketing has the ability to track and evaluate the effectiveness of messages in the market place, the level of understanding customers have about the business and how comfortable customers are dealing with your organisation. Service can better understand customer expectations and tailor their service levels accordingly.

### **Program Types**

Customer Understanding programs vary in the way they are constructed. Either:-

- a) Programs can be run at scheduled intervals to provide performance benchmarks and monitor changes. This provides a snapshot how well you understand your customer and what they think of you.
- b) Alternatively, programs can be ongoing and include a mechanism for feeding learning back into the organisation to become part of normal work practices and increase sales results.

## Opportunities

The types of learning that can be obtained from an effectively run Customer Understanding program include;

- What were customers hoping to achieve by purchasing your product or service?
- What factors may affect them taking their business elsewhere in the future?
- How do they perceive your organisation?
- What factors will affect their decision making in the future – asset protection, efficiency improvement?
- What are the problems they face in their own business?
- How do they feel about your sales personnel and other direct contact personnel?
- Why is business being won and lost?
- Who are the decision makers and influencers?

One Senior Manager commented that if the supplier in question came to see him occasionally they would get a different perspective on their business than from simply speaking to the buyer. Having a more strategic view of the business has since helped the supplier understand where the business is heading and develop appropriate solutions to strengthen the business relationship.

## Outcomes

There are many opportunities for organisations who take the time to truly understand their customers and what they value. Customer Understanding provides the opportunity to secure more sales and realise significant competitive advantages including;

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

***"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](mailto:enquiries@mjhgroup.com.au)

We'll be happy to help!

## **About MJH Group**

MJH Group is about answers, road maps, clarity and direction.

It's time you had answers!

### **Our marketing programs and services answer your marketing questions and needs.**

MJH Group Marketing supports companies of all sizes who want to be more innovative and effective in their marketing. We provide marketing advice and expertise to develop strategic and tactical marketing programs.

### **Our customer understanding programs answer the questions that you have about your customers.**

MJH Group Customer Understanding assists companies who want to improve customer relationships and find opportunities for business growth in their customer and prospect base.

### **Get experienced marketing resources working on your business for one or more days per month.**

For more information on MJH Group or our services, or to suggest a topic you would like covered in a future report, please contact us on 03 9428 1315 or [enquiries@mjhgroup.com.au](mailto:enquiries@mjhgroup.com.au) or visit our web site [www.mjhgroup.com.au](http://www.mjhgroup.com.au)

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