

IDENTIFY YOUR CUSTOMERS

WHO ARE YOUR CUSTOMERS?

Who purchases your products or services from you and *pays* you?

Think about your answers to the following questions:

1. Who are your customers?
2. What benefits do your customers want or need?
3. What quantities will they buy?
4. How often will they buy?
5. What are they willing to pay?
6. Why will they buy from you instead of someone else?
7. How many customers will you have?

TARGET YOUR IDEAL CUSTOMERS

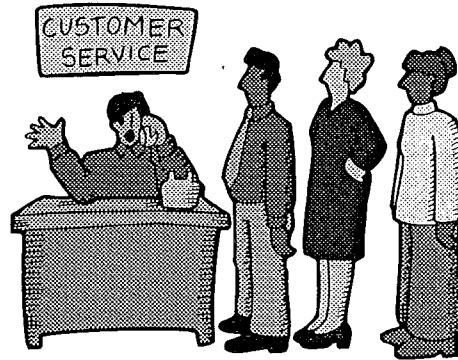
Different types of customers have different types of buying habits.

The 80/20 rule-of-thumb of marketing is that 80% of your sales are likely sold to 20% of your customers. If you have 100 customers, then 20 of those customers spend the most money with you most often, and make up the majority of your total sales.

You will benefit by understanding those 20 customers so you can keep them and find more customers just like them. While the 80/20 rule is a generalization, it is likely that a minority of your customers will account for the majority of your sales.

Your business should focus on the target group of customers to do business with since the target group has focused on your business.

In order to focus on the target group, develop a customer profile of your targeted customer.



The worksheets on the following pages will help you understand the needs and wants of your customers.

If you are starting a new business and will sell to:

- the individual consumer who is an end-user, complete Section A on the following pages.
- a wholesaler, distributor, agent, or commercial customer, complete Section B on the following pages.

If you already have a business, complete Section C on the following pages.

If you have a mix of customers types, review Sections A, B, and C and complete each appropriate section.

SECTION A—INDIVIDUAL CUSTOMERS

Individual consumers can be grouped by demographic characteristics of people, such as age, gender, occupation, and income. It is important to know the common traits your customers share. If you know their common traits, you can target your promotional efforts more effectively.

Some of the more common traits include:

Gender – Each gender has different buying habits. Knowing if your market is mostly male, female, or a mix of gender, is fundamental to your marketing plan.

Age – Different age groups have significantly different buying habits and interests.

Income – In addition to wanting to buy your products or services, your customer must have the ability to pay for them.

Geographic location – Whether by neighborhood, zip code, city, state, or shopping area, many businesses discover most of their business comes from specific locations rather than from all over town.

Occupation – Buying capabilities and buying habits may be different if your customer is a blue-collar laborer or a white-collar professional.

Other – Lifestyle, marital status, number of dependents, and interests or hobbies can influence buying habits. These characteristics are more difficult to track, but can give you great insight into your customer's needs and wants.

Consider doing a customer survey. Review the survey on the next page to develop and conduct your own survey. You can conduct your survey in person, over the phone, or by mail. After completing your survey, you can develop a customer profile.

You might want to sell or give samples of your product or service to customers, then conduct a survey. You will find their answers will be even more helpful if your customers have actually used your product or are familiar with your services.

One of your primary objectives is to determine what your customers have in common. Why? So you can more effectively aim your promotional strategies at your targeted group of customers.

There are also various *categories* of customers. You might have individual, industrial/commercial, or government customers – each category requiring different services or products. You also must consider *existing* customers of various types. If there are files on current customers, you can find helpful data there. Most businesses have more than one category of customers.

Worksheets for identifying individuals who will be your customers are on the following pages.