None of us is as smart as all of us – Japanese Proverb.
An Overview

“A customer is the most important visitor on our premises, he is not dependent on us. We are dependent on him.....He is not an outsider in our business. He is part of it”

Mahatma Gandhi
What is Customer Analysis?

- Collection and evaluation of data associated with customer needs and market trends through customer focus groups, customer satisfaction measurements, field testing, and others.
Why do we carry out Customer Analysis?

“The desk is the most dangerous place to judge the world from “

David Ogilvy
The importance of Customer Analysis

- focuses on understanding trends, motivations and unmet needs of various segments of your customer market.
Enables one to understand how the “customer thinks and acts and why and how they make purchasing decisions.”
leads to maintaining product/service relevance to your end user/buyer.
• Provides information to the marketer that will assist them
  • to predict how consumers will react to promotional messages
  • to understand why they make the purchase decisions they do.
  • to design marketing strategies and promotional messages that will favorably influence their consumers.
  • to identify prospective and segment market.
• to understand customer’s diversity in order to facilitate market segmentation and matching of products to these segments.
• To modify perceptions of the product through advertising
To enable them match customer aspirations and latent desires to their product benefits thus creating demand for their goods and services.
To gauge overall customer satisfaction to their products
Issues that bring out the need for customer analysis

“Your most unhappy customers are your greatest source of learning”.

Bill Gates
Scope for Customer Analysis

Understanding Our Customers

- Who are our the biggest customers?
- Who are our profitable customers?
- Who are our attractive customers?
- Do our customers fall into logical groups based
• on age, gender, needs, motivations or characteristics? Are they homogenous or niche?
• What competitor product are they buying if not ours?
• How do they use our product?
• What do they think of our company?
Our Customer motivations

- What elements of the product/service do customers value most?
- What are the customer’s objectives? What are they really buying?
• How do segments differ in their motivation priorities?
• What changes are occurring in our customer motivations? In our customer priorities?
Unmet needs

- Why are some customers dissatisfied? Why are some changing brands or suppliers?
- What are the severity and incidence of consumer problems? What are their complaints?
• What are unmet needs of the customer that we can identify?
• Are there some of which customers are unaware of and how do we promote them in our product?
• Do these unmet needs represent leverage points for competitors or a new business model?

• The above questions will assist the marketer determine who their customers are; why they are their customers and how else can they add value to their product offering to ensure they are producing “want-satisfying products and services.”
Areas to be covered:

- Market Size
- Customer Segmentation.
- Value Drivers
- Decision Process
- Concentration of Customer Base
- Perceptions of Price vs. value
- Product preferences
- Suitability of packaging
- Positioning of product - communication
“This may seem simple, but you need to give customers what they want, not what you think they want. And, if you do this, people will keep coming back”. 

John Ilhan
Value

- Ultimately customer analysis is the analysis of the market vis-a-vis the company’s product offering to determine if the 4Ps satisfy the 4Cs.

<table>
<thead>
<tr>
<th>4Ps</th>
<th>4Cs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Customer needs and wants</td>
</tr>
<tr>
<td>Price</td>
<td>Cost to customer</td>
</tr>
<tr>
<td>Promotion</td>
<td>Communication</td>
</tr>
<tr>
<td>Place</td>
<td>Convenience</td>
</tr>
</tbody>
</table>
Value continued

**Product:**

- Improve product or services features /functions/performance.
- Introduce new product /services or discontinue existing lines.
- Increases understanding of consumer usage and purchase behavior.
- Survey Credibility
Price:

- Provides answers to customer usage patterns or frequency of purchase to enable better pricing policy or packaging decisions
- Enables reviews on selling policy
- Explore opportunities to cut costs for you and your customers
Continued

**Placement:**
- Audits supply chain and provides suggestions to bring product even closer to consumers
- Survey your Competitors and their distribution tactics

**Promotion**
- Measures impact of communication collateral
- Look at your marketing campaign vis-à-vis market segments and distribution channels
Conclusion

“Spend a lot of time talking to customers face to face. You'd be amazed how many companies don't listen to their customers”.

Ross Perot
In Conclusion

- Customer Analysis lays the foundation for determining the potential purchase benefits of the product and defining mechanisms for establishing marketing strategies to harness the market.
Organizations must undertake the exercise of customer analysis regularly as feedback products and services is essential for success.
KYC-Know Your Customer rule applies in all businesses especially for market development and maintaining sustainable competitive advantage