

Truly Understanding Your Customer



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Customer & Marketing Go Hand in Hand

**The aim of marketing is to know
and understand the customer so well the
product or service fits him and sells itself...**

**The aim of marketing is to make selling
superfluous.**

- Peter Drucker

Truly Understanding Your Customer

- 3Ps & 3Cs
- Marketing Utility
- Visualize Your Customer
- Putting it all together

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3 P's & 3 C's

- Product, Price, Promotion
- Competition, Consumer Channel

Marketing must let you prove that

1. People want your product
2. It meets their needs

Does NOT
dig deep enough -
just a starting point



Dig Deeper to

Truly Understand the Customer

What do you like to
SPLURGE on?



The Splurge



The Splurge



How did it make you feel?



Marketing Malpractice

Clayton Christensen et al

Optional Reading on Canvas

An Example: The Milkshake



Typically Segment By:

- Product
- Demographics
- Asked these people - do we make milkshake thicker, chocolaty, cheaper, chunkier etc.

✓ Clear feedback

✓ Made Changes

✓ **Nothing happened**

✓ **WHY?**

Must understand for every product
- *Job Being Hired To Do*

“People don’t want to buy a quarter-inch drill. They want a quarter-inch hole.”

–Prof. Theodore Levitt

**“With a few exceptions,
every job people need or
want to do has a social, a
functional, and an emotional
dimension.”**

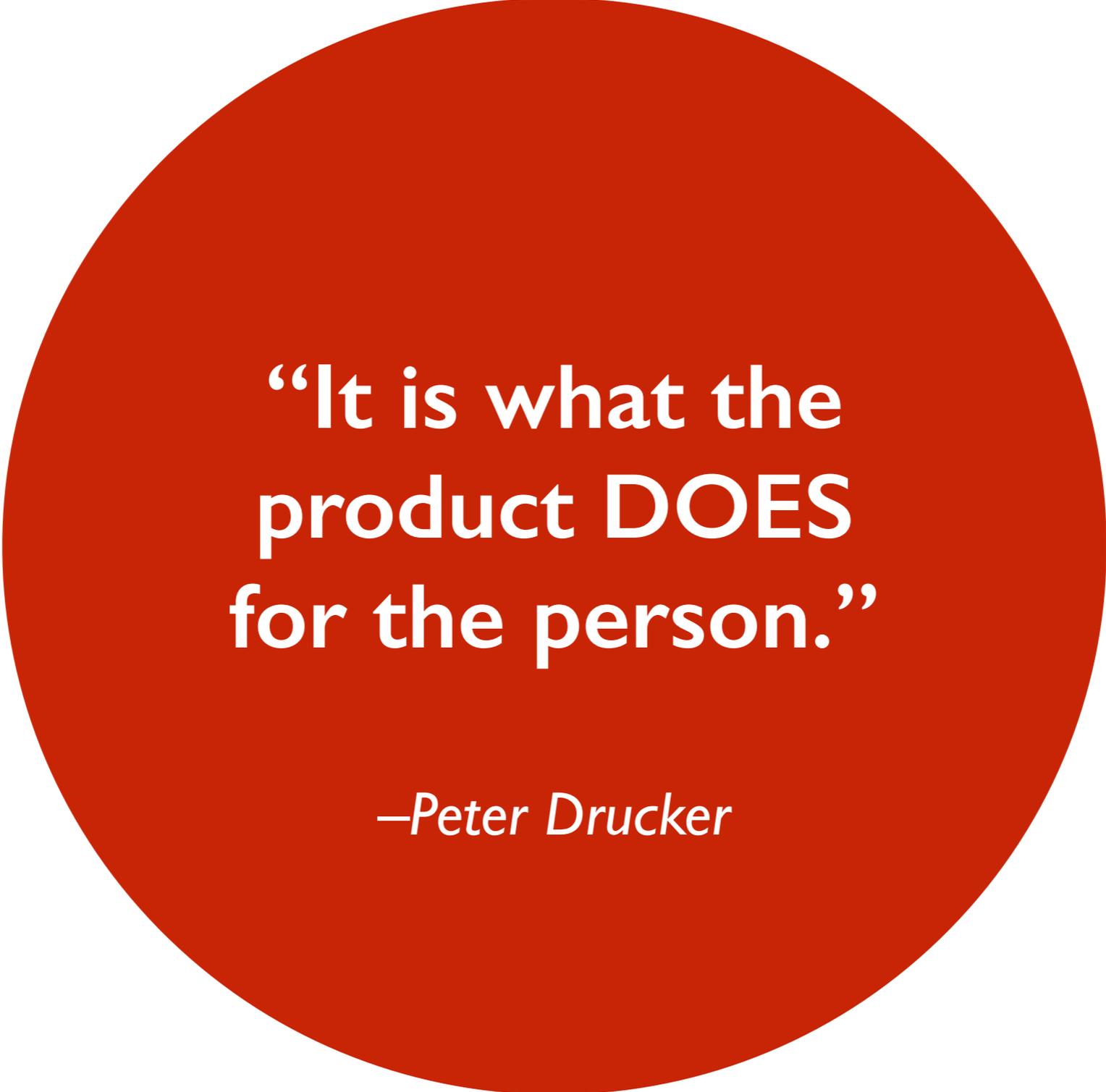
– Christensen et al

Another way to see this

How is a customer created?

**By understanding that what the
customer buys is**

NOT JUST a product or service...



“It is what the
product **DOES**
for the person.”

—Peter Drucker

“It is what the
product **DOES**
for the person.”

—*Peter Drucker*

Utility

I have coined a new term

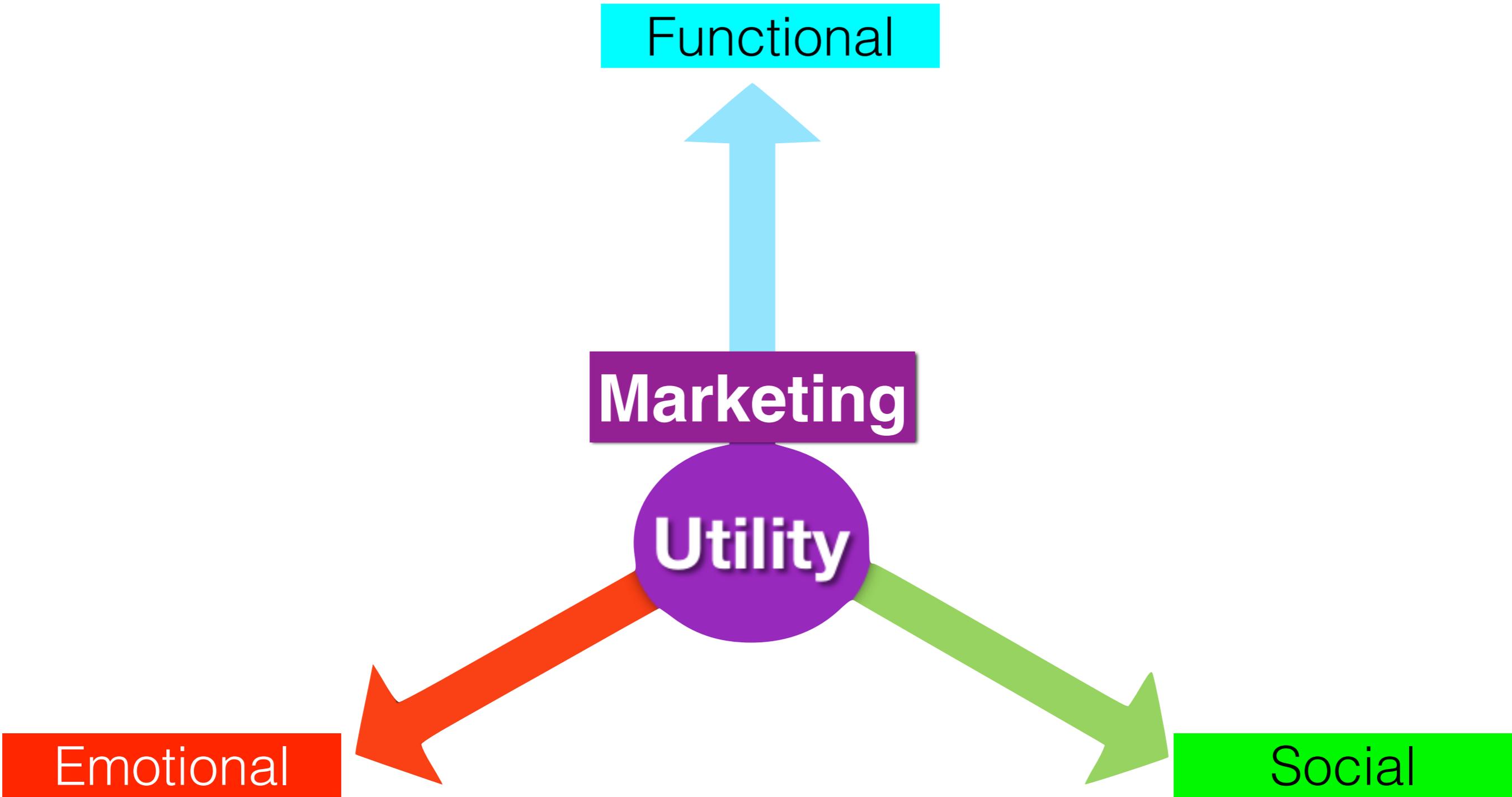
Marketing Utility

Truly Understanding Your Customer

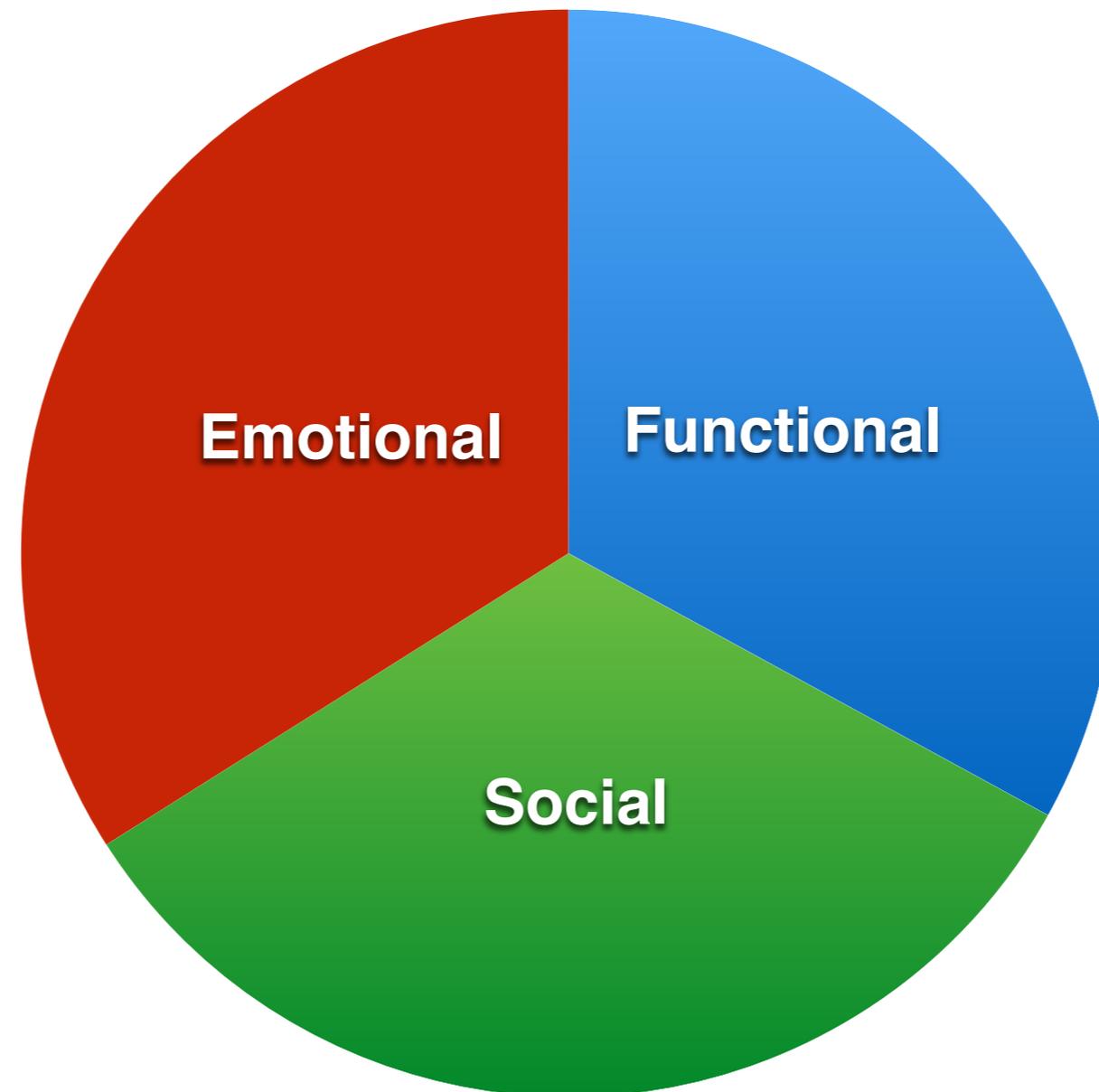
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Marketing Utility

The KEY to understanding the customer



Marketing Utility - 100 Points



Why do some people buy...





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Assignment: Visualize Your Customer

Now it is time for you to visualize your customer. The clearer the image of your customer in your mind, the better you will understand him.

The checklist:

- Demographics
- Psychographics
- Marketing Utility
- Describe your beachhead target in a short paragraph.
- Make a sketch or picture of this person.
- Any new insights into unmet needs?

This is the person that you must serve exceptionally well.

Beachhead Target

Our ideal customer is a 19 year-old who lives on the north side of Northwestern's campus. This person is often awake later than most individuals, whether it be studying or partying. They often crave food late at night, and would rather have something at their fingertips instead of spending extra time and money. This person enjoys spending time with friends, but is also fine being alone.





NOTHING ADDED

Kristen Taylor

AGE

42 years

INCOME

\$100,000

BRAND IDENTIFICATION

Method, Whole Foods, Volvo

FOOD/WINE PHILOSOPHY

Her family is a precious resource, and she protects her health along with those she loves. Food should be natural, with the fewest non-food ingredients possible.

WINE DRINKING BEHAVIOR/PREFERENCES

Looking for organic & sustainably grown wine options. She enjoys wine frequently, and seeks out growers that share her ethos.

- SOCIAL BUTTERFLY 1 2 3 4 5
- TECHNOLOGY MAVEN 1 2 3 4 5
- ORGANIC STAKEHOLDER 1 2 3 4 5
- EARLY ADOPTER 1 2 3 4 5
- TREND SURFER 1 2 3 4 5
- EXPERIENCE SEEKER 1 2 3 4 5



HEALTH CONSCIOUS

Natalie Higgins

AGE

50 years

INCOME

\$130,000

BRAND IDENTIFICATION

Volkswagen, Whole Foods,

FOOD/WINE PHILOSOPHY

A glass of wine after a long day at work is a pleasure she wouldn't miss.

WINE DRINKING BEHAVIOR/PREFERENCES

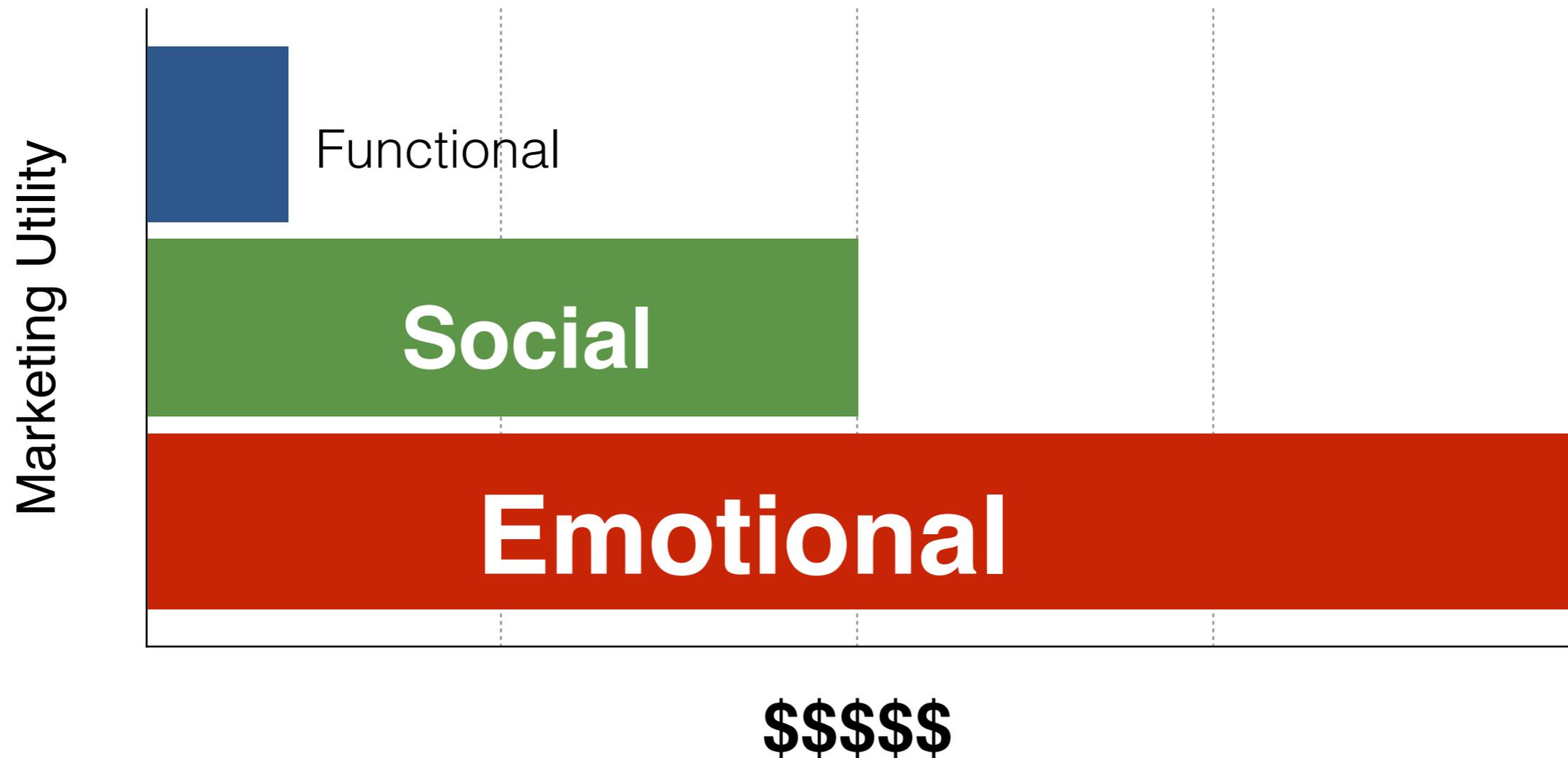
Daily wine consumption. Enjoys browsing the wine isles at Whole Foods, where she can shop for cheese or other groceries to pair with her choices. She has her favorite bottles, but reads the recommendations in the food section of the paper and often seeks out bottles recommended by her friends.

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Prof's Pricing Hypothesis





How can you
enhance your
Marketing Utility?

Marketing explained

Solve the customer's problem!

Marketing Explained

Solve the customer's problem

Something they are...

WILLING TO PAY MONEY FOR!

Marketing Explained

Solve the customer's problem

Something they are...

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Increase Social and Emotional Marketing Utility

Thank you!

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Your Customer**