

# Know your customers' needs

## Introduction

However good your product or service is, the simple truth is that no-one will buy it if they don't want it or believe they don't need it. And you won't persuade anyone that they want or need to buy what you're offering unless you **clearly understand** what it is your customers really want.

Knowing and understanding **customer needs** is at the centre of every successful business, whether it sells directly to individuals or other businesses. Once you have this knowledge, you can use it to persuade potential and existing customers that buying from you is in their best interests.

This guide tells you what you **need to know** about your customers, how to use this information to sell to them more **effectively**, and how to win business from your competitors.

## Why do your customers need you?

Every business needs a **reason** for their customers to buy from them and not their competitors. This is called a **Unique Sales Proposition** (USP). Your USP can be identified by completing the phrase "Customers will buy from me because my business is the only..."

Your USP can **change** as your business or your market changes, and you can have **different** USPs for different types of customer.

For example:

- a stationery shop could offer a free same-day delivery service for its business customers within a local area - an effective USP for businesses that need fast delivery
- the same stationery shop could offer a 5 per cent discount to businesses that spend more than £500 a month - this would be a USP for cost-conscious customers
- the stationery shop could also make sure it offers the most comprehensive stock of artists' materials in the area - a USP for local professional or amateur artists

All of these USPs can be effective because they are driven by what the customer looks for when making a **buying decision**.

It's a good idea to review your USPs regularly. Can you tailor your products or services to better match your customers' needs? Consider asking your customers why they buy from you. This will tell you what they think your USP is - this may differ from what you think your USP is.

It's also useful to check constantly what your competition is doing. Remember - if your competitors are doing the same, your USP isn't unique any more.

## What do you know about your customers?

The more you know about your customers, the more effective your sales and marketing efforts will be. It's well worth making the effort to find out:

- **who** they are
- **what** they buy
- **why** they buy it

If you're selling to other businesses, you'll need to know which individuals are responsible for the decision to buy your product or service.

You can learn a great deal about your customers by **talking** to them. Asking them why they're buying or not buying, what they may want to buy in the future and asking what other needs they have can give a valuable picture of what's important to them.

Strong sales are driven by emphasising the benefits that your product or service brings to your customers. If you know the challenges that face them, it's much easier to offer them solutions.

It's also well worth keeping an eye on **future developments** in your customers' markets and lives. Knowing the **trends** that are going to influence your customers helps you to **anticipate** what they are going to need - and offer it to them as soon as they need it.

You can conduct your own market research and there are many existing reports that can help you build a picture of where your customers' markets - and your business - may be going.

## The customer's current supplier

Chances are your potential customer is already buying something similar to your product or service from **someone else**. Before you can sell to a potential customer, you need to know:

- who the customer's current supplier is
- if the customer is happy with their current supplier
- if buying from you would offer the customer any benefits - and, if so, what those benefits would be

The easiest way to identify a potential customer's current supplier is often simply to **ask them**. Generally people are very happy to offer this information, as well as an indication of whether they're happy with their present arrangements.

If you can find out what benefits they're looking for, you stand a better chance of being able to sell to them. The benefits may be related to price or levels of service, for example. Are there any benefits your business can offer that are **better** than those the potential customer already receives? If there are, these should form the basis of any sales approach you make.

## Ten things you need to know about your customers

### 1. Who they are

If you sell directly to individuals, find out your customers' gender, age, marital status and occupation. If you sell to other businesses, find out what size and kind of business they are. For example, are they a small private company or a big multinational?

### 2. What they do

If you sell directly to individuals, it's worth knowing their occupations and interests. If you sell to other businesses, it helps to have an understanding of what their business is trying to achieve.

### 3. Why they buy

If you know why customers buy a product or service, it's easier to match their needs to the benefits your business can offer.

### 4. When they buy

If you approach a customer just at the time they want to buy, you will massively increase your chances of success.

**5. How they buy**

For example, some people prefer to buy from a website, while others prefer a face-to-face meeting.

**6. How much money they have**

You'll be more successful if you can match what you're offering to what you know your customer can afford.

**7. What makes them feel good about buying**

If you know what makes them tick, you can serve them in the way they prefer.

**8. What they expect of you**

For example, if your customers expect reliable delivery and you don't disappoint them, you stand to gain repeat business.

**9. What they think about you**

If your customers enjoy dealing with you, they're likely to buy more. And you can only tackle problems that customers have if you know what they are.

**10. What they think about your competitors**

If you know how your customers view your competition, you stand a much better chance of staying ahead of your rivals.