



UNIT-2

Understanding your Customers

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Identify the Customer's Expectations and needs
- ✓ Understand various types of Customers

Unit 2

Understanding your Customers

Introduction

Understanding customer expectations is extremely important for any business to succeed and lead in its chosen market. When the quality of products satisfies customer expectations, it makes for a satisfied customer who may like to try the product again. Customer expectations serve as a standard for which quality of products, services and pricing etc. is decided. Customer expectations can be predicted by observing market trends, competition and by taking surveys from the customers, as well as analysing sales data. A product which is in-line with customer expectations will satisfy the customer, who will as a result prefer to try that product/service again. Finding out what the customer expects from the product/service is highly necessary for its success. If the retailers set customer expectations too high and product fails to deliver, the product will not be a success. Similarly, if the retailers don't raise customer expectation to a desirable level, they will end up losing customers.

What Do Consumers Want?

Different industries and businesses measure their performance levels by keeping track of different factors. For example, an auto repair workshop might measure its performance by measuring the amount of time required to fix the fault in any vehicle. An online merchant might measure its service performance by checking the amount of time it takes for a delivery to be completed. A low-cost appliance manufacturer might do the same by keeping track of the number of faulty equipment/parts returned. Other tests include keeping track of quality, customer complaints and evaluating the quality of assistance provided by the company's customer care centres.

But the problem is that most of these evaluations tell the business owners about their performance and not the level of customer satisfaction. These evaluations cannot help in predicting customer expectations. Even customer feedback cannot completely fulfil this purpose, as the only people who provide feedback tend to be those who are either very satisfied with the product/service or not satisfied at all.

Common Expectations to Consider

Most customers expect the following from any product/service:

- Fast and efficient service
- Quality up to a specific standard.
- Good quality at affordable prices.
- Friendly staff to guide the customers and answer their questions.
- Quick responses to queries; whether online, on the phone or in person.
- In-depth knowledge about the product/service to satisfy all the consumer's questions.
- Enough stock to meet the customer's needs.
- A user-friendly website or a welcoming store/facility.

These are the minimum expectations which a customer expects from any good quality service provider. Additional customer expectations can be predicted by studying customer's habits, analysing sales data and carrying out surveys.

Identifying Customer Expectations

Customer expectations change very frequently. Therefore, it is necessary to keep track of these changes by having plenty of interaction directly with customers.

This can be done by asking customers to fill out survey forms in return for some kind of gift, prize or complementary service. The business must communicate with the customer to ask about expectations and see if the product meets those expectations. If it doesn't, it's necessary to study deeper and try to find out why and how the product can be brought closer to the customer's expectations.

Customers Stated and Unstated Needs

The needs of the customers can be divided into 2 main categories: Stated Needs and Unstated Needs. Stated needs are those which the customer demands and states clearly that they are required in the product. Whereas, unstated needs are more like customer expectations; the customer has them in his/her mind, but can't express them because they don't have enough information about the product.

It is quite usual for customers to have certain expectations about the products they use. Even if they can't express what exactly they expect from the product, it still affects the way they look at the product and its manufacturers.

Some companies believe that low-priced products/services are what customers are looking for and automated systems help maintain the quality of service according to those expectations. However, some customers prefer paying more money to deal with human beings instead of automated systems. Customer feedback is essential for the growth of your business and keeping customers satisfied. The customer can only be satisfied when it is known *what* the customers expect from the product/service. Customer expectations/needs can be categorised into the following groups, to see how they help achieve customer satisfaction:

Revealed Requirements refers to those requirements/needs which the customer wants in the product and actually expresses them as well. If these requirements are fulfilled, the customer will be satisfied with the product. For example, a customer says that he wants a very high-quality product. If a high-quality product is produced, the customer will be satisfied with it and might think of trying it again. If not, he won't bother trying it again as his core requirement is not met.

Expected Requirements means those requirements which need to be there in the product, even if the customer has not even mentioned it. These are the basic requirements that need to be fulfilled in the product to satisfy the most basic customer expectations. If they are not present in the product, the customer will be highly dissatisfied and there is a high chance that he won't try that product. For example, a good quality product, good customer care, fast response to queries etc. These are the requirements which need to be fulfilled by the product without the customer having to mention them, because without them, the product won't be of much value.

Extra Requirements refers to those requirements that are not necessary to be fulfilled by the product, but if included will make the customer very happy. These are the extra things that the customer doesn't expect, and if they are present in the product, they can delight and excite the customer. Their absence won't dissatisfy the customer, but their presence will make the customer very happy and could make the product very competitive. For example, adding an extra feature to the product with the same quality and features that the customers actually wanted *and* for the same price—this one extra feature has the ability to surprise the customer and make them very happy. It could lead to the customer trying the product again, or even recommending it to others.

Listening, Questioning and Confirming

Asking customers what they want in the product is extremely important. When the customer starts explaining, it is important to listen very carefully and note down the important points or features they want in the product. This is the key information that will help create a product which satisfies the customer's needs. While some customers will explain exactly what they want, others might not be able to communicate quite so well. They may have a set of ideas in their mind, but might not be able to communicate them clearly. When that happens, we need to ask these customers a series of questions and listen to the information they give, in order to get a clear idea of what the customers actually want.

The following techniques can be used for asking customers about their expectations of the product in such a situation:

- Open Questions.
- Closed Questions.
- Probing Questions.

Open questions

These are more like questions of reason. Like “what, how, why, when” etc. For example:

- What other features would you like there to be?
- What is your expectation with regard to price?

The customer explains his/her own opinion or reason.

Closed questions

Closed questions are mostly very short questions, usually “Yes”/“No” type of questions. They are not very descriptive.

Examples of closed questions include

- Have you got all the required documents?
- Will ten o'clock on Monday be ok for you?

Probing questions

Probing questions are asked when more information needs to be found out about the customer and their needs. These questions may have long, detailed answers and will provide vital details about the customer and their expectations.

For example:

- You live in the North; can you tell me what life is like there?
- Tell me more about the nature of the places you visit.

These questions help collect details about the customer to get a clear idea of what expectations they might have in their mind.

Sometimes, the customers might not be clear about what they need in the product because they're not fully aware of the features of the product/service. In such cases, it is necessary to enlighten the customers and even suggest the features that they might like to have in the product.

Confirming needs: After asking the customers questions and working out what the customer's needs are, it is good practice to ask and confirm that what you're thinking (about their needs/expectations) is accurate. In case there is any misunderstanding, clear it by communicating with the customer and work out their needs again.

Benefits of Meeting Expectations

Meeting the customer's expectations is very rewarding for any business as it both satisfies customers and increases sales. It can also improve the reputation of the business/product. Hence, bring in more profits. Happy and satisfied customers are likely to try the product again and recommend it to others as well. So, meeting customer expectations helps improve sales, boosts reputation and helps develop a strong customer-base with loyal clients.

Customer Personalities

Understanding the customer's personality also helps meet the expectations of the customer. The following are some of the many types of customer personalities:

Type of Customer Personalities

a) The Child

These customers are young and don't have much experience. They will believe anything you tell them and will buy a product without much questioning. Salespersons and retailers take advantage of their immaturity.

b) The Judge

The Judge is a type of customer who does *not* believe what you tell them. He/she finds out the facts (through magazines/newspapers/online reviews) and judges the products based on those facts. Due to this, they will already have made a decision about which product best suits their needs.

c) The Negotiator

The Negotiators will always negotiate and try to get the best deal they can possibly get.

d) The Bargain-Hunter

Bargain Hunters always look for a good deal or a cheaper deal - i.e. they will look for a deal that gives them the best possible product for the lowest possible price.

e) The Adult

These customers know exactly what they want and don't like wasting time in negotiating or hunting for bargains. They state the exact features that they require and also know the value of the product they are looking for. Hence, if the salespersons try to fool them or waste their time telling them about other deals, they will simply walk away.

Means of Identifying Customer Needs

The best way of identifying customer needs and expectations is by questioning the customer. Some customers know exactly what they want and may be offended when they are told about additional features. However, this is not always the case. Most customers are not 100% sure about what they'd like to have and require some amount of assistance, before making a final decision. In such cases, it is the job of sales representatives to ask the customer about their needs and compare these needs with the services available, in order to find the right product for the customer.

The sales rep can ask the customer what he/she needs help with, ask about the specifications the product should or perhaps how he/she intends to use the product.

Triggers and Customer Needs

Other than personality, "time, type, talk and tone" can also be used to understand customers' behaviour and needs. These terms are further categorised into the following:

a) Time:

- Relaxed.
- Rushed.

b) Type

- Male/Female.
- Young/Old.

c) Talk

- Cheerful & Talkative.
- Serious & Quiet.

d) Tone

- Hurried.
- Talkative.
- Confident etc.

Let's take a look at each of these Customer Behaviour Classifications in detail:

a) TIME

	Characteristics	Techniques to handle this category of customers
Relaxed	Not in a hurry. Enjoys the shopping experience. In a good mood.	Welcome the customer. Make them feel comfortable. Give them advice but don't try to force them to buy a product.

Rushed	Likes to look at all the possibilities before making a decision. In a hurry. Wants quick shopping. Wants the fastest possible checkout. Wants to save time. Will pick any product which fulfils primary needs.	Be friendly. Help them locate the product they require. Understand their situation and work efficiently. Give them quick choices. Don't give too many options as it will take more time to decide. Try to speed up the billing procedure.
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b) TYPE

	Characteristics	Techniques to handle this category of customers
Males	Men typically know the exact product that they want and would like to get the job done fast.	Welcome the customer. Be available for advice but don't follow them or offer unnecessary advice. Help the find the product they are looking for.
Females	Women generally like trying different products. They are not completely sure about which product they want to buy. They like taking their time to make decisions.	Welcome the customer. Offer assistance but don't follow them. Give them choices related to their needs. Help in the billing process.
Young shopper	Young shoppers (age 16-21) usually have a low budget for shopping. They look for good deals and bargains.	Give advice and tell them about the best bargain deals. Don't force or offer unnecessary advice. Help with the billing process.
Elderly Shopper	Elderly shoppers (above Age 60) require more assistance. They like comparing prices and need to be guided about the product they want. They also require more help with the billing process.	Welcome the customer and be friendly. Help them find what they want. Give them many options. Give them directions but not unnecessary advice. Help with the billing process.

c) Customers' needs can also predicted by the way they act, talk and in their tone:

	Characteristics	Techniques to handle this category of customers
Cheerful & Talkative	They are not completely sure about the type of product they want.	Welcome them.

Serious & Quiet	They'd like to have many options from which they can choose. They ask for assistance. They compare different products before making a final decision. They window shop for fun. They like taking risks. They usually investigate and study the facts about different products. They know the specifications they need in the product. They ask about the advantages and disadvantages or certain features in the product. They don't negotiate or look for bargains. They make decisions after serious consideration.	Provide assistance and help them locate the product they are looking for. Give them many options. Don't offer unnecessary advice. Let them take their time and help with billing process. Welcome the customer. Offer advice and help them locate the product they are looking for. Answer all their questions and clear up any concerns. Tell them which product may be better suited to their needs and compare them with others as well. Let them take their time. Help with billing process.
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Examples

A few examples about dealing with different situations and different kinds of customers are as follows:

Young Man + Alone + In a Hurry

- Help in finding the right product.
- Don't give unnecessary advice and confuse him.
- Be quick and efficient.

Young Woman + Alone + Relaxed + Serious

- Respond to her queries pleasantly.
- Give her multiple options.
- Give her advice and help in making decision, but don't give unnecessary advice.
- Help with billing process.

Middle Aged Man + with Family + Relaxed

- Give multiple options.
- Respond to questions and convey the advantages/disadvantages of different products.
- Be available when they need help.
- Tell them about the best deals and bargains.

Young Couple + Relaxed + Cheerful

- Give a variety of options.
- Help with making decisions.
- Give them some space, but be available when they need help.
- Help with the billing procedure.

Group of College Students + Relaxed + Cheerful

- Tell them about different bargains and deals.
- Help them find the right product according to their needs.
- Be available to guide them, but don't give unnecessary advice.
- Be pleasant and helpful.
- Give them different options.
- Help with the billing process.

Lady + with Children + Rushed

- Help her find the product she needs.
- Be quick and efficient.
- Don't waste her time telling her about different deals.
- Narrow down the options, don't make her choose from a large variety of products as it may waste her time.
- Try to interact with the children to help her focus on choosing the product.
- Help with billing procedure.

d) TONE

A customer's tone can also sometimes help determine what the customer's needs are and what kind of product he/she is looking for.

A few examples to help predict what the customer's needs from his/her tone are stated below:

- | | |
|------------------------|---|
| • A hurried tone | (in a hurry, not a lot of time to make a decision) |
| • A confident tone | (knows the exact product they want) |
| • A happy tone | (happy to have found the product they wanted) |
| • A challenging tone | (knows the facts and would like to know if the sales person is also listing the correct specifications) |
| • A friendly tone | (wants to know about more products and maybe have a chat as well) |
| • A shocked tone | (shocked about the details found out about the product they wanted) |
| • A disinterested tone | (wants to quickly buy the product and doesn't |

- | | |
|-------------------------|---|
| • A pleading tone | take interest in hearing any other offers) |
| • An angry tone | (in need of help) |
| • An inquiring tone | (not happy with the efficiency of services) |
| • An authoritarian tone | (asking for more information about products) |
| | (know what they want and don't want to hear about unrelated offers) |
| • A sympathetic tone | (knows that your work is hard so goes a little easier on you!) |

After working out the customer's needs from his/her tone, you need to alter your tone accordingly to help them get what he/she wants. The following responses are suitable for different tones noted in customers:

Customer's Emotional Tone

Your Tone in Response

- | | |
|-----------------|--------------------------|
| • Worried | Reassuring. |
| • Excited | Happy. |
| • Sad | Understanding. |
| • Hurried | Calm and quick. |
| • Confident | Acknowledging/Approving. |
| • Happy | Happy. |
| • Challenging | Explanatory. |
| • Friendly | Pleasing. |
| • Shocked | Understanding. |
| • Disinterested | Polite. |
| • Pleading | Helpful and reassuring. |

Your Behaviour And Its Impact On the Customer's Emotional Energy

Positive Energy

(Adds Emotional Value)

- A smile.
- Chat or communication.
- A warm welcome.
- Responding to questions.
- Taking genuine interest.
- Making eye-contact.
- Agreeing with customer's point of view.
- Listening carefully.
- Keeping promises.
- Making commitments.
- Showing a lot of enthusiasm.

Negative Energy

(Depletes Emotional Value)

- A cold stare.
- Ignoring the customer.
- Keeping the customer waiting.
- Not answering questions.
- Ignorance.
- Trying to avoid/no eye contact.
- Disagreeing with the customer.

- Giving own opinion and not listening.
- Breaking promises.
- Avoiding commitments.
- Uninterested, bored.

- Making extra effort to satisfy customers' needs.
- Clarifying doubts.
- Asking for opinions.

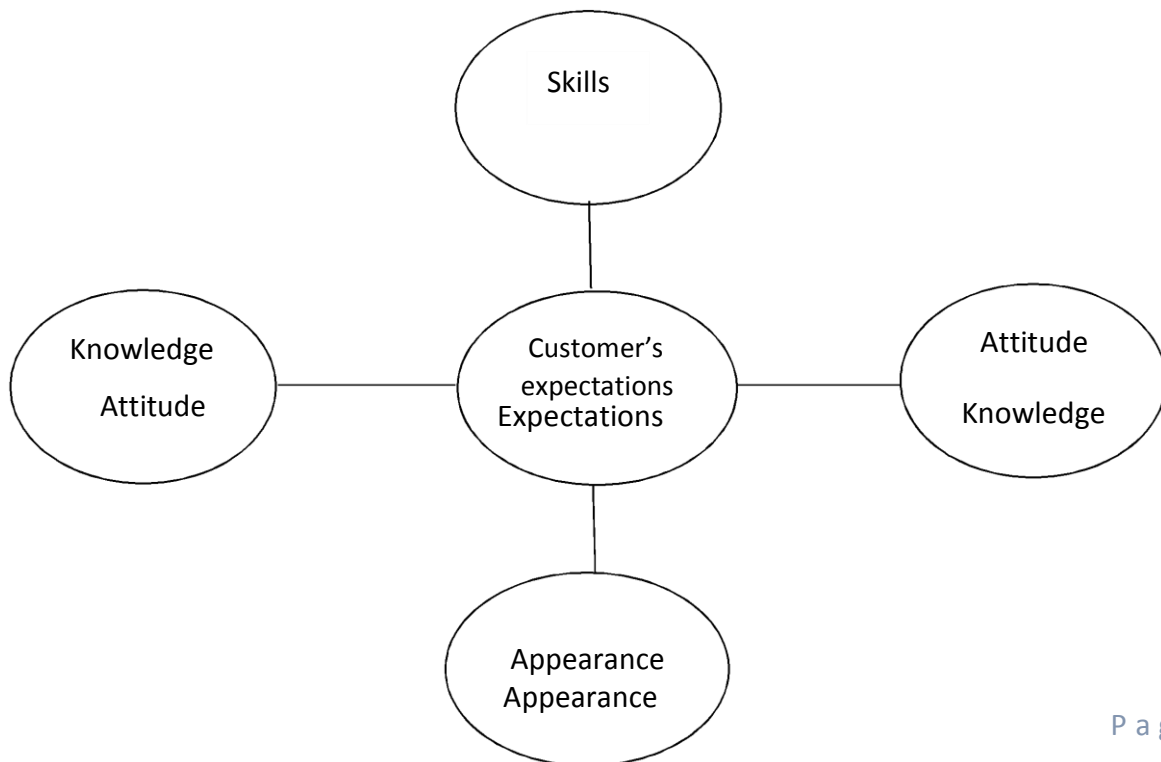
Not caring about making the customer happy.
 Making assumptions.
 Giving own advice and not caring about the customer's point of view.

What the Customer Really Needs, Wants and Expects

So, when we know the needs of the customers by studying personality, behaviour and tone, we can work out their basic expectations as well. Some very basic customer expectations are:

- Quality service and efficiency.
- Friendly behaviour.
- Helpful staff.
- Detailed information about the required products.
- Help in finding the right product by working out their needs.
- To be informed of all options.
- Being taken seriously.
- Not being ignored.
- To be listened to (about the specifications which are required).
- No arguments – the customer is always right.
- Honest opinions, proper feedback and genuine communication.
- A simple smile.
- Understanding of the customer's situation.

In order to meet the customer's expectations in the best possible way, you should have the appropriate "Knowledge", "Skills", "Attitude" and "Appearance".



ATTITUDE - YOU SHOULD BE:	KNOWLEDGE - KNOW YOUR:	SKILLS - HOW TO:
Positive	Store and its operations	Sell convincingly
Attentive	organization & its structure	Serve Customers intelligently
Energetic	Colleagues	Communicate Effectively
Pro-active	Products	
Passionate	Policies and procedures	
Empathetic	Customer personalities, behaviour & their needs	
Responsive		

Fig. 2.1

Further Reading:

- ✓ *Measure What Matters: Online Tools for Understanding Customers, Social Media, (2011), By Katie Delahaye Paine*
- ✓ *Neuromarketing: Understanding the Buy Buttons in Your Customer's Brain (2005), By Patrick Renvoise*
- ✓ *Understanding Your Users: A Practical Guide to User Requirements : Methods, (2005), By Catherine Courage, Kathy Baxter*