



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
- ✓ Explore various types of Customers

Unit 2

Understanding your Customers

Introduction

Understanding customer expectations is extremely important for any business to succeed and lead in the market. When the quality of products is according to customer expectations, it makes for a satisfied customer who would like to try the product again. Customer expectation serves as a standard according to 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 according to customer expectations will satisfy the customer and he will 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 expectation 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 their performance by measuring the amount of time required to fix the fault in any vehicle. An online merchant might measure his 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 the quality, customer complaints and evaluating the quality of assistance provided by 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 that purpose as only those people provide feedbacks 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 rates.
- Friendly staff to guide the customers and answer their questions.
- Quick responses to queries; whether online, on 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 an environmentally welcoming store/facility.

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

Identifying Customer Expectations

Customer expectations change very frequently. Therefore, it is required to keep track of those changes by having lots of interaction directly with the customers.

This can be done by asking the customers to fill out survey forms in return for some gift or prize or a complementary service. Communicate with the customer to ask him about his expectations and see if the product meets his expectations. If it doesn't, study deeper and try to find out why and how the product can be brought closer to 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 mind but can't express them because he doesn't have enough information about the product.

It is quite usual for the customers to have certain expectations about the products that 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 the customers are looking for and automated systems will help keep the quality of service according to those expectations. However, some customers actually prefer paying more money to deal with human beings instead of automated systems. Customer feedback is very essential for the growth of your business and keeping the customers satisfied. The customers can only be satisfied when it is known what the customers expect from the product/service. Customer's expectations/needs can be categorised into the following to see how they help to achieve customer satisfaction:

Revealed Requirements means 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, 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 that much value.

Extra Requirements means those requirements which are not necessary to be fulfilled by the product but if included, they 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 amaze and excite the customer. Their absence won't dissatisfy the customer but their presence will make the customer very happy and will 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 that too in the same price, but that one extra feature has the ability to surprise the customers and makes them very happy. It could lead to the customer trying the product again or even recommending it to others.

Listening, Questioning and Confirming

Asking the 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 because that will help us create the product which satisfies the customer's needs.

While some customers will explain exactly what they want, other might not be able to communicate that well. They may have a set of ideas in their mind but might not be able to communicate it with us that well. When that happens, we need to ask those customers a series of questions and listen to the pieces of information they give to get a clear idea of what the customer's actually want.

Following techniques can be used for asking customers about their expectations of the product in such a case:

- 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 expected departure date?

The customer explains his own opinion or reason for his answer.

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 all right for you?

Probing questions

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

For example:

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

These questions help gather details about the customer to get a clear idea of what expectations he might have in his 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, we need 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 a good practice to ask and confirm from them that what you're thinking (about their needs/expectations) is exactly what they want in the product as well. In case there is a misunderstanding, clear it by communicating with the customer and work out his needs again.

Benefits of Meeting Expectations

Meeting the customer's expectations is very rewarding for any business as it would satisfy the customers and increase sales. It would also improve the reputation of the business/product. Hence, would 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, 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. Following are some 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. Sales person's 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 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 what 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 in the limited funds that they have.

e) The Adult

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

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, that is not always the case. Most customers are not a 100% sure about what they'd like to have and require some amount of assistance before making the final decision. In such cases, it is the job of sales rep's to ask the customer about his needs and compare these needs with the services which are available to find the right product for the customer.

The sales rep can ask the customer what he needs help with or some specifications the product should have or he intends to use the product.

Triggers and Customer Needs

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

a) Time:

- Relaxed.
- Rushed.

b) Type

- Male/Female.
- Young/Old.

c) Talk

- Cheerful & talkative.
- Serious & Quite.

d) Tone

- Hurried.
- Talkative.
- Confident etc.

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

a) TIME

	Characteristics	Technique to handle these category of customers are
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.

	Likes to look at all the possibilities before making a decision.	Be friendly.
Rushed	In a hurry. Wants quick shopping. Wants quick checkout. Wants to save time. Will pick any product which fulfils the needs.	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 hurry up the billing procedure.

b) TYPE

	Characteristics	Technique to handle these category of customers are
Males	Men usually 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 them find the product they are looking for.
Females	Women usually 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 about best bargain deals. Don't force or offer unnecessary advice. Help in the billing process.
Elderly Shopper	Elderly shoppers (above Age 60) require a lot of assistance. They like comparing prices and need to be guided about the product they want. They also require 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 talk, their tone:

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

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

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 tell the advantages/disadvantages of different products.
- Be available when they need help.
- Tell about best deals and bargains.

Young Couple + Relaxed + Cheerful

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

Group of College Student + 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 helping.
- Give them different options.
- Help with 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 would waste her time.
- Try to interact with the children to help her focus on choosing the product.
- Help with billing procedure.

d) TONE

Customer's tone can also sometimes help us find out 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 are from his/her tones 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 telling the right 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 *(in need of help)*
- An angry tone *(not happy with the efficiency of services)*
- An inquiring tone *(asking for more information about products)*
- An authoritarian tone *(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 easy on you)*

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

Customer's Emotional Tone

Your Tone in Response

- | | |
|---|---|
| <ul style="list-style-type: none"> ● Worried ● Excited ● Sad ● Hurried ● Confident ● Happy ● Challenging ● Friendly ● Shocked ● Disinterested ● Pleading | <ul style="list-style-type: none"> Reassuring. Happy. Understanding. Calm and quick. Acknowledging/Approving. Happy. Explanatory. Pleasing. Understanding. Polite. Helpful and reassuring. |
|---|---|

Your Behaviour And Its Impact On Customer's Emotional Energy

Positive Energy
(Adds Emotional Value)

Negative Energy
(Depletes Emotional Value)

- | | |
|--|---|
| <ul style="list-style-type: none"> ● A smile. ● Talk or communication. ● A warm welcome. ● Responding to questions. ● Taking real interest. ● Making Eye contact. ● Agreeing with customer's point of view. ● Listening carefully. ● Keeping promises. ● Making commitments. ● Showing a lot of enthusiasm and spirit, taking interest. | <ul style="list-style-type: none"> A cold stare. Ignoring the customer. Keep 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 an extra effort to satisfy customer's needs.
- Clarifying doubts.
- Asking for opinions.

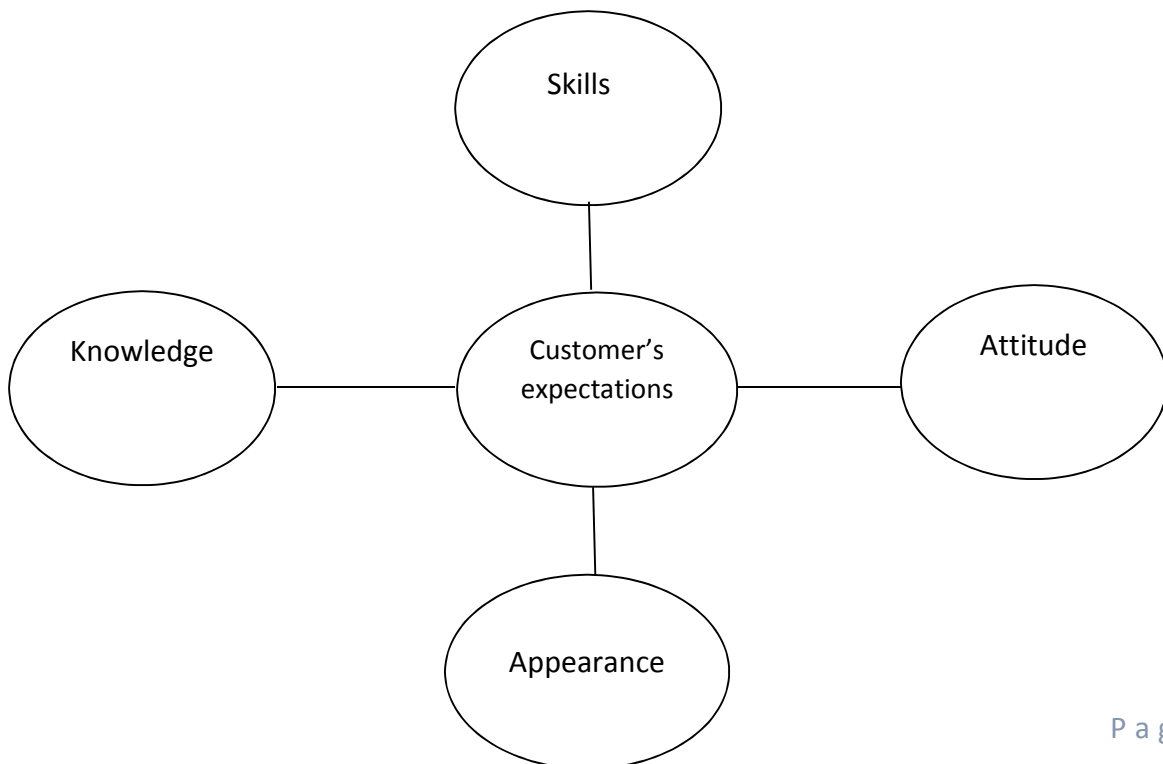
Not caring about making the customer happy.
 Making assumptions.
 Giving own advice and not caring about the customer's point of view.

What The Customer Really Needs, Wants And Expects?

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

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

In order to meet 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		Customers personalities			
Responsive	behaviour & their needs				

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*