

## CUSTOMER INTELLIGENCE FOR SALES EXECUTIVES

*Imagine how much more successful your salespeople could be if they had a complete knowledge of a potential customer's unmet needs, wants, and purchase decision rationale. While most sales professionals understand their own half of the picture (their company's products and services, selling points and differentiators), they do not have a firm grasp on customers' true needs and purchase criteria.*

*Knowledge of customer needs is important for gaining new accounts, and also for protecting your own customers. This document covers customer unmet needs, purchase decision behaviors, supplier ratings, and switching factors – all of which your company's sales and marketing teams should understand. Using the tools described in this white paper, your sales force should understand how to retain and grow existing revenue streams from current customers, and gain new revenue streams from additional customer accounts won from competitors.*

*This white paper will describe the four steps of information gathering that can be most helpful to your salespeople in winning over prospects:*

- 1. Identify prospects with laundry lists of unmet needs.*
- 2. Determine if those unmet needs are also their critical decision factors.*
- 3. Select those prospects that rate your company highly (or at least do not*

*have a negative impression of your company).*

- 4. Determine if those prospective customers have a high likelihood of switching suppliers.*

### Identify Your Own Customers' Unmet Needs

The first step in ensuring retention of your customers is to understand all of your customers' unmet needs. Identifying your customers' unmet needs will enable you to retain and grow existing revenue streams. You may learn that many of your customers would like improved access to your technical service personnel, for example. Or they may want to be able to make purchase order changes later than they are able to do so at present. They may expect better attention to detail in shipping complete orders at once. These changes, which may not cost a lot of money or require a tremendously complicated solution, may go a long way toward satisfying your current customers.

However, in some cases, the customers' unmet needs are not as straightforward. "The salesperson that I have to deal with is a complete bully. I do not like his personality or his tactics. I know that his products are the best in the industry, but I may switch suppliers just so I do not have to deal with him." Uncovering this kind of unmet need is obviously important. It will probably require using an objective, candid third-party research firm to uncover this kind of dissatisfaction.

Regardless of the type of unmet needs that you discover, gaining insights about them is important. You will be able to identify the

risks of losing customers on a case-by-case basis. You will be able to offer more customized solutions. At a minimum, you will learn how your salespeople are doing with their accounts.

### **Use Your Competitors' Customers' Unmet Needs to Your Advantage.**

Understanding your competitors' customers' unmet needs may enable you to gain new customers. Targeting a competitor's customer is relatively straightforward when you have a process in place. First, you should identify the specific competitor to target. (Some competitors may be more vulnerable than others, a closer fit to your capabilities to serve customers, or they may have weaker customer relations than others.) Then, you will need a list of that company's customers. In some industries, where there are relatively few customers, this may be easy. In other markets, gathering a list of customer accounts is much more difficult. If you cannot identify the customers of a specific competitor, a third party research firm may be able to develop a list of some of that competitor's accounts.

Targeting and approaching these prospects is relatively straightforward. You can essentially offer a toolkit for your salespeople. You will need to understand the aspects of the relationship that please these customers so that you continue to serve them in ways that make them happy. You will also need to understand the unmet needs of their current relationship. Because you now understand each customer's needs, you can offer more customized solutions for individual customers.

### **Develop a List of Customer Purchase Decision Factors.**

It is not enough, however, simply to understand a customer's unmet needs. One must also recognize how important each of those unmet needs is. For example, suppose you learn that a customer is upset about the appearance of its supplier's product. That information is only worthwhile if "product appearance" truly plays a role in that customer's purchase decision process.

By researching customer purchase decision factors, you will learn, from each customer:

1. How important is price compared to other factors? How do you define price? (Is it the initial upfront price of a good or service, or the long-term costs associated with the product or service?)
2. How important is quality? What aspects of quality are important? Define quality?
3. How important is service? What aspects of service are important? Define service?
4. What other factors do you consider? How important are they?

### **Determine the Customer Ratings for Your Company, as well as Other Suppliers.**

It is also useful to understand how each customer rates your company in terms of each purchase decision factor. In other words, if Customer A considers long-term product operation cost, technical service availability, and product design as its top

three factors, how does it rate your company's performance in those three areas vs. the competition's performance?

Suppose the target customer rates you highly and your competitor poorly in its long-term cost performance. How do you know if your competitor's cost of performance is poor enough (in the eyes of a customer) to cause the customer to switch suppliers? Your chance of convincing that customer to switch to your company depends, in large part, on its predetermined proclivity toward switching suppliers (and its perceived switching costs).

### **Develop an Understanding of Customer Loyalty vs. Interest in Switching Suppliers.**

Every industry's customers can be displayed on a continuum from no interest in switching suppliers to high interest in switching. Even in industries with high perceived customer switching costs, some customers are always looking for a better supplier and some will remain loyal forever. Therefore, it is not enough to know that a customer is dissatisfied with its current supplier. It must be willing and interested to take the steps necessary to switch suppliers.

If you are targeting a competitor's customers, it is important to understand which of those customers have a moderate to strong degree of interest in switching. It can be helpful to target those companies that are not opposed to switching and have a clear unmet need.

To summarize, the process should work as follows:

1. Identify customers with laundry lists of unmet needs.
2. Focus on those customers whose unmet needs are also critical decision factors.
3. Target those customers who rate your company highly or at least do not have a negative impression of your company.
4. Approach those customers with a high likelihood of switching suppliers.

### **Analyze Customer Opinions**

Analysis of the results of this research can help you segment your (or your competitor's) customers. You may already be segmenting your customers according to their size, products purchased, region, and profitability. Each method of segmentation could benefit from a cross-reference with the customer needs information discussed in this white paper. For example, it could be important for your sales executives to know that your large customers select suppliers based mainly on price, but your smallest customers base their decisions on perceptions of quality. You may also want to know that your most profitable customers rate your company as having poor service, for example.

You may also want to group those customers who are prospects, those customers you recently lost to a competitor, or those customers that you consider loyal and analyze how they are different. Assess the customer needs, purchase decision criteria, ratings, and interest in switching for each of these groups. The results may help you decide where to focus. Not only can this approach help you win and retain more customers, it can help you with your strategic planning process.

## Develop a Process for Gathering Data.

Gathering candid insights from customers is impossible if you are a prospective supplier. The customer has little motivation to be candid with you. The research and analysis should be conducted by a qualified consultant experienced in prime source intelligence-gathering. He or she should be able to gather these insights without revealing your company's name or intentions.

## Conclusions.

The resulting analysis should help your sales executives target new customers more effectively, and understand how to support existing customers more comprehensively.

## About the author.

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