



2.04 Market Research & Branding

Know Your Customer *Or Lose Them*

"Changing Lives One Workplace at a Time"

Ivy Consulting Group, Inc.
www.IvyConsultingGroup.org



Know Your Customer

- What do your best customers want from you?
- Why do they buy from you?
- Why do they leave you?
- Have their expectations changed?

Effective marketing requires a keen understanding of your target customer’s perceptions of your product and why they will buy or choose not to buy. And with more competitors, it is more important to validate your beliefs with validated research. So instead of relying on assumptions, your research will help you fully understand consumer perceptions, expectations, and even conscious and unconscious decision-making behaviors to assist you in the development of your Marketing Strategy.

Marketing Strategy has three key elements: *research*, *strategy*, and *execution*. This lesson plan will help you discover more about customer insights and how to build your business around them.

Failure to develop an effective Marketing Strategy can lead to poor sales results, increased customer frustration, high employee turnover, and lower profits.

The first and most important element, *research*, is not complicated but will take focused attention. This research will become the focus of your company mission, marketing campaigns, and every interaction you have with them.

Suppose you take the time now to know your target customer and build your business model around them. When you do it right, you will increase sales, improve customer satisfaction, have happier employees, and increase company profits.

Let’s get started!



Target vs. Natural Market

Before we begin, it's important to define and illustrate the differences between a target and natural market. Both can be effective marketing strategies and your target market may be the same as your natural market, this is not always the case.

A **natural market** is one that is said to attract people who are like you (person selling the product or service). Your natural market may have demographic similarities such as age group, socio-economic status, native language, education level, race, or gender to name a few. Or, a natural market can extend to others who share values, interests, life-experiences, backgrounds, political views, hobbies, or religion. All of the similarities you share with the consumer are considered to be your natural market. Most people who sell a product tend to cater to their natural market because, when there are shared interests, it is easier to find a prospective buyer. Creating a list of at least 100 people you know is a great place to start your natural marketing efforts.

A **target market** identifies a group of people who are 1) most likely to be interested in your company's product and service, 2) are most likely to buy, and 3) will create the greatest opportunity for profit. In other words, while a natural market refers to individual similarities between two people, when we refer to a target market we are trying to identify the demographic and socioeconomic similarities of those who are considered the company's best customers for everyone in your organization.

Natural Market is Not Your Target Market

While *relying* on your natural market may work for some, many sales managers will argue that relying on a natural market is one of the top reasons new sales professionals fail. This is especially true for franchise-type businesses who have limited to no control of pricing structure. When this is the case, it is imperative that you align your marketing strategy to attract the same customer your company desires.

For instance, new insurance agents often rely on natural markets to start their business, and when that source runs dry, a vast majority rely on referred leads for growth. Fortunately for those in the insurance business, renewal income allows this lackadaisical marketing effort to be enough to keep most agency owners afloat. However, insurance agents do not set rates and are at the mercy of the insurance companies. Each carrier applies sophisticated algorithms to identify customers who are most profitable and price each policy accordingly. As you can imagine, the age of drivers, type of car, age of home, and proximity to natural disasters (hurricane, flood, hail, earthquake, and windstorm) all impact the amount a consumer pays for insurance. In addition, most new pricing models include discounts/surcharges for credit history, driving activity, and the payment option chosen by the customer. If an agency owner's natural market is outside of what their carriers deemed to be a "profitable group," the agent will have a frustrating time competing with other carriers who use different rating algorithms. The main point to those in this type of business model is to make certain your marketing efforts match the target market of set by your company.

Step 1: Research Your Target Market

As mentioned earlier, assuming your customers are just like you and relying on your natural market to meet your sales goals could be a devastating mistake. Instead, conduct thorough research to find what your client needs and build your company around those needs. Accurate and comprehensive information is the foundation of all successful businesses, providing a wealth of data on existing and potential customers, competitors, and the general industry.

Define the Problem. Everything about your business branding, marketing, and sales process has to be focused on fulfilling the need or solving the frustration of your target client. You must know what the problems are for your target customer and solve that problem. Your marketing message must appeal to them, your delivery must connect to them emotionally, and your service must satisfy them.

Collect the Data. The best way to collect data is through surveys. Your surveys should be divided into three groups: *A) prospective customers*, *B) existing customers*, and *C) past customers*. Find out why your current customers bought from you, why past customers left you, and what both groups would love to see you do better. Using the data from groups B and C, you will be able to create a simple calculation to determine the probability that those from Group A will buy from you in the future.

Demographic information allows you to better understand certain background characteristics of an audience, whether it's their age, race, ethnicity, income, work situation, marital status, etc. By asking demographic questions in surveys, you can gather demographic information about current and potential customers at scale, and in turn, help you design a market segmentation strategy to reach the right clients (See Exhibit C – Collecting Data Questionnaire).

The best way to collect data is by using your website to collect data and storing it in a secure database. A survey page on your existing website, or creating a new site is relatively inexpensive and can be accomplished with minimal effort. Without this option readily available, you can quickly set up surveys using 3rd party services like SurveyMonkey.com. For those customers who indicate you are doing great, ask them to write a Google Review.

Analyze the Data. Once you have enough information, analyze the data to uncover similarities and differences between and in groups B & C. Markets shift and consumer demands change. Continue to collect data and adjust when necessary. Use valid statistical methods or reach out to an expert for help. Understanding this data and using it in a beneficial way can be the difference between success and failure in business.

Keep in mind that not everyone should be a customer. If a client who is unhappy with a competitor's product or service comes to you, they are most likely to be disappointed with you too. And when you rely on passive marketing programs (where customers come to you), you will most likely build your business with "unhappy" clients. For this reason, it is imperative you build your business on *active* rather than *passive* marketing techniques to avoid this trap.

Step 2: Your Marketing Strategy

Once you have completed your research, you must evaluate if your current marketing programs, sales presentations, level of service, pricing model, and product features to determine if they appeal to the right clients. If not, what can you improve upon to attract and retain more of your best clients?

Define your goals and objectives. Start your strategy development using only key personnel. Don't delve into the details of the new strategy and communications just yet, instead focus on specific business objectives you'd like to achieve throughout the year - whether it be sales goals, income targets, brand awareness, or lead generation.

Define your most profitable customer using a buyer persona. When you define the company's most profitable customer, you are providing key indicators to your sales team on how they should align their marketing efforts in the similar manner. Also, when the definition will change the direction or marketing process of your team, illustrate how successful implementation of this new strategy can mean profits to everyone. A buyer persona represents your buying audience. With a buyer persona, you're generalizing who your ideal customer is along with their likes, dislikes, and buying habits.

Identify market trends. Demographic questions allow you to find trends in the market that can help you reposition your business to remain relevant. For instance, if sales drop, demographic data can tell you if you're priced too high for a particular group.

Confirm the validity of responses. Using demographic questions helps you target the right buying audience. For instance, you might discover women make more of the buying decisions over men. This information could be very helpful and avoid making embarrassing mistakes focusing on the male counterpart.

Design communication strategy and timeline. Changing a company's Marketing Strategy means many on your team will have to adjust current processes, procedures, and even habits they make work easier. Change like this will not come easy and could disrupt the system. For this reason, it is imperative that key team members who are involved in carrying out the strategy are onboard before it is communicated to the entire team. In addition, bringing your top performers in early will make them feel valued and can identify possible issues before the entire team is involved.

Set expectations, goals, and accountability standards. With change, comes opportunity. Use this time to generate enthusiasm to ignite a fire with your team. Set goals for execution and reward exceptional performance with a team payoff. For those who are unmotivated or refuse to change, make expectations clear, provide as much assistance as possible, document your meetings, and make a change.

Step 3: Execution

A goal without execution is just a wish. The 3rd step in developing your Marketing Strategy is Execution. And to successfully execute your plan, you must:

- 1) select your key execution team,
- 2) select a project management system,
- 3) with your team, create a roll-out calendar,
- 4) design new marketing materials,
- 5) train everyone involved, and
- 6) distribute marketing material to target market.



Select your key execution team

Your Marketing Strategy will never succeed if you fail to gain the support of your key team members. Your execution team will be made up of the people who understand existing policies and procedures and will take over the tactical details of how implementing each strategy will be carried out. However, before you go with your normal “go-to” person to carry out your wishes, you need to make certain they are the right leader for the job. Members on your execution team must be detail oriented, are driven by deadlines, are creative, and committed to the success of the operation. Most importantly, they must be good leaders!

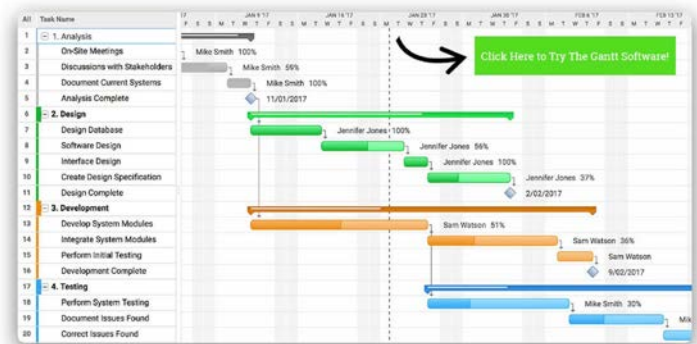
Select your project management system

A few of the best project management software systems have free versions. Usually, these free versions are severely limited in some way. For example, you might be allowed to manage only one or two projects at a time or invite only a handful of people to work alongside you. Plus, you usually don't get all the best features of the app in the free version. Still, if you have a small team and need to only manage one or two projects, it might work.

[PC Magazine](#) ranked the top project management apps in 2022 and ranked Zoho Projects (\$5 per user per month) as the #1 app for small business owners. Monday.com (\$8 - \$16 mo) and Teamwork.com (\$12.50 mo) are two additional highly rated services. Of course, you can use software such as Excel or Google Sheets to create a simple timeline and roll-out strategy.

Create a roll-out calendar

To keep your entire team on schedule, use a Gantt chart and break each major goal down into a roadmap or phases to be completed with expected timelines. A gantt chart is a horizontal bar chart used in project management to visually represent a project plan over time. Modern gantt charts typically show you the timeline and status as well as whos responsible for each task in the project.



Design new marketing materials

Anyone can make an ad, but making an asset that connects with a customer is another matter. From emails and online ads to printed marketing materials, you’ll need multiple touchpoints to move customers to action. Consistent marketing efforts with constant quality are crucial to ensure you reach your audience regularly, moving them down the customer journey towards a sign-up or purchase. According to [Adobe.com](https://www.adobe.com), Brand consistency in marketing can lead to an average revenue increase of 23 percent.

Make marketing materials that drive sales

Investigate what materials connect best with your target customer. You should design marketing materials that connects and builds trust in your customers, making it easier for them to support your business. In addition, you should use different materials for different tactics: brochures provide a more indepth view required for more complex products; easy-to-read postcards deliver basic information fast and best used to advertise competitive pricing; short videos are perfect for sharing on social media and lead-nurturing email campaigns. Five important questions to consider before utilizing any marketing campaigns are:

1. Was it written with your specific target market in mind?
2. Does it explain the nature of the product or service and its features?
3. Does it explain how your business is different from competitors?
4. Is it easy to understand and connect emotionally?
5. Does it ask for the sale and offer an easy way to contact or buy now?

Train everyone involved

Training is important because it represents a good opportunity for employees to grow their knowledge base and improve their job skills to become more effective in the workplace. Despite the cost of training for employees, the return on investment is immense if it is consistent.

According to Ivy Consultant and career coach [Heather Fife](#), there are several reasons it is important for employers to initiate training programs for their employees, such as:

1. **Demonstrates to employees that they are valued.** By constantly teaching new skills and talents to your employees, they can not only become better employees, but they may also feel like more productive members of your team. Training may also boost employee morale and engagement to help others on the team.
2. **Improve productivity and efficiencies.** Employees who are consistently trained will increase skills and gain more confidence in their ability. For those who are cross-trained, they will gain a better understanding of how their efforts affect the performance of the team. This may boost their performance and allow them to function more efficiently and effectively.
3. **Test employees for promotional opportunities.** Training can also prepare workers for advancement and become a test to see how they react when challenged taking on greater responsibility within your organization.
4. **Increased client satisfaction.** When employees participate in continuous training, it enhances their job abilities and allows them to perform more efficiently and professionally. Clients often notice the difference in service quality and delivery. This improvement can enhance your company's perceived impression and reputation.

Distribute marketing material to target market

If you are making a significant change to your marketing strategy and company brand image, you should be reminding consumers that even though the situation has changed, you are still there for them. Your new marketing material should be inline with your company's core values and to regain consumer trust, you must own your mistakes and foster transparency in everything you do.

Find ways to design your materials in a way that connects with them on an emotional level. With this strategy, you will leave a lasting impression on your consumers that they will remember when they are ready to purchase.

Finally, ask for consumer feedback, continue to collect data, and change course when needed. But it's not enough to just ask your customers for feedback, you also need to respond when your customers reach out to you. Stay in touch with your audience and show them that you are always there for support. By responding quickly to their needs, and interacting with your consumers in their preferred communication method, you create a special connection that they will always remember because it shows how much you value the relationship.

Purchase Preference & Product Acceptance

Purchase preference. Even though impulse and the unconscious mind drives most purchase decisions, most people will justify these decisions to themselves or others with rationale and reason. Here are three typical justifications that are commonly used to make purchasing decisions.

Experimental. This factor comes into play when your customers are looking for a new, revolutionary and innovative product or services. You'll find that the most common buyers who have this preference are the ones who care to keep things impersonal and objective.

Value. Customers who look for value are often introverted buyers. They want something "worth the money." Don't get me wrong, this doesn't mean cheap. They have no qualms about spending a lot of money on something if they feel it is worth it.

Performance. These objective customers are often looking for something affordable, reliable and of proven quality

Of course, it is imperative to understand that most buyers will be familiar with all three of these purchase preferences, but one will surely dominate based on their personality.

Product acceptance. Product and brand are not one and the same. Product is generic, but a brand is specific. If you want customers to buy your brand, you have to give them substantial reason to pick you over the competition.

Delivering on Your Promise

Just because you've done the research on your market segment and feel as if you understand the people who make it up and their purchasing prerogatives doesn't mean you can quit there. Your next step is to corner and develop your brand name. Your brand name needs to be strategic because it will live on in the minds of your customers and could one day become a household name, but it is a perishable resource. If you don't maintain it, it can soon become a dirty word. People's perception of your business is their reality, it's real until you change it. Their perception is your brand. Since it exists solely in the minds of your target market, your brand is what you make your brand name to be. Methods of sharing this brand vision with your clients can include advertising, customer service, product design and production, delivery, sales, and anything else you throw into the ring. All of these sources impact your target markets and will have an effect on the way they see your business.

The End of “Selling”

When you stop selling and start helping people you will see your attitude change and your close ratio skyrocket. High-pressure sales tactics and constantly making defamatory remarks about the competition often turns customers off is usually driven by the need to meet sales goals or make a profit. You feel as if you need to “make” people buy your products and services. Your clients won’t be able to ignore the unhealthy tension of desperation and antagonism that pervades your business. Focusing on client needs instead of your own is critical when comparing coverage options and is the best way to build rapport with a client. Your new business sales will increase and renewals will be the reward for your hard work.

Exhibit A - Why They Buy

Why do your customers buy or choose not to buy from your business? Are you meeting your sales goals? Even if you are meeting your goals, take a few minutes now and write down 5-10 reasons on the top of your head what is preventing you from making more sales. Don't think, just list the top 5—10 reasons that pop into

1. _____
2. _____
3. _____
4. _____
5. _____

6. _____
7. _____
8. _____
9. _____
10. _____

Look back at your answers. Circle the ones in which you were not blaming lack of competitiveness, product options, or other reasons for not meeting your goals but were taking full responsibility for your success and failure.

When I've asked for people to blurt out names in a live audience and I start to write down the ones where they blame others on the left and when they take responsibility for their results on the right, it usually takes 8 or 9 answers before the first answer is, "I didn't spend enough on marketing" or "I'm just conducting enough presentations myself like I used to."

So, don't feel bad if most of your answers were blaming others, that is natural. The key here is to simply realize that you would be happier if you don't worry about the things you cannot change and accept the fact that you are in control of your own destiny.

Getting back to the subject at hand and determining why someone chooses to buy from you or not, let's look in the mirror and find out why. The answer is, most people buy from you because they like you. It's that simple. The question then becomes, what reason do you or your staff give them to like you? If they are just having a conversation about price, that's all the person on the other end of the phone knows about you.

Motivation to switch products or services to your business is driven by your ability to fulfill a need in which your product satisfies. This need can have a positive or negative connotation of a physical or emotional need that compels a person to take action. Desires, obligations, and fears can serve as drivers. Desiring a better price or fear of not making the right decision are reasons for potential clients to take action. It is your job to determine that need and show them how your product or service can fulfill that obligation.

A 40/40/20 Rule of Marketing was popularized in the 1960's by a direct mail guru named Ed Mayer. The Rule explains why customers buy and breaks down your sales success in the following way:

- ⇒ 40% is dependent on your target audience
- ⇒ 40% is dependent on what you are offering
- ⇒ 20% is dependent on your creativity

So what does the research tell us? First of all, consumers buy your product because of your ability to fill a need or solve a problem.

Second, they buy from you because of credibility. Consumers buy from people they trust. It is your job to show them you understand their needs and have a product to fit.

Exhibit B – Identifying Your Target Market

Take a moment to visualize your “Perfect Client”. What are his/her characteristics as you see him or her now?
Where do they live?
How do they like to transact business?
Does your product or service require a degree of trust?
Would they appreciate an explanation of product and pricing options?
Would they like to meet in person during the initial sales meeting?
Would they be interested in having their current product or service reviewed?
Is this is dual-income family or are most of your “perfect-clients” have one partner working and the other maintaining the home?
What is the average income of this client?
Are they have children living at home?
Do they have toys such as motorcycles, golf carts, boats or jet skis?
Do they have secondary homes?
What can you do to appeal to these clients?

Exhibit C – Collection Questionnaire

1. Which category below includes your age?
Under 21 | 21 – 29 | 30 – 39 | 40 – 49 | 50 – 59 | 60 – 75 | Over 75
2. Are you White, Black or African-American, American Indian or Alaskan Native, Asian, Native Hawaiian or other Pacific Islander, or some other race?
3. What is your gender? Female | Male | Non-Binary | Other (specify)
4. Are you now married, widowed, divorced, separated, or never married?
5. What is the highest level of school you have completed or the highest degree you have received?
Less than HS | HS or GED | Associate | Bachelors | Masters | Doctoral
6. Which of the following categories best describes your employment status?
Part-time Employee | Full-time Employee | Looking for Work | Student
Not Looking for Work | Retired | Disabled, Not Able to Work
7. How much total combined money did all members of your household earn in 20__?
8. Are your living quarters owned or being bought by you or someone in your household, rented for cash, or occupied without payment of cash rent?
9. What language do you mainly speak at home?
10. How many children are you parent or guardian for that live in your household (aged 17 or younger only)?
11. Do you identify with any of the following religions? (Select all that apply.)

About Survey Questions – From SurveyMonkey.com

Asking for age ranges in surveys

One of the most commonly asked demographic questions is about age range. Age is sometimes a necessary piece of information in market research segmentation, medical research, customer identification, and more.

Why ask for age range?

Depending upon your research, age range may be vital in understanding your data and being able to use it. For example, if you're studying consumer preferences and behaviors in regard to music streaming services, survey respondents in their teens and 20s will likely answer your survey questions differently than older respondents.

Determining your respondents' age ranges will expand your understanding of your target audience and allow you to analyze similarities and differences between the different age ranges.

Tips for asking about age range

Because age can be a sensitive issue, follow these tips for asking your survey respondents age-related questions:

- Include a statement in your survey instructions that explains why you're asking for their age demographics. This will let them know the question is coming, and they will understand the context of the sensitive question.
- In your survey instructions, inform participants how you will use the information they provide, including demographics. Just provide a brief overview. This is also a good place to explain how you'll protect their privacy.
- Place age range and other demographic questions at the end of the survey. They'll feel less invasive to participants if they aren't asked at the beginning of the survey.

How to classify age range

Trying to figure out how to determine age ranges for survey questions? There are many ways to list age group ranges for surveys. Some researchers prefer to create sets of five or ten-year intervals, while others ask by generation (Baby Boomers, Millennials, Gen X, Gen Z, etc.). You can also use ranges based on general life stages (18-25, 25-35, etc.).

The range you use is up to you and what will work best with your survey goals.

Best practices for utilizing demographic survey questions

You're almost ready to create your own demographic questionnaire... but first, how about reviewing some tips to make sure that you implement the best practices in survey methodology?

Think about your [survey goal](#)... Every survey starts when a goal is set. Looking at your main objective makes it easier to determine which demographic questions you will need to include.

...but only include the demographic questions you need. Don't overload your questionnaire, or you'll risk inducing [survey fatigue](#) in your respondents.

Be mindful of your audience. Keep phrasing respectful in demographic questions, since many of them deal with matters of personal identity like gender, race, ethnicity, etc.

Know when to get personal. Just like an in-person conversation, first establish rapport with your respondent, then ask about personal matters. Read more on this post about [sensitive questions](#).

Don't let numbers overlap. As in the income question example above, make sure that no two responses include the same number. For example, if one age bracket covers 50 to 59 years old, make sure the next one starts at 60—not at 59.

Make responses anonymous. Many people are sensitive about offering their personal information. Demographic information examples where this can ring true, include: income level, employment status, race, and ethnicity. If you're surveying for broad demographic patterns or trends, consider making responses anonymous—and be sure to let your respondents know that's the case.

Explain the purpose of your survey. In a brief introduction, tell your respondents how you'll use the information. For example: "We want to know more about our customers and what they want. This information will help us put together the right mix of products and services to ensure your satisfaction."

Make your survey as accessible as possible. Reach as many people as possible. All of SurveyMonkey's survey designs are accessible by U.S. Section 508 standards, and you can deliver them online in a variety of ways.

Be brief. Shorter surveys are easier for respondents to complete. Let them know how long yours will take.

How to easily create demographic surveys

Online surveys are a great way to reach a broad audience. You can post demographic questionnaires to your website, send them through email, or ask for responses through Facebook and other social media channels.

If you need help reaching the right target audience, you can rely on a service that will get you enough respondents to conduct a successful survey with the right demographic mix. [SurveyMonkey Audience](#) not only makes it easy to find people who will take your survey, it also eliminates the need for them to even answer demographic questions.

How? Well, you can send your questionnaire to a selected group of respondents based on the demographic targets you want to reach. SurveyMonkey Audience knows who is taking the survey and therefore it can automatically pipe in five types of demographic information (gender, age, household income, device used to take the survey, and location) directly into your results. This saves the respondent time and ensures you're reaching the right people.

Using the Filter and Compare tools in SurveyMonkey Analyze, you can easily compare and contrast how different demographic groups answer your questions. This makes demographic segmentation and data analysis with SurveyMonkey Audience even easier.

[U.S. demographics, snapshot template](#)

This six-question template asks respondents about gender, age, education, employment, household income, and race. View [U.S. demographics, snapshot template](#).

[U.S. demographics, full template](#)

In addition to the six questions posed in the Snapshot Template, this 12-question template asks about geographic location, housing, marital status, ethnicity, business or farm ownership, and personal income.

View [U.S. demographics, full template](#).

[Employment template](#)

With two quick questions, learn about respondents' employment status and the type of work they do.

View [employment template](#).

[Education demographics template](#)

Discover the makeup of your school community with 16 basic demographic questions about gender, income, race, relationship to student, and more. View [education demographics template](#).

[Firmographics template](#)

Learn more about the companies on your customer list with this 10-question survey that asks when the company was founded, where it's headquartered, number of employees and locations, and more.

View [firmographics template](#).

[Target market demographics template](#) and [typical customer demographics template](#)

These B2B survey templates help your business clients understand their end customers. Demographic questions include age, gender, education level, employment status, annual household income, marital and family status, housing, business, and farm ownership. View [target market demographics template](#) and [typical customer demographic template](#).

Ready to use demographic questions in your surveys?

With this comprehensive guide to asking demographic questions on surveys, you're ready to ask your target audience for all the information that you may need for your next project. [Start your own survey now→](#). To create multiple surveys and gain access to various SurveyMonkey tools, [choose the plan that's right for you](#).

Exhibit D - Demographic Profile

Use this worksheet to collect data for each of your segments. Not all categories will apply.

People
Age Range
Gender Identification
Occupation
Income
Employment Status
Education
Relationship Status
Family status
Location
Race
Ethnicity
Physical characteristics
Organizations
Job titles
Departments
Industry
Product line(s)
Business size
Business Type
Location(s)
Geographic coverage
Financial Status

