

## **Customer Service: Determining the Needs and Wants of Customers**

### **Introduction**

We discussed the importance of loyal customers in the last lesson. Most businesses recognize their importance, but many of them don't know how to inspire that loyalty in their customers.

Part of the answer is to actively work towards meeting the needs of the customers. Customers are more likely to frequent a business that provides them with the service and the products they need and want. While that may seem like common sense, you do have to know how to find out what your customers wants and needs are in order to fulfill them.

### **Who Are Your Customers?**

Before you can get an idea of what your customers want, you have to know who they are. There are a few good reasons for having this information:

1. You need to know who customers are so you'll be able to choose the appropriate advertising mediums and messages.
2. You need to know who customers are so you can target similar people who may also become customers.
3. You need to know who customers are so you can generate some general ideas about what they want and need.

When I say that you need to “know” your customers, we don't necessarily mean that you have to recognize them when they come into your store or remember their name after every transaction. I'm talking about having a general picture of who buys from you.

That general picture should include both demographic information, such as gender and income level, and buying behavior. You should also be aware of trends or issues which might affect purchases. For example, many parents are concerned about their children's weight so they may be less likely to buy fattening candy or ice cream for their little ones.

There are a number of ways to acquire this necessary information:

- Outside marketing firms – These firms can provide information about the population of a general area (usually designated by zip or area codes). That's why many stores ask for your phone number or zip code when you make a purchase.
- Databases – Some businesses use computer databases to track the buying histories of their customers. Pizza delivery restaurants, for example, can look back at your orders for the last few months or longer with the touch of a button.

Name \_\_\_\_\_



Date \_\_\_\_\_

- Surveys – Other companies are more direct. They provide surveys for customers to complete. The surveys usually ask demographic and shopper preference questions. The information gives the business an overview of their customers.

Once businesses know who their customers are they can move on to the next important question.

### **What Do Your Customers Want and Need?**

If you know the answer to this question and can provide something to fulfill those wants and needs, then you've given yourself an impressive advantage over the competition. There are a number of ways to find those answers:

- Meet with your best customers and ask them directly
- Place suggestion boxes or comment cards around for customers to complete
- Use surveys
- Look at your database of customer buying behavior
- Ask customers individually
- Pay a visit to the competition
- Put together a focus group made up of customers
- Hire a market research firm to do the research for you

Regardless of which method you choose, you need to be prepared to use it continually. Your customers and your market are always going to be changing. The best way to stay successful is to always be one step ahead of those changes.

As you review the findings from the method you've chosen, you need to keep in mind a couple of things. First, you need to understand the two reasons people make purchases: to feel good and to solve problems. Before you make changes to what your establishment offers based on customer suggestions, you need to ask yourself whether that change will do one or both of those things for your customers. If it won't, then find a change that will.

Second, you need to understand that people are more inclined to buy what they want, not what they need. For example, most of us know we need to eat healthier. Yet, the majority of us are guilty of eating fast food frequently because it's what we want. Make sure you understand the difference when you are sorting through customer feedback. Otherwise, your changes may not be as successful as you'd hoped.

## Determining the Needs and Wants of Customers Worksheet

Directions: Below are some questions related to what you just read. Read through them and think about how you would answer them. It may help you to write down your ideas so that you can come back to them later.

1. Think of a business you visit regularly. If you could tell them how to better fulfill your needs and wants as a consumer, what would you say? Be specific.
2. Even though providing for customers' wants and needs is important, many companies don't do this as much as they should. Why might customers choose to use a business that doesn't meet all of their needs? What needs or wants might take precedence over others?
3. Pick a store or restaurant you are familiar with. Think about the customers who frequent that store or restaurant. Put together a list of demographic information based on your observations and experiences. Be as specific as possible.
4. In the lesson, I mentioned the three reasons knowing who your customers are can be helpful. Now assume that you own a restaurant. Eighty percent of your customers are working, middle-class professional adults. Twenty-five percent are loyal customers who order the same meal every time they visit. Almost 9 out of 10 of your customers are concerned about their eating habits. Using this information, discuss how it would impact those three reasons we discussed in the lesson. Be specific.
5. Again, imagine that you own that same restaurant. This time you want to find out more about your customers' wants and needs. Create a brief survey (5 to 10 questions) that would help you decide what types of changes to make at your restaurant. Keep in mind that the best surveys use a combination of multiple choice, scale (1 to 5 rating), and open-ended questions.