



KnightLine

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"By understanding their current customers' habits and preferences, the business can then begin to formulate marketing plans to attract more similar type customers."

Marketing Research Drives Results

by Ray Knight

Our preview article stressed the importance of looking to your existing customers as the first focus of your marketing efforts to generate new revenues. This article introduces an exercise of market research to identify and understand your customer profile and how to use this information in your marketing plan.

What is the difference between marketing and sales?. To simplify, lets refer to sales as "selling what you already have in inventory" and marketing as the entire process of understanding what customers, both existing and potential, (individuals or businesses) are in need of, and delivering it to them at a profit. Marketing encompasses several disciplines which we will refer to as marketing research and analysis, product development and promotion. In subsequent articles, we will expose a much enhanced definition of the various aspects of the marketing process.

Small and medium-sized businesses can undertake their own market research at no cost and only an investment of some time to understand their existing customer profile. By understanding their current customers' habits and preferences, the business can then begin to formulate marketing plans to attract more similar type customers. Here is a simple exercise to gain some insights on your business and your current customer profile.

Do-it-Yourself Marketing Research Exercise

In a previous article we looked at quantifying the value of a typical customer to your business. Now, we will gain a qualitative snapshot of who they are and why they patronize your business. Take a few moments and write down the answers to these questions on a page titled Marketing Plan-Marketing Research.

- § Who is your typical customer ?
- § What do they purchase most often?
- § Where do they come from?
- § When?
- § How often?
- § How much do they spend?
- § How long have they been a customer?
- § Are they happy? If so why? If no, why not? How do you know that?

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“When was the last time you asked your customers about the quality of your products or services? Have you aggressively sought out their opinions and observations? Have you acted upon their suggestions? Have you asked customers for their testimonials about your business, your facility, your staff, your products and services? If you haven't done this before, or done this recently, you should.”

§ How does a happy customer's profile differ?

This exercise may reveal some important business building insights. For example, a recent client in the retail businesses conducted his own research to learn that his customers typically made only 4 out of total of 10 purchases at his establishment. Imagine 60% more potential business from your existing clients. This led the client to conduct a formal survey to identify why he was losing out on that much business and how he could better serve his customers. The knowledge gained made a fundamental change in the way he looks at his business and where he invests his time and money.

When was the last time you asked your customers about the quality of your products or services? Have you aggressively sought out their opinions and observations? Have you acted upon their suggestions? Have you asked customers for their testimonials about your business, your facility, your staff, your products and services? If you haven't done this before, or done this recently, you should.

Three Low-Cost, No-Cost Marketing Tips

1/ With their permission, regularly use customer testimonials in your marketing and advertising.

2/ Go out of your way to say thanks to that customer in a out of the ordinary manner. If you regularly see them, give them a call instead just to say hi and thanks. Or send them a written note or card. Ask them how you can better serve their needs, let them know that their opinion matters. You'll be surprised with the results!

3/ Gather the names and addresses of EVERY CUSTOMER that buys from you and EVERY PROSPECT that contacts your business and send a follow-up communication , a letter, a card, an email or even a phone call to demonstrate your interest in their business and your commitment to service their needs. If you can't help them, send them a suggestion who could. Actions do speak louder than words.

In our next article, we will focus on the second least expensive source of new business-**referrals**

Ray Knight, President & CEO of Knight Consulting, has over 20 years of in marketing research, marketing, business development and sales experience gained internationally and domestically as both a corporate executive and an entrepreneur in a variety of industries. Much of the content included in KnightLine incorporates strategies and tactics he has personally applied to growing his and clients' businesses. Ray lives and works in Miami Springs and can be reached at 305-888-1905 or by email at knytlyfe@hotmail.com. Read past articles and learn more techniques at www.shadow.net/~rayknight/