**LEARNER GUIDE**

**Identify Potential And Existing Customers Of The Business**

Unit standard 252193

Level 4 Credits 4

# TABLE OF CONTENTS

[TABLE OF CONTENTS 1](#_Toc127365410)

[PERSONAL INFORMATION 3](#_Toc127365411)

[INTRODUCTION 5](#_Toc127365412)

[Structure 5](#_Toc127365413)

[Programme methodology 5](#_Toc127365414)

[What Learning Material you should have 6](#_Toc127365415)

[Different types of activities you can expect 7](#_Toc127365416)

[Learner Administration 8](#_Toc127365417)

[Assessments 8](#_Toc127365418)

[Learner Support 9](#_Toc127365419)

[Learner Expectations 10](#_Toc127365420)

[UNIT STANDARD 252193 11](#_Toc127365421)

[DEMONSTRATE AN UNDERSTANDING OF THE IMPORTANCE OF ACCURATE CUSTOMER INFORMATION 14](#_Toc127365422)

[Explaining the construction industry 14](#_Toc127365423)

[Nature of the industry 14](#_Toc127365424)

[Working conditions 15](#_Toc127365425)

[Occupations in the industry 15](#_Toc127365426)

[Formative Assessment 16](#_Toc127365427)

[Training and advancement 17](#_Toc127365428)

[Formative Assessment 19](#_Toc127365429)

[The difference between a customer and a prospects 19](#_Toc127365430)

[What is a customer 19](#_Toc127365431)

[What is a prospect 20](#_Toc127365432)

[An example of a sales funnel which illustrates the difference between leads and prospects 21](#_Toc127365433)

[Primary internal and external sources of prospects and customers 21](#_Toc127365434)

[The value-adding pipeline 21](#_Toc127365435)

[12 ways to ensure your internal customers and suppliers look after your external customers and prospects 22](#_Toc127365436)

[The importance of identifying the right prospects with reference to the organisation’s products and/or services 24](#_Toc127365437)

[Types of construction work and its prospects 25](#_Toc127365438)

[Gather and capture accurate customer information in terms of developing future customer relationships 28](#_Toc127365439)

[The benefits of gathering and capturing customer information 28](#_Toc127365440)

[How to capture and gather customer information 28](#_Toc127365441)

[DEMONSTRATE AN UNDERSTANDING OF THE MARKETING DATABASE 30](#_Toc127365442)

[What is a marketing database 30](#_Toc127365443)

[Consumer data 31](#_Toc127365444)

[Business data 31](#_Toc127365445)

[Analytics and modeling 32](#_Toc127365446)

[Types of customer information required for the development of a marketing database 33](#_Toc127365447)

[Building your database 34](#_Toc127365448)

[Additional information 34](#_Toc127365449)

[The up-sell: An untapped source of profit 34](#_Toc127365450)

[The cross-sell: Marketing other products 35](#_Toc127365451)

[The need for a marketing database in terms of the modern consumer’s demand for personalised service 36](#_Toc127365452)

[What a customer marketing database looks like 36](#_Toc127365453)

[Creating personalised customer service 37](#_Toc127365454)

[IDENTIFY PROSPECTIVE AND EXISTING CUSTOMERS 39](#_Toc127365455)

[Identify customers internally through consultation with the sales force and the information technology department 39](#_Toc127365456)

[What is consultation 39](#_Toc127365457)

[The role of the sales force 40](#_Toc127365458)

[The role of the information technology department 40](#_Toc127365459)

[How to identify customers internally 41](#_Toc127365460)

[Formulate prospect profiles based on existing customer descriptors 44](#_Toc127365461)

[Externally identify prospects by applying the profiles developed and through segmentation processes and the matching of product and/or service benefits to consumer needs 45](#_Toc127365462)

[How to externally identify prospects 45](#_Toc127365463)

[How to develop customer profiles 47](#_Toc127365464)

[What is market segmentation 48](#_Toc127365465)

[How to match products and services to customer needs 52](#_Toc127365466)

[Methods of sourcing prospects’ contact details 55](#_Toc127365467)

[The plan 56](#_Toc127365468)

[Qualify prospects according to prospect profiles 61](#_Toc127365469)

[The importance of a prospect profile 62](#_Toc127365470)

[The benefits of the ideal prospect profile 62](#_Toc127365471)

[COLLECT CUSTOMER INFORMATION IN ACCORDANCE WITH DATABASE REQUIREMENTS 64](#_Toc127365472)

[Collect and record customer data in accordance with the data fields required for each customer file on the marketing database 64](#_Toc127365473)

[What customer data to collect 64](#_Toc127365474)

[How to collect customer data 65](#_Toc127365475)

[How to store customer data 67](#_Toc127365476)

[Check customer data for accuracy against the organisation’s data-capture criteria 67](#_Toc127365477)

[Data-capture criteria 67](#_Toc127365478)

PERSONAL INFORMATION

|  |  |
| --- | --- |
| ****NAME**** |  |
| ****CONTACT ADDRESS**** |  |
|  |
| ****Code**** |  |
| ****Telephone (H)**** |  |
| ****Telephone (W)**** |  |
| ****Cellular**** |  |
| ****Learner Number**** |  |
| ****Identity Number**** |  |
|  |
| ****EMPLOYER**** |  |
| ****EMPLOYER CONTACT ADDRESS**** |  |
|  |
| ****Code**** |  |
| ****Supervisor Name**** |  |
| ****Supervisor Contact Address**** |  |
|  |
| ****Code**** |  |
| ****Telephone (H)**** |  |
| ****Telephone (W)**** |  |
| ****Cellular**** |  |

INTRODUCTION

#### Welcome to the learning programme

Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take notes and share information with your colleagues. Important and relevant information and skills are transferred by sharing!



This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you!

Structure

### Programme methodology



The programme methodology includes facilitator presentations, readings, individual activities, group discussions and skill application exercises.

Know what you want to get out of the programme from the beginning and start applying your new skills immediately. Participate as much as possible so that the learning will be interactive and stimulating.

The following principles were applied in designing the course:

* Because the course is designed to maximise interactive learning, you are encouraged and required to participate fully during the group exercises
* As a learner you will be presented with numerous problems and will be required to fully apply your mind to finding solutions to problems before being presented with the course presenter’s solutions to the problems
* Through participation and interaction the learners can learn as much from each other as they do from the course presenter
* Although learners attending the course may have varied degrees of experience in the subject matter, the course is designed to ensure that all delegates complete the course with the same level of understanding
* Because reflection forms an important component of adult learning, some learning resources will be followed by a self-assessment which is designed so that the learner will reflect on the material just completed.

This approach to course construction will ensure that learners first apply their minds to finding solutions to problems before the answers are provided, which will then maximise the learning process which is further strengthened by reflecting on the material covered by means of the self-assessments.

#### Different role players in delivery process

* Learner
* Facilitator
* Assessor
* Moderator

### What Learning Material you should have

This learning material has also been designed to provide the learner with a comprehensive reference guide.

It is important that you take responsibility for your own learning process; this includes taking care of your learner material. You should at all times have the following material with you:

|  |  |
| --- | --- |
| **Learner Guide** | **This learner guide is your valuable possession:**This is your textbook and reference material, which provides you with all the information you will require to meet the exit level outcomes. During contact sessions, your facilitator will use this guide and will facilitate the learning process. During contact sessions a variety of activities will assist you to gain knowledge and skills. Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take and share information with your colleagues. Important and relevant information and skills are transferred by sharing!This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you! |
| **Formative Assessment Workbook** | The Formative Assessment Workbook supports the Learner Guide and assists you in applying what you have learnt. The formative assessment workbook contains classroom activities that you have to complete in the classroom, during contact sessions either in groups or individually.You are required to complete all activities in the Formative Assessment Workbook. The facilitator will assist, lead and coach you through the process.These activities ensure that you understand the content of the material and that you get an opportunity to test your understanding.  |

###

### Different types of activities you can expect

To accommodate your learning preferences, a variety of different types of activities are included in the formative and summative assessments. They will assist you to achieve the outcomes (correct results) and should guide you through the learning process, making learning a positive and pleasant experience.



The table below provides you with more information related to the types of activities.

| **Types of Activities** | **Description** | **Purpose** |
| --- | --- | --- |
| **Knowledge Activities** | You are required to complete these activities on your own.  | These activities normally test your understanding and ability to apply the information. |
| **Skills Application Activities** | You need to complete these activities in the workplace  | These activities require you to apply the knowledge and skills gained in the workplace |
| **Natural Occurring Evidence** | You need to collect information and samples of documents from the workplace. | These activities ensure you get the opportunity to learn from experts in the industry.Collecting examples demonstrates how to implement knowledge and skills in a practical way |

### Learner Administration



#### Attendance Register

You are required to sign the Attendance Register every day you attend training sessions facilitated by a facilitator.

#### Programme Evaluation Form

On completion you will be supplied with a “Learning programme Evaluation Form”. You are required to evaluate your experience in attending the programme.

Please complete the form at the end of the programme, as this will assist us in improving our service and programme material. Your assistance is highly appreciated.

### Assessments

The only way to establish whether a learner is competent and has accomplished the specific outcomes is through the assessment process. Assessment involves collecting and interpreting evidence about the learners’ ability to perform a task.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

This programme has been aligned to registered unit standards. You will be assessed against the outcomes as stipulated in the unit standard by completing assessments and by compiling a portfolio of evidence that provides proof of your ability to apply the learning to your work situation.



**How will Assessments commence?**

#### Formative Assessments

The assessment process is easy to follow. You will be guided by the Facilitator. Your responsibility is to complete all the activities in the Formative Assessment Workbook and submit it to your facilitator.

#### Summative Assessments

You will be required to complete a series of summative assessments. The Summative Assessment Guide will assist you in identifying the evidence required for final assessment purposes. You will be required to complete these activities on your own time, using real life projects in your workplace or business environment in preparing evidence for your Portfolio of Evidence. Your Facilitator will provide more details in this regard.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

### Learner Support

The responsibility of learning rests with you, so be proactive and ask questions and seek assistance and help from your facilitator, if required.



Please remember that this Skills Programme is based on outcomes based education principles which implies the following:

* You are responsible for your own learning – make sure you manage your study, research and workplace time effectively.
* Learning activities are learner driven – make sure you use the Learner Guide and Formative Assessment Workbook in the manner intended, and are familiar with the workplace requirements.
* The Facilitator is there to reasonably assist you during contact, practical and workplace time for this programme – make sure that you have his/her contact details.
* You are responsible for the safekeeping of your completed Formative Assessment Workbook and Workplace Guide
* If you need assistance please contact your facilitator who will gladly assist you.
* If you have any special needs please inform the facilitator

### Learner Expectations

Please prepare the following information. You will then be asked to introduce yourself to the instructor as well as your fellow learners



|  |
| --- |
| Your name:  |
|  |
|  |
| The organisation you represent:  |
|  |
|  |
| Your position in organisation:  |
|  |
|  |
| What do you hope to achieve by attending this course / what are your course expectations? |
|  |
|  |
|  |
|  |
|  |

# UNIT STANDARD 252193

#### Unit Standard Title

#### Identify potential and existing customers of the business

#### Unit Standard ID

252193

#### NQF Level

4

#### Credits

4

#### Purpose

The person credited with this unit standard will be able to understand the importance of accurate customer information as well as understand the marketing database identify potential customers and existing customers. They will also be able to collect customer information in accordance with database procedures.

The qualifying learner is capable of:

* Demonstrating an understanding of the importance of accurate customer information.
* Demonstrating an understanding of the marketing database.
* Identifying prospective and existing customers.
* Collecting customer information in accordance with database.

#### Unit standard range

* Marketing including all forms of marketing communications, direct marketing and relationship marketing, sponsorship, event marketing, sales promotions, public relations and alternative strategies.
* Standard applies to marketing management, customer management, marketing communications and marketing research.
* Prospect and customer sources include but are not limited to both internal sales force networks and referrals, accounts database, customer database and external list brokers, databases of non-competitive organisations, response-driven marketing activities, promotions, trade shows, events.

#### Learning Assumed To Be In Place And Recognition Of Prior Learning

Learners accessing this unit standard will have demonstrated competence in:

* Communication at NQF Level 3 or equivalent.
* Mathematical Literacy at NQF Level 3 or equivalent.

#### Specific Outcomes and Assessment Criteria

**Specific Outcome 1:** Demonstrate an understanding of the importance of accurate customer information.

**Assessment Criteria**

1. The difference between customers and prospects is explained with examples.

2. The primary internal and external sources of prospects and customers are identified according to generally accepted principles.

3. The importance to the organisation of identifying the right prospects is explained with specific reference to the organisation's products and/or services.

4. The importance of gathering and capturing accurate customer information is explained in terms of developing future customer relationships.

**Specific Outcome 2**: Demonstrate an understanding of the marketing database.

**Assessment Criteria**

1. A marketing database is defined and explained in generally accepted terms.

2 The various types of customer information required for the development of a marketing database are identified and explained in terms of their marketing applications.

3. The need for a marketing database is explained in terms of the modern consumer's demand for personalised service.

**Specific Outcome 3**: Identify prospective and existing customers.

**Assessment Criteria**

1. Customers are identified internally through consultation with the sales force and the information technology department.

2. Prospect profiles are formulated based on existing customer descriptors.

3. Prospects are identified externally by applying the profiles developed and also through segmentation processes and the matching of product and/or service benefits to consumer needs.

4. Methods of sourcing prospects' contact details are explained according to established practice.

5. Prospects are qualified according to prospect profiles.

**Specific Outcome 4**: Collect customer information in accordance with database requirements.

**Assessment Criteria**

1. Customer data are collected and recorded in accordance with the data fields required for each customer file on the marketing database.

2. Customer data is checked for accuracy against the organisation's data-capture criteria.

#### Unit Standard Essential Embedded Knowledge

A demonstrated understanding of:

* A broad understanding of principles, methods and techniques for identifying the customers of a business.
* A comprehensive understanding of company/organisational procedures for establishing and building customer base.
* An all rounded understanding of methods and techniques for assessing customer profiles.

#### Critical Cross-field Outcomes (CCFO)

|  |
| --- |
| **UNIT STANDARD CCFO IDENTIFYING** |

|  |
| --- |
| Identify and solve problems pertaining to the identification of customers and the establishment of a customer base.  |
| **UNIT STANDARD CCFO WORKING** |

|  |
| --- |
| Work effectively with customers in order to obtain customer information.  |
| **UNIT STANDARD CCFO ORGANISING** |

|  |
| --- |
| Organise and manage oneself and one's activities so that alternative plans exist to correct customer information.  |
| **UNIT STANDARD CCFO COLLECTING** |

|  |
| --- |
| Collect, evaluate, organise and critically evaluate information to assist in the accurate identification of the customers of a business.  |
| **UNIT STANDARD CCFO SCIENCE** |

|  |
| --- |
| Use science and technology in the establishment maintenance of a customer database.  |
| **UNIT STANDARD CCFO CONTRIBUTING** |

|  |
| --- |
| Being culturally sensitive across a range of social contexts in the collection and use of data related to customers.  |

# DEMONSTRATE AN UNDERSTANDING OF THE IMPORTANCE OF ACCURATE CUSTOMER INFORMATION

#### Specific Outcome 1

Demonstrate an understanding of the importance of accurate customer information.

#### Assessment criteria

* The difference between customers and prospects is explained with examples.
* The primary internal and external sources of prospects and customers are identified according to generally accepted principles.
* The importance to the organisation of identifying the right prospects is explained with specific reference to the organisation's products and/or services.
* The importance of gathering and capturing accurate customer information is explained in terms of developing future customer relationships.

## Explaining the construction industry



### Nature of the industry

* **Goods and services*.*** Houses, apartments, factories, offices, schools, roads, and bridges are only some of the products of the construction industry. This industry's activities include the building of new structures, including site preparation, as well as additions and modifications to existing ones. The industry also includes maintenance, repair, and improvements on these structures.
* **Industry organisation**. The construction industry is divided into three major segments. The *construction of buildings* segment includes contractors, usually called general contractors, who build residential, industrial, commercial, and other buildings. *Heavy and civil engineering construction contractors* build sewers, roads, highways, bridges, tunnels, and other projects related to infrastructure. *Specialty trade contractors* perform specialised activities related to all types of construction such as carpentry, painting, plumbing, and electrical work.
* Construction usually is done or coordinated by general contractors, who specialise in one type of construction such as residential or commercial building. They take full responsibility for the complete job, except for specified portions of the work that may be omitted from the general contract. Although general contractors may do a portion of the work with their own crews, they often subcontract most of the work to heavy construction or specialty trade contractors.
* Specialty trade contractors usually do the work of only one trade, such as painting, carpentry, or electrical work, or of two or more closely related trades, such as plumbing and heating. Beyond fitting their work to that of the other trades, specialty trade contractors have no responsibility for the structure as a whole. They obtain orders for their work from general contractors, architects, or property owners. Repair work is almost always done on direct order from owners, occupants, architects, or rental agents.

### Working conditions

* **Hours.** Most employees in the construction industry work full time, and many work over 40 hours a week. In 2008, about 18 percent of construction workers worked 45 hours or more a week. Construction workers may sometimes work evenings, weekends, and holidays to finish a job or take care of an emergency. Rain, snow, or wind may halt construction work. Workers in this industry usually do not get paid if they can't work due to inclement weather.
* **Work environment*.*** Workers in this industry need physical stamina because the work frequently requires prolonged standing, bending, stooping, and working in cramped quarters. They also may be required to lift and carry heavy objects. Exposure to the weather is common because much of the work is done outside or in partially enclosed structures. Construction workers often work with potentially dangerous tools and equipment amidst a clutter of building materials; some work on temporary scaffolding or at great heights. Consequently, they are more prone to injuries than workers in other jobs. Data shows that many construction trades workers experienced a work-related injury and illness rate that was higher than the national average. In response, employers increasingly emphasise safe working conditions and habits that reduce the risk of injuries. To avoid injury, employees wear safety clothing, such as gloves, hardhats, and devices to protect their eyes, mouth, or hearing, as needed.

### Occupations in the industry

Construction offers a great variety of career opportunities. People with many different talents and educational backgrounds—managers, clerical workers, accountants, engineers, truck drivers, trades workers, and construction helpers—find job opportunities in the construction industry.

**Construction trades occupations*.*** Most of the workers in construction are *construction trades workers*, which include master, journey, and apprentice craft workers, and construction laborers*.* Most construction trades workers are classified as either structural, finishing, or mechanical workers, with some performing activities of more than one type. *Structural workers* build the main internal and external framework of a structure and can include carpenters; construction equipment operators; brick masons, block masons, and stonemasons; cement masons and concrete finishers; and structural and reinforcing iron and metal workers. *Finishing workers* perform the tasks that give a structure its final appearance and may include carpenters; drywall installers; ceiling tile installers; plasterers and stucco masons; segmental pavers; terrazzo workers; painters and paperhangers; glaziers; roofers; carpet, floor, and tile installers and finishers; and insulation workers. *Mechanical workers* install the equipment and material for basic building operations and may include pipe layers, plumbers, pipe fitters, and steamfitters; electricians; sheet metal workers; and heating, air-conditioning, and refrigeration mechanics and installers.

Formative Assessment

Construction trades workers are employed in a large variety of occupations that are involved in all aspects of the construction industry.

* **Boilermakers** make, install, and repair boilers, vats, and other large vessels that hold liquids and gases.
* **Brick masons, block masons, and stonemasons** build and repair walls, floors, partitions, fireplaces, chimneys, and other structures with brick, pre-cast masonry panels, concrete block, stone, and other masonry materials.
* **Carpenters** construct, erect, install, or repair structures and fixtures made of wood, such as framing walls and partitions, putting in doors and windows, building stairs, laying hardwood floors, and hanging kitchen cabinets.
* **Carpet, floor, and tile installers and finishers**lay floor coverings, apply tile and marble, and sand and finish wood floors in a variety of buildings.
* **Cement masons, concrete finishers, segmental pavers, and terrazzo workers** smooth and finish poured concrete surfaces and work with concrete to create sidewalks, curbs, roadways, or other surfaces.
* **Construction equipment operators***,* also known as *operating engineers,* use machinery that moves construction materials, earth, and other heavy materials and applies asphalt and concrete to roads and other structures.
* **Drywall installers, ceiling installers, and tapers** fasten drywall panels to the inside framework of residential houses and other buildings and prepare these panels for painting by taping and finishing joints and imperfections.
* **Electricians**install, connect, test, and maintain building electrical systems, which also can include lighting, climate control, security, and communications.
* **Glaziers** are responsible for selecting, cutting, installing, replacing, and removing all types of glass.
* **Insulation workers** line and cover structures with insulating materials.
* **Painters and paperhangers** stain, varnish, and apply other finishes to buildings and other structures and apply decorative coverings to walls and ceilings.
* **Pipe layers, plumbers, pipe fitters, and steamfitters** install, maintain, and repair many different types of pipe systems. They may also install heating and cooling equipment and mechanical control systems.
* **Plasterers and stucco masons**apply plaster, concrete, stucco, and similar materials to interior and exterior walls and ceilings.
* **Roofers** repair and install roofs made of tar or asphalt and gravel; rubber or thermoplastic; metal; or shingles made of asphalt, slate, fiberglass, wood, tile, or other material.
* **Sheet metal workers** fabricate, assemble, install, and repair products and equipment made out of sheet metal, such as duct systems; roofs; siding; and drainpipes.
* **Structural and reinforcing iron and metal workers** place and install iron or steel girders, columns, and other structural members to form completed structures or frameworks of buildings, bridges, and other structures.
* Lastly, **construction laborers** perform a wide range of physically demanding tasks at building and highway construction sites, such as tunnel and shaft excavation, hazardous waste removal, environmental remediation, and demolition. Many construction trades workers perform their services with the assistance of helpers. These workers assist trades workers and perform duties requiring less skill.

The construction industry employs nearly all of the workers in some construction craft occupations. Other industries that include large numbers of construction craft occupations are transportation equipment manufacturing; transportation, communication, and utilities; real estate; wholesale and retail trade; educational services; and State and local government.

#### Mechanical and installation occupations

The construction industry employs a number of other workers apart from the construction trades.

* **Elevator installers and repairers**assemble, install, and replace elevators, escalators, moving walkways, and similar equipment in new and old buildings.
* **Heating, air-conditioning, and refrigeration mechanics and installers** install systems that control the temperature, humidity, and the total air quality in residential, commercial, industrial, and other buildings.
* **Material moving occupations**use machinery to move construction materials, earth, and other heavy materials, and clean vehicles, machinery, and other equipment.

#### Managerial occupations

* **First-line supervisors and managers of construction trades and extraction workers** oversee trades workers and helpers and ensure that work is done well, safely, and according to code. They plan the job and solve problems as they arise. Those with good organisational skills and exceptional supervisory ability may advance to construction management occupations.
* **Project manager, field manager, or superintendent**. These workers are responsible for getting a project completed on schedule by working with the architect's plans, making sure materials are delivered on time, assigning work, overseeing craft supervisors, and ensuring that every phase of the project is completed properly and expeditiously. They also resolve problems and make sure that work proceeds without interruptions.

### Training and advancement

Persons can enter the construction industry through a variety of educational and training backgrounds. Those entering construction out of high school usually start as labourers, helpers, or apprentices. While some labourers and helpers can learn their job in a few days, the skills required for many trades workers’ jobs take years to learn and are usually learned through some combination of classroom instruction and on-the-job training. In a few cases, skills can be learned entirely through informal on-the-job training, but the more education a worker receives, generally the more skilled that worker becomes.

Construction trades, mechanical, and installation and repair occupations

Construction trades workers and mechanical and installation occupations, such as carpenters, bricklayers, plumbers, heating, air-conditioning, and refrigeration mechanics and installers, and other construction trade specialists most often get their formal instruction by attending a local technical or trade school, participating in an apprenticeship, or taking part in an employer-provided training program. In addition, they learn their craft by working with more experienced workers. Most construction trades workers' jobs require proficiency in reading and mathematics. Safety training is also required for most jobs; English language skills are essential for workers to advance within their trade.

Apprenticeships are administered by local employers, trade associations, and trade unions and provide the most thorough training. Apprenticeships usually last between 3 and 5 years and consist of on-the-job training and 144 hours or more of related classroom instruction each year. In lieu of the hours of training, some apprenticeship programs now use competency standards, which make it possible to complete a program in a shorter time. Those who enroll in apprenticeship programs usually are at least 18 years old and in good physical condition. Many employers or programs require applicants to pass background checks.

Depending on the occupation, there may be technical or vocational schools that train students to perform a given occupation's tasks. Those who enter construction from technical or vocational schools also may complete apprenticeship training; technical or vocational school graduates progress at a somewhat faster pace because they already have had courses such as mathematics, mechanical drawing, and woodworking.

A few occupations have licensing requirements. Crane operators, electricians, plumbers, and heating and air- conditioning mechanics and installers are required to have a license; without a license, a contractor cannot operate. There are often separate licenses for contractors and workers. Other occupations do not have strict licensing requirements but often have voluntary certifications. These certifications provide tangible evidence of knowledge and abilities to potential employers and consumers. Certification is administered by many associations that are related to specific trades, but also are offered by other organisations as well. Licensing and certification requirements include years of work experience and classroom instruction. Licenses and certifications need to be renewed on a regular basis.

To further develop their skills, construction trades workers can work on different projects, such as housing developments, office and industrial buildings, or road construction. Flexibility and a willingness to adopt new techniques, as well as the ability to get along with people, are essential for advancement. Those who are skilled in all facets of the trade and who show good leadership qualities may be promoted to supervisor or construction manager*.* Construction managers may advance to superintendent of larger projects or go into the business side of construction. Some go into business for themselves as contractors. Those who plan to rise to supervisory positions should have basic language skills to communicate safety and work instructions to multi-speaking construction workers, of which most of them will be comfortable with speaking English.

Outside the construction industry, construction trades workers may transfer to jobs such as construction building inspector, purchasing agent, sales representative for building supply companies, or technical or vocational school instructor. To advance to a management position, additional education and training are recommended.

Laborers and helpers advance in the construction trades occupations by acquiring experience and skill in various phases of the craft*.* As they demonstrate ability to perform tasks they are assigned, they move to progressively more challenging work. As their skills broaden, they are allowed to work more independently, and responsibilities and earnings increase. They may qualify for jobs in related, more highly skilled occupations. For example, after several years of experience, painters' helpers may become skilled painters.

#### Managerial occupations

Managerial personnel usually have a college degree or considerable experience in their specialty. Individuals who enter construction with college degrees usually start as management trainees or as assistants to construction managers. Those who receive degrees in construction science often start as field engineers, schedulers, or cost estimators. College graduates may advance to positions such as assistant manager, construction manager, general superintendent, cost estimator, construction building inspector, general manager or top executive, contractor, or consultant. Although a college education is not always required, administrative jobs usually are filled by those with degrees in business administration, finance, accounting, or similar fields.

Opportunities for workers to form their own firms are better in construction than in many other industries. Construction workers may need only a moderate financial investment to become contractors and they can run their businesses from their homes, hiring additional construction workers only as needed for specific projects. The contract construction field, however, is very competitive, and the rate of business turnover is high. Taking courses in business helps to improve the likelihood of success.

Formative Assessment

## The difference between a customer and a prospects

### What is a customer

In general terms, a customer is a person or organization that a marketer believes will benefit from the goods and services offered by the marketer’s organisation. As this definition suggests, a customer is not necessarily someone who is currently purchasing from the marketer. In fact, customers may fall into one of three customer groups:

* **Existing Customers** – Consists of customers who have purchased or otherwise used an organisation’s goods or services, typically within a designated period of time. For some organisations the time frame may be short, for instance, a coffee shop may only consider someone to be an Existing Customer if they have purchased within the last three months. Existing Customers are by far the most important of the three customer groups since they have a current relationship with a company and, consequently, they give a company a reason to remain in contact with them. Additionally, Existing Customers also represent the best market for future sales, especially if they are satisfied with the relationship they presently have with the marketer. Getting these Existing Customers to purchase more is significantly less expensive and time consuming than finding new customers mainly because they know and hopefully trust the marketer and, if managed correctly, are easy to reach with promotional appeals (i.e., emailing a special discount for new product).
* **Former Customers** – This group consists of those who have formerly had relations with the marketing organisation typically through a previous purchase. However, the marketer no longer feels the customer is an Existing Customer either because they have not purchased from the marketer within a certain time frame or through other indications (e.g., a Former Customer just purchased a similar product from the marketer’s competitor). The value of this group to a marketer will depend on whether the customer’s previous relationship was considered satisfactory to the customer or the marketer. For instance, a Former Customer who felt they were not treated well by the marketer will be more difficult to persuade to buy again compared to a Former Customer who liked the marketer but decided to buy from someone else who had a similar product that was priced lower.
* **Potential Customers** – The third category of customers includes those who have yet to purchase but possess what the marketer believes are the requirements to eventually become Existing Customers. As we will see in the [Targeting Markets Tutorial](http://www.knowthis.com/principles-of-marketing-tutorials/targeting-markets/), the requirements to become a customer include such issues as having a need for a product, possessing the financial means to buy, and having the authority to make a buying decision. Locating Potential Customers is an ongoing process for two reasons. First, Existing Customers may become Former Customers (e.g., decide to buy from a competitor) and, thus, must be replaced by new customers. Second, while we noted above that Existing Customers are the best source for future sales, it is new customers that are needed in order for a business to significantly expand. For example, a company that sells only in its own country may see less room for sales growth if a high percentage of people in the country are already Existing Customers. In order to realise stronger growth the company may seek to sell their products in other countries where Potential Customers may be quite high.

### What is a prospect

Sales prospects are potential customers for a given company that have gone through a process of qualification and who have expressed at least a small amount of interest in doing business with the company. The typical sales representative is very attracted to the sales prospect, in that much of the groundwork is already in place for making a sale and securing a new customer for the business. A properly qualified sales prospect has an excellent chance of earning sales for the [salesperson](http://www.wisegeek.com/what-does-a-salesperson-do.htm) and moving on to become a recurring customer of the company.

While the criterion for determining what constitutes a sales prospect varies somewhat from one sales environment to another, it is important to realise that prospects and [sales leads](http://www.wisegeek.com/what-are-sales-leads.htm) are not the same classification at all. A [sales lead](http://www.wisegeek.com/what-are-sales-leads.htm) is nothing more than basic contact information. Leads usually have yet to be qualified as far as meeting the credit and financial standards set by the company, or even establishing that the lead has any interest in doing business with the company.

By contrast, a sales prospect does represent a solid opportunity for a sale. In order to achieve the status of prospect, the sales lead must first be evaluated to ensure the lead is credit worthy. Once this has taken place, the [salesperson](http://www.wisegeek.com/what-does-a-salesman-do.htm) will move on to engage the lead in dialogue about the goods and services offered by the company. If the lead expresses interest in learning more and is open to continued dialogue with the salesperson, the lead has been converted into a sales prospect.

The goal of every salesperson is to qualify leads to the point that they become a sales prospect. This is because “cold” or unqualified leads rarely jump straight to the status of customer. When a contact has become a sales prospect, this means rapport has been established between the salesperson and the potential customer that has an excellent chance of resulting in a sale.

Many companies use software or specific guidelines to track the progress of a sales prospect. Progress may be measured in where the prospect is determined to be in the overall [sales cycle](http://www.wisegeek.com/what-is-a-sales-cycle.htm). A sales prospect that has expressed a solid interest but is awaiting a [credit check](http://www.wisegeek.com/what-is-a-credit-check.htm) is generally considered to be in the early stages of the cycle. Steps such as allowing the salesperson to demo the product or service, passing a credit check, and allowing the salesperson to submit a [proposal](http://www.wisegeek.com/what-is-a-proposal.htm) or quote all move the sales prospect through the cycle and closer to becoming a customer.

It should be noted that not every sales prospect moves through the cycle at the same pace. The salesperson can influence the movement to a great degree by creating a sense of urgency for the potential customer. When a sales prospect perceives a real and immediate need for the goods or services offered, chances are the process of moving from prospect to customer will take a relatively short time. However, completing the migration from sales prospect to customer could take months or even years.



## An example of a sales funnel which illustrates the difference between leads and prospects

## Primary internal and external sources of prospects and customers

### The value-adding pipeline

Everything we do in our jobs should add value to the business. We can look at this in the form of a pipeline. Things go in and things go out. All those things should add value. In any business we have internal- and external- customer’s suppliers and prospects. They should all add value to each other. Have a look at the sketch of a value adding pipeline:

**The green arrows:** The external customers, suppliers and prospects

**The blue arrows:** The internal customers, suppliers and prospects

**The red arrow:** You, the construction worker.

#### Internal customers- suppliers and prospects

They are the people who are also employed by the same business as you. We are often requested by our seniors or other branches to supply information. For example: If a branch in Cape Town phones you and need to confirm the details of a client or prospect who needs information regarding their business, it is your responsibility to give it to that branch. That makes you the internal supplier and them the internal customer. Customer service exists within the business you work for between employees.

#### External customers-suppliers and prospects

They are the people who don’t work for the same business as you. They are from outside the business. For example: The people who enter or contact the construction business on a daily basis are external customers. The people who work for another company who come to fix something (computers, lights, fixtures and fittings etc.) are the external suppliers. They are from outside your business and they supply you with a service.

All the people within the value adding pipeline (i.e. Internal customers and –suppliers and prospects and external customers’ and-suppliers and prospects) should be given the same quality and amount of customer service.

### 12 ways to ensure your internal customers and suppliers look after your external customers and prospects

* One key leadership task is to create an environment in which construction workers can become passionate about the vision of the business.
* Fortune magazine identified in the 'Top 10 Best Companies to Work For' that when employees were asked why they loved working for the best companies they didn't mention pay, reward schemes or advancing to a more senior position.
* In addition to ensuring that construction workers enjoy varied, interesting work with job switches, as a service leader there are 12 ways you can motivate your workforce.



|  |
| --- |
| **As Richard Branson has said, "If you look after your internal customers you don’t have to worry about the external customers."** |

Let’s focus on the importance of recruiting “service champions”. It is vitally important to have great service leaders who have the ability to create passionate employees.

|  |
| --- |
| **Dale Carnegie quoted: “When dealing with people, remember that you are not dealing with creatures of logic, but with creatures of emotion”.** |

One key leadership task is to create an environment in which construction workers can become passionate about the business’s vision. If service leaders are passionate and consistent, reinforcing consistent messages, then the construction workers will quickly understand what is important to the business. Service leaders and managers who are passionate about service excellence for their customers and who are visionary, inspirational and charismatic will lead construction workers to achieve great things for the whole business.

 Highly visible leadership provides powerful reinforcement. It will inspire everyone in the construction business to be part of the cycle of service excellence, adopting a 'Can Do Attitude'. All employees in great organisations are passionate about what they do and this inspiration extends to customers, investors, suppliers, boards of directors and all other stakeholders.

[**Fortune**](http://money.cnn.com/magazines/fortune) magazine identified in the [**'Top 10 Best Companies to Work For'**](http://www.fortune.com/bestcompanies%20) that when employees were asked why they loved working for the best companies they didn't mention pay, reward schemes or advancing to a more senior position. They spoke first of the sincerity of the relationships at work. These passionate employees described their work culture as an extension of home, or like being with family. They spoke enthusiastically of their colleagues as being supportive. Managers of these top ten companies are characterised as genuinely caring; every single employee really matters. These employees looked forward to going to work - a place to maximise their talent with like-minded people.

Successful businesses are built on high calibre relationships which in turn reflect on the way employees treat their customers. As Richard Branson was quoted, "If you look after your internal customers you don’t have to worry about the external customers."  We all know what he means. Richard Branson and Alan Hughes, former CEO of First Direct, have both stated whenever they have a few moments to spare they would go into their call centres and talk to their people on the front line - can you imagine what this meant to those employees? Motivation levels sky rocketed. Incidentally, First Direct was the first bank to provide a crèche, showing their concern was not only for their staff but their families too.

####  *****Walk the talk*****

 One of the best strategies is to walk the talk, but be consistent with communication themes. Some managers think chatting to their employees about social issues is all they need to do to build relationships with them – wrong! Employees need to know exactly what is important to the business.

 Service leadership is all about relationships with people, and you can't relate without listening. You can have the most competent leader in the world, but if he or she doesn't listen then his or her leadership potential will go unrealised. Make your conversations count. Speak with confidence and brave the real issues. Always remain positive and contribute that which is helpful. Don't use your words to criticise or divide individuals or teams. Be the first to roll up your sleeves and do whatever it takes to help out your team - they will respect you for your efforts.

Always be honest, define reality, trust is born out of the truth and masking the truth breeds mistrust and disrespect. Be open and honest and your people will go the extra mile. Everyone needs to take responsibility for what they do or do not get accomplished in a day. Everyone can be successful if they consistently do the right things but transparency and reliability within your teams translates into ownership - ownership of the task in hand – and taking ownership of customers is key to customer satisfaction.

 Develop a change management plan using the organisation’s customer service strategy and start creating employee passion by choosing the right messages for the right people, constantly talk about the service promise and it will build credibility with people and in doing so create passion for the vision.

 Effective service leadership is more than just management - it builds customer centricity into traditional managerial skills. A good service leader offers direction to people, gets them to share his or her vision for the business, and aims to create conditions for them to achieve great results with their customers.

 Developing the right attitudes and behaviours is the biggest challenge to service leaders and managers. The question is often asked: "How do I motivate my people?" The way employees feel about their job and their workplace determines how motivated they are. There is a clear link between job satisfaction and productivity. However, job satisfaction also depends on the service culture of an organisation. This culture comprises the things that make a business distinctive and make the people who work there proud to do so.

 In addition to ensuring that staff enjoys varied, interesting work with job switches, as a service leader it is possible to motivate the workforce by:

1. Providing high-quality training and development – continually reinforcing the importance of service excellence, particularly with the goal of changing mindsets and attitudes towards customers
2. Operating an 'open door' policy in which service leaders and managers are approachable and following the principle of ensuring that service leaders spend at least 80% of their time with customers and staff
3. Leading by example and displaying consistent and genuine behaviour which also translates into leaving personal problems at home
4. Having respect for a good work-life balance - e.g. offering the opportunity for flexible working
5. Fairness at work, including promoting equality and diversity
6. Proactive and regular communication, staff newsletters and regular team meetings;
7. Regular appraisals with positive feedback - restating service objectives and recognising staff's contribution
8. Encouraging teams to be innovative, via staff suggestion schemes, for example
9. Empower people to own customers problems and 'Go the Extra Mile' for them
10. Gaining staff feedback on how employees feel about their roles, the support they receive and suggested business improvements which they may have identified; (one global company developed a “Mood Rater” – on the first Wednesday in every month they select fifty employees to ask exactly how they feel at that moment in time)
11. Offering employees the chance to socialise with colleagues at organised events,  team building events, talent shows, A Wine Appreciation Group and putting them forward for Customer Service Awards
12. Recognising and rewarding employees for exceptional performance and innovative ideas to improve the customer experience.

So in summary be sympathetic to the needs of r service professionals. They need to be inspired, involved and rewarded and any business will reap the benefits. Employees who are passionate about their role will consistently deliver the promise both to the organisation and - most importantly - the customer!

## The importance of identifying the right prospects with reference to the organisation’s products and/or services

The types of prospects in a construction industry will differ from the prospects of other businesses. Actually each business’s prospects will differ from the next business due to the products/services they supply. It is therefore important that construction workers are able to identify the right prospects referring to the construction business’s types of products/services it offer.

Let’s discuss the types of construction jobs together with its prospects:

### Types of construction work and its prospects

We have discussed the various types of construction occupations that exist. The following are examples of more construction occupations but the main purpose of this section is to discuss the types of prospects that some construction occupations can have.

Construction is an industry that requires working at ever-changing locations and work environments. Some of the main duties of a general construction worker are to:

* Install various commercial, industrial or residential systems.
* Ensure that projects conform to building codes and regulations.
* Use, clean and maintain various types of equipment.
* Supervise or apprentice other workers.

Here are some examples of construction work:

* Electricians
* Carpenters
* Plumbers
* Assemblers and fabricators
* Brick masons, block masons and stonemasons
* Forest and conservation workers
* Ground maintenance workers
* Highway maintenance workers
* Logging workers
* Material moving occupations
* Refractory materials repairers, except brick masons
* Architects

Let’s discuss the job description of a few construction occupation and the prospects that would suit them:

#### Electrician



**Job description, products and/or service:**

An electrician specialises in the installation, operation, repair, and maintenance of electrical systems. These systems include wiring, circuit boards, and electronics. Some people like to distinguish between an electrician and a lineman. In this sense, an electrician works on internal wiring in homes and other buildings, while a lineman works on outside electrical lines and in power generation facilities.

**Prospects:**

Consumers interact with the work of electricians every day in communities with electricity, and many people have a preferred electrician for electrical repair around homes and businesses. This is an enormous prospect for an electrician in the sense that he/she can get a lot of minor jobs out of households and a lot of major jobs out of new buildings being constructed. Another prospect for an electrician is to get contracts from existing big businesses that would need electrical maintenance (like changing light bulbs etc.) on a regular basis.

#### Carpenter



**Job description, products and/or service:**

A carpenter is an important part of any construction team. They have the skills and knowledge to cut, fasten, carve, and design objects made of wood or other materials. They’re gifted in measuring precisely, sometimes called carpentry math, and know how to use different construction tools like saws, drills, small [hand tools](http://www.wisegeek.com/what-are-the-different-types-of-hand-tools.htm), and a variety of mechanized tools. The [master carpenter](http://www.wisegeek.com/what-does-a-master-carpenter-do.htm) may oversee large jobs, participate in training apprentices and journeymen, and work directly with others in the construction field like architects, electricians, metal workers, and a variety of others to see a job through to its complete finish. The apprentice carpenter tends to do work that requires the least training. They may cut and carry wood or other materials, do preliminary work in the building of a structure, and as they grow more experienced, more actively participate in the finer aspects of building something. Journeymen carpenters do some of the more finely and precisely constructed work and many journeymen run their own companies, working directly with other builders and designers.

**Prospects:**

Though carpentry is often associated with the building of large structures like homes, freeways, and skyscrapers, another subset of carpentry exists. Some carpenters specialize in making smaller objects, like furniture, carved wood pieces, or sculptures. You can find master or journeymen carpenters who are particularly gifted in designing small aspects of a home, like staircases or cabinets.

Especially when it comes to the building of structures, the carpenter may have a work schedule that varies. Poor weather can mean having to wait to begin or finish jobs. Work may also be affected by economy. In the midst of a recession, the carpenter may have less work because people aren’t building houses or larger structures, since it is not economically sound to do so. On the other hand, carpenters are always needed to repair existing structures, provided the weather cooperates, and even sometimes when it doesn’t, if the need for a repair is vital. For this reason the carpenter will always have prospects for doing business. Just like the electrician, the carpenter can be used in smaller prospects like building something for a house, or bigger prospects like having a contract with a new building that is being constructed.

#### Plumber



A [plumber](http://www.wisegeek.com/how-do-i-find-a-good-plumber.htm) is someone who specialises in the installation and repair of pipes which are used to carry water, gas, sewage, and [wastewater](http://www.wisegeek.com/what-is-wastewater.htm). These pipes are often collectively referred to as “plumbing.” Members of this [profession](http://www.wisegeek.com/what-is-a-profession.htm) typically train as apprentices with qualified plumbers before striking out on their own; in some regions, plumbers must take licensing exams before establishing their own businesses. This ensures that they are familiar with prevailing health and safety codes, since poorly installed plumbing can have very serious consequences.

**Job description, products and/or service:**

When a new building is being constructed, a plumber is typically part of the construction crew. He or she determines where pipes should be laid, and takes care of the installation of these pipes. The plumber also typically connects the internal plumbing to external fixtures like sinks, showers, and washing machines. A plumber may also handle gas lines for heating and cooking, and some plumbers also pursue certification in heating and cooling systems as well. Often, a plumber works in concert with an [electrician](http://www.wisegeek.com/what-does-an-electrician-do.htm), a professional who specialises in electrical matters.

**Prospects:**

Plumbers also repair breaks and replace old piping. A plumber may be called to unclog a toilet, fix a leaky faucet, or to check on old pipes which may be warped or leaking. Some of these tasks can be accomplished by an amateur, but others do require a professional plumber, along with his or her specialised plumbing tools. Things like drains and repiping can also get quite complicated, and plumbers sometimes uncover unpleasant surprises like rot during their course of their work, which may necessitate getting another professional involved to fix the problem.

Employment prospects for plumbers are generally good, since people in regions of the world with plumbing generally like to have plumbing which functions smoothly. In areas of the world without plumbing, development initiatives are slowly promoting the adoption of plumbing for health and safety reasons, which means that demand for plumbers will probably rise in these areas. Just like electricians and carpenters the plumber have small prospects where a household might need a plumbing job to be done or bigger prospects where a new building is being constructed.

## Gather and capture accurate customer information in terms of developing future customer relationships

It is important in the construction business to gather and capture customer information in order to develop future customer relationships. It is also very important that this information must be accurate in order to always have the customer’s correct contact details and the type of construction work that was done for the customer. This will enable the construction business to contact the customer in future and enquire if they are still satisfied with the job that was done (this is called after-care service which we will discuss in detail). By gathering and capturing customer’s information it also enables the construction business to cross-sell. Let’s discuss some of the benefits to a construction business by gathering and capturing customer information.

### The benefits of gathering and capturing customer information

Let’s discuss some benefits to a construction business if the customer information which was gathered and captured can have:

* It enables the construction business to regularly keep in touch with customers which could lead to more construction work for the business and the employees
* It enables the construction business to do after-sales care which means that the construction business contacts the customer after a construction work was done in order to find out if the customer is satisfied with the work that was done. This will make the customer feel special and the chances that the customer will use the same construction business to do future work is high
* It enables the construction business to concentrate on cross-selling. Usually construction businesses have more than one type of employees, like electricians, carpenters and plumbers. If a customer just had a plumbing job done and the construction business contacts the customer, it might be possible to introduce the other types of construction workers that are available in the construction business. Maybe the customer realises then that they need an electrician or a carpenter of another type of construction work to be done
* The customer can refer the construction business to his/her friends or family

### How to capture and gather customer information

Every construction business has a computer system on which all kinds of information is stored. A good idea is to invest in good data capturing software but it is not necessary. Customer information can be stored on an excel spreadsheet or on a normal Microsoft Word folder. It is important to identify between the different types of construction work which was done for different customers, and once you have categorised that it is a good idea to put the customer’s surnames in alphabetical order. This is called data integration. Let’s discuss how data integration works.

**What is data?**

Data can be any kind of information at all. It can be the contents of a cell on a spreadsheet. It can be a sound file or a video. It can be a string of words in a document. It can be the raw information created as output from a computer program. Or it can be the information used to describe a file. Data integration focuses on information, not files.

#### How to integrate sales and information

Data integration focuses mainly on databases. A database is an organised collection of data. It's similar to a file system, which is an organisational structure for files so they're easy to find access and manipulate.

There are different ways to categorise databases. Some people prefer to classify them according to the kind of data the databases store. For example, you might classify a database as a media database if all the information stored there is contained in video or [sound files](http://computer.howstuffworks.com/sound-card.htm).

Another classification method looks at how the databases organize data. A database's organisational arrangement is called a schema. A common organisational technique is to use tables to show the relationship between different data points. Tables are like spreadsheets. Columns define categories of data, while rows are records. A database using this approach is a [relational database](http://computer.howstuffworks.com/question599.htm).

|  |  |  |  |
| --- | --- | --- | --- |
| **CUSTOMER NAME (ALPHABETICAL ORDER)** | **PRODUCT OR TYPE OF CONSTRUCTION DONE (INFORMATION)** | **TOTAL PURCHASES (SALES)** | **DATE OF CONSTRUCTION WORK DONE** |
| Clark | Carpeting | R20 000.00 | 4 January 2011 |
| Dowdey | Electrician | R18 000.00 | 8 August 2010 |
| Fuller | Plumbing | R9 000.00 | 2 December 2011 |
| Gibson | Masonry | R12 000.00 | 16 December 2010 |
| Lambert | Plumbing | R14 000.00 | 25 May 2010 |
| Pullen | Carpeting | R12 000.00 | 18 March 2011 |

**Example 1: This table shows how information and sales are integrated in one table together with the date of the construction work done.**

By integrating sales and information it enables the construction business to not only be able to see the customer information but also the customer’s purchasing patterns and behaviour.

#  DEMONSTRATE AN UNDERSTANDING OF THE MARKETING DATABASE

#### Specific Outcome 2

Demonstrate an understanding of the marketing database.

#### Assessment criteria

* A marketing database is defined and explained in generally accepted terms.
* The various types of customer information required for the development of a marketing database are identified and explained in terms of their marketing applications.
* The need for a marketing database is explained in terms of the modern consumer's demand for personalised service.

## What is a marketing database

Database marketing is a systematic approach to the gathering, consolidation, and processing of consumer data (both for customers and potential customers) that is maintained in a company's [database](http://searchsqlserver.techtarget.com/definition/database)s. Although databases have been used for customer data in traditional marketing for a long time, the database marketing approach is differentiated by the fact that much more consumer data is maintained, and that the data is processed and used in new and more sophisticated ways. Among other things, marketers use the data to learn more about customers, select target markets for specific campaigns (through [customer segmentation](http://searchcrm.techtarget.com/definition/customer-segmentation)), compare customers' value to the company and provide more specialised offerings for customers.

**Database marketing** is a form of [direct marketing](http://en.wikipedia.org/wiki/Direct_marketing) using [databases](http://en.wikipedia.org/wiki/Databases) of [customers](http://en.wikipedia.org/wiki/Customer) or potential customers to generate personalised communications in order to promote a product or service for [marketing](http://en.wikipedia.org/wiki/Marketing) purposes. The method of communication can be any addressable medium, as in [direct marketing](http://en.wikipedia.org/wiki/Direct_marketing).

The distinction between direct and database marketing stems primarily from the attention paid to the analysis of data. Database marketing emphasises the use of statistical techniques to develop models of customer behavior, which are then used to select customers for communications. As a consequence, database marketers also tend to be heavy users of [data warehouses](http://en.wikipedia.org/wiki/Data_warehouse), because having a greater amount of data about customers increases the likelihood that a more accurate model can be built.

There are two main types of marketing databases,

1. Consumer databases, and
2. Business databases.

Consumer databases are primarily geared towards companies that sell to consumers, often abbreviated as [business-to-consumer] ([B2C](http://en.wikipedia.org/wiki/B2C)) or BtoC.

Business marketing databases are often much more advanced in the information that they can provide. This is mainly because business databases aren't restricted by the same privacy laws as consumer databases.

The "database" is usually name, address, and transaction history details from internal sales or delivery systems, or a bought-in compiled "list" from another organisation, which has captured that information from its customers. Typical sources of compiled lists are charity donation forms, application forms for any free product or contest, product warranty cards, subscription forms, and credit application forms.

The communications generated by database marketing may be described as [junk mail](http://en.wikipedia.org/wiki/Advertising_mail) or [spam](http://en.wikipedia.org/wiki/Spam_%28electronic%29), if it is unwanted by the addressee. Direct and database marketing organisations, on the other hand, argue that a targeted letter or e-mail to a customer, who wants to be contacted about offerings that may interest the customer, benefits both the customer and the marketer.

Some countries and some organisations insist that individuals are able to prevent entry to or delete their name and address details from database marketing lists.

It has been noted that companies go through evolutionary phases in developing their database marketing systems. They identify the four phases of database development as:

1. Mystery lists;
2. Buyer databases;
3. Coordinated customer communication; and
4. Integrated marketing.

###  Consumer data

In general, database marketers seek to have as much data available about customers and prospects as possible.

For marketing to existing customers, more sophisticated marketers often build elaborate databases of customer information. These may include a variety of data, including name and address, history of shopping and purchases, demographics, and the history of past communications to and from customers. For larger companies with millions of customers, such [data warehouses](http://en.wikipedia.org/wiki/Data_warehouse) can often be multiple terabytes in size.

Marketing to prospects relies extensively on third-party sources of data. In most developed countries, there are a number of providers of such data. Such data is usually restricted to name, address, and telephone, along with demographics, some supplied by consumers, and others inferred by the data compiler. Companies may also acquire prospect data directly through the use of sweepstakes, contests, on-line registrations, and other lead generation activities.

### Business data

For many [business-to-business](http://en.wikipedia.org/wiki/Business-to-business) ([B2B](http://en.wikipedia.org/wiki/Business-to-business)) company marketers, the number of customers and prospects will be smaller than that of comparable business-to-consumer ([B2C](http://en.wikipedia.org/wiki/B2C)) companies. Also, their relationships with customers will often rely on intermediaries, such as salespeople, agents, and dealers and the number of transactions per customer may be small. As a result, business-to-business marketers may not have as much data at their disposal as business-to-consumer marketers.

One other complication is that B2B marketers in targeting teams or "accounts" and not individuals may produce many contacts from a single organisation. Determining which contact to communicate with through direct marketing may be difficult. On the other hand it is the database for business-to-business marketers which often include data on the business activity about the respective client.

These data become critical to segment markets or define target audiences, e.g. purchases of software license renewals by telecom companies could help identify which technologist is in charge of software installations vs. software procurement, etc. Customers in Business-to-Business environments often tend to be loyal since they need after-sales-service for their products and appreciate information on product upgrades and service offerings. This loyalty can be tracked by a database.

Sources of customer data often come from the sales force employed by the company and from the service engineers. Increasingly, online interactions with customers are providing B2B marketers with a lower cost source of customer information.

For prospect data, businesses can purchase data from compilers of business data, as well as gather information from their direct sales efforts, on-line sites, and specialty publications.

### Analytics and modeling

Companies with large databases of customer information risk being "data rich and information poor." As a result, a considerable amount of attention is paid to the analysis of data. For instance, companies often segment their customers based on the analysis of differences in behaviour, needs, or attitudes of their customers. A common method of behavioral segmentation is [RFM](http://en.wikipedia.org/wiki/RFM), in which customers are placed into sub segments based on the regency, frequency, and monetary value of past purchases. They may also develop predictive models, which forecast the propensity of customers to behave in certain ways. For instance, marketers may build a model that ranks customers on their likelihood to respond to a promotion. Commonly employed statistical techniques for such models include [logistic regression](http://en.wikipedia.org/wiki/Logistic_regression) and [neural networks](http://en.wikipedia.org/wiki/Neural_networks).

 Your database is the key to survival in bad times. And, it’s the key to maximum profits in good times. The goal of your database is to maximise customer value through conversion, retention and repeat sales. And, it allows you to create new marketing opportunities.

Everyone is collecting data on who is, or should be, buying their products or services. This data does not just consist of names and addresses. It includes buying history: what people bought, when they bought, and how much they bought. It also includes birth dates, anniversary dates, marriage status, number and age of children, likes and dislikes. It opens up new ways to market more products and services for both consumer and business-to-business marketers.

It means:

* New ways to market smarter and reduce costs.
* New ways to market additional products or services.
* New ways to keep customers—through extended product usage.

The business market today is changing rapidly. Those who properly master the understanding of how, what and why customers make purchases, and those who are able to influence buying decisions with highly targeted marketing efforts—mail, video, telemarketing, etc.—are going to come out on top.

Let’s briefly look at the database.



A database is not just a collection of names. It’s a collection of individualised, consumer behavioural information, isolated to each customer. The database concept inputs data and generates information that allows for selective targeted marketing. It provides comprehensive, up-to-date and relevant information about prospects and/or clients, and will pay for itself quickly with visible, measurable sales.

## Types of customer information required for the development of a marketing database

Another way of capturing customer’s information is to capture it in more detail using marketing database.

A construction business keeps information regarding customer’s gender, age, credit record, how they prefer to pay for their purchases, and when last they have made their last purchase and the customer’s contact information:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **GENDER** | **AGE** | **CLEAN CREDIT RECORD: YES/NO** | **HOW THE CUSTOMER PAYS FOR PURCHASES** | **WHEN LAST WAS A PURCHASE MADE BY THE CUSTOMER** | **CONTACT INFORMATION** |
| Female | 25 | Yes | On account | One month ago | 071 111 1111 |
| Female | 36 | No | Internet payment | Two months ago | 076 666 6666 |
| Male | 48 | No | By cheque (please note that the first cheque bounced) | One year ago | 082 222 2222 |
| Female | 56 | Yes | Credit card | Six months ago | 073 333 3333 |
| Male | 32 | Yes | Credit card | Last month | 083 333 3333 |

***Example 2:* This table shows how information regarding age, credit record, payment for purchases and contact information is integrated.**

Out of the above example regarding the customer’s gender, age, clean or not clean credit record, how the customer pays for purchases, and when last a purchase was made, it is possible for the construction business to identify customers who are guaranteed to make more purchases. If you look at the example in line 3 of the 48 year old male who has a poor credit record and pays by cheque which bounced, the construction business would not contact that customer. The construction business would rather focus on the customers who purchased not so long ago and has a clean credit record, although the customer in line two has a poor credit record, but paid by internet and the last purchase was only two months ago, could also be contacted.

### Building your database

As you start your database, the most elementary data collected is your customer’s buying history: what they bought, when, how much and the source of the order.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | * Name
 |  | * Service needs
 |  | * Source of original inquiry
 |
|  | * Job function/title
 |  | * Potential profitability
 |  | * Sales materials supplied
 |
|  | * Company name
 |  | * Readiness to buy
 |  | * Cumulative billing
 |
|  | * Company address
 |  | * Promotion medium (mail, video, etc.)
 |  | * Prospect/customer/friend
 |
|  | * Company phone
 |  | * Decision-maker or influential
 |  | * Salutation
 |
|  | * Home address
 |  | * Data record entered
 |  | * Record of contacts byphone
 |
|  | * Home phone
 |  | * Data of last order
 |  | * Total number of promotions received
 |
|  | * Market/industry code
 |   |   |   |   |

### Additional information

Additional information in your database may include birth dates, marriage status, number of children, personal likes and dislikes, plus a host of other important information that meets your own special needs.

In fact, you can combine thousands of different characteristics of a customer or prospect to develop a detailed psychographic, demographic or geographic profile.

### The up-sell: An untapped source of profit

One of the major benefits of a database is that it enables you to aggressively up-sell your customer base. You can:

* Sell them more of the same product.
* Sell them a more expensive version of the product.
* Create continuity or automatic purchases. The pyramid to the left shows a way to conceptualize your database.



### The cross-sell: Marketing other products

Another important feature of database marketing is cross-selling. What other product can be marketed to your database and secure your relationship with your customer?

A database also allows you to develop new products, based upon analysis of product/category strengths and buying patterns of brand merchandise.

For example, Levi Strauss discovered a wealth of new product marketing opportunities. They took advantage of one of these opportunities by introducing a diverse line of casual clothing for men, women and children to complement and expand the jean ware for which they were famous. It was the marketing challenge of this line that forced Levi Strauss to turn to direct marketing.



The company had encountered problems in retail stores because Levi Strauss offered a wider range of sizes and styles than the stores were able to display. So, they began looking for a media which would display all of the styles, sizes and colors available. They finally decided that a catalog was the answer. It would give them room to display all of their merchandise and provide availability of the items to the public.

After testing a mailing against the Spiegel catalog in the fall of 1985 with great success, the catalog was mailed.

Levi Strauss expected their direct mail consumers to be slightly different than their typical consumer, but they were surprised by the variety of customers they attracted.

A customer profile revealed that the shoppers attracted to their catalog ranged between the ages of 35–54—75% were female, while 25% were male. The annual household income was R30 000 and up.

This profile revealed a much different consumer base than Levi expected. The consumers were older, had more money, fewer children and were dominated by females. Their tastes were different from Levi Strauss’ normal consumer base.

These new consumers purchased the #1 ranked “501” jeans after purchasing diaper covers and the drop-yoke pants. In fact, of the 15 most demanded merchandise, 4 were in the top 100 products for the company.

The next surprise was in the geographical locations of the catalog consumers. Levi Strauss had always enjoyed success in both the West and Northeast, but the catalog was most successful in the Midwest and Northeast.

Just one catalog mailing assured Levi Strauss they were capable of successfully marketing a wide array of products, while cost-effectively testing new items.

## The need for a marketing database in terms of the modern consumer’s demand for personalised service

###  What a customer marketing database looks like

 

  The key to understanding this picture is the arrow in the middle which shows that the customer promotion history is stored in the marketing database, along with the customer information and the transactions. The marketing staff has access to the database through the web. Their database is maintained at a service bureau using data analysis and campaign management software, marketers can compute customer lifetime value, and segment customers into meaningful categories -- Gold customers, peak season customers, frequent shoppers, gift buyers, etc.

With this data at their fingertips (or actually with the click of a mouse) marketers can see a 360 degree picture of each customer: what she buys, what channels she uses, the promotions she has received, and those she has responded to. Using the database the marketers can run tests and controls on each of the 1,000 or more customer promotions launched in a year (using catalogues, direct mail, email and web offers). They can determine not only the response to each promotion, but the long term effects on customer behaviour of particular promotions.

Personalised customer service is one of the single most important things most business owners overlook, but the one component that can effectively build trust with their clients at every turn. From the moment they arrive at the business to the moment they receive their order, providing personalised customer service will let your customers know that THEY are your most important business asset. That experience equals trust and has a very powerful effect on your bottom line.

|  |
| --- |
| ***A happy customer tells one friend about your company, an unhappy customer tells ten.*** |

People online are far more social than they were when this adage came to be, so the impact of this statement is far grater than it was back then. By providing services which set you apart, you create an army of satisfied customers who will gladly rave about you every chance they get. But miss this opportunity, and you create quite the opposite effect, tenfold.

### Creating personalised customer service

It doesn’t really take much creativity to provide this level of service to your customers. Just take their point of view. What do they expect? How do they want to be treated? When you determine what is expected of your company, go beyond it. Don’t just provide the minimal levels of service; exceed them at every level of the customer experience.

**Here are some ideas to get you started:**

* 24/7 Service – The internet is the city that never sleeps. Your clients can find you 24 hours a day, 7 days a week and when they have a question, they don’t want to wait. If you have phone number on the web, it had better pick up. Even if you cannot afford to have that phone manned with a live person, voice mail has to be implemented with a message indicating exactly when they can expect to be called back. Your website should have this same information listed on the contact pages so potential clients know exactly what to expect.
* Automate as much as possible and make it easy to find information about the products or services you offer. Giving customers the ability to “help themselves” takes a lot of the sales pressure off and let’s them make a decision in their own time.
* Maintain consistency in customer service from the moment the order is placed to the final follow up. Your customer’s experience does not end with the send button. Send them a message after the sale. Ask them how you performed and if they are satisfied with the level of service and solicit and honest response.
* Offer “added value” services such as free upgrades or guides. Keep your customers informed even after the sale and the lines of communication open, but without all the sales hype each time.
* Implement a ‘customer first’ atmosphere among employees and make sure they are following through. Be sure complaints are addressed quickly and without blame to the customer. Reward employees who go that extra mile to care for customers. This creates an environment of personalised customer service which quickly becomes viral throughout the organisation.

Don’t overlook the importance of personalized customer service and the impact is will have on a business. It will be the only thing that will set a business apart from its competitors, all other things being equal. It will also create a buzz about a business’s name and the services it offer which cannot be bought through any other advertising means. It is simply “Good Business”.

Actually, a business needs the ability to look not just at the transactions, but also at the promotion history. This is where a customer marketing database can enable a business to reduce costs, and build sales and profits.

# IDENTIFY PROSPECTIVE AND EXISTING CUSTOMERS

#### Specific Outcome 3

Identify prospective and existing customers.

#### Assessment criteria

* Customers are identified internally through consultation with the sales force and the information technology department.
* Prospect profiles are formulated based on existing customer descriptors.
* Prospects are identified externally by applying the profiles developed and also through segmentation processes and the matching of product and/or service benefits to consumer needs.
* Methods of sourcing prospects' contact details are explained according to established practice.
* Prospects are qualified according to prospect profiles.

## Identify customers internally through consultation with the sales force and the information technology department

### What is consultation

A consultation is a meeting where one person asks for or provides advice or opinion from the other party. For example, a patient sets an appointment with a doctor for a consultation on her possible treatment.

Consultation is a process of dialogue leading to a decision. Consultation involves:

* Passing information and receiving comments
* Seeking opinions on options before decisions are reached
* Seeking to increase the involvement of local people, communities, businesses, voluntary sector etc. in important decisions which impact on them
* Listening to and learning from local people and communities

#### Objectives of consultation

Consultation is carried out to ensure that the decisions made are the right ones for the business.
Objectives for consultation are:

* Helping the business to plan services better to give the service that the public wants.
* Enabling the business to prioritise services and make better use of resources.
* Alerting the business to problems more quickly so that it can put things right.
* Using different techniques to make consultation as effective as possible.
* Encouraging employees of a business to participate in consultation to help influence the delivery of services.
* Taking account of the employees views in the decisions we make.

### The role of the sales force

Generating income and revenue are the primary roles of the sales force. A sales team must work together to increase brand awareness and drive sales forward. Small businesses hiring salespeople for the first time must overcome the challenges of finding a cohesive team to work well together.

In addition to generating income, the sales force builds trust with customers. Sales representatives engage customers at all stages of the relationship. New customers need interaction and opportunities to learn about the brand. Current customers gain trust through consistent follow-up and communication with the sales representative. Sales representatives also work to re-engage previous customers through promotions, discounts, and communications. Building trust throughout the customer sales cycle increases customer satisfaction.

Businesses can decide between two types of sales teams or use a combination of both. Outside sales representatives, also called field reps, work independently to generate sales. This type of sales force structure works best with responsible, self-starters who need little supervision. They travel to customer locations to pitch products that require demonstration. Inside sales representatives, also called telemarketers, spend most of their time on the telephone talking with prospective customers or making appointments for customers to come to them.

#### Benefits

The benefits of hiring a competent sales team include increased brand awareness, heightened company loyalty, and increased revenues. It may take some trial and error during the hiring process, but finding effective salespeople takes patience. Once established, a sales force creates excitement around the products and services they sell. Using social media is another way to connect with potential customers, promote sales campaigns, and provide information.

#### Overcome objections

Efficient salespeople need to overcome the three main types of objections without feeling rejected or intimidated.

1. Customers conditionally decline a product or service when they say they do not need or cannot afford it
2. Or, customers use stalling tactics by stating they want to think about the purchase before taking action. Salespeople may find theses two objections difficult to overcome
3. Customers asking for quality assurance, such as customer testimonials or referrals, present the easiest objections for a sales rep to surmount

### The role of the information technology department

The general role of the Information technology department is to provide Information and Communication Technology (ICT) services and support in order to enable the business achieve its goals and objectives.

#### *****Task*****

* To design, develop and implement data processing from various socio-economic surveys and censuses conducted by the business
* Provide ICT Hardware and Maintenance support services to the business
* Implement security policies to safeguard the security of hardware and its data.
* To design, develop, manage and maintain the website and ensure understanding of website usage across the business and with external stakeholders
* Provide IT Software Support services to the business
* In collaboration with the quality department take responsibility for the electronic storing and archiving of data.
* Facilitate the storing and archiving of documentation particularly questionnaires used in surveys and censuses.
* Provides technical support for the use of information communication technology in the form of training.

### How to identify customers internally

Once construction business has been started, the business would want customers for the survival of the business. After a business name has been developed all required formalities completed, the business would want a steady flow of income. The business has to go through various procedures to set up a [building and construction](http://www.mastbusiness.com/top/Building_And_Construction/) business. It has to acquire all the licenses pertaining to construction which legally allows it to conduct a business in construction in a given region, county or a country. The business has to put in place all of the [tax](http://www.mastbusiness.com/top/hire_tax_consultant.php) related information in order and assess it thoroughly and then acquire customers. Now it is the time that the business market itself and makes it popular to get business from potential clients. The promotional steps that are to be taken for a business in construction are perhaps unique and hence different from the [marketing](http://www.mastbusiness.com/info/marketing_advertising_information.htm) strategies that are adopted by other businesses. Let’s discuss the various aspects of getting business from the customers for the steady flow of income.

#### Get your business recognised through accreditations

A construction business has to get the business recognised in construction from various organisations that are appropriate. It has to create a situation in the market that the relevant organisations that are authorised to provide ratings give the rank and status that the business is supposed to get in a few years to follow. This is suitable for fetching business from clients in the market because usually it is seen that the homeowners look for the rankings and the ratings from the suitable accrediting organisations to give rankings to a business such that they can rely on services in the construction work contract to be given. The people in the market are the potential clients who are looking forward to give their business to the construction businesses such that they are reputed in the market as well as they have good reviews from a lot of people who have hired the building and construction companies’ services in the past. There are some of the accrediting organisations that are a good place to start with. It is important to make sure to include the accreditations in business logos and also in advertisements.

#### Study the market trends

It is necessary to research and find out a [marketing](http://www.mastbusiness.com/top/Marketing_And_Advertising/) strategy that will suit the business’s requirements and fulfill the goal of getting more business over time. It is necessary to approach many homeowners and talk to them about the business and the services that are offered by the businesses. It is ideal to have the knack of finding out their source of information. Find out as to where they get their information from when it comes to choosing their contractors those are required to do their job and fulfill their requirements. Also consider influencing these sources through [marketing](http://www.mastbusiness.com/top/basics_of_business_marketing_and_advertising.php) strategies. Also think about the publishing of coupon magazines and distributing it to various households. These types of coupon magazines should be distributed only and delivered only to the homeowners. Research the market and find out that targeted customers whom can be offered to provide their requirements through the business are often influenced by the relevant ads in the local newspaper as well as phone book supplied for information like the yellow pages. Then go for the capitalisation of these outlets.

#### Let the customers know about the business through marketing

Be passionate about advertising such those that should be your own billboard. Install magnetic boards on [vehicle](http://www.mastbusiness.com/top/Transportation_And_Travel/Vehicles/)s with the advertisement of the business. Include the business name, the contact details and the different services that are offered by the company. It may be a little too expensive and would derive a huge investment in the initial stages. But it is one good investment to be done. I will never ever be necessary to have to pay for this promotion because the vehicle on which it is advertised is the business’s own vehicle. On the other hand, if an advertisement is placed in a newspaper or a magazine, these advertisements would expire in a couple of days or just be a matter of few weeks. Make sure that the advertisement that is being done on such vehicles states a clear message and send out a visible advertisement to the people walking on the streets who are viewing the vehicle.

#### Location of your customer base

Target some key areas where advertisements can be included. Location strategising for advertisement purposes is perhaps an important aspect of a business in construction. This form of advertising is a unique form of advertising in the business related to the building and construction industry. Think of the various advertisements that are displayed in the front yards. These locations as they are described above are some of the key locations that need to be targeted to make a business recognised through marketing.

We have seen various aspects of how to achieve customers for a construction business so that the business keeps running and have a steady flow of income.

#### Who do you want to sell

Start with a focused and diverse approach. There is already a list of past customers and project types which were successful. In a tough economy, those targets are not enough. It is necessary to decide to attack and seek business in all three revenue streams to weather the long-anticipated slowdown. From each revenue stream listed above, choose one or two new revenue targets, project types and customer types which will attack over the next several years to grow the business.

####   Revenue targets

**1. Contracts and Bids**

Current Customer Targets           New Customer Targets

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Current Project Types                 New Project Types

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2. Service Work and Ongoing Accounts**

Current Customer Targets           New Customer Targets

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Current Customer Targets           New Service Types

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3. Wealth Building and Passive Income**

Current Wealth Building Assets   New Assets

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### What kind of tickets to sell

After a detailed list of customers have been made, projects, services and assets to pursue, rank them in order of priority and potential. Consider the following: the most revenue-generating, ease of success, profit potential, learning curve, the perception in the marketplace and other factors that will determine which is best for the company to market and attack.

After identifying the targets to market and have ranked them in order, it's time to sell tickets. Think like a professional football team owner. Selling private boxes to major corporations or high net worth business leaders requires a different approach than selling one game to individual ticket buyers. In the business, selling to high-end homeowners is much different than selling to design-build general contractors, public works entities or major national corporations. Each requires a unique selling and marketing strategy to be successful. Now, let's look at examples of what different types of customers want and what can be offered to them.

#### What target customers want

Public Works Contractors

* Lowest price possible
* Reliability
* Fastest schedule and large crew
* Performance under pressure

Design-Build General Contractors

* Fair and competitive open-book pricing
* Technical and engineering expertise
* Professional presentation skills
* Trained crews and quality work

Real Estate/Property Owners

* Fair and honest competitive pricing
* Reliability and trust
* Quality full-value workmanship
* Fast full-service 24/7

National Corporations

* Fair and competitive pricing
* Financial strength and reputation
* Safety and quality program
* Trained crews and excellent work

High Price Homeowners

* Fair and honest open-book pricing
* Reliability and trust
* Creative and innovative approach
* Reputation and referrals

Low Price Homeowners

* Lowest price possible
* Fastest schedule
* Easy to do business with
* No hassles

Custom Homebuilders

* Fair and competitive open-book pricing
* Experience in similar work
* References and reputation
* Quality workmanship and service

Tract Homebuilders

* Lowest price possible
* Fastest schedule and large crew
* Financially strong
* Systematic and clean paperwork

To successfully attack customer targets, determine what can be offered based on what they want and how it is possible to help them. For example, national restaurant chains want to hire full-service contractors they can trust to get work finished promptly without disruptions to their operations and know will keep their property clean during renovations. Restaurant owners also want to hire contractors who offer a full line of services, perform design-build and permit procession, don't require much supervision, are willing to work during non-business hours and can perform repairs immediately when the need occurs.

## Formulate prospect profiles based on existing customer descriptors

Customer profiles are simple, yet powerful, [**marketing**](http://desktoppub.about.com/od/marketing/Marketing_and_Advertising.htm) tools. The more that is known about customers and potential customers, the more it is possible to tailor the marketing to their wants and needs. Profiles also provide information to be used to give customers personalised attention.

Basic information such as name, address, and phone number are a normal part of doing business. Beyond those basics, gather additional information through customer questionnaires and surveys, casual conversation, and personal observation.

* Ask for information on order forms. Even if it’s not necessary to process orders, ask for information such as fax numbers, pager numbers, and email addresses.
* Send out [customer satisfaction surveys](http://management.about.com/od/competitiveinfo/a/CustomerSatSurv.htm). Entice customers or potential customers to fill out surveys by offering a reward. Conduct a drawing. Offer a discount or free services. Or offer a free booklet of useful information (related to the business) to each person who returns a completed survey.
* Take mental notes each time customers are visited in their homes or offices. As soon as possible afterwards, write down the notes.
* Take notes each time a telephonic conversation with a customer takes place over the phone. Be alert to comments about birthdays, anniversaries, hobbies, or other interests — things that might not normally be a part of the basic name, address, phone number information.
* Be alert to news stories or articles about customers, their businesses, employers, or schools. Clip articles or make notes about TV or radio broadcasts.

Use the information in profiles for direct and indirect marketing. Use a basic customer profile to [warm up a cold call](http://desktoppub.about.com/od/marketing/ht/Use-Cold-Calling-As-A-Freelance-Designer.htm). Build good will and develop name recognition by sending birthday and anniversary cards, postcards, small gifts tailored to the recipients' interests and other [promotional items](http://desktoppub.about.com/od/promotionalitems/). Offer special discounts on services that knows a customer wants and needs at that time, or direct specialised mailings to customers based on past purchases or some other information from their profiles.

For instance, target a letter outlining special pricing on a [basic identity package](http://desktoppub.about.com/od/identity/a/identitysystem.htm) of letterhead, envelope, and business card with logo design to brand new start-ups. Customer profiles are a valuable marketing tool. They are also low-cost. Maintain a computer database of information or a simple collection of scraps of paper in a file folder. Whatever method is used, the key is to use the information to market the business. People change. Profiles change. To get the most value from profiles, review them regularly, and update them continually. Whether it is one customer or one hundred — the more that is known, the more will be sold.

If you already have clients, start filling out their profiles now. If just starting out, identify a few prospective clients and do some preliminary research and start profiles on them. This [PDF Client - Project Information Sheet](http://desktoppub.about.com/library/forms/bizform_cpinfo.pdf) can be used both for general client information and to get details for a specific project. Use it as it or incorporate ideas from this form into your own client profile or job information forms.

## Externally identify prospects by applying the profiles developed and through segmentation processes and the matching of product and/or service benefits to consumer needs

### How to externally identify prospects

There are dozens of ways to find prospects, and there are companies all over the place that would be more than willing to sell as many prospects as a construction business could ever want and/or need!

Prospecting is a "buyer beware" type of business so let discuss some of the things needed to know about buying prospecting leads so that money is well invested and that a business get the results it is seeking..

Let's start by getting clear on what a "good" prospect really is. To begin with, the business needs to ask the question "Who is already doing business with my prospects?" To answer that question means that the business has to be crystal-clear on who the ideal prospects are.

A construction business should always ask, "**Who is the business’s ideal prospect?"** And very often businesses say that "EVERYBODY" is their ideal prospect! This is not true due to the fact that there is not a single product or service in existence that EVERYBODY buys, has bought or will buy. A business may think that everybody “needs” its product or service, and that might be partly true, remember that consumers only buy what they “want” and not necessarily what they “need”.

What a business does want to find out is what publications the ideal prospects read? For example, if you sell Internet Web sites, you may want to go after people who have a business, or who may be planning to start a business. These people read certain magazines, newsletters, and that many of them frequent certain types of web sites.

Many of these people have certain other things in common. They may earn more than a certain amount per year, for example, or they may drive certain types of cars, they may own homes worth more than a certain amount, etc. **These items are known as "demographics."**

This is a big word that really only means that we have created a group of names based on some data such as average household income, average age, average home purchase price, etc. Demographics, in short, are simply another way to segment out your perfect prospects.

When it comes to buying prospects, a business has some choices to make. Do you want to spend a lot of money per name and get a better quality lead and likely a much higher response rate, or do you prefer to spend less money, get more names and get a lower response rate?

Here's the difference. You can **rent a "compiled" list of prospects** for very little money... usually about one rand a name. These lists are compiled from many data sources, and may or may not be ideal for your offer. In other words, the list is compiled using a loose set of criteria and the names on that list may be very interested in your, or may only hold a casual interest, or even no interest at all. You will have no way of knowing this in advance without actually testing the list with your mailing.

A favourite list is a **subscriber list.** Think about this. A person who pays money to a magazine to receive the publication each month is serious about that topic. So serious, they were willing to drop their own money to get access to the information contained in the publication. This very publication may well rent out their subscriber list to advertisers just like your business.

Subscriber lists cost more money per name and deliver significantly better results because the names are simply qualified at a higher level. In other words, it's a very good bet that a person who subscribes to a [home business](http://www.powerhomebiz.com/vol52/prospects.htm##) magazine has a serious interest in working from home. Now if a business sells a product or service that benefits a home office professional, the business will find that this list would be a very good choice for your mailing.

To get hold of a subscriber list, simply call the publication. They will either rent you their list directly or they will have you call their list broker who will arrange for you to use the list.

**List brokers** typically handle all types of mailing lists. They have compiled lists, they have subscriber lists, and they have access to hundreds of databases. And, the best part is that a business can get a FREE consultation with a list broker.

Just call them up, tell them what you want and they will prepare a customised list selection for you. The more specific a business is about what it has to offer and who its best prospects are, the better results the list broker will deliver to the business.

Once the business chooses its list, or lists, have them sent it over and the business is ready to do its mailing. Typically, a business can get its mailing list in a few days, or sometimes, it is even available over the Internet so the business can print out its own labels on its own printer.

It really is a lot easier than any business thinks, and it will help the business to build more prospects lightening fast. It is possible to support web marketing with traditional marketing for faster results. If the first attempt don’t produce the results the business is seeking, make a change to the headline and the offer and do some more mailing.

Always remember that successful businesses never give up. The business may not succeed on its first attempt, or even at the 50th attempt, but the business should keep at it until the results are positive.

True success is a matter of persistence. The business should take the first step, so pick up the yellow pages or go on a web site and make some calls to find out which mailing list/s are available.

### How to develop customer profiles



In a construction business, does the business really know how its customers think, feel and behave towards the business and its competitors?

Successful marketing for any business starts by knowing who its customers are and what they need and desire.

There is no point wasting valuable time and money marketing a business to people who aren’t interested in what the business is selling or which services it provides. Communication should take place with the people who matter most to the business and everything should be done better than the closest competitor.

 To start creating a profile of existing and potential customers in the market you need to look at their characteristics (demographics and psychographics) as well as their attitudes and buying behaviours.

Demographics
Demographics is how a business would describe its customer in terms of:

* Age
* Gender
* Household size
* Income
* Occupation
* Education and
* Country of birth

For example, the demographics of a customer who buys CB cereal bars may be female, age 30- 45 years, white collar occupation, household income greater than $75,000 and lives in Sydney.

There are websites including [government websites](http://www.abs.gov.au/) that are a good source of information to find out more about the [demographics of the customers](http://en.wikipedia.org/wiki/Demographics_of_the_United_States) who live in the areas in which your business competes.

Geographics
This is where the customers are actually located and by gaining an understanding of this means that the business can focus its marketing tactics specifically for those in certain areas.

Psychographics

Psychographics are how a business would describe its customers in terms of:

* Interests: The key social interests the customer engage in for example, golf, family activities, theatre
* General personality: The personality characteristics of the customer for example, conservative, outgoing, introvert, extrovert, etc.
* Where they “hang out”: What places on and offline do they do their network, socialise, etc.

If a business knows its customer’s psychographics the business can tailor promotional activities, sales drives and communication messages that appeal to their specific interests and lifestyle.

Attitudes
The attitude of a business’ customers to the product or service and business is important as it can give an indication of their involvement with the brand or business and its products or services. It is important to know how they think and feel in a certain way to be able to market the product or service more effectively.

Buying Behaviour
Buying behaviour relates to how the customers behave when deciding to buy a business’s product or service versus the competitors.

Buying motives and influences may vary by customer group and will always include rational and emotional reasons. They can include rational reasons such as location, convenience, customer service, image, range and promotional offers. Or emotional reasons such as “Makes me feel good”, confidence or feeling of importance.

The more a business knows about its current and potential customers the easier it is to communicate the right message at the right time.

Top of Form



### What is market segmentation

A **market segment** is a classification of potential private or corporate customers by one or more characteristics, in order to identify groups of customers, which have similar needs and demand similar products and/or services concerning the recognised qualities of these products, e.g. functionality, price, design, etc.

An ideal **market segment** meets all of the following criteria:

* It is internally homogeneous (potential customers in the same segment prefer the same product qualities)
* It is externally heterogeneous (potential customers from different segments have basically different quality preferences)
* It responds similarly to a market stimulus
* It can be cost-efficiently reached by market intervention

The term segmentation is also used when customers with identical product and/or service needs are divided up into groups so they can be charged different amounts for the services.

A customer is allocated to one market segment by the customer’s individual characteristics. Often cluster analysis and other statistical methods are used to figure out those characteristics, which lead to internally homogeneous and externally heterogeneous market segments.

Examples of characteristics used for segmentation:

* Gender
* Price
* Interests
* Location
* Religion
* Income
* Size of Household

While there may be theoretically 'ideal' market segments, in reality every organisation engaged in a market will develop different ways of imagining market segments, and create [product differentiation](http://en.wikipedia.org/wiki/Product_differentiation) strategies to exploit these segments. The market segmentation and corresponding product differentiation strategy can give a firm a temporary commercial advantage.

#### Criteria for segmenting

Homogeneity (within a segment):

* Similar responses to marketing mix
* Similar segmenting dimensions

Heterogeneity (between segments):

* Different responses to marketing mix
* Different segmenting dimensions

Substantial:

* Segment is big enough to be profitable

Operational:

* Useful for identifying customers
* Useful in deciding on marketing mix

#### Types of segmentations

**Geographic segmentation**

The market is segmented according to geographic criteria- nations, states, regions, counties, cities, neighbourhoods, or zip codes. Geo-cluster approach combines demographic data with geographic data to create a more accurate profile of specific customers.

**Demographic segmentation**

Demographic segmentation is segmentation by age, gender, income, social class, etc.

**Psychographic segmentation**

Psychographics is the science of using psychology and demographics to better understand consumers. Psychographic segmentation means that the consumer is divided according to their lifestyle, personality, values. People within the same demographic group can exhibit very different psychographic profiles.

**"Positive" market segmentation**

Market segmenting is dividing the market into groups of individual markets with similar wants or needs that a company divides into distinct groups which have distinct needs, wants, behaviour or which might want different products & services. Broadly, markets can be divided according to a number of general criteria, such as by industry or public versus private. Although [industrial market segmentation](http://en.wikipedia.org/wiki/Industrial_market_segmentation) is quite different from consumer market segmentation, both have similar objectives. All of these methods of segmentation are merely proxies for true segments, which don't always fit into convenient demographic boundaries.

Consumer-based market segmentation can be performed on a *product specific* basis, to provide a close match between specific products and individuals. However, a number of generic market segment systems also exist, e.g. the system provides a broad segmentation of the population of the United States based on the statistical analysis of household and GeoDemographic data.

The process of segmentation is distinct from [positioning](http://en.wikipedia.org/wiki/Positioning_%28marketing%29) (designing an appropriate marketing mix for each segment). The overall intent is to identify groups of similar customers and potential customers; to prioritise the groups to address; to understand their behaviour; and to respond with appropriate marketing strategies that satisfy the different preferences of each chosen segment. Revenues are thus improved.

Improved segmentation can lead to significantly improved marketing effectiveness. Distinct segments can have different industry structures and thus have higher or lower attractiveness

Once a market segment has been identified (via segmentation), and targeted (in which the viability of servicing the market intended), the segment is then subject to positioning. Positioning involves ascertaining how a product or a company is perceived in the minds of consumers.

This part of the segmentation process consists of drawing up a perceptual map, which highlights rival goods within one's industry according to perceived quality and price. After the perceptual map has been devised, a firm would consider the marketing communications mix best suited to the product in question.

**Behavioral segmentation**

In behavioral segmentation, consumers are divided into groups according to their knowledge of, attitude towards, use of or response to a product.

**Occasional segmentation**

Segmentation according to occasions means that we segment the market according to the occasions.

**Beneficial segmentation**

Segmentations according to benefits mean that we segment the market sought by the consumer.

**Retention- based segmentation**

The basic approach to retention-based segmentation is that a company tags each of its active customers with 3 values:

1. **Is this customer at high risk of canceling the company's service?** One of the most common indicators of high-risk customers is a drop off in usage of the company's service. For example, in the credit card industry this could be signaled through a customer's decline in spending on his or her card.
2. **Is this customer worth retaining?** This determination boils down to whether the post-retention profit generated from the customer is predicted to be greater than the cost incurred to retain the customer. Managing Customers as Investments.
3. **What retention tactics should be used to retain this customer?** For customers who are deemed “save-worthy”, it’s essential for the company to know which save tactics are most likely to be successful. Tactics commonly used range from providing “special” customer discounts to sending customers communications that reinforce the value proposition of the given service.

#### Process for tagging customers

The basic approach to tagging customers is to utilise historical retention data to make predictions about active customers regarding:

* Whether they are at high risk of canceling their service
* Whether they are profitable to retain
* What retention tactics are likely to be most effective

The idea is to match up active customers with customers from historic retention data who share similar attributes. Using the theory that “birds of a feather flock together”, the approach is based on the assumption that active customers will have similar retention outcomes as those of their comparable predecessor.

#### Niche marketing

A niche is a more narrowly defined customer group who seek a distinct set of benefits. Identified by dividing a segment into sub segments, distinct and unique set of needs, requires specialisation, and is not likely to attract too many competitors.

#### Local marketing

Local marketing is marketing programs tailored to the needs of local customer groups.

#### Price discrimination

Where a [monopoly](http://en.wikipedia.org/wiki/Monopoly) exists, the price of a product is likely to be higher than in a competitive market and the quantity sold less, generating [monopoly profits](http://en.wikipedia.org/wiki/Monopoly_profit) for the seller. These profits can be increased further if the market can be segmented with different prices charged to different segments charging higher prices to those segments willing and able to pay more and charging less to those whose demand is [price elastic](http://en.wikipedia.org/wiki/Price_elastic). The price discriminator might need to create **rate fences** that will prevent members of a higher price segment from purchasing at the prices available to members of a lower price segment. This behaviour is rational on the part of the monopolist, but is often seen by [competition](http://en.wikipedia.org/wiki/Competition) authorities as an abuse of a monopoly position, whether or not the monopoly itself is sanctioned. Examples of this exist in the transport industry (a plane or train journey to a particular destination at a particular time is a practical monopoly) where business class customers who can afford to pay may be charged prices many times higher than economy class customers for essentially the same service.

#### Algorithms and approaches

Any discrete variable is a segmentation. For example, customers might be segmented by gender ('Male' or 'Female') or attitudes ('progressive' or 'conservative'). Numeric variables may become segmentations, such as age ("<30" or ">=30") or income. Segmentations can be obtained by any number of approaches. Minimally, an existing discrete variable may be chosen as a segmentation, also called "a priori" segmentation. At the other extreme, a research project may be commissioned to collect data on many attributes and use statistical analyses to derive a segmentation, also called "post-hoc" segmentation. In between, qualitative knowledge of the market based on experience may be used to identify divisions that are likely to be useful.

Common statistical techniques for segmentation analysis include:

* Clustering algorithms for example [K-means](http://en.wikipedia.org/wiki/K-means) or other [Cluster analysis](http://en.wikipedia.org/wiki/Cluster_analysis)
* Statistical mixture models for example [Latent Class Analysis](http://en.wikipedia.org/wiki/Latent_class_model)
* Ensemble approaches for example [Random Forests](http://en.wikipedia.org/wiki/Random_forest)

Latent class analysis and k-means analysis may be viewed as identifying new variables that maximise the sum of [mutual information](http://en.wikipedia.org/wiki/Mutual_information) between the segmentation variable and a set of basis variables.

#### Key remaining elements of the segmentation process

With the scope of the project clearly defined ([project parameters](http://www.marketsegmentation.co.uk/project_tmsc.htm) — **Step 1 in the process**) and the individuals identified for whom it is essential you understand their buying criteria ([market mapping](http://www.marketsegmentation.co.uk/mapping_tmsc.htm) — **Step 2 in the process**), uncovering the segments can now begin.

The key remaining elements of the process are outlined below:

1. Establish a sample of customers which will represent the different decision-makers found in the specified market (referred to as 'micro-segments'), with the difference between them being the key features they use to discriminate between competing offers and the importance of these features (**Step 3 in the process**).
2. Record personal details about the decision-makers (including their company details if appropriate) which can be used to identify them (**also part of Step 3 in the process**).
3. Understand the real needs of customers and list the benefits they are seeking, along with the importance of these benefits, for each micro-segment (**Step 4 in the process**).
4. Bring together those micro-segments that illustrate similar patterns of importance for the benefits in order to form clusters (**Step 5 in the process**).
5. Verify that the concluding clusters can be regarded as segments (**also part of Step 5 in the process**).

With the segments uncovered it is time to identify which of them should be targeted:

1. Establish the attractiveness of each segment to your company based on how well each of them meets your requirements (**Step 6 in the process**).
2. Determine the relative competitive strength of your company for each segment based on how well you, compared with your competitors, meet their requirements (**Step 7 in the process**).

By combining segment attractiveness and relative company competitiveness you can construct a strategic picture of the specified market. This will help you select the segments that will enable your company to achieve its corporate objectives.

### How to match products and services to customer needs

In the world of manufacturing and industrial business, it's not uncommon for a company to have achieved great annual revenues, without ever devoting a certain percentage of their budget to marketing communications.  They may have a brochure; a website; exhibit at a few trade shows each year; maybe even throw out a print ad every once in a while.  They do the bare minimum they feel is expected by potential customers so they can get their foot in the door - literally.  The mind-set is usually that the only real way to build a business is by putting salesmen (or women) in front of prospects.

Sadly, some of the business owners and marketing executives actually don't see much difference in sales and marketing.  That's why in manufacturing and industrial companies, the title "Director of Sales & Marketing" or "VP of Sales & Marketing." is often seen.  This seems to be a position that is at odds with itself.  Marketers, if they are doing it correctly, focus on meeting the needs and objectives of their target customers; while sales, conversely, tries to make customer need match whatever product or service it is selling.

There is even more confusion about what constitutes "marketing.”  Marketing entails several functions that include:

* Developing the products or services that customers want
* Pricing the products or services correctly
* Making the products or services readily available to the customers
* And finally: Promoting the product or service, which if done correctly, not only convinces customers that the product or service is preferable to its competition, but that it is clearly the only choice.  This is the field of marketing "communications" and of all the marketing components, it is the one most likely to be outsourced and the one most likely to be neglected if a company is making a profit.

Effective marketing not only helps to increase sales - it leads to the creation of a more valuable asset - a RECOGNISED BRAND - something that a business might want to sell some day.  A lot of time is spend talking about why a company should invest in marketing; let’s take a slightly different tact by going beyond the short-term reasons, and explains how a company that focuses on marketing will be more attractive to potential investors in the long-term.

An employee may not like the fact that their company's owner would like to sell out and retire to Costa Rica; but the reality is, most privately owned, small to mid-size industrial business owners will either pass the reins to their company on to family or look for investors to buy them out when they're ready to retire.  If a company’s long-term vision is finding a larger company that wants to buy the company's expertise, technology or share of the market (and get paid top rand for it,) then it is better to start thinking strategically about marketing.   Here are 7 compelling reasons why:

#### 1. Marketing communications creates "top of mind" awareness

All you have to do is watch TV for a few hours (and actually watch the commercials) to get a sense of how repetition of the same message starts to creep into your subconscious mind.  After you've seen 5 commercials for those cute, new VW's, you suddenly find yourself daydreaming about going car shopping.   After all, that Suburban IS almost 8 years old, and of course you want a vehicle that's more fuel efficient!  This isn’t a manufacturing or industrial scenario, but the same underlying psychological phenomenon occurs in the case of industrial marketing.  An integrated marketing communications plan that gets the messaging out to the right target audience, consistently and over time, WILL eventually create the "top of mind" awareness for a product or service that turns a prospect into a customer.  Recognition and awareness for a company also makes it much easier for sales staff to get someone on the phone or schedule an appointment.  Companies like to do business with companies they "know" and have positive perceptions of.  Likewise, investors like to buy recognised companies.

#### 2. Preferred brands command a premium price - short and long-term

A company should go through a process of determining its unique value proposition, and then start purposefully communicating that to the marketplace (promotion.)  This is the only way to create a point of differentiation between the company and its competitors.  As customers and the industries the company sells to begin to recognise the company (brand) as the preferred choice for a certain product or service, it allows the company to charge premium pricing. Not only does this boost sales in the "now," it creates a perception in the minds of future investors that the business has more value than another one that claims to do the same thing.

#### 3. Happy customers not only send referrals, they create perceived value

Every sales person knows it, but businesses still hammer them to get out and develop "new" business: the most powerful form of lead generation comes in the form of an existing happy customer.  Happy customers talk to other potential customers, even in the industrial world.  I have been proven over and over again that a good percentage of new business comes through referrals from satisfied customers.  It takes more than the experiences with a company to make a satisfied customer - one who is willing to be an evangelist, of sorts.  It also takes a marketing strategy that positions a company (in the minds of a target audience) as the market leader in overall customer satisfaction and intimacy.  It is part of the image that being build around a brand - it's the magic result of well executed brand development and marketing communications.  Word of mouth praise for a company not only attracts more business, it attracts potential investors that want to own a company with this kind of status.

#### 4. Planned marketing communications create a system that can be replicated

Some businesses have their marketing communications planned and implemented down to a science. A meeting in the fall determines the focus for the following year's initiatives.  Budgets are allocated; tactics agreed upon; responsibilities delegated; and contracts negotiated.  The result is continued momentum in building brand awareness and credibility, and a rather flawless execution.  This process is one that can be documented and taught like a system.  In any manufacturing or industrial service company, documented processes lend to the overall impression of the business' stability and value.  If a potential buyer can see how they too could operate the systems within a company, even after it is long gone, it will create a more marketable asset.  If necessary, hire an agent.

#### 5. Repeat revenue streams ensure a profit now and later

This really falls more into the other marketing functions than that of communications, but a smart  marketing strategy not only focuses on a company's core market and value proposition, it also finds ways to build multiple channels for recurring revenue.  Smart marketers (and business owners) look for ways to diversify their offerings and especially in areas where repeat sales require little to no effort on the part of the sales team.  With the Internet, this is more possible than ever before; particularly if a business sells a product that is not custom engineered, or a service that can be easily classified without a lot of customisation.  Recurring revenue, generated from an effective marketing strategy, and teamed with a stellar customer service approach is a combination that is very attractive to a potential new owner.

#### 6. Nothing lasts forever: Marketing has to be a long-term investment

The most important aspect a business is concerned regarding its employees is to know if the employee will assist it in meeting its objectives and solve its problems. The reality is that employees can change careers or “job-hob”. What will happen if the employee that the business has build a relationship with moves to another business and is not in the position to specify what the business sells? What happens happen if employees retire or resign, or the business owner resigns? Will there be someone there who can step up and carry the business through that transition without losing customers?

The way to prevent a negative outcome in any of these scenarios is a consistent marketing communications program.  If it is important for a business to keep its business’s name out there and building brand identity and recognition, there would be less of an educational process to deal with every time a new person is introduced to a business.  This also comes into play with young people just entering the work force.  The senior engineer dealing with a top customer may love the product; the new hot shot engineer fresh out of college doesn't know anything about it - UNLESS they've already been exposed  to it through Professors, the Internet, trade publications, trade shows, etc.  Consistent and persistent messaging, going to an integrated mix of contact points with customers and prospects, is an investment in a company's long-term stability and value.

#### 7. Employees who are "brand ambassadors" sell the company - to customers AND potential buyers

Today, marketing is not just something you do "outside" of a company.  If the purpose of a company is to create a powerful image and value proposition for a business, the first group of people that have to be convinced is the employees.  Internal brand integration is just as important as external marketing strategies.  Every employee in a company should understand how their position contributes to the promise a company makes to its customers and be motivated to carry it out.  Understanding their unique role in a company's brand promise is just the beginning; if a business wants brand ambassadors, it needs happy employees.  An employee that feels appreciated and fairly compensated (and that doesn't always equate to their salary) is much more likely to sing the praises of the company.  It goes without saying; this is good for business today as well as making an impression on a future investor.  Who wants to buy a company full of overworked, disgruntled employees?

Marketing IS a long term investment.  A business can not create a recognisable brand (name, image, reputation, etc.) without it.  The business will not develop a stable, growing business without it.  The business will not beat the "lead generation" game without it.   The business will not create "brand ambassadors" among your employees without it.  The business will not create a company that has obvious value to a potential buyer without it.  Marketing is essential to the health and continuing prosperity of any business - including manufacturing and industrial businesses.

## Methods of sourcing prospects’ contact details

Qualifying leads and prospects is an important first step for anyone’s sales process. To be effective in selling a business must have a good start and become as productive as possible in identifying qualified leads. We will discuss a step-by-step process of where to go for leads, how to get them, what to say when you have got them, and finally, how to get them to buy.

Qualifying leads and prospects plays a very significant role in selling. Without a solid prospect list, it will be difficult to build a sales territory. Finding the potential prospects is one of the most critical phases of a salesperson’s work. If a salesperson is not vigilant, he/she will lose the potential customers to aggressive competitors. Sales prospecting have been compared to panning for gold. Just as a prospector digs for the gold, using his pick and pan, the sales prospector must also look for qualified prospects using his sales tools.

According to an authentic survey, out of every 100 prospects, there are probably ten who are qualified to purchase. Of those ten, there are probably only three who have the immediate need to buy. How do you find those three buyers? That is how the sales process starts.

### The plan

To be successful in sales, you must have a plan to reach those prospects that are qualified to buy from you. This plan includes these important steps:

1. Finding the Buyers
2. Qualifying the Prospects
3. Finding the Leads

#### 1. Finding the buyers

Finding the right prospects is the key to successful selling. There are a number of ways to get the required leads. These techniques have been tested and proven by a lot of salespeople.

* **Referrals.** Successful salespeople know the value of a prospect which has been referred by an existing client who is satisfied with products/services. This prospect is easier to sell than a new lead that knows very little about a business. Qualifying this prospect should be much easier than a lead obtained from a cold call. There is a skill in obtaining a referral. Asking the traditional question, ‘Do you know anyone who can use these product/services?’ does not always work. What you are doing is asking your client to make a judgment as to whether he knows someone who is ready to buy your product or service or not. In many cases, it may not be possible for him to know. A better way of getting new leads is by asking if he belongs to any professional organisation, social clubs, community association etc. If the client is in an office building with other offices, ask if he knows anyone else in the building. The logic behind this technique is very simple; most of us surround ourselves with individuals who have similar interests, needs, preferences and pastimes. By asking for referrals in this way, your client only has to give you names and not make any judgments. The best time to ask for referrals is immediately after the sale is made. At this point the customer’s enthusiasm, satisfaction and confidence in you is at the highest point. Because referrals are so important in selling, staying in contact with old clients is essential. Call them from time to time to see how they are doing; stop in to see them occasionally; send them birthday or seasonal greeting card and let them know you always remember them.
* **Networking.** This is a method whereby you become your own center of influence. You ask your friends, relatives, neighbours, associates, lawyers, auto mechanic, religious leaders, athletes, influential personalities etc., and get from them names of the potential buyers for your product or services. You never know where the next lead or prospect will come from. Smart salespeople maximise their contacts through networking by joining social organisations that bring them in close contacts with the potential buyers. These salespeople increase their exposure in these organisations by becoming active members. Whatever you do, wherever you go, be sure your business cards are readily available.
* **Trading Leads.** An excellent method of prospecting is to set up a system whereby you are able to trade leads with other salespeople who sell in the same market as you do. Perhaps a printing salesperson that sees thirty people a week might be an excellent source for getting new prospects. Another example would be the person who sells vacuum cleaners would be a valuable source of leads for salespersons who sells appliances. By analysing who your prospects are, you can list all the other products or services they might need. After this list is complete, you can then try to set up a trading network between you and other salespeople.
* **Lists.** Smart salespeople know the value of lists of businesses and people in their day-to-day prospecting. These lists are readily available through local chamber of commerce, newspaper, professional organisations, trade associations, export promotion bureau, social clubs etc.
* **Business Directories.** There are certain directories that list businesses by industry. Take time to learn how to effectively use these sources, and it will pay great dividends for you in time and money. The following list of directories can provide you with valuable leads:
* Trade Directories**.** These are directories that allow you to prospect in a specific industry. These trade-wise directories list all the important details about a particular organisation. They include company size, type of business, sales volume and key persons with titles. Yellow Pages are an excellent example of a trade-wise directory.
* Specialised Directories**.** There are directories that list individuals according to profession. For example, attorneys, construction workers, doctors, etc.

It would be virtually impossible to list all of the sources that you can go to. There is an enormous amount of resource material available that can be invaluable to the salesperson that is willing to seek it out. Business and Industrial directories can guide you in finding the sales leads.

* **Prospecting by Telephone.** The telephone is a very helping sales tool. It enables salespeople to prospect not only in their own city but around the country also. A lot of salespeople do not take the advantage of the telephone. Successful salespeople know that telephone is an effective tool in seeking and reaching prospects. There are some basics in using the telephone as a sales lead generator. When using the telephone, be conscious of how you sound and the words that you use. A prospect you are calling for the first time only has your voice and does not have the advantage of seeing you, your product, brochures or other sales aids. So, if he hears a voice that is low, boring, monotonous, or has poor diction, he most likely will cut the conversation short. Here are some telephone techniques and tips:
* Sound enthusiastic when speaking to a prospect. Enunciate clearly and choose your words carefully trying to paint a clear mental picture of opportunity to your prospect. This is a time for you to get to know the prospect; therefore, make sure to keep his interest on the telephone.
* For telephone prospecting to be effective, you must have a set time each day when you will make your calls. If you are not disciplined in your telemarketing, it will become a hit-or-miss situation for you and will be a waste of time for you.
* The important thing is to get the name of the right person for you to contact as well as the secretary’s name. When calling back, it is sometimes helpful to get through to the person you want to speak to by having the secretary’s name. For example, ‘Hello Sara, is Mr. Ali in?’ This gives the impression that you know the secretary as well as Mr. Ali. In some cases, even though she does not recognise your voice, she will put through, not admitting that she forgot who you are. This might give you an edge in getting to Mr. Ali.
* **Canvassing.** Canvassing can be an effective tool in prospecting for leads. This technique is best used when you are finished with a sales call and you are in an office building with time before your next scheduled appointment. Walk into other offices that you think can use what you are selling and introduce yourself. You might get an opportunity to speak with a prospect. At least, you can find out who the prospect is, leave your business card and let him know that you will follow up with a telephone call.
* **Direct Mail.** Another way of getting and qualifying leads is to use the mail for sending brochures, letters or samples with a note attached stating that you will be calling for an appointment. The negative side to this approach is that people in business often call it ‘junk mail.’ However, here is how you can make yourself different from others:
* Hand write the name and address of the prospect on the envelope. Successful salespeople often hand write a personal letter on plain paper without a letterhead. This method will at least get the prospect to read the first few lines to find out who you are. If you are smart in your approach, you will get him to read the entire letter and not dismiss it as another piece of junk mail.
* To be successful, you must follow-up your direct mail campaign with a phone call. This will increase your chances of getting an appointment and will serve as a vital part of your prospect qualification process. If you get the appointment, there may be a need for your product. Remember that direct mail should be used to supplement your prospecting method and should never be used as a stand alone method to gain new leads.
* **Special promotions.** A good place to get prospects is at trade shows and exhibitions. These are usually industry-sponsored and potential prospects attend them. They give best opportunities to follow-up the prospects you meet, face- to-face at the show. Consumer shows are different. These are not usually industry-sponsored and are usually open to the public. They can be auto shows, home- improvement shows, book fair etc. However, if you are selling a product or service that is consumer-oriented, these shows will be the best place to meet prospects. They draw a lot of people and where there are people, there are prospects. Pick the ones that will benefit you best.
* **Newspapers** can be used for prospecting. They give you very valuable information about people and their companies. They report on who has been hired, promoted and who is moving into the area. They also run employment ads that might mean the company is expanding.
* **Employee turnover.** If a salesperson leaves your company, the prospect list he leaves behind might be a helpful tool for your prospecting effort. Ask the sales manager if you can go through the list and contact those prospects who may be helpful to you. If the prospect you call from this list tells you that they were not happy with the company, product or service, you can tell him that is the reason you have been given the account so that you could provide him with the best service possible.
* **Old customers.** Most product and services have a life cycle and it is your job to determine when your prospect will be in the market again. If you sell products with a predictable life cycle such as automobiles or air travel, you can build up an active client base and periodically you have another group of prospects. If the product or service you sell has a long life cycle or is one-time sale, you can become the client’s sole supplier by keeping in touch with him. When other people ask him where they can get a particular item or service, it will be you he remembers. If there have been any improvements on the product or service, inform your customers. You might get them to upgrade. They are already qualified buyers and it is human nature to want the newest and the best, especially if the new product can save them money and time.
* **Testimonials** can benefit many promotional activities including the use of brochures, direct mail, ads, and press releases. A testimonial is a statement by a satisfied client appreciating you and your services. Some people believe that the best testimonial is one that has not been solicited. This occurs when a satisfied client writes a letter thanking you for a job well done, with no prompting on your part.

#### 2. Qualifying the prospects

To be successful in prospecting you must first identify or qualify your prospects. One way is to ask yourself where you can find the maximum number of qualified prospects in the minimum period of time. Your answer should guide you to the right direction.

To be successful in qualifying prospects, you have to ask yourself a number of questions. The salesperson who asks enough right questions of the right people in the right places will always have plenty of qualified prospects. The first three qualifying questions: Who, where, why, will show you how to find quality prospects.

“What?” is designed to help you target your presentation and “When?” can save you time and maximise your energies in the qualification process.
Finally, the “How?” questions. They are perhaps the most crucial of all the questions because many of their answers will evolve from the other five questions. Here are the questions:

**1. Who?** A few excellent “who” questions you might consider using in order to convert “suspects” into highly qualified prospects are:

* Who has the most obvious need for your products or services?
* Who are the ideal prospects? Don’t limit yourself to existing customers. Describe in detail on a piece of paper that your ideal prospects are.
* Who has the money to buy your products or services immediately?
* Who has the most urgent need to buy your products?
* Who has influence on the prospects you are able to identify?

**2. Where?** By asking enough “where” questions, you should be able to qualify prospects beyond your current client list.

* Where do your ideal prospects live, work, socialize, worship or play?
* Where can you find useful mailing lists of people who fit your ideal prospect profile?
* Where can you find directories from which you can form your own lists?
* Where could you go to contact new prospects?

**3. Why?** By using the “why” questions, you can set up priorities so as not to waste your time in qualifying prospects.

* Why would the prospect be likely to buy your product or service?
* Why would the prospect resist buying your product or service?
* Why might this time be good (or bad) to approach the prospect?
* Why would this person be likely to set up an appointment with you?

**4. What?** These questions, if properly used can boost your qualifying average.

* What will the prospect find most beneficial about your product or service?
* What information could you present, or what questions could you ask would most likely get the prospect to talk about his needs?
* What more do you need to know about the prospect?
* What information should you gather about the prospect before you meet with him?
* What is the single biggest problem the prospect has?

**5. When?** This question is about timing. Do not try to set up an appointment for your convenience.

* When is the best time to contact a prospect? An important hint, if he is a busy executive, is never on a Monday morning!
* When is the most productive time from the prospect’s viewpoint?
* When is the prospect most likely to give you the time you need?
* When should you contact the prospect again if your first efforts were not successful?

**6. How?** You will not be able to ask many meaningful “How?” questions if you have not fully explored the other five.

* How can you be sure that you are doing a good enough job of follow-up prospecting? (Look at the Who? questions again.)
* How can you use your prospecting time more productively? (The “Where?” questions can help you here.)
* How can you sharpen your prospecting and qualifying skills? (Hint: Search for creative ways to put your products and services to good use. Look at the “Why?” questions.)
* How can you best approach your prospects? (“Think about the “What?” questions – What will they want to hear?)
* How can you make more time for meaningful prospecting and qualifying the leads you generate? (The “When?” questions will give you a good indication of effective time management.)

#### 3. Finding the leads

A salesperson without leads or people to talk to is like a fish out of water. Neither can survive very long. Yet, a common problem among salespeople is a lack of sufficient leads. The million dollar question in selling is “where do the leads come from?” There are four ways to get qualified leads.

1. Although rare, your product or service may be so good that it virtually sells itself. This very often happens when your company sells a one-of-a-kind product that becomes popular in which case your job of getting prospects becomes easier.
2. The company you are working for has a program that will produce leads through media, direct mail or print advertising. (National or international companies like Encyclopedia Britannica is a good example of company produced leads.) The salesperson still has to qualify the buyers, but the leads are there.
3. A third way to get leads is through your network of friends and colleagues. Some industries base a portion of their sales projections on the tendency that new salesmen will sell to many people they know. These companies constantly hire based on this trend. These companies also know that many salespeople will fail once they exhaust this circle of possibilities.
4. The last way is getting leads on your own. This separates the achievers from the under-achievers. Street smart salespeople learn not to count on the first three sources of acquiring leads. They have learned that they themselves are the greatest source for their own leads. The rest of this section will focus on where to look to find your own leads.

After you find people who need or want to buy your product or service, then you must establish that the prospect has the authority to buy and the ability to pay. This is possibly the most important point in prospecting and qualifying, and it cannot be stressed enough. It makes no sense at all to waste time on anyone who might want what you are selling but has neither the authority to buy or the money to pay for what you are selling. So four steps in qualifying a lead or prospect are:

 Finding the people who need or want your product or service.

* Establishing that the prospect has the ability to pay for your product or service.
* Making sure that the prospect has the authority to make the purchase.
* Determining approachability. In order for a prospect to buy from you, he must be accessible to you. For example, The Prime Minister of Pakistan might be a good prospect for a new line of health-care products but if you cannot reach him, you cannot sell to him.

#### The end result

The end result for any salesperson is getting the prospect to buy what is being sold. If the prospect has the need, the authority to buy and the money to do so, they are good prospects. You can find good prospects in many of the ways outlined in this module. However, it will take the time and effort on your part to be successful.

Don’t cut down on your chances by relying on one method of prospecting. Go out and make it happen for yourself by employing every method possible. Also, be creative and perfect your own method of prospecting.

#### Self-evaluation

Following questions are designed to stimulate your thinking as an effective prospector. Read these questions and answer them sincerely. Study your answers and improve your success in sales:

1. What percentage of your day is devoted to prospecting?
2. What methods do you use to prospect for new customers?
3. What method or methods generate the most prospects for you?
4. Do you depend on one method only? If yes, Why?
5. What method do you think could be more effective with your product or service?
6. What is the life cycle of your product or service?
7. Have you been successful in getting prospects from your clients? If not, why not?
8. Have you developed a well-scripted telephone presentation? If not, why not?

## Qualify prospects according to prospect profiles

Demographics are an increasingly inadequate means of segmenting B2B markets. Identifying your ideal prospects isn’t simply (or even largely) about company size, sector or location. Experience shows that structural, behavioural, environmental and situational factors have a far greater influence on your chances of attracting, engaging and converting prospects.



For example - do your ideal prospects tend to have a centralised or decentralised management style? Are they early adopters of new ideas or do they wait until the mainstream market has accepted them? Where does the power lie in their decision-making process? What other systems have they invested in? There will be other factors that are specific to your markets.

Situational factors are hugely significant in initiating a buying decision process - for example a recent change in senior management, a recent change in strategy or the introduction of a new initiative, a merger or acquisition or a significant change in the organisation’s fortunes. If you can identify these “trigger events” you will be well positioned when the prospect starts to search for solutions.

To understand the power of non-demographic segmentation, will assist dozens of clients to recognise their ideal prospect profiles. It is also important to identify the common characteristics of your most valuable potential customers. Your sales+marketing efforts will be all the more effective for it.

### The importance of a prospect profile

The process of creating an Ideal Prospect Profile is about clearly defining the external focus of your business. And, in many ways, it is about defining your business itself. I don’t really separate “marketing” from “business.” Without a market, you don’t have a business. There would then be no need for the products you sell. So, in a very real sense, Marketing IS your business and, thus, defining your external focus is the most important part of defining your business itself.

When we talk about “External focus”, we talk about “who”. Who are you selling the products/services to? Who will help define the first or next product? Who will tell other customers about how great the product is? Who will give their hard earned cash in exchange for value? Everything comes from “who”, so it is clear that it is really important to get the “who” factor figured out.

### The benefits of the ideal prospect profile

|  |  |
| --- | --- |
| **THE BENEFIT OF THE IDEAL PROSPECT PROFILE** | **EXPLANATION WHY IT IS A BENEFIT** |
| Better sales copy | When you know the demographics, needs, qualifications, and traits of your Ideal Prospect, you will speak directly to them in the language that they are most likely to respond to. |
| More attractive Lead Generation Offers (LGO) | If you know what unanswered questions your prospect has, you can easily create a lead generation offer that will build your list at lightning speed with **the right kind of prospects**. |
| Higher converting back-end offers | By having a clearer understanding of your prospect, you will be able to match your back-end sales offers to the needs of your prospects to generate more sales. |
| Better customer service | When you can anticipate your prospects needs, you can easily create excellent support materials such as frequently asked questions (FAQs) and helpful follow-up emails (incubators), etc. |
| Higher perceived value | Sell your products for a premium by matching your offer to the exact desires of your prospects. |
| Crystal clear niche definition | After you’ve created an Ideal Prospect Profile for your business, you will find that you have a crystal clear definition of your niche — which is one of the secrets to online business success |

# COLLECT CUSTOMER INFORMATION IN ACCORDANCE WITH DATABASE REQUIREMENTS

#### Specific Outcome 4

Collect customer information in accordance with database requirements.

#### Assessment criteria

* Customer data are collected and recorded in accordance with the data fields required for each customer file on the marketing database.
* Customer data is checked for accuracy against the organisation's data-capture criteria.

## Collect and record customer data in accordance with the data fields required for each customer file on the marketing database

The more detailed a picture you have of your target customers, the more effective and targeted your marketing can be. And if you know which individual customers are the most valuable, you can go that extra mile to encourage them to spend with your business.

Let’s discuss various techniques and guidelines for collecting data on your customers.

### What customer data to collect

You need to collect as much of the following as possible:

|  |  |
| --- | --- |
| **Name and contact details:**  | * Allows you to market directly to them
* Also lets you make communications personalised
* You may also need to contact them if an order is running late
 |
| **Transaction history:**  | * Indicates user preferences - which products they're most inclined to buy, when and how often.
* Reveals how valuable a customer they are: how much they spend and how often.
 |
| **Communications from you to customers and any response they make:**  | * You need to keep records of this to make sure you space out your communications correctly (i.e. not too often).
* It also lets you monitor how effective different types of communication are and which the customer best respond best to. If you compare their transaction history with the communications record, you may find one method of communication encourage them to buy more than others.
 |
| **Profile: age, gender, profession, income, hobbies, and so on:**  | * This information is harder to obtain (see advice below), but can be useful for more advanced marketing strategy.
* Once you have the info for a number of customers, you can build up clearer picture of who exactly your target customer is.
* It allows you to better focus your advertising and marketing efforts, as well as affiliate opportunities and sponsorships. If you know, for example, your target customer goes to the gym three times a week, it opens up a new place to advertise, a new line of gym-related products and an opportunity to do a deal with the local gym to offer discounted membership if they shop with you X number of times.
* Knowing their age and profession (and so an idea of their income) helps with pricing strategy.
* The better and more detailed picture you have of your target customer, the more you can tailor and develop products to please them.
 |
| **Spending habits: how your customers shops - such as impulse buys, considered purchases, comparing the prices from different businesses, always with you on a regular basis, and so on:**  | * You can display goods and structure deals around consumers' spending habits - think of how supermarkets put magazines and chocolate bars at the checkout: impulse buys.
* Can be difficult to assess - you may need the help of a market research agency or detailed surveys with trusted customers. Or you can try out different strategies and see which work. You can also take an educated guess based on your knowledge of the market.
 |
| **Birthdays:**  | * Sending out a birthday text or card can add a personal touch and make a customer feel valued.
 |
| **Whether or not they pay on time:**  | * This is obviously important for cash flow reasons rather than marketing ones, but it's worth adding to the list anyway if you're thinking about data collection.
 |

### How to collect customer data

First and foremost, do not harass customers for data. Endless form filling is enough to put a consumer off a purchase. Collect it bit by bit to build up a fuller picture of your customer gradually and in a non-annoying way.

|  |  |
| --- | --- |
| **From orders:**  | * Obtain contact details and name from orders and begin building a transaction history, whether on or offline (although online makes things even easier as data can automatically be entered into a database).
* You can add in a birth date as optional.
* If the transaction is happening online, you can add in an optional section requesting more information. Phrase it in a way that appeals to the customer, such as: "So that we can learn more about you and provide you with a service more suited to your personal needs, please fill in...." You can also use this technique if a customer has to register an account with you at any point.
 |
| **Surveys:**  | * If you run a survey on your business, you can obtain a fair amount of information by asking details about their profile (gender, age, etc). While some respondents may be reluctant to give their name, some will. For those that don't, you get a clearer picture of your overall target customer anyway, which is the aim here.
 |
| **Competitions:**  | * Run a competition asking for email address and a couple of other details - customers will be more inclined to share personal data when they have something to gain from it.
 |
| **Online:**  | * Online can help you track spending habits and user preferences, though you may only be able to get an overall picture of your target customer rather than profiles of specific users - use Google Analytics.
 |
| **Research:**  | * Statistics and research already out there can help you build a more detailed picture of your target customer (though of course they won't provide information on individuals).
* Look at demographic-related reports and spot trends. There's almost certainly other people targeting the same demographic as you, which means you can simply look at the research they've done and any statistics on the matter to find out more about your target audience.
* A market research agency will be able to provide you with the most detailed picture of your target customer and their habits, but this is quite an expenditure. You probably only need to go into this much depth when you're marketing techniques are very advanced - and you'll recognise your need for an agency as and when that happens.
* Noticing things when you see customers face-to-face can of course also give you a very general idea about who the bulk of your customer are and what demographic and age group they're part of.
 |

### How to store customer data

* Initially, you can store things on Excel or similar spreadsheet software.
* But as your data becomes more detailed, you'll need specific database software to manage your customer data.
* Ask a software and computer shop or supplier to recommend you some software, explaining your needs both present and future to make sure they provide you with the right level of complexity. You don't want to end up with something either far too complicated or far too basic for your needs.
* Make sure your data collection spans all different departments and members of staff. Everyone should be contributing to the same document. Use CRM software to manage this.

## Check customer data for accuracy against the organisation’s data-capture criteria

It is important in any business to check customer data for accuracy. A minor mistake for example when a telephone number is captured and two digits are swapped around, could mean that you’ve lost that customer’s contact details for ever, especially if you do not have any other information regarding that customer.

### Data-capture criteria

Data-capture criteria are the criteria which every business has when it comes to capturing customer’s data. These criteria are the standards on which a data capturer should comply to when capturing data. Some criteria include:

* Data should be captured as soon as it is received
* Data should be captured accurately
* The data capturer should “proof-read” all the data which was captured and make corrections if necessary
* Data capturers should have a fast typing speed of approximately 45 words per minute
* Data capturers should be able to capture data while having a conversation with a customer on the telephone (also know as being multi-skilled)
* Data should be updated on a regular basis and older data should be moved to a secondary position in order to make space for newer data
* Customer information which expired should be updated by using multiple search methods in order to find the customer’s new data
* The data which must be captured should include as much as possible about the customer for example the customer’s personal details, shopping habits, buying preferences, payment profiles etc.
* Data should be viewed on a regular basis in order to see for example when it is a customer’s birthday in order to contact him/her

Let’s discuss all the important customer’s data to be captured and what to check it for accuracy against the organisation’s data-capture criteria:

|  |  |
| --- | --- |
| **CUSTOMER DATA** | **WHAT TO CHECK FOR ACCURACY** |
| **Name and contact details:**  | * Ensure that the spelling is correct of the name and surname of the customer
* Ensure that the contact details are correct
* Ensure that the customer’s employment details are correct and updated
* Ensure that the customer’s postal and physical address is correct
* Ensure that the postal code is correct
 |
| **Transaction history:**  | * Ensure that this is added to each customers profile (if they have purchased before)
* Ensure that older customers are contacted on a regular basis in order to promote and introduce new and existing products/services
* Ensure that new transactions are added to customer’s profiles as soon as the transaction was finalised
 |
| **Communications from you to customers and any response they make:**  | * It is important to have records of all the types of communication which was made from you to the customer together with the customers responses
* This will enable the salespeople to identify the personality of the customer, for example, if there is a note that the customer was rude or did not want to be contacted at a certain time, this information can assist the salesperson in how to deal with the customer and when and when not to contact the customer
* You need to keep records of this to make sure you space out your communications correctly (i.e. not too often)
* It also lets you monitor how effective different types of communication are and which the customer best respond best to. If you compare their transaction history with the communications record, you may find one method of communication encourage them to buy more than others
 |
| **Profile: age, gender, profession, income, hobbies, and so on:**  | * These information is quite difficult to obtain but will come in very handy when a marketing strategy is decided upon
* The best method to obtain these information is to ask customers to complete a survey (do not force them, rather inform them that they will receive a free gift or a discount voucher if they are willing to complete the survey)
 |
| **Spending habits: how your customers shops - such as impulse buys, considered purchases, comparing the prices from different businesses, always with you on a regular basis, and so on:**  | * These are also quite difficult information to obtain but it is not impossible
* A good idea is to share your customer information with another business typically like yours and through this you will be able to identify their spending habits
 |
| **Birthdays:**  | * Make sure that you ask the customer for his/her birthday date. If they enquire why you can explain to them that you will send them a text or card on their birthday
* This can be acquired through the customer’s identity number if they have an account with you
 |
| **Whether or not they pay on time:**  | * This is obviously important for cash flow reasons rather than marketing ones, but it's worth adding to the list anyway if you're thinking about data collection
* This is easy to obtain due to the fact that this type of customer will not be on your list of “special customers”, but will still appear on the system due to the fact that if this customer was an account customer, he/she can be converted to a cash customer
 |