

The service provider has made efforts to grow the business with this customer, and the customer is frugal and chooses only to invest in the marketing efforts it feels are important. Not necessarily the same items annually; however, the same total annual budget amount.

Despite this, the provider chooses to keep this customer as it epitomizes the right customer. Irregardless of limited growth opportunity, the business is relatively profitable with low demands; the contact person (Sales & Marketing vice president) is extremely responsive and easy to do business with, not to mention, he will become the next president in less than one year. They prefer electronic communication, thereby saving travel time. In addition, the contact serves as a good reference for other prospects and the current president serves on several Boards for other referral venues.

For the service provider, this customer fits a specific role as a customer that may not generate a lot of revenue; however, provides good profitability and values high quality services. During an annual meeting, each retrained the other's business, and the client has been retained.

### **Demographics and Psychographics**

At the beginning of this chapter, demographics and psychographics were mentioned relative to recruiting and roles for customers. As you cannot be all things to all people, how do you know who to target as customers?

We will refer to a People discussion in Chapter 5 about strengths, as this correlates to Customers. Just as people have specific strengths that must be cultivated, organizations have these as well. While some have demonstrated that an organization should focus on only one thing and do it the best they can,<sup>7</sup> we believe it is acceptable for an organization to focus on multiple items – certainly no more than three to five based on the organization's size – similar to an individual having five core strengths.<sup>8</sup>

Your organization needs to go through a process of determining its strengths and/or core competencies because this will help establish what you do well, which is important to clarify the demographics and psychographics of your customers. Strengths can be done by internal reflection, assessing the current situation and AL<sup>2</sup>A. After determining your organization's strengths, next consider the demographics of your market.

Business-to-business demographics include organization size (people and revenues), geographic region, title/role of contact person, industry, home office or satellite office, etc. Business-to-consumer demographics include gender, age range, geographic region, etc.

Often, organizations stop after considering their demographics.

Unfortunately, this is not enough as psychographics are increasingly important. These relate to personality, values, interests, lifestyles, etc. Business-to-business involves risk taker vs. not risk taker, never satisfied vs. content, values quality vs. doesn't, values low cost/low service vs. doesn't, etc. Business-to-

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consumer may differentiate between Generation Y vs. Baby Boomers, those with health problems vs. those without, those owning a luxury vehicle vs. those without, etc.

I will illustrate using my own organization. In terms of demographics, we target companies in most industries as our services are not specific to a particular industry. We target the president, vice president of marketing, or vice president of human resources; our geographic region is global, yet we begin locally and expand incrementally in terms of targeted opportunities; and company size is those having revenues of \$1 billion or less, with a more defined niche of \$15 million to \$500 million. Our psychographics are defined by an acronym we refer to as WIRED. These are the characteristics of the customers that choose to partner with us and with whom we choose to partner. It stands for:

- **Wisdom:** To gain more knowledge
- **Improved Capabilities:** To maximize productivity
- **Results:** To maximize profitability
- **Eager to Learn:** To increase innovation
- **Desire to Commit:** To be successful

While WIRED has some generalities, we know these are the main descriptors of our customers. If the organization or contact person is not WIRED, we choose not to do business with them. This greatly helps with market identification efforts and avoids partnering with those not aligned with our strategy.

**Demographics:**

Industry

Role in Organization (CEO, VP)

Geographic Region

Company Size

**Psychographics:**

Personality

Interests

Values

Lifestyle

**Growing with or without Customers**

Let's briefly touch on growing and expanding your organization. This involves growing for the sake of growing; growing with your customers; or not knowing if, how or where to grow. Some questions to consider include: Do you want to be local, regional or global; or can you afford not to be regional and global?