

The YEBDC Small Business Information Column

by Sue Gingerich, Business Advisor

"Learn Your Customers Tastes"

What makes one person who needs a new truck choose a GM and another person pick a Ford? Well, one reason is because their perception of each company and their products are different. The other is they are individuals, and as individuals they each have different "tastes." Ford and GM know this, so they try to create a unique perception for their company based on the customer "tastes" they want to appeal to. What kind of "taste" do your customers have? What are your customers likes and dislikes?

Understanding customers' tastes will help you to better serve your customer and/or stock the items that he/she is wanting. It will also help you to know how to advertise to your customers. By determining customer tastes and understanding how many customers you have with these tastes, will help you identify your largest group of customers and market directly to their needs. However, if you own a bookstore, you may have many categories of tastes, yet they still can be grouped: mysteries, romance, and sci-fi. To be successful you will want to concentrate your efforts on one group to start with. (Usually the largest or the one that spends the most money.) It doesn't mean you don't sell to the other groups, it just means that you spend more time, effort and money going after your primary market. An example of a slogan the bookstore might use is that they have the Largest Selection Of Romance Novels This Side Of The Atlantic Ocean! Of course it will only make sense to use this type of a slogan if they have determined there are more Romance readers in their market area than any other type of reader.

Once they have met the needs of these "romance readers" they can start to satisfy the needs of the next largest group. Of course they need to be careful not to forget about the first group, or they will lose them and be right back where they started! Remember it IS easier and cheaper to keep existing customers than it is to find new ones!

So what about the competition? Like Ford and GM, you might be selling the same thing as your competitor, lets use, for example, a hair salon. Almost every woman could potentially be a customer, right? Wrong! Let us imagine this salon is famous for "trendy-far-out" hairstyles. What do their customers look like? What "tastes" might these customers share in common? What kinds of people would not be customers of this salon? If the town where this salon is located is made up of mostly young college students do they all want "trendy" cuts? What if someone wanted to open a second salon? What kinds of hairstyles should they offer? Should they be a carbon copy of the other business? No! Yet there is only one demographic group. Yes, there may be only one demographic group, but there may be other ways to "split" the group. "Tastes" can be determined by studying Psychographics, which includes people's attitudes, lifestyle, and beliefs. There might be two, three or maybe more "types" of college students.

Everyone is an individual and is looking for something specific to meet THEIR tastes or needs. To learn your customer's "tastes" you can ask him questions when he is in your business. Spend time with your customers or do surveys. If you ask successful businesses how they got to be successful many will say, "It's because we listened to our customers." Understanding the customer's "taste" should be a top priority for all business owners.

If you have a small business and have a question or problem that you think The YEBDC could help you with please call or write to: The Yellowed East Business Development Corporation, Box 249, Sangudo, Alberta, T0E 2A0
1-800-556-0328 or 1-780-785-2900, e mail: yebdc@yebdc.ab.ca, or access our Website at:
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