

# Customer Profiling For a changing world

The theory and practice of customer profiling: why it matters; how it helps, and how you can begin building better customer insights, today.

04/05/2020

# Customer Profiling

## For a changing world

**“The theory and practice of customer profiling: why it matters; how it helps, and how you can begin building better customer insights, today.”**

**Jo Cowper**  
Communications Specialist  
Six Degrees East



# Workshop agenda

Four parts; questions at the end

1. What is 'customer profiling'?
2. How are your customers changing?
3. 3 types of customer profiling
4. Start building your own profiles
5. Your questions

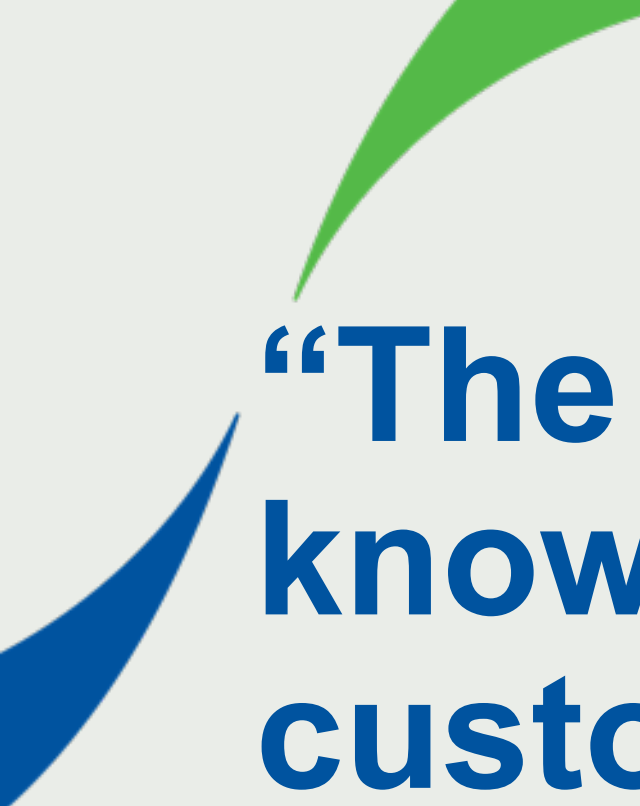


# Part 1: What is 'customer profiling'?

# Part 1: What is 'customer profiling'?

## Myths and misconceptions

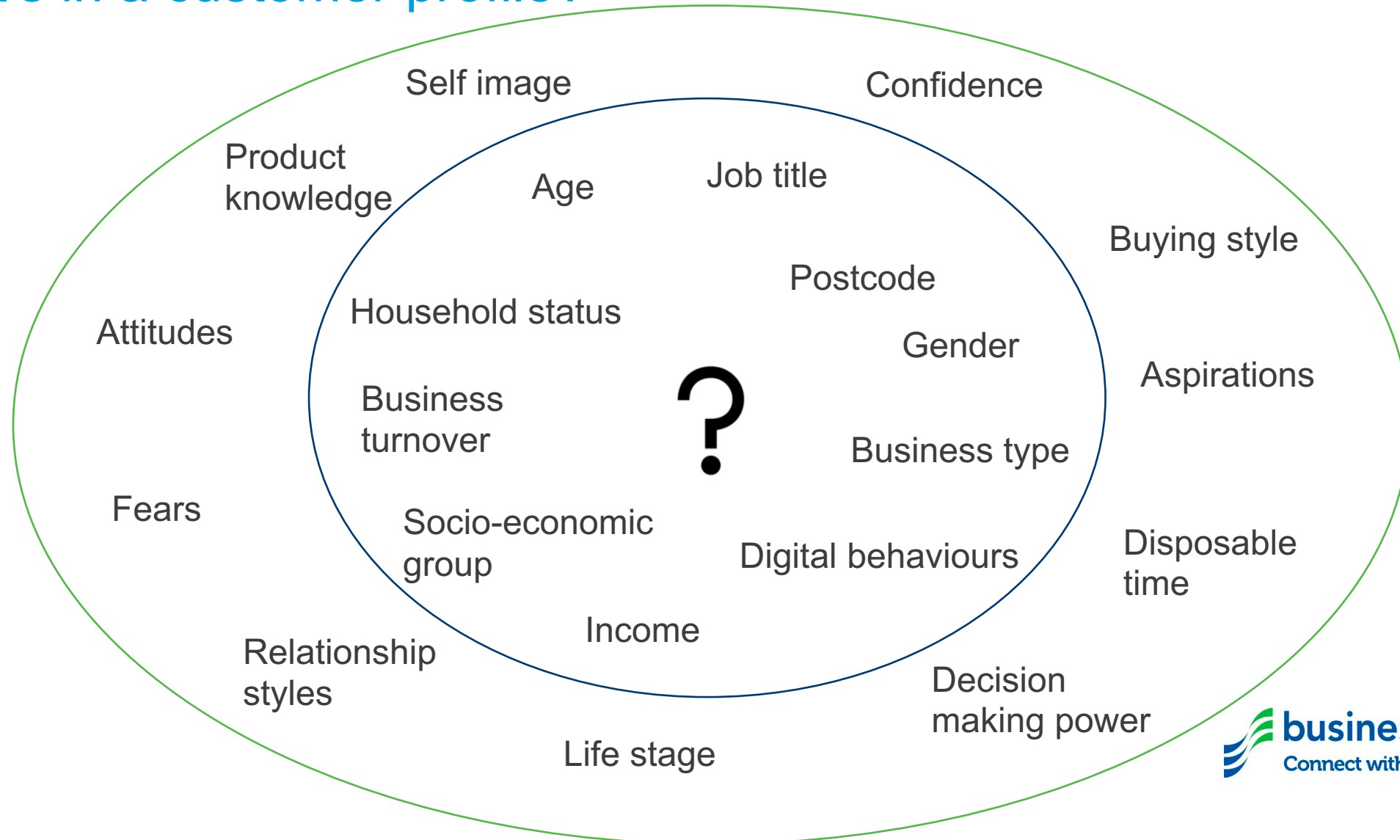
- Anyone could be a customer for me
- We don't have a 'typical' customer profile
- Customer profiling only works for B2C
- Customer profiling is expensive
- Customer profiling is just marketing speak
- We don't know anything about our customers
- You need to do surveys to get customer data
- You only need to profile your customers once
- Customer profiling is outdated
- My business is too small for customer profiling



**“The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” Peter Drucker, Consultant**

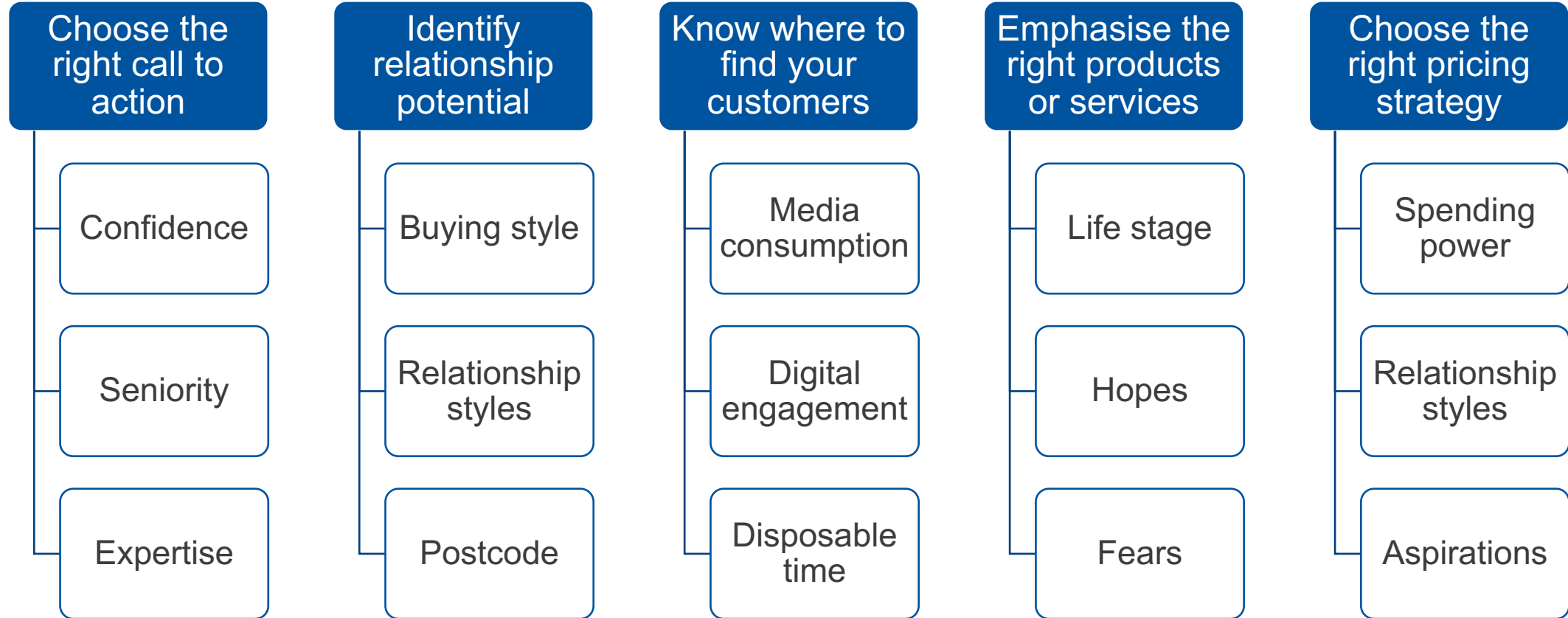
# Part 1: What is 'customer profiling'?

## What's in a customer profile?



# Part 1: What is 'customer profiling'?

And what can you do with it?

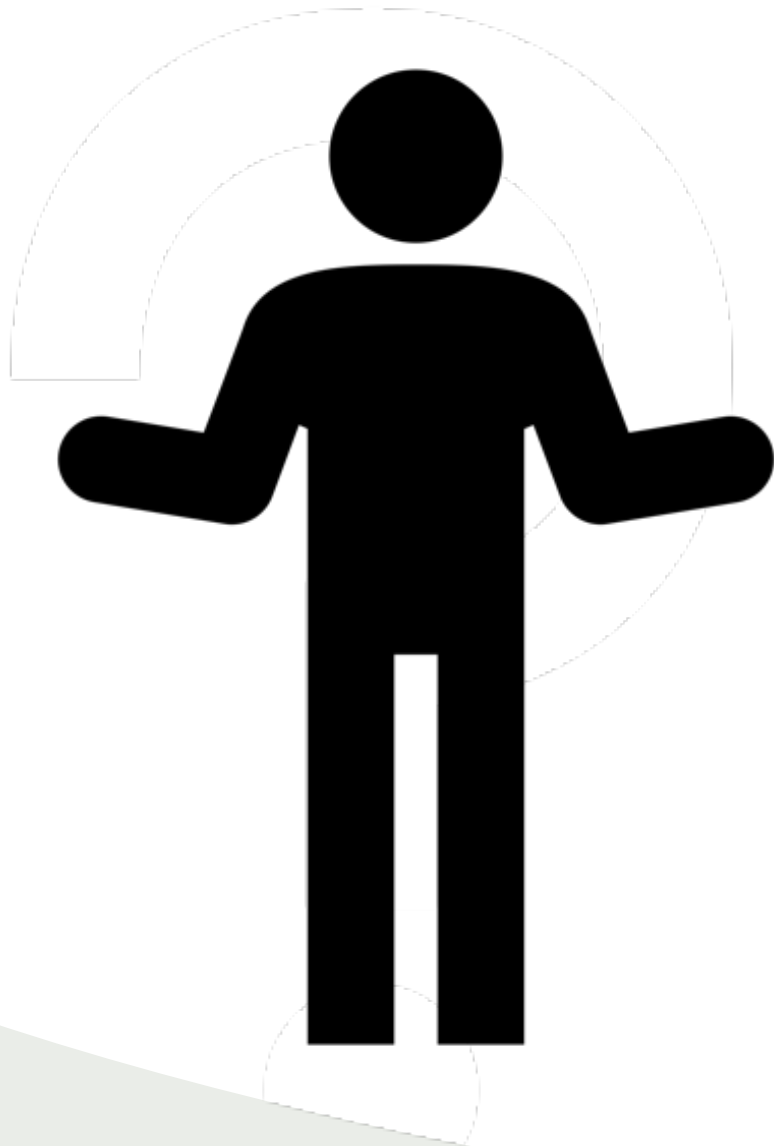






**“Every company's greatest assets are its customers, because without customers there is no company.”**

**Michael LeBoeuf, author**



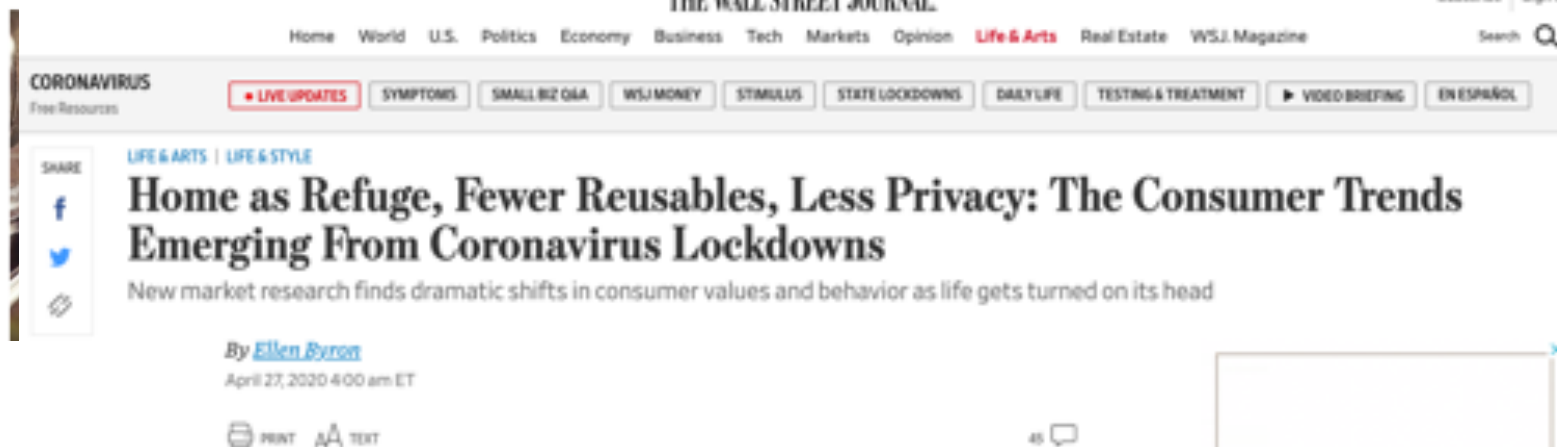
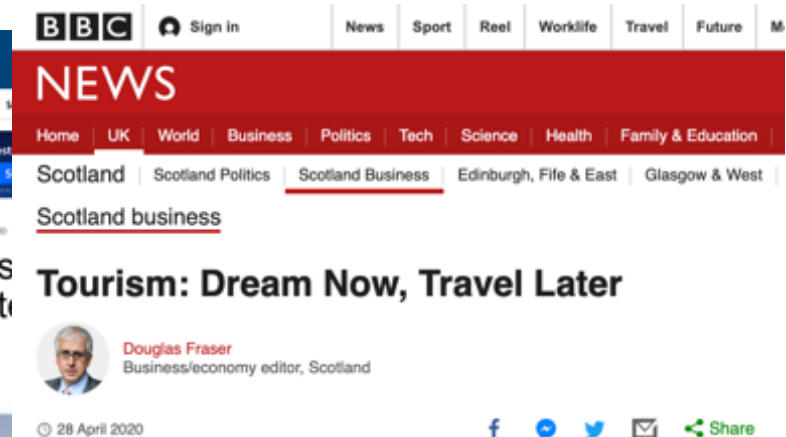
## Part 2: How are your customers changing?

# Part 2: How are your customers changing?

Speculation is rife



DOES THE PASSION POUND  
OFFER AN EARLY  
OPPORTUNITY FOR  
ADVERTISERS IN  
LOCKDOWN?



Find out more:

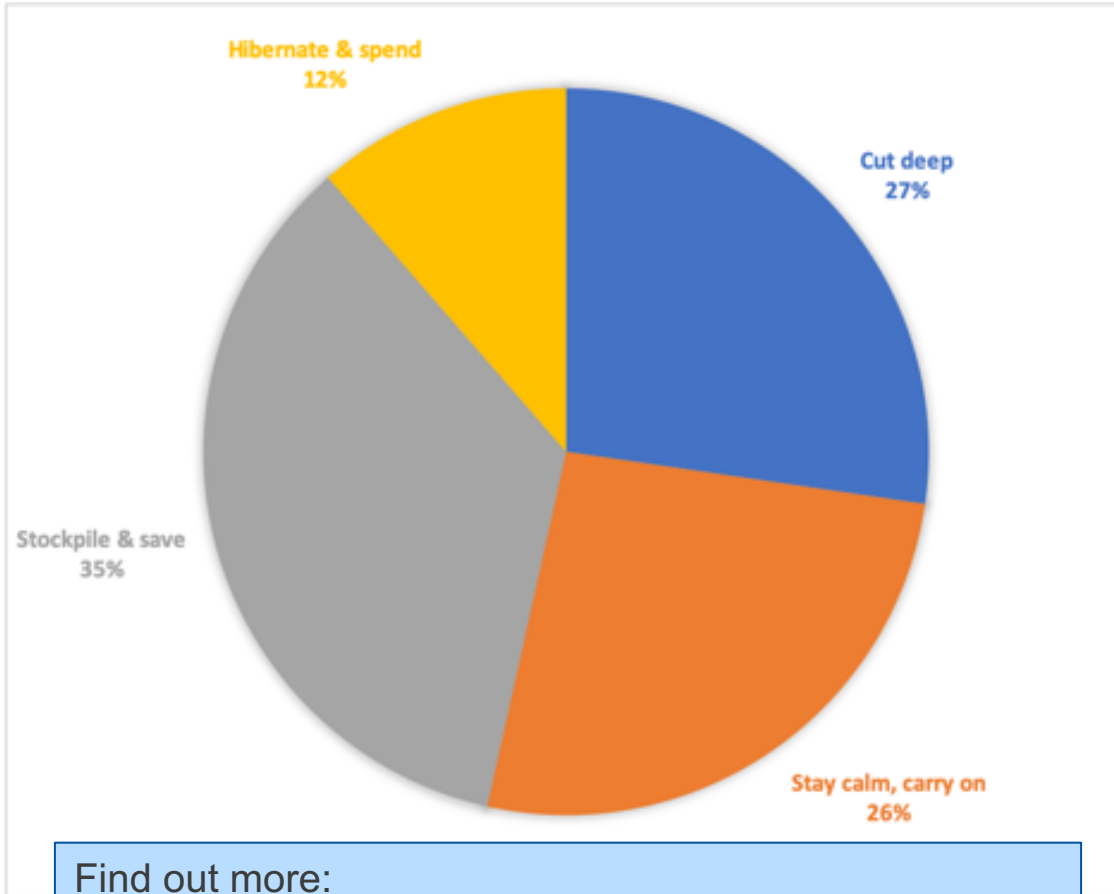
<https://blog.euromonitor.com/covid-19-shifts-global-consumer-behavior-in-2020-and-beyond/>



ading for a bonanza in the long-term, but the  
; very tough. It'll be helped by the Bounce

# Part 2: How are your customers changing?

One size doesn't fit all



“The COVID-19 crisis is being defined by four distinct consumer behavior segments:

- **Cut deep** are spending less across the board
- **Stay calm, carry on** continuing to spend as normal
- **Save and stockpile** feel pessimistic about the future
- **Hibernate and spend** are spending more across the board.

Find out more:

[https://www.ey.com/en\\_us/consumer-products-retail/how-covid-19-could-change-consumer-behavior](https://www.ey.com/en_us/consumer-products-retail/how-covid-19-could-change-consumer-behavior)

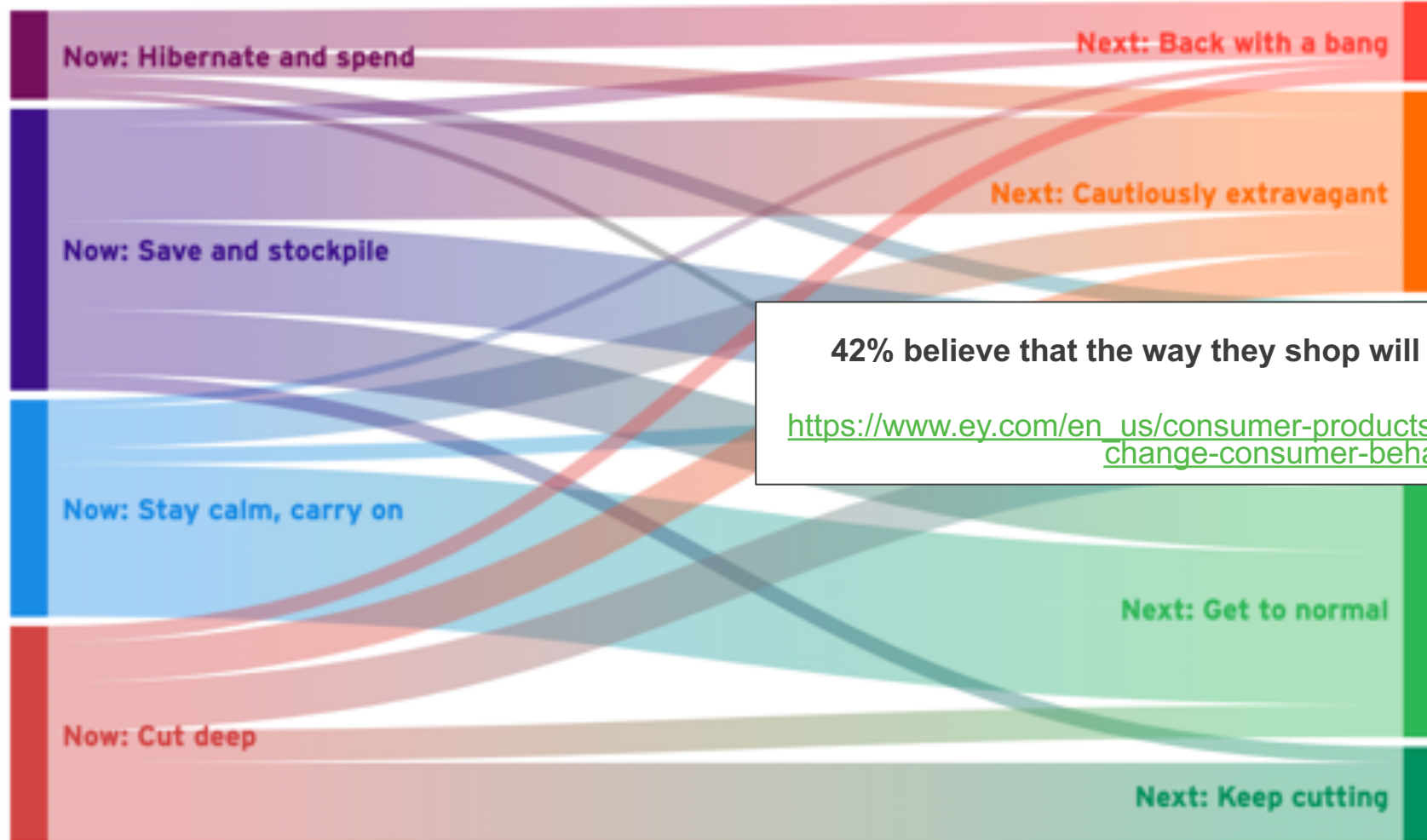
# Part 2: How are your customers changing?

## One size doesn't fit all

Heads	Tails
I can't wait to travel	I don't need to travel any more
I can't wait to get back to the office	I can finally be free of the office
I want my normal life back	I hope the new normal is nothing like the one we left behind
I feel closer to my friends than ever	I feel lonely, I miss my friends
This has been the worst time of my life	This has been a fresh start for me
I will be seeking out more solitude from now on	I want an end to loneliness now
I deserve to splash out and indulge myself	I need to tighten my belt & review my spending
We need to invest and differentiate	We need to review spend & cut costs
My business needs to grow	My business needs to contract
We need to outsource	We need to recruit
We need to invest in marketing	We can't afford to invest in marketing

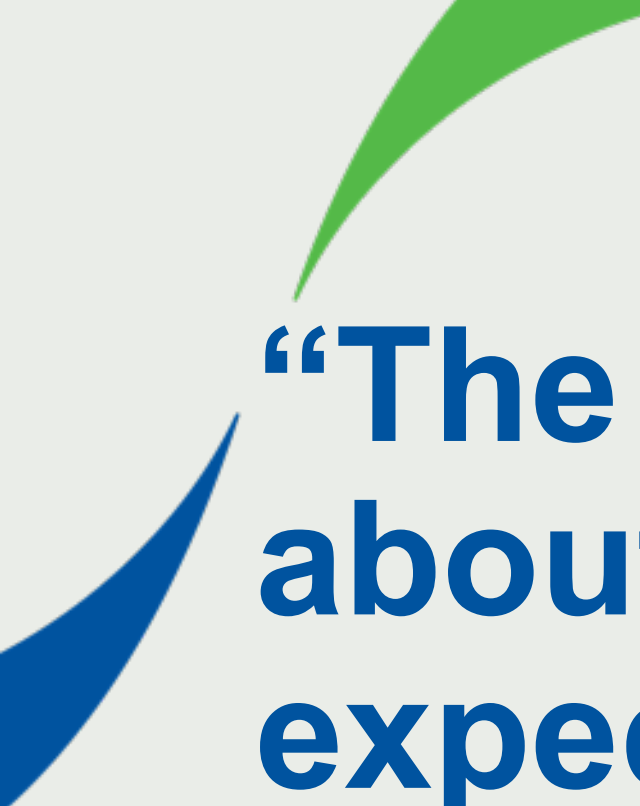
# Part 2: How are your customers changing?

The direction is uncertain



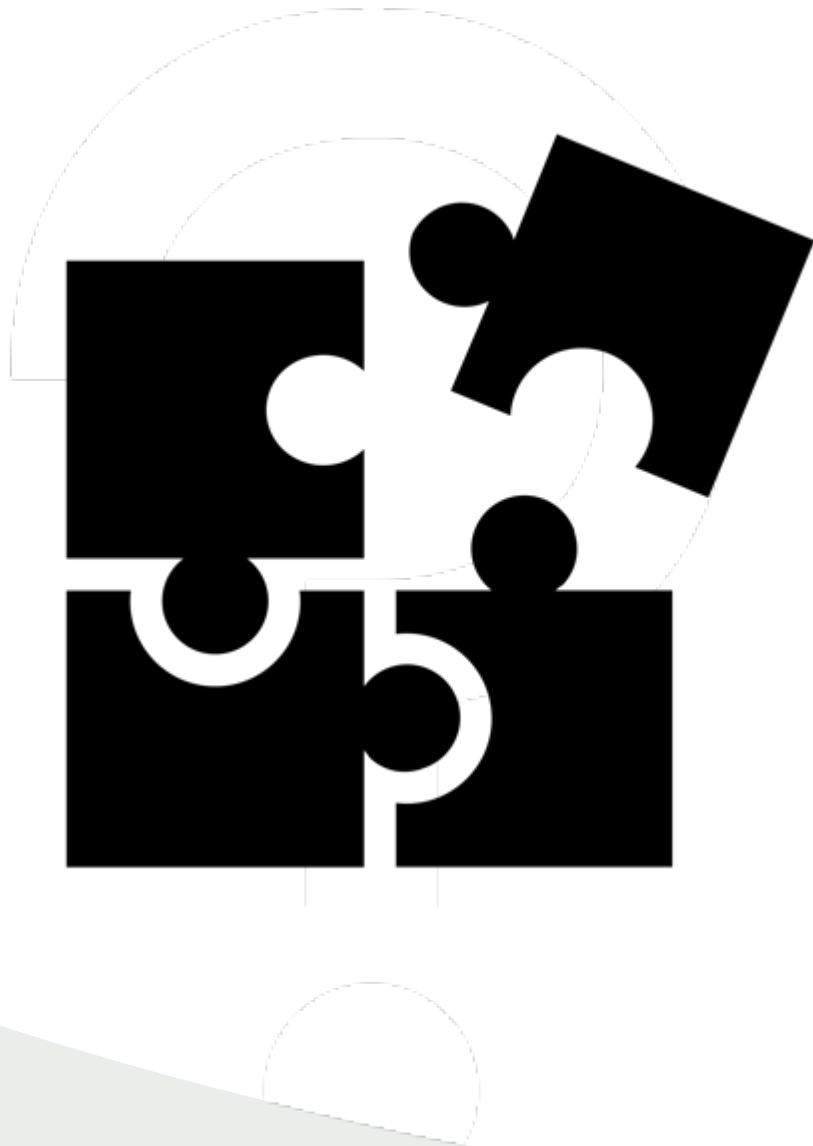
42% believe that the way they shop will fundamentally change

[https://www.ey.com/en\\_us/consumer-products-retail/how-covid-19-could-change-consumer-behavior](https://www.ey.com/en_us/consumer-products-retail/how-covid-19-could-change-consumer-behavior)




**“The pessimist complains  
about the wind; the optimist  
expects it to change; the  
realist adjusts the sails.”**

**William Arthur Ward, author**



## Part 3: 3 approaches to customer profiling





**“When you’re trying to make an important decision ... ask yourself: if the customer were here, what would she say?” – Dharmesh Shah, Hubspot**

# Part 3: 3 types of customer profiling

A science and an art



Research-based profiling



Observational profiling



Empathetic profiling

# Research-based profiling

# Part 3: 3 types of customer profiling

## Research-based profiling



### Factual, evidence-based research data

What might it tell you about your customers?

- Postcode
- Age
- Gender
- Income
- Socio-economic group
- Stated opinions
- Media consumption
- Business sector
- Business maturity
- Business turnover

# Part 3: 3 types of customer profiling

## Research-based profiling: pros & cons



- ✓ Peace of mind: data is factual & respected
- ✓ A great starting point for further profiling or research
- ✓ Targeting major campaigns
- ✓ Sense-checking your own insight
- ✓ Macro-insights
- ✓ Uncharted territory: establishing basic feasibility/ potential for an idea
- ✗ Potentially expensive
- ✗ May lack relevance for your business context or setting
- ✗ Great for 'what'; not so great for 'why'
- ✗ May appear 'black & white', or ...
- ✗ ... may be subject to 'spin'
- ✗ May feel unwieldy, academic or 'hard to apply'
- ✗ Meaningless without context
- ✗ Likely to be out of date ref. COVID-19

# Part 3: 3 types of customer profiling

## Research-based profiling: where to find it



- Business Gateway reports library
- Radius & travel time app
- Mosaic Scotland/Mosaic UK
- Scottish Index of Multiple Deprivations
- Business & Intellectual Property Centre
- Your own research

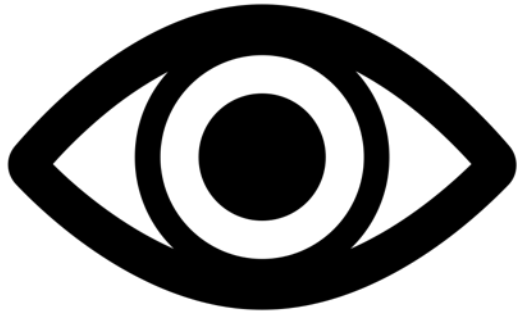
### Further reading

- <https://www.bgateway.com/your-sector>
- <https://app.traveltime.com/>
- <https://www.segmentationportal.com/Segments/Index?pid=443c8e70-fcb0-4ff9-8334-d36f5bdc16ad>
- <https://simd.scot/#/simd2020/BTTTTFTT/9/-4.0000/55.9000/>
- <https://libcat.csglasgow.org/web/arena/business-and-funding-eresources>

# Observational profiling

# Part 3: 3 types of customer profiling

## Observational profiling



### Real-time customer traits, feedback & behaviours

What can it tell you about your customers?

- Behaviours & habits
- Buying & decision making styles
- Stated preferences or opinions
- Recommendations
- Age
- Gender
- Role
- Seniority
- Sector
- Loyalty/frequency of engagement



# Part 3: 3 types of customer profiling

## Observational profiling: pros & cons



- ✓ Guaranteed relevance
- ✓ Up-to-date, immediate feedback loop
- ✓ Targeting or fine-tuning digital campaigns
- ✓ Commissioning artwork or photography
- ✓ Informing pricing decisions
- ✓ Providing a basis for empathetic profiles
- ✓ Building stronger relationships
- ✓ First-hand trend spotting
- ✓ Testing hypotheses
- ✓ Learning from others' mistakes
- ✗ Non-scientific, subjective interpretation
- ✗ Small sample sizes
- ✗ Subject to skewing by feedback from strong advocates or critics
- ✗ You see the 'what' but not the 'why'
- ✗ Cues may be hard to interpret or deliberately misleading
- ✗ Overdependence may undermine internal clarity & direction
- ✗ Changing fast ref. COVID-19

# Part 3: 3 types of customer profiling

## Observational profiling: where to find it



- Personal & professional interactions
- Analyse your social media
- Analyse your Google analytics
- Review & ratings sites (yours AND your competitors)
  - Mainstream ratings: Google, Tripadvisor, Feefo, Trustpilot
  - Specialist ratings sites in your industry: Trustedtrader, Vouchedfor; Ratedpeople, etc

Find out more:

- <https://www.facebook.com/business/insights/tools/audience-insights>
- <https://www.facebook.com/business/measurement>
- <https://later.com/blog/instagram-analytics/>
- <https://www.linkedin.com/help/linkedin/answer/4499/linkedin-page-analytics-overview?lang=en>
- <https://www.linkedin.com/help/linkedin/answer/71493>
- <https://support.google.com/analytics/answer/1008015?hl=en>
- <https://www.impactbnd.com/blog/marketing-metrics-on-google-analytics>

# Empathetic profiling

# Part 3: 3 types of customer profiling

## Empathetic profiling



**Customer personas that go beyond the ‘what’ to focus on the ‘why’**

What can it tell you about your customers?

- Hopes
- Motivations
- Fears
- Ambitions
- Self image
- Life stage
- Confidence
- Why they DON'T buy from you
- What they might want from you next

# Part 3: 3 types of customer profiling

## Empathetic profiling: pros & cons



- ✓ You are the expert in your customers and your business
- ✓ Starts with the 'why' – irrespective of the 'what'
- ✓ Unique to your business, your customers & your situation
- ✓ Can be done at any time: no tools nor financial outlay required
- ✓ Can be used alone or with other research
- ✓ Can act as a tool to develop your brand & empower your team
- ✗ Not factually based: you can't 'prove' it
- ✗ May expose major gaps in your brand or product/service development strategy
- ✗ Requires commitment & focused thinking time from you & your team
- ✗ Demands absolute honesty as you assess your customer base
- ✗ May feel difficult to undertake

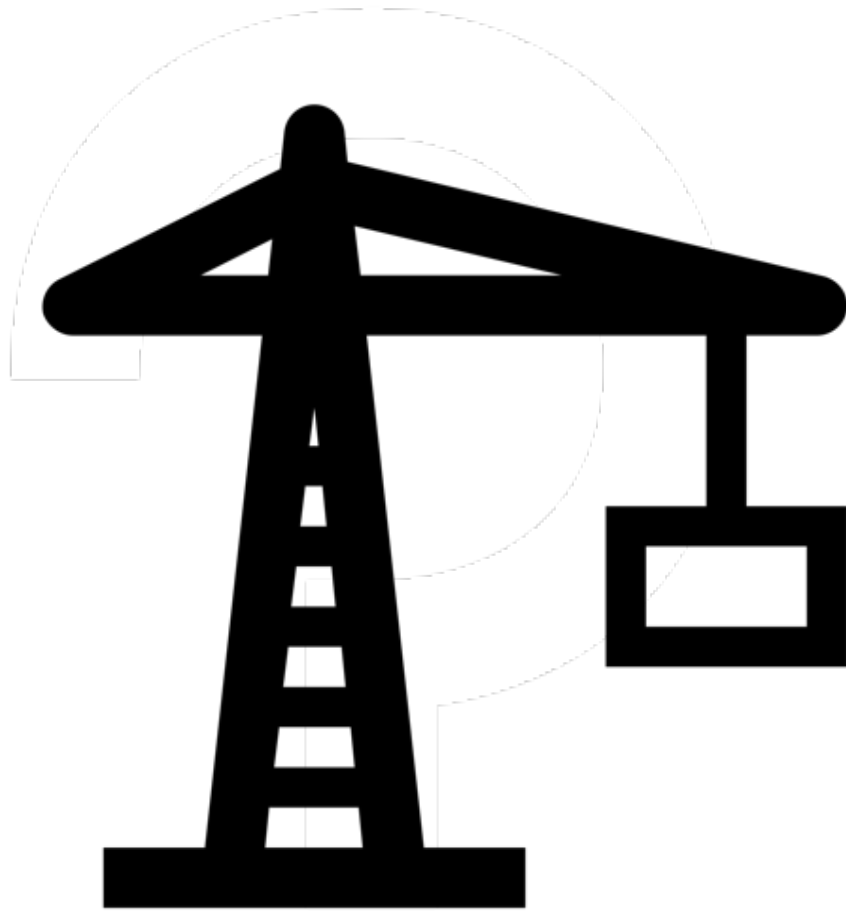
# Part 3: 3 types of customer profiling

## Empathetic profiling: where to find it



- Your own experience and observations
  - Being human
  - Interacting with customers
  - Interpreting the other sources noted above
- Your team
  - Anyone who plays a part in dealing with your customers
  - Anyone who plays a part in developing your products or services
- Your brand strategy
  - What need do your products or services exist to fill
  - How are you different from the competition: 'why choose you'?

**Start now!**



## Part 4: Start building your own profiles

**“The essence of trust-building is to emphasize the similarities between you and the customer.” – Thomas J. Watson, IBM**



# Part 4: Build your own profiles

A step-by-step approach to building your own empathetic profiles

**What does your customer look like?**

- The basics
- The finer details

**What does it feel like to be that person?**

- What change are they looking for?
- Why now?
- What is stopping them?

**How could you make things better for them?**

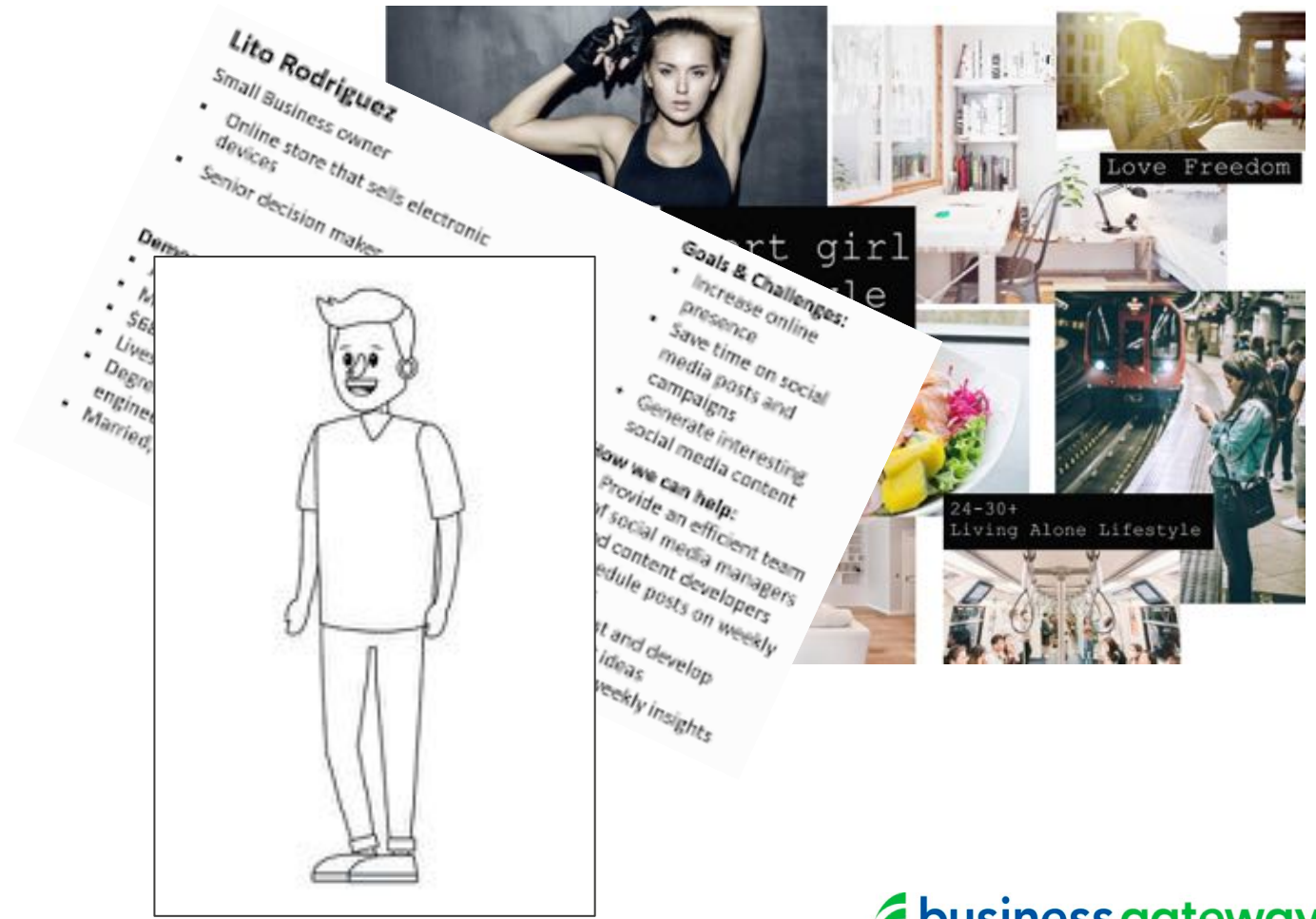
- The opportunity

# Part 4: Build your own profiles

## What does your customer look like?

### Begin with the basics:

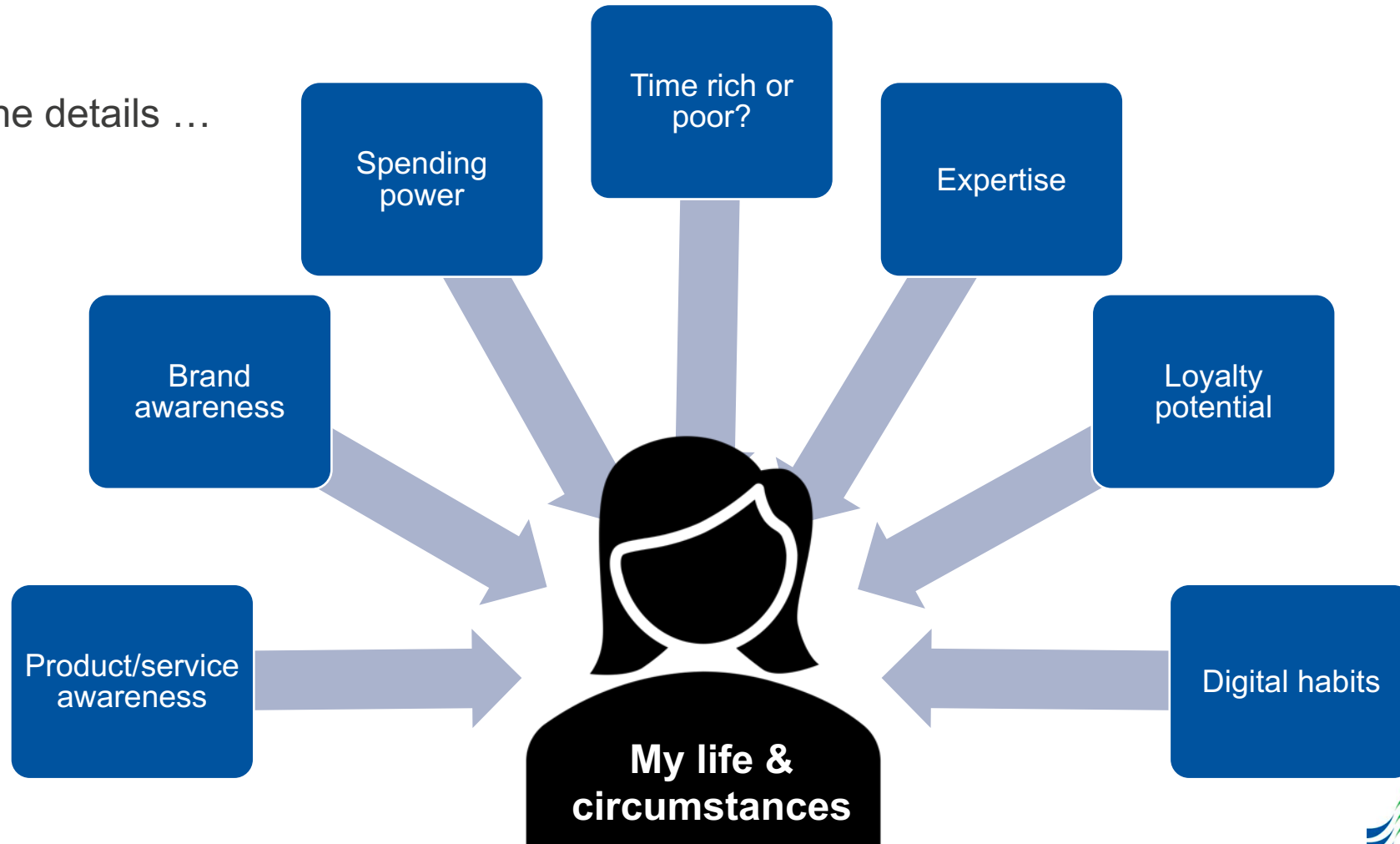
- B2C Consumer profiles
  - Age
  - Gender
  - Location
  - Household unit
  - Defining features or interests
- B2B Client profiles
  - Age
  - Gender
  - Location
  - Business structure
  - Sector
  - Role/seniority



# Part 4: Build your own profiles

What does your customer look like?

Add in the details ...



# Part 4: Build your own profiles

What does it feel like to be that person?

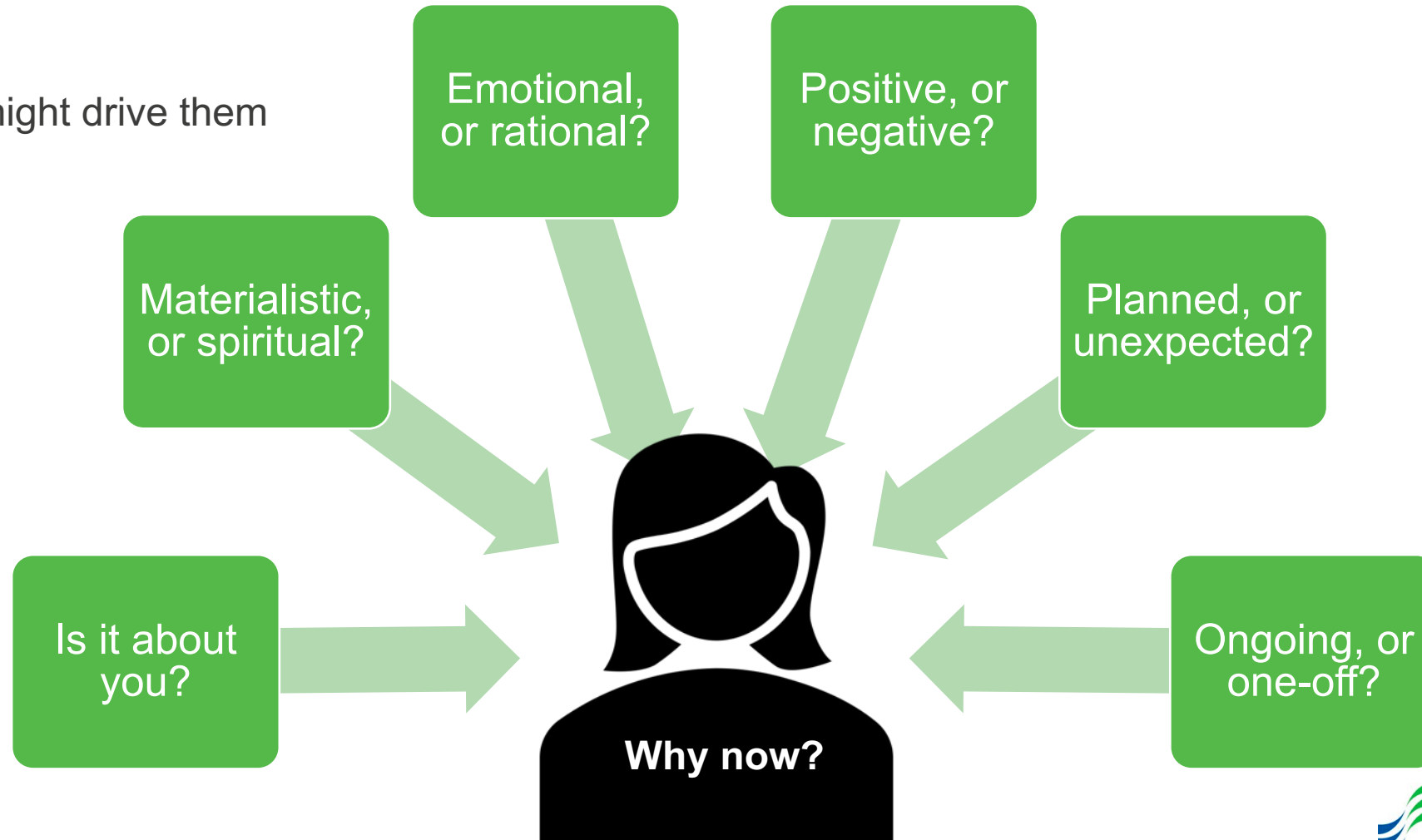
What change are they looking for?



# Part 4: Build your own profiles

What does it feel like to be that person?

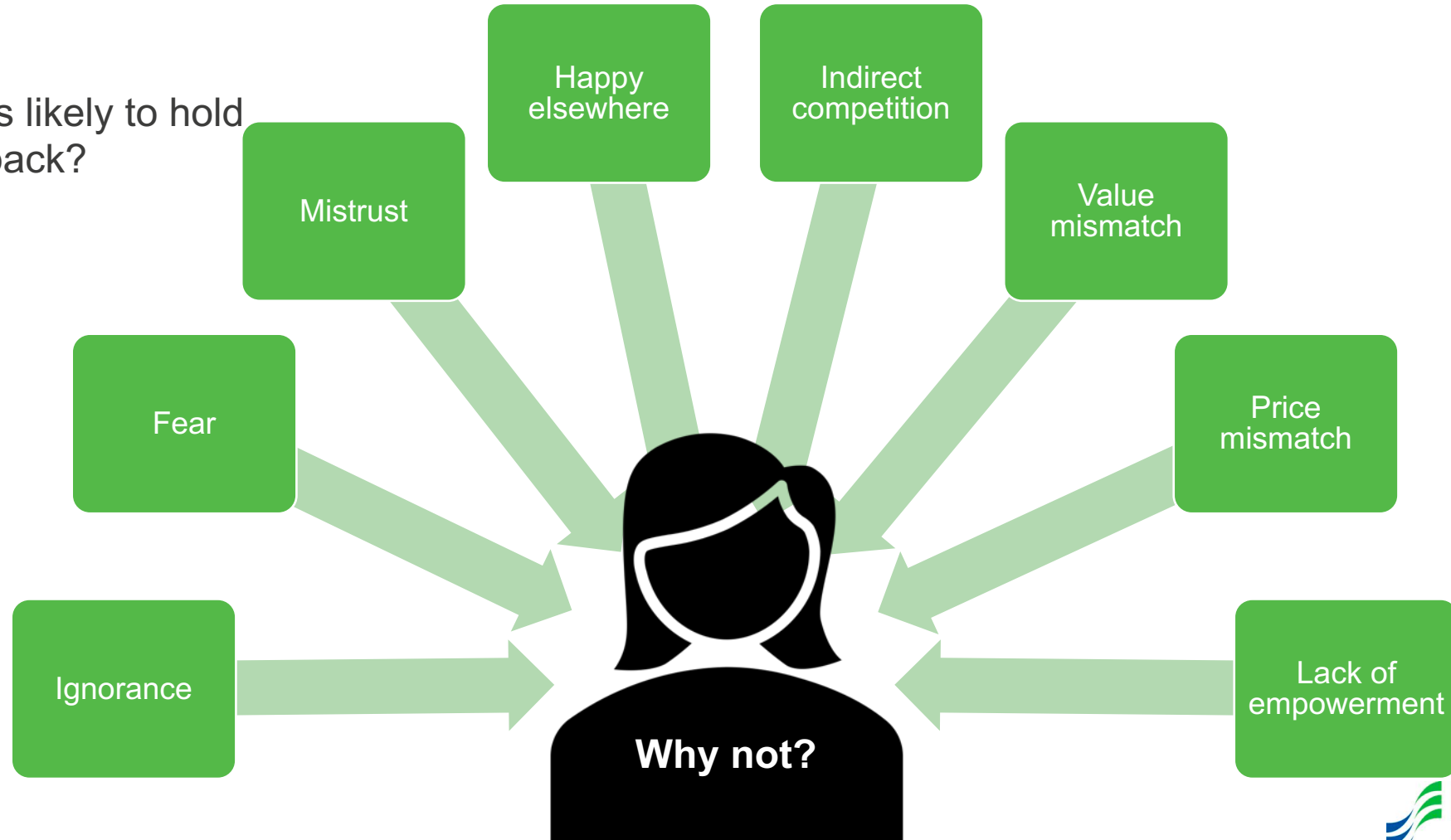
What might drive them to you?



# Part 4: Build your own profiles

What does it feel like to be that person?

What is likely to hold them back?



# Part 4: Build your own profiles

How could you make things better for them?



**Your  
brand**

- What have you got, that they want?
- How can you:
  - Better meet their needs now?
  - Anticipate future needs?
  - Reduce their barriers?
  - Extend their engagement?
  - Help them find you?
- Is there more you could do for them?  
*Think products, services, pricing, communications, education, distribution, support ...?*
- If they're not looking for you, what are they looking for – can you help?
- What sort of communications will help them solve their problems?  
*Think informative, persuasive, emotive, rational, streamlined, detailed ...?*



**Your  
customer**

# Part 4: Build your own profiles

## A step-by-step approach to building your own empathetic profiles

1. Begin with the basics: write, draw or collage
2. Fill in the details
3. What do they need? Put yourself in their shoes
4. Why now?
5. What is stopping them? why are they not your customer already?
6. What is the opportunity: how can you both stand to gain?
7. Goodness of fit: based on the above, are you a good match for each other? Prioritise: high, medium or low

**Move on to the next customer type and do it again**



# Workshop agenda

Three parts; questions at the end

1. What is 'customer profiling' and why do you need it?
2. How are your customers changing?
3. 3 types of customer profiling
4. Start building your own profiles
5. **Your questions**

## Thank you

# Business Gateway East Dunbartonshire

- Offices in Kirkintilloch and Milngavie
- Here to support both people planning on setting up their own business and existing companies within East Dunbartonshire
- We provide practical assistance, training workshops, networking opportunities and information on the support available throughout the enterprise network and beyond
- Call 0141 578 8530 to arrange to meet a Business Adviser