



Are You My Customer?

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The need to serve internal or external customers is one of the universal truths of business. Many companies fail to clearly differentiate themselves in terms of competitive market offerings. How can you stand out in this crowded marketplace?

Price differences, marketing campaigns, promotions, and company “buzz” can drive short-term interest. However, establishing positive feelings among customers is the foundation for exclusive loyalty in your individual customer base. Delivering an exceptional customer experience (CX) is one way to gain this loyalty. You’ll set yourself apart from the competition, ensuring that your customers continue to work with you and tell others about you.

Like many good business leaders, you probably have a hypothesis of who your customers are. You may have used techniques to improve CX based on those assumptions. Perhaps you brainstormed CX drivers that align with your vision of your customer, and then allocated budget and resources to roll out CX initiatives. But what if your vision of your customers and assumptions about their defining attributes were not completely correct?

Good news! Your efforts were not necessarily wasted. You likely ended up increasing some component of your

customers’ satisfaction. But you may find that overall, the initiatives were not as successful in driving customer experience as you had hoped.

In our experience, this happens more than you would expect. We are eager to get started and see results, so we don’t take the time to determine what customers value. In order to deliver that value and to provide an exceptional experience, it is vital to truly understand your customer.

Instead of jumping straight into the CX initiatives, we propose starting with foundational CX activities: developing personas or segments. This will help you answer the following questions about your customers:

- What are your key customer types?
- What are the key traits and drivers (attributes) of these customers?
- Are your defined customer types reasonably exclusive—in other words, they don’t overlap much? Are they exhaustive—that is, they include most of the key traits and drivers?

- When you step back and look at your customers, do you see clearly differentiated approaches you must deploy to deliver an improved customer experience for each customer type?

Sometimes, organizations become overwhelmed with the process of performing customer segmentation and identifying customer personas. That can lead to the dreaded “analysis paralysis.”

If this paralysis would delay meeting your deployment timetable, or you are missing data or perspectives on the customer journey, we propose starting with a “lite” version of segmentation and personas to help you begin the process of understanding your customers. These are “lite” alternatives to the full-scope version using the data/information that is already available, or by performing preliminary studies. The entire point here is to get started and begin experiencing the process from beginning to end instead of getting stuck on the starting blocks. Using a structured method for segmenting and defining personas can help jump-start an organization’s entry into improved customer experience. It can also help define content strategies that directly appeal to different customer groups.

There are three key goals for either the lite or full-scope exercise: **knowing** your customer, **empathizing** with your customer, and **delighting** your customer.

Know your customer:

Determine what differentiates your customers.

The first step to develop effective customer personas or segments is to understand your customers’ key attributes. Once you have identified the attributes, the personas and segments allow you to understand key traits within each customer group. Use quantitative and qualitative

evidence—surveys and interviews with customers or employees—to provide insight into those attributes. It is not, however, as easy as simply picking attributes. There is a process to follow.

Keep a running list of all potential attributes identified and honed through the process, regardless of their presence in the final personas and segments. These will be important when sharing the final personas internally. They can also help with future refinements, and in providing context for stakeholders who didn’t participate in the development process.

Whether defining personas or segments, ensure that the customer’s defining attributes are appropriately identified. The attributes are what makes one “customer” (term used generally and applied to segments, personas, or individuals) different from another. These differences should not be subtle! The differentiation should be as binary as possible, meaning the subject falls into one end of the spectrum or the other.

As an example, let’s establish a potential attribute of your customers. Our hypothesis is that there is a notable difference in how our customers handle an approach to decision-making. Our spectrum could then be bookended by “pre-planning” and “reactive” (i.e., no planning). As you think through the range, exaggerate the definitions. Let’s use a customer, Anna, to understand this attribute. If Anna is a “pre-planner,” **all** her decisions are made far in advance. If she’s “reactive,” she **never** has a plan, and does everything last-minute (the “all” and “never” are used intentionally). As you are gathering data you will most likely find that customers fall somewhere on the spectrum versus at the ends of the range. Challenge yourself and dig in and understand **why** Anna may make a plan or do everything last-minute to decide which end of the spectrum she falls into. Even if it seems like Anna is split equally

between being reactive and pre-planning, put her in one bucket. This will help you stress-test (discussed shortly), and you may find that you need to move her into the other end of the range, which only helps solidify your final outcomes. There will be gray areas, but in this phase, it helps to be decisive. The goal is to have clearly differentiated customer populations, so you can develop tailored CX initiatives.

Using a structured method for segmenting and defining personas can help jump-start an organization’s entry into improved customer experience.

As you continue identifying attributes, you could find the customer does not look the way you expected. This is the time to continue to brainstorm potential attributes that separate your customers into distinct groups (including demographic profiles, mindsets, preferences, etc.). For that matter, even if it seems all of the original attributes are correct, the advice remains. Include those items that may not seem relevant, those that may seem redundant, and those that seem too obvious, to make the list comprehensive. The attributes will be shaped during the stress testing process.

An important “guiding principle” to consider: don’t be too attached to your hypothesized list of attributes, as they will (and should) change. Reviewing and removing weaker attributes (those that do not truly differentiate the customer types) strengthens those that remain.

Throughout the process of developing and defining the customer journey, additional attributes will come to light that were not included on your list. You will discover them during working sessions with stakeholders, interviews, or through a preliminary survey. As you gather more information, begin the process of stress-testing the attributes. Evaluate each attribute and determine whether it “holds up.” Because this is a time-consuming process, it is easy to take the first output as the “correct” answer. However, it can be an energizing and exciting evolution as customer types become focused and clearly defined. How do you do it?

1. For each attribute, **place each customer** data point on one **end of the spectrum** and discuss (based on the information you have) if that customer really belongs there. If not, move them.
2. Determine whether the attribute remains a **viable differentiator and is true** for a significant portion of customers, based on the data. If an attribute has all of the customer data points on one end, continue



to work the process to determine if it is a viable differentiator. If you find an attribute that has only a few customers in one end of the spectrum, it doesn’t mean that it is not a good attribute. Rather, look at the big picture, and you may find that the attribute really is the only defining feature, or most important, for those customer types.

3. Identify and **combine** attributes that are **not truly differentiated**. You know you are really into the “stress-test” mode when you take two attributes that seem to have no relation and find that they are indeed connected as it relates to your customers.
4. Create **new attributes** that organically come out of the discussion to **fill gaps**. As you discuss, you’ll find yourself saying things like “We didn’t talk about this before, but it seems like this is something that some of our customers have in common.”
5. **Discuss the future CX initiatives** you would take if a customer falls on either end of the attribute

spectrum. This will help you determine if the attributes are indeed different from another lens. If you establish two attributes but discuss CX initiatives that would be the same for both, then you may not have a good differentiator. A question to ask yourself is “For customers that fall into this end of the attribute spectrum, what are we going to do to help improve their customer experience that the others would not find important?”

We recommend that this process be carried out on a whiteboard. Put the attribute spectrum on the whiteboard and write the identifier for the customer data point under the end of the range you are bucketing them in. Be sure to place each customer data point within an attribute.

As an example, take our previously defined attribute of approach to decision-making. Throughout the stress-test process, you may find that there is a correlation between your customer, Anna, falling in the “pre-planning” bucket and another attribute: her employment status of “career-driven.” As you continue to iterate with the stress-testing and as

the attributes mature, you may find that neither the pre-planning nor career status matters consistently as a differentiator as compared to her family relationship status of “single, no children.” What we are now left with is an attribute of “family status” with a range of “single” and “married,” “no children,” and “children.”

This is an example of useful customer typing (specific and unique):

- Anna, aged 32
- Single, no children
- Technology-savvy
- Lives in an urban area
- Willing to spend extra for items with cachet
- Career-driven, but very tied to her friends and family
- Interested in new trends

Non-useful customer typing (overly broad and vague):

- Female, aged 18–40
- Likes digital goods, but prefers analog
- Enjoys television

The next step to creating a comprehensive persona is to understand how Anna thinks and acts through empathy.

Empathize with your customer:

Maintain the customer’s perspective.

One of the most effective uses of customer identification is to put yourself in your customers’ shoes. Visualize what customers think, feel, and need when they interact with you. As an example, our colleague Michael Ojo was recently featured in the Fall 2018 issue of the *Jabian Journal* in an excellent article called “The Value of Compassion.”

The piece focuses on the very topic of customer empathy, which was explored in depth. We will summarize his findings with this: When you make decisions that will affect your customers, anchor yourself to one persona or segment and ask, “What would Anna do, and what would make her happy?”



Delight your customer:

Map customer types versus current state and goal experience.

One result of highly refined personas or segments is the data and insight you gain on each customer type. It can influence your market direction and guide how you interact with customers. This information can overcome challenges that limit your customers’ satisfaction. It can create a more positive customer experience.

Once you understand what Anna wants, it will be easier to determine how to get the most out of each advertisement, event, and marketing dollar. Ensure that your marketing expenditures and website development are geared toward the customers who bring the most revenue, or who match your goals for growth.

Example finding:

- Anna likes to do internet research, but will get busy and abandon the product if it takes too long to find what she needs.
- If she must call to get the information she needs, she’s unlikely to work with that company.

Resulting change:

- Organize the website with a clear, user-friendly roadmap.
- Provide a FAQ document that will answer most questions.
- Explore using a chatbot for virtual assistance.

Now comes the most important step: put your findings into action. Once you have determined who your customers are and what drives their decision-making, you will be in a better position to determine how to deliver an excellent customer experience.

You’re still not done! You must periodically revisit this exercise to keep the segment and/or personas fresh and accurate. Evaluate how they match the evolution of your offerings. Each time we look in the mirror, we are a little bit different. The same is true of your customers and their needs. By recognizing this and adapting your approach, you will help build an improved customer experience. ✍

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