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# Getting to know your customer better

Seven research methods to help you answer questions about your ideal customer

As a small business, how do you know what your customers want, what their habits are or what they value above all else? You probably don't know exactly. But they do.

Methods include:

1. Observation
2. Mystery shopper
3. Interview
4. Focus group
5. Survey
6. Social media and web analytics
7. Your database

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***It's your job to get that information from them.***



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This document will provide you with information on seven effective research methods that will allow you to gain insight into your customers' characteristics, needs, behaviors and values. This insight will help uncover more detailed information about your "who" and build the customer personas necessary for a targeted marketing strategy.

**Review the following pages and determine which research methods are best for your business. ►**

# Which method(s) work for you?

As you read through the research methods on the following pages, determine which will work best for your business while keeping both your budget and your overall objectives in mind.

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Here is a sample list of things that might help you understand your “who.”

## DEMOGRAPHICS

- Age
- Job title
- Relationship
- Gender
- Education
- Location

## BEHAVIORS

- Hobbies
- Online habits
- Communication habits
- Information hubs
- Media consumption
- Shopping habits
- Affiliations
- Fitness

- .....
- Service-oriented
  - Family-focused
  - Convenience-seeking
  - Pleasure-seeking
  - Thrill-seeking
  - Brand-loyal
  - Introverted
  - Extroverted
  - Organized
  - Self-reliant
  - Price-driven
  - Value-driven

## VALUES

- Loyalty
- Community
- Spirituality
- Patriotism
- Integrity
- Nature
- Lifelong learning
- Altruism
- Self-expression
- Financial wellbeing
- Freedom
- Enriching experiences
- Success

# 1. Observation

Observation is such a simple tool that it can be easy to overlook. Yet, if you are strategic about it, observation is a great way to accumulate qualitative information about your customers.

## BEST PRACTICES

With observation, you can determine much about your customers' demographics and behaviors — from their gender to how they spend their time or money. Develop a process to log observed information so you can analyze the data, identify trends over time and develop a customer persona.

Give your employees a few open-ended questions to ask. This way they will be prepared when they are presented with the opportunity to speak with customers. Keep the questions simple, authentic and relevant to the work of the person asking them.

## Sample Questions:

### DEMOGRAPHIC-BASED QUESTIONS

- Where do they work? What do they do there?
- Where did they go to school?
- Where do they live?
- Are they married? Do they have children?

### BEHAVIOR-BASED QUESTIONS

- What do they like to do for fun or in their free time?
- Would they consider themselves to be introverts or extroverts? Self-reliant or guidance-seeking? Community-driven or individualistic?
- What other businesses are they patrons of?

## RESOURCES

- Qualitative Research Methods: A Data Collector's Field Guide<sup>1</sup>
- Participant Observation as a Data Collection Method. In Forum: Qualitative Social Research<sup>2</sup>

### PROS

- Provides first-hand insight into customer preferences
- Easy and cost-effective to execute
- Can be done throughout the course of regular business operations

### CONS

- Potential for high amount of researcher bias
- Difficult to institute formal documentation of observations
- Requires coordination among employees to avoid asking the same people the same questions

## 2. Mystery shopper

A mystery shopper is someone who poses as a customer with the intention of gathering information and providing feedback. This method is great for retail or personal services businesses with physical locations. Employ a mystery shopper to accumulate unbiased information from customers on everything from product or service feedback to general information including demographics and behaviors.

### BEST PRACTICES

Define the goals and types of feedback you are looking for beforehand so the mystery shopper is prepared. Create a survey or form for the person to fill out during and/or after the mystery shopping. This way, the information will be fresh on his or her mind, and you'll receive immediate feedback.

Be sure to inform those involved that you've hired someone to observe and gather information. Set expectations upfront rather than after the mystery shopping is complete.

### Sample Questions:

#### DEMOGRAPHIC-BASED QUESTIONS

- What are the ages and genders of your customers?
- Where do your customers live?
- What do your customers do for a living?

#### BEHAVIOR-BASED QUESTIONS

- How do your customers prefer to communicate with others? (e.g., text, phone call, email, in person)
- What types of media do your customers engage in? (e.g., television, radio, podcasts)
- What are your customers' online habits? (e.g., social media, online communities, blogs)
- Where else do your customers shop?
- What other brands do your customers like, and why?
- Why do your customers shop at your business?
- What could your business improve upon to better serve your customers?

### RESOURCES

- How to Set Up a Mystery Shopping Program<sup>3</sup>

#### PROS

- Receive third party feedback from someone with a new perspective
- Lets you see and hear customers' responses to your business in the moment, ensuring they are authentic
- Leads to more research topics if a specific area scored low

#### CONS

- May be expensive if outsourced company is hired
- Doesn't provide extensive data as it focuses on the perspective of a small sampling of individuals
- Is subjective, regardless of how unbiased the mystery shopper claims to be

# 3. Interview

To gather anecdotal, testimonial and other qualitative information, conduct interviews. They can be in person or on the phone. Although generally one-on-one, interviews can involve small groups of two or three. Depending on the comfort level of the interviewee, you can gather information on customers' behaviors and values.

## BEST PRACTICES

Ask open-ended and non-leading questions, and make sure you give time for your interviewees to respond. It is easy to get nervous, so try not to rush them or yourself. At the end of the interview, ask "is there anything else you'd like to tell me?" to give people the ability to provide any information they thought was missed.

## Sample Questions:

### BEHAVIOR-BASED QUESTIONS

- What do you like to do for fun?
- What are your favorite brands and why?
- What do you look for when you choose a business to shop at or purchase services from? (You can customize this question based on the industry you're in.)
- What affiliations are you involved with? (e.g., politics, professional network)
- How would your friends describe you? (e.g., family-oriented, cause-driven, thrill-seeking, thrifty)

### VALUE-BASED QUESTIONS

- Which of the following stand out to you and why?
  - Loyalty
  - Community
  - Spirituality
  - Patriotism
  - Integrity
  - Nature
  - Lifelong learning
  - Altruism
  - Self-expression
  - Financial well-being
  - Freedom
  - Enriching experiences
  - Success

## RESOURCES

- The Art of the Interview<sup>4</sup>
- 30 Tips on How to Interview Like a Journalist<sup>5</sup>

### PROS

- Personal, quick and economical
- Provides immediate answers
- Demonstrates your value and the opinion of your customer base
- Fills in specific knowledge gaps

### CONS

- Data may be difficult to analyze
- Unskilled interviewer can yield poor results
- Time-consuming to conduct interviews across entire customer base

# 4. Focus group

A focus group is a moderated discussion between a group of six to ten people. The group must be large enough to generate rich discussion, but not so large that some participants are left out. As focus groups are typically conducted in person, a strong benefit of this method is the ability to watch body cues. Focus groups are best at gathering information on your ideal customers' behaviors and values.

## BEST PRACTICES

Set aside 45 to 90 minutes for a focus group and ask no more than 12 questions. This process typically needs to be done four to five times to gain accurate information. Focus groups work well when participants don't know each other, and are comprised of different genders, races and ages.

Questions for focus groups should be short and open-ended ("yes" and "no" answers do not stimulate informative dialogue). If possible, a second moderator should be in the room or on the call to take notes and/or record the session.

## Sample Questions:

### BEHAVIOR-BASED QUESTIONS

- Would you consider yourself driven by price, convenience, value, quality or something else? Why?
- Are you more community service-oriented, family-focused or career-focused? Why?
- Where do you go for information on certain products or services? (You can customize this question based on the industry you're in.)
- What are the most important factors to you when it comes to choosing a product or service provider? (You can customize this question based on the industry you're in.)
- What are your favorite brands and why?

### VALUE-BASED QUESTIONS

- Which of these resonate most to you and why?
  - Spirituality, patriotism or community?
  - Nature, success or enriching experiences?
  - Financial well-being, self-expression or altruism?

### PROS

- Economically efficient and relatively easy to conduct
- Generates opportunity to collect data from group interaction
- Provides immediate answers
- Allows a relatively large sample size for a qualitative study

### CONS

- Data may be difficult to analyze
- Unskilled interviewer or moderator can yield poor results
- Assembling a group may require additional resources

### RESOURCES

- Helpful Hints for Conducting a Focus Group<sup>6</sup>
- Conducting Focus Groups<sup>7</sup>

# 5. Survey

Surveys can be used to gather a variety of information, including statistics, anecdotes, customer feedback and answers to specific questions. They are also helpful for gathering difficult-to-attain information, like the values of your ideal customers. While surveys can be done the old-fashioned way with paper and pencil, they are best when administered digitally.

## BEST PRACTICES

Send your survey two to three times to ensure a high response rate. When possible, include incentives for completing the survey — even something as small as a five-dollar coffee gift card can impact participation. Let participants know how long it will take to complete. Lastly, be sure the timing is right.

## Sample Questions:

### VALUE-BASED QUESTION

- Rank your top five:
  - Success
  - Community
  - Spirituality
  - Altruism
  - Nature
  - Self-expression
  - Financial well-being
  - Freedom
  - Enriching experiences
  - Lifelong learning

### BEHAVIOR-BASED QUESTION

- What do you look for when you choose a business to shop at or purchase services from?
  - Price
  - Convenience
  - Values or championed causes
  - Quality
  - Value
  - Service
  - Other (please describe)

### EXAMPLES OF TOOLS

- Google Forms, Qualtrics, Survey Gizmo, Survey Monkey and Typeform

### RESOURCES

- Surveys 101<sup>8</sup>
- Questionnaire Design<sup>9</sup>

### PROS

- Can be broadly deployed
- Cost-effective and convenient
- Highly reliable if planned correctly
- Built-in data analysis and results

### CONS

- Could provide false information if not designed correctly
- Poorly phrased or confusing questions can skew answers
- Easy to ignore or lose in inbox

# 6. Social media and web analytics

Social media in today's world presents a wealth of opportunity for businesses to learn more about their customers' demographics, behaviors and values. There are a myriad of tools, both free and paid, to help you monitor brand mentions, see who is interacting with you and sharing your web content and more.

## BEST PRACTICES

Create and maintain a presence on key social media sites and actively promote your pages to your customer base. Follow conversations on blogs, forums, online groups, communities and social media chats that relate to your business. Employ social media management software or use a social listening tool to see who is talking about your brand, or competitors' brands, what topics resonate most and with whom they resonate.

Decide which keywords and phrases are important to your business and watch to see how and when they are being used in conversations.

Then, use one of the many tools available, such as [Google's free analytic software](#), to gather and analyze all of this information.

## Sample Questions:

### DEMOGRAPHIC-BASED QUESTIONS

- In what demographic(s) are you seeing the most social media/website interaction around topics related to your business?

### BEHAVIOR-BASED QUESTIONS

- Which topics, characteristics, resources and/or events related to your business are getting the most interaction?
- What are the core online interests of your most engaged demographic?
- Based on the behaviors you are seeing online, what shifts in interests might be coming?

### EXAMPLES OF TOOLS

- Facebook Audience Insights
- Facebook pixel
- Quantcast
- followerwonks
- Google Analytics Demographics Reports
- Google Alerts
- HootSuite
- janrain
- SproutSocial

### PROS

- Unbiased, unfiltered feedback
- A good way to gain insight without expressly asking for it

### CONS

- Requires active monitoring and knowledge of tools

## RESOURCES

- Social Media Monitoring: Is Your Business Listening?<sup>10</sup>
- A Guide to Social Media Listening for Your Business<sup>11</sup>
- How to Find Your Ideal Customers on Facebook<sup>12</sup>
- A Beginner's Guide to Facebook Insights<sup>13</sup>
- Guide to Google Analytics Demographics Reports: Age, Gender & Interests<sup>14</sup>
- 25 Questions to Ask Social Media Monitoring Providers<sup>15</sup>
- NASCAR's Social Media Listening Center (video)<sup>16</sup>
- How to Use Social Media Listening to Build Brand Loyalty<sup>17</sup>

# 7. Your database

Provided you have consistent procedures for capturing and recording customer data, your business's database can provide you with a wealth of information.

## BEST PRACTICES

Make sure you have a consistent process for data entry and that it is followed organization-wide. When possible, have customers update their own profile information via web forms or surveys. Ask questions beyond the basic demographics and be sure that your customers understand why you are asking. Let them know that their feedback could potentially help drive new products, services or programs, and enable you to send them information relative to their interests. When they know what's in it for them, they'll be more inclined to comply.

## Sample Questions:

### DEMOGRAPHIC-BASED QUESTIONS

- Within what age bracket do the majority of your customers fall?
- Which age group is most/least engaged?
- Where do most of your customers live?
- What is the primary income level of your customers?

### BEHAVIOR-BASED QUESTIONS

- Which products or services are customers most/least interested in?
- What are your customers' renewal rates?
- Are there any common behavioral attributes among your most frequent and/or profitable customers?

### EXAMPLES OF TOOLS

- Your Customer Relationship Management (CRM) system
- Your website/website forms

### RESOURCES

- Database Marketing: Know Your Customer<sup>18</sup>
- The four key types of customer data for marketing or... how valuable is knowing my customer's pet's name?<sup>19</sup>
- 8 Killer Web Form Builders for Your Site<sup>20</sup>

### PROS

- Keeping an up-to-date, centralized database is essential for creating targeted marketing campaigns

### CONS

- The quality of information you can extract from your database is only as good as the input
- Requires ongoing care and attention

# Sources

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