SHARPEN YOUR CUSTOMER FOCUS:
3 MISTAKES TO AVOID

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Like many CEOs, Larry Weinberg thought he knew his customer base – and was marketing to it correctly. His award-winning company, BOWA, which for 22 years has built and remodeled luxury homes in the Washington, D.C. area, considered its main customer the architects who were doing design work on a home and needed a builder’s help on the job. “Yet early last year,” says Weinberg “we realized we were marketing to the wrong people.”

BOWA is far from alone. In advising growth companies, I’ve found that there are three mistakes business leaders make when thinking about their customer: failing to properly define their core customer; misusing the term internal customer; and failing to understand how well-informed customers are these days.

It’s not surprising. The word customer is one of the most overused terms in the business world –yet one of the least understood. Avoiding and overcoming the mistakes I’ve identified is the key to keeping your business growing. As BOWA found out, correcting even a single one of them can have a positive impact on the company.

**THE CORE CUSTOMER**

With the recession placing pressure on his industry, Weinberg brought in Bob Bloom, author of two must-read books – *The Inside Advantage*, which I consider the best how-to book ever written.
on customer/product strategy, and The New Experts, which succintly describes the only four points at which you have a chance of gaining customer preference in a crowded marketplace.

Bloom pounds hard on the notion that you must first clearly define what he calls the “core customer” – a definition that goes beyond simple demographics (i.e. “architects of luxury homes in the DC region”).

Bloom helped BOWA to see that its core customer is “a successful couple looking to transform their family’s home without fear or regret.” It’s important to note that the definition includes the emotions of the target customer. He then pushed them to design and direct their messaging to address this targeted market.

Since then, Weinberg and co-founder Josh Baker have reshaped their marketing to reach these successful couples. The company has embraced creative new marketing approaches, such as throwing big parties in clients’ homes when a job is completed to foster word-of-mouth referrals; optimizing its website to come up higher in search engines for terms like “remodeling,” “rebuilding” and “home transformations;” and using social media to spread the word about what it does.

“Our message was obscure,” Weinberg says in retrospect. “Once we defined who our core client is and what our best offering is, we focused on that message over and over again. Result: “Our fourth quarter leads are up 30 %,” says Weinberg.

My firm, Gazelles, faced a similar challenge. For years we defined our customer as executives of growth firms between $ 5 million and $ 500 million in revenue. It was Bloom who also guided my team in discovering that our core customer is a senior executive of a growth firm fitting the demographic description above, but who is also an avid reader/learner. This key insight has subsequently helped us drive all our marketing and branding activities.
THE "INTERNAL CUSTOMER" DOESN’T EXIST

The second mistake is adopting the idea of an “internal customer.” The word customer must be held sacred and reserved for the end user of your product or service.

Call everyone else between you and the customer what they are: distributors, purchasing agents, decision-makers, sales support – but don’t refer to them as a customer. Otherwise, the entire organization begins to lose focus on the reason you’re in business in the first place.

It’s particularly dangerous when team members in one functional area of the business start referring to those in another as their “internal customers.” Before long, everyone is happily serving each other internally and the all-important core customer’s needs get lost in a buzz of self-serving activity.

For BOWA, seeing architects as a referral source or distributor of their services is a much healthier way to view their role. Internally, every BOWA employee must remain focused on how they can help core customers – those who are remodeling or building a home – avoid fears and regrets about these projects.

THE NEW EXPERTS

The third mistake is underestimating the power of the customer. In the past, sellers had more information, and thus more power, than buyers. Then, wham!, the internet came along. Suddenly, consumers came to transactions with a great deal of information about a product or service that they didn’t have before – including where to get the best prices.

“The whole buying relationship has shifted,” says Bloom, whose
latest book *The New Experts* addresses this new reality. In this new world, companies have to make sure they capture customers at four decisive moments or risk losing them forever, Bloom says. These moments include: your first brief contact with a prospect; the lengthy transaction process; your customer’s continued usage; and upon their repeat purchase, advocacy and referral.

Each moment is crucial. For instance, if a customer calls your company and gets put on hold for a long time, she may hang up – and go elsewhere, permanently. “The customer is now in charge,” says Bloom. The future belongs to companies that show they recognize this in every aspect of how they do business.

Read both of Bloom’s books and then sharpen your focus.