

Understanding Market, Customer & Competition – eBook



Author

Dr. Sachin Mohan Bhide
Strategy Designer & Founder of Eha Management Consultancy
+919823038828
sachin@ehamanagementconsultancy.com

Publisher

Eha Management Consultancy
– Your First Class Strategy Designer
<http://www.ehamanagementconsultancy.com/>

Contents

Understanding your market	3
Understanding your customer	5
What is customer education?	5
Need	6
Characteristics of customer education	7
C – Clarify	8
U – Unlearn	8
S – Specific	8
T – Timely education	8
O – Objective	9
M – Medium	9
E – Effective	10
E – Education	10
D – Delicate	11
U – Utility	11
C – Careful	12
A – Aware	12
T – Technology	13
I – Impeccable	13
O – Optimistic	13
N – Neutral	14
Delivery mechanism	14
Understanding your competition	16
You will observe that understanding competition is analysing different permutations and combinations of the above mentioned parameters.	16

Understanding your market

Meaning of 'marketing' for a common person is literally 'going to market'. Even if somebody goes to market for buying vegetables, they say she has gone for marketing! For an entrepreneur, it is much more than going to market. It is going to market with suitable product/service which has a need.

It is important for you to understand your market. Otherwise, in spite of a good product/service your marketing efforts can fail.

You will need to answer following questions to know your market.

1. What is the market size?
2. What's the market location?
3. Which factors influence your market?

This is a tricky question to answer. For somebody selling packaged drinking water ideally everybody is a customer and hence the entire world is the market. This analysis is not correct. Those who have capacity or inclination or any other need to for packaged drinking water will only buy such water. You can process and bottle such water at particular cost. Hence, there is a limitation on how much transportation and carrying cost you can incur. Hence although you are willing to sell it anywhere in the world, it's not practical to do that.

So what you do is focus on market where it is cost effective for you to sell packaged drinking water. That's why you will observe there are regional brands in packaged drinking water.

There are some locations where there is a scarcity of drinking water. In such locations, people daily by drinking water. There isn't much research required to identify it as a potential market. There can be many such factors you can identify which defines your market.

If you are just starting your business, you need to clearly understand the market you want to serve. If you are in business for many years, you will have to recalibrate your market. If you want to scale up your business to new heights, you will have to identify newer markets.

Remember that in identifying your market you have to achieve fine balance between cost and opportunity.

Understanding your customer

Today, it is not only important to just understand your customer but to educate them!

What is customer education?

Do you know how to eat Oreo biscuit? – Twist, lick, and dunk! Neera shop – They sell neera a type of coconut water. If you go to a shop who sells neera, that small shop will also display list of 10 benefits of drinking



Source - www.netedge.co.in

neera. This is nothing but customer education. For any product or service like TV, mobile, bank do you find that we have many choices than we had earlier? Go to a shop and you will have many options, if you check online then you will have far more options. In the end, it is difficult to choose from so many options!

Imagine a situation where we are telling our prospective customer which product to buy and why? A mobile handset manufacturer will need to inform about battery capacity. If you have a separate mobile device for a game lover, for a business owner, you have to educate customers to buy relevant handset. In short, if you are not educating your customer then your competitors will! Travel industry uses customer education marketing strategy.

Travel companies give full page advertisements in newspaper. They will take one destination, write one article on that. Travel companies have also observed that there is tremendous opportunity to educate customer. Do you know which the cheapest



day in a week is? – Wednesday. Who told you this? – Big Bazaar! This can happen because companies are continuously educating us.

Need

Why is there a need for customer education? There is a need for customer education because customers can select our product/service from the range of options available to them. Many a times there is a dilemma as to why to educate our competitors also since they have easy access to our content. When we are creating customer education on how to select a laptop computer, we are also educating our competitors. What's ring with that? Why to invest in customer education when we can directly talk to our prospective customer? If you observe, this is the exact difference between marketing and selling. Marketing is kind of airplane view – long term, 35,000 feet above sea level. Sales function is like a helicopter view along with foot soldiers. Hence, customer education is a 'marketing' strategy and not 'sales' strategy.

Marketing is like thinking what will happen in future. So that companies know where customer is moving, where is our product and how we can start a journey which is most effective so that we can help our customers to get right kind of product! *'Daag acche hote hai'*



Source: www.surfexcel.in

(Hindi) which is 'stains are good' was an advertisement campaign by a detergent brand to communicate that when there are stains on your cloth, don't worry, with our detergent, you can easily clean it!

I think Mahatma Gandhi had never said we want independence. He identified campaigns in activities like cleanliness, using *charkha*, etc. to educate people to trigger team movement towards achieving freedom for India.

Characteristics of customer education

Let me explain the characteristics of customer education in mnemonics form.

CUSTOMER

C – Clarify

U – Unlearn

S – Specific

T – Timely

O – Objective

M – Medium

E – Effective

R – Reach

EDUCATION

E – Easy

D – Delicate

U – Utility

C – Careful

A – Aware

T – Technology

I – Impeccable

O – Optimistic

N – Neutral

C – Clarify

You may have observed that customers repeatedly ask same questions. You may have created a question and answer list. That is one way of education. Imagine you have a readymade list and you are communicating through various mediums like blog, video, etc. You should clarify doubts of your existing and prospective customers through education.

U – Unlearn

‘Made in India’ is a known term, but India’s Prime Minister created a campaign called ‘Make in India’! So now we have unlearned ‘Made in India’ to ‘Make in India’ through consistent educational efforts. Through your educational content, you will have to help your customer to unlearn!

S – Specific

Customer education that we are trying to achieve should be specific. If we try to answer all the frequently asked questions in one go then it will not be absorbed. Imagine a prospective customer is evaluating which product to buy. Then he would need specific answers. You should provide details product wise like its cost, its make, etc.

T – Timely education

Context is changing, age group is changing, and way in which our product is handled is changing. We need to make changes timely if we lose the time gap we would be in trouble. From 1st to 12th of October 2014 if you buy

anything from Future Group you will get bonus rewards. This offer was timely and it ended before *Diwali*. Such type of communication is timely and is not there for a long time. If it is not done on time like when people have money then it will not work out!

O – Objective

We should have a specific objective while educating customers which they will remember. An advertisement would always focus on particular angle of that product. For an objective you explore multiple options. Based on analysis of customer rejection you can find that some customers reject your product/ service based on some parameter. If you are able to observe the reason that can be number one objective of your educational content. Making your customers aware of product/service differentiation can be an important objective.

M – Medium

This is where many companies make a mistake! Some companies may think that online is very easy medium but it is not. Yes, it is very is to publish your content but it is difficult to make sure that it reaches your target audience. It takes a lot of investment to do Search Engine Optimization, blog writing, social media, etc. In offline, you can give advertisements in newspaper, magazine, and conduct events. If we choose right medium it is comparatively easy to deliver our message. If the medium is not right then we may not achieve the result. The young generation watches most of the TV programs on YouTube. If your target is this young generation, it makes more sense to advertise on YouTube instead of TV.

E – Effective

Now you must be wondering how we can have effective customer education program. We can identify effectiveness by measuring parameters like product awareness, etc. the customer education program should be measurable. If efforts are not effective you can immediately find that out. All this customer education should reach target audience. The target audience can be decision makers, influencers, etc. If your prospective customers are not reading your blog then there is a problem. I have observed that many bloggers just publish the blog and forget about pushing it to the target audience. You can do that by delivering it through Email Marketing System. Nobody would read it unless you directly deliver to their email inbox. I believe Email Marketing System is a good way to reach our customers. The reach is important because if the content is not reaching the target audience then it is of no use!

E – Education

Make decision making easy for customer when they are evaluating alternatives products/services. Educate them on a single point at a time. The educational point should be easy to understand and easy for you to develop it also. Nothing complex is required. Today's skill development should happen from marketing so that more and more customers are educated to such a level that they would automatically think of us and not anyone else. Just think about this question and answer yourself – Which is the best mobile handset available today which everybody aspires to own one?

D – Delicate

At a particular forum I had offered them one hour of free consultation time to their members. One person gave me a particular time for appointment. When I reached the venue at exact time, the person was not there. So I called her, she said 'Right now I am exactly on the other side of the city. Have you already reached the venue?' Based on this experience I decided to write a blog which was very uncomfortable for me to write but I still wrote – 'Do you value your time?' which available at <http://goo.gl/Y7jknQ> I wrote about why I adhere to time, what are the rules I follow, etc. So that from my tomorrow's customer, someone will tell me that I have read your blog about time and I have come on time!

Likewise you can also have delicate issues in spite of your product/service being good. This is people and not product problem. Directly talking about it would be offending. But there could be many ways in which we can handle it and try to put bell around the cat's neck. There would be some delicate topics which you will have to handle they are difficult but not impossible.

U – Utility

Each topic on customer education should have utility. I wrote a blog on '8 Characteristics of unbeatable website design' available at <http://goo.gl/Bj3OCy> and today my customer sends that blog to their website developer. Such content has lifelong utility. It can be referred again and again. Some points would be outdated but majority of the points can be referred for a lifetime. So content you create should have maximum utility.

This is not the job of only marketing team but entire organization. This is integrated marketing.

In integrated marketing system everybody in the company markets. Through integrated marketing one company has reached a different level than from where they started – IBM. They integrated their marketing efforts, their service delivery, and customer support. Everyone continuously tried to be a good marketer instead of a good supporter, good executive, and good technical problem solver. Give good service, maintain good relationship and help each other. I am not telling something new, but companies have found their own way to deal with integrated marketing system. So utility is one way where you can use same content repeatedly.

C – Careful

Be careful while selecting the customer education topic. You may have observed in Food Factory show on Discovery Channel, the companies will always avoid showing the secret ingredients. Make sure that you are careful while educating on your trade/business secret.

A – Aware

Make the decision maker or stake holders are aware of the issues in your product/service. It should not be a case that all those who we educate should be our customers. Each inquiry converts into an order is only a dream! So you can make customers aware that around next holiday season there will be limited customer support available, etc.

T – Technology

Sometimes I get reply to my email on WhatsApp! My aunt who is paediatrician gets medical reports on WhatsApp when she is travelling. After checking the reports, she advises the doctor available in the hospital on critical patients. The other day somebody told me about heart surgeons sharing photos in a live heart surgery to take expert opinion! Technology changes the way we work. We should be keeping a continuous check on technology and identify what different technology we can use like SMS, WhatsApp, email, blog, mobile apps, etc. You will need to find out which technology is effective for your customer education content. Identify technology which your customer uses customers and is comfortable with. Don't focus on technology which is comfortable to you/your supplier, etc.

I – Impeccable

Whatever content we are developing even if it is single slide it should be impeccable – error free. Competitors should think why their content isn't anywhere near your content standard? It can be a one page document or presentation but it should be so impeccable that everyone would like to copy!

O – Optimistic

You should have optimistic view in case you want to use customer education as a marketing strategy. There are no immediate returns on your investment immediately. Customer education as a marketing strategy is like weight loss program. In a weight loss program you can have option of either to do it in an organic or inorganic way. In organic, the focus is on exercise, diet

control, etc. In inorganic way, the focus is on short cuts like taking some powder for weight reduction or doing liposuction, etc. Organic is an option for those who believe in long term. Developing content for customer education is not an easy job, so you have to be optimistic!

N – Neutral

Stay neutral on some issues like quality, price which are relative concepts. Some customers will always look for cheap products, some may always look for expensive products, etc. Quality is also a relative term. A service which you find has a good quality may not match my standards of quality. Through our customer education content, we should not say buy my product/service. Just be neutral, let the customer decide. This is all about customer education.

Delivery mechanism

1. Develop customer education calendar

If you plan for a year identify a theme for each month and bifurcate it in 4 topics. Assign one topic for every week. If you identify these topics say 3 or 6 months in advance then content development will happen. Ideas for these can come from sales, marketing, customer support, finance.

2. Actual content development

You can develop content in-house or hire a content developer or you can outsource it to a supplier. You are the best judge to identify you will develop content, how much is your budget, etc. Just make sure that the content is delivered on time. If you have a system that every

week the content should go out before the week is closed. Then it would be developed.

3. System

Develop your own system for customer education. Identify the elements of the customer education system. Create structure, assign tasks, and deliver.

Understanding your competition

If you are in business where there is no competition at all, be careful, there are chances that you are in wrong business. When you have a competition, the best thing to do is learn from it and continuously monitor it.

Initiate competition analysis based on following parameters. I will recommend you to analyse your four important competitors.

1. In some businesses competition changes once you change the geographic location. The primary parameter for your competition analysis should be location.
2. Identify top strengths of your competitors.
3. Identify top weaknesses of your competitors.
4. Identify pricing of the competitors.
5. Explore what marketing activities competitors are doing.
6. Examine reliability of your competitor's products/services.
7. Evaluate reputation of your competitors.

You will observe that understanding competition is analysing different permutations and combinations of the above mentioned parameters.