# Digging For Gold: Identifying Your Ideal Customer

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Your company's success depends on how well you understand your customers. Markets are broad and diverse. Unfortunately, entrepreneurs often make the mistake of not narrowing down their market to their ideal customers. As a result, they end up with dissatisfied, complaining customers instead of loyal customers that sustain a business.

It may help to view this critical activity as something like the process of hunting for gold years ago. Gold diggers first had to spend time prospecting to identify where the location of the gold. As an entrepreneur, when you find your company's treasure of ideal customers, you will know the prospecting and digging was worth the time and effort.

So how do your ideal customers differ from the rest of the market? Here are their primary characteristics:

1. They face a challenge or have a problem that needs to be solved, and your product or service provides them exactly what they need or want to solve the problem.

2. They buy from you instead of your competitors because your company helps them succeed in their personal, professional, or financial goals.

3. Often, they get even more value from your company than just solving their problem.

# Exhibit A: Singer sewing machines

The Singer Corporation became a tremendous market leader in sewing machines because Singer figured out who their ideal customers were and understood what they wanted. He was an inventor who redesigned the sewing machine so it could replace sewing by hand: A seamstress could sew 40 stitches per minute, but the sewing machine could sew 900 stitches per minute.

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Singer assessed the market and determined that the ideal customers were not commercial sewing businesses but, rather, women who sewed clothes at home for their families. Those women had a problem: There were financial benefits of sewing clothes at home rather than purchasing them from retail stores, but it took too much time to sew by hand. Singer solved their problem. Instead of spending 14 hours to hand-sew a man’s shirt, they could do it in a little over one hour by machine. And the needles and thread did not break.

The women also gained additional value beyond the solution to their problems. They could use the time saved to accomplish personal goals or be diligent in other tasks. The company also helped customers benefit financially when it offered credit and installment plans. Over time, the sewing machines even became a status symbol.

# Identify and analyze your ideal customers

Analyzing a potential new market takes time, but it is essential to avoid failure. Create a profile of your ideal customers, focusing on three dimensions:

1. Demographic information

2. Psychographic information
3. Decision-making information

Some common aspects of demographic information include age or age range, gender, education level, income level, nationality, family information, geographical location. It also provides job information such as industry, organization, and functional role.

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In gathering customers’ psychographic information, ask about their values, preferences, and interests. Do they have a particular lifestyle? What are their attitudes and opinions? What about affiliations? What frustrates them? What personal or career goals do they want to accomplish? What is most important to them? And what is their sense of urgency about the problem or challenge they face?

Finally, make sure you understand the criteria they use in making decisions and purchasing transactions.

Once you know who your ideal customers are, you should develop a profile on your ideal customers. You can assess your potential for success in helping them succeed in their goals by answering the following questions:

1. Since the customers want to transform or change something about their lives, how will your product or service provide value and benefits in achieving that goal?

2. Is the value your company offers something that will surpass their expectations?

Next, you are ready to take a deep dive into your services or products to develop a unique branding promise about what your company offers to help the customers change their lives as they desire. Keep in mind that your customers have emotions

tied to their goals and the problems they want to solve.

Look at your products and services through the eyes of your customer’s feelings about what is important to them. Your branding message needs to convey that you care about their needs and desires. For example, does your company provide customers a unique experience? Your branding needs to express that through words such as “exclusive,” “only,” “rare”, or “unequaled.”

Will they feel more worthwhile and successful? Make sure your branding conveys messages like “you deserve” or “you are worth it” or “lifestyle.” Use words like “successful people,” “trusted by,” “impact,” “high performing,” or “intelligent.”

Will your product or service change people’s perceptions of your customers? Use words such as “cool people,” “popular,” “values”, or “memorable.” How does your offering align with their decision-making style and buying criteria? Words like “now,” “long life,” “impact,” “unlimited,” and “guaranteed” should be part of your branding promise.

## Adapt to changes

Profiling your ideal customers is not a one-and-done activity. It would be best if you kept a pulse on how your customers’ demographics change over time. As those factors evolve, their needs and desires will change, and new problems will emerge. To retain their loyalty, your company must adjust and adapt your products or services to provide a solution for the unique issues and address changing needs.

Whether you conduct surveys, interviews, or conduct other research to identify and profile your ideal customers, it’s a time-consuming effort. But the value is incomparable if you take the time to narrow down your market to focus on ideal customers who will sustain your business.

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