

Principle 29

Segmenting Your Customer List

*It allows you to focus
on opportunities*

Speaking of your list, it can be organised in many ways, such as by active customers, high spending customers, recently inactive customers, lapsed customers and more. Your lists can also be segmented by average amount of purchase, or type of purchase made. Again, it's modern software to the rescue. Ask your software dealer for a program that will not only store your customer data, but allow you to easily and effortlessly examine the information from multiple angles at the stroke of a few keys.

"Massaging" your customer data can help you find trends, spot buying patterns and make you see opportunities for more sales you may not have ever thought of before. When it comes to manipulating customer data, knowledge is truly power. I don't mean to make this sound sinister - anything but.

Another important aspect of customer segmentation is in the way that you can use it for strategically building your business. Here's what I mean...

A medium sized accountancy firm with a staff of around twelve was having some difficulty growing. One of their main stumbling blocks was that they couldn't take on any more clients because the two partners were finding it difficult to provide a quality service with the large clientele they already had. The answer was to segment the customers into three lists: A, B and C. 'A's' were the largest fee earners, 'B's' were next in line, that also showed growth potential and the 'C's' were small businesses and low fee earners.

As a result of this simple segmentation, a strategy was formulated for the partners to concentrate on 'A' clients - where the big money was and 'B's'

and 'C's' were managed by staff who became account specialists, devoted to these clients. Suddenly the partners had more productive time available and the business could increase its client base enormously.



The purpose of your customer data and the patterns it reveals furthers your goal of finding out what people like and want, providing it for them, making them happy, while you increase your opportunity to make more sales.

