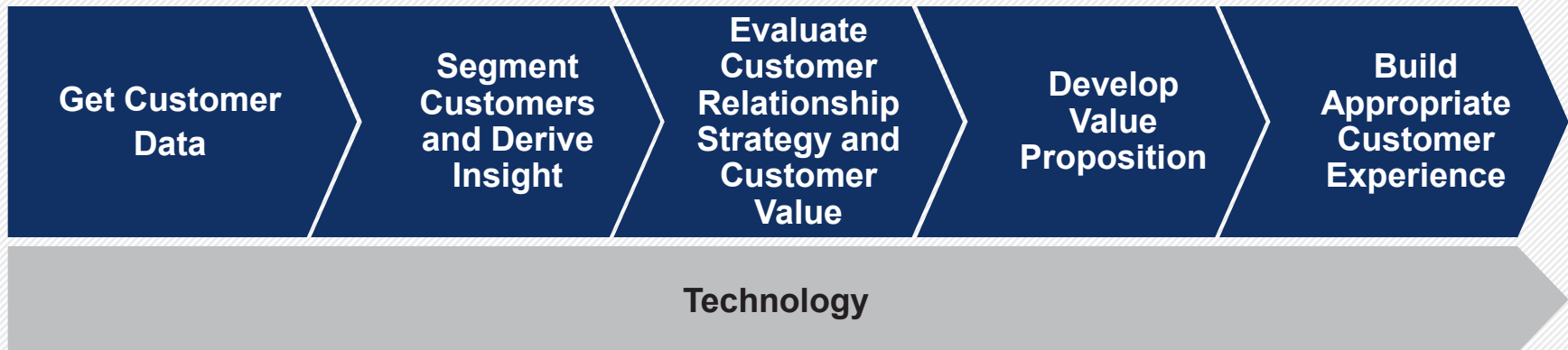


Introduction to

A close-up photograph of a hand holding a cluster of fresh raspberries. The hand is positioned in the lower right quadrant of the frame, with the fingers gently cupping the fruit. The raspberries are vibrant red and appear to be in focus. The background is a soft, out-of-focus bokeh of warm, golden light, creating a pleasant and inviting atmosphere. The overall composition is clean and professional, suitable for a business presentation.

CUSTOMER ANALYSIS

Introduction to Customer Analysis



The objectives of this article are to give an introduction to our consulting approach to customer analysis

Presentation Overview

In this Article, we introduce a 5-phase approach to Customer

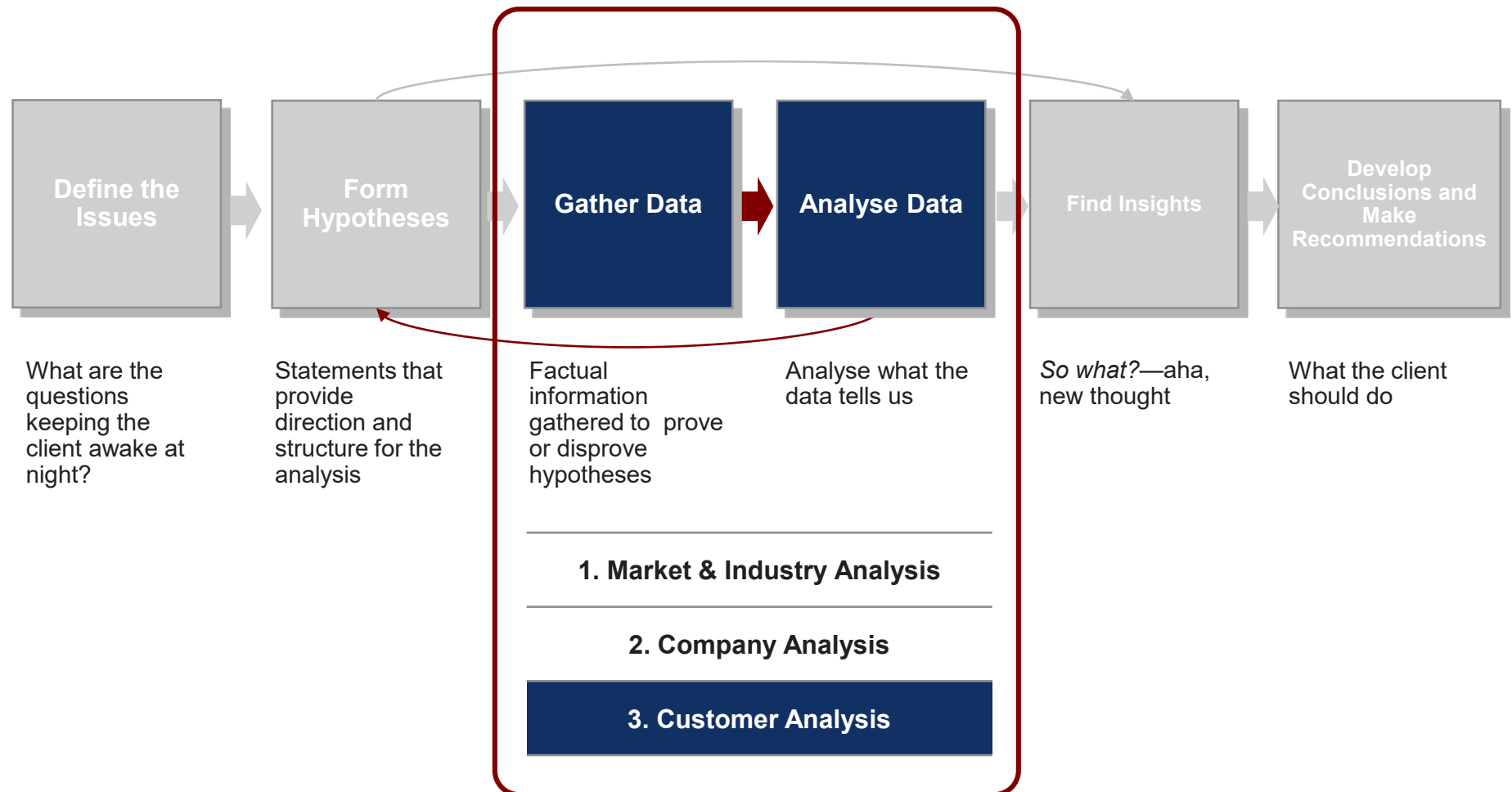
Analysis: ■ Get Customer Data

- Segment Customers and Derive Insight
- Evaluate Customer Relationship Strategy and Customer Value
- Develop Value Proposition
- Build Approach Customer Experience

This presentation will focus on the first phase: Get Customer Data. Topics include the types of data (primary vs. secondary), data collection tools, and segmentation types.

Customer analysis is a key part of the data gathering and analysis phase of problem solving

Management Consulting Problem Solving Process



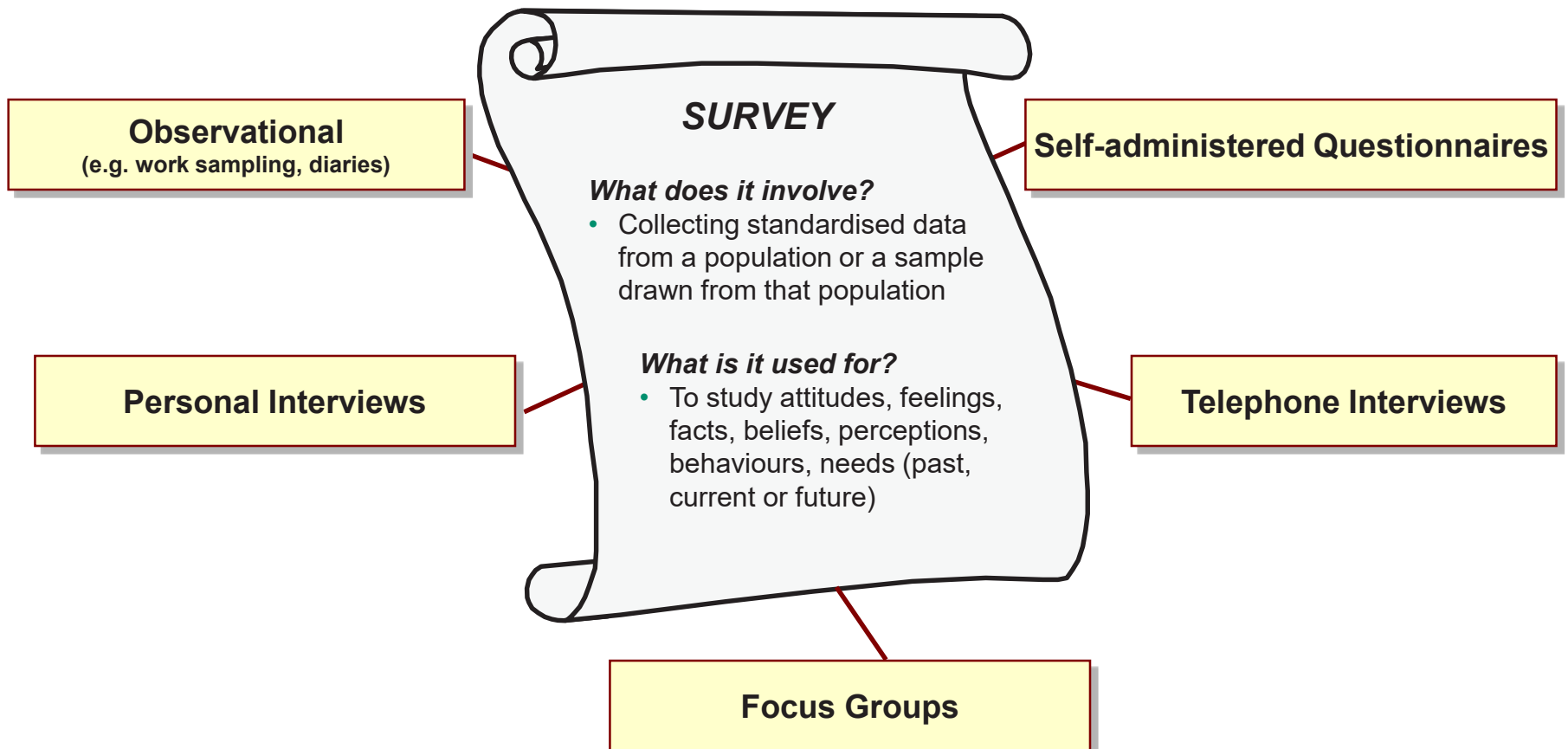
Our approach to customer analysis focuses on creative analysis and technology to add value

Customer Analysis Approach



There are a number of options for gathering primary customer data

Data Collection



Secondary data is also useful to give a rapid insight

Secondary Data – Advantages & Limitations



Advantages

- **Provides a rapid insight into markets: useful when conducting in-depth interviews**
- **If available, can provide a cost-effective insight into markets and companies**

Limitations

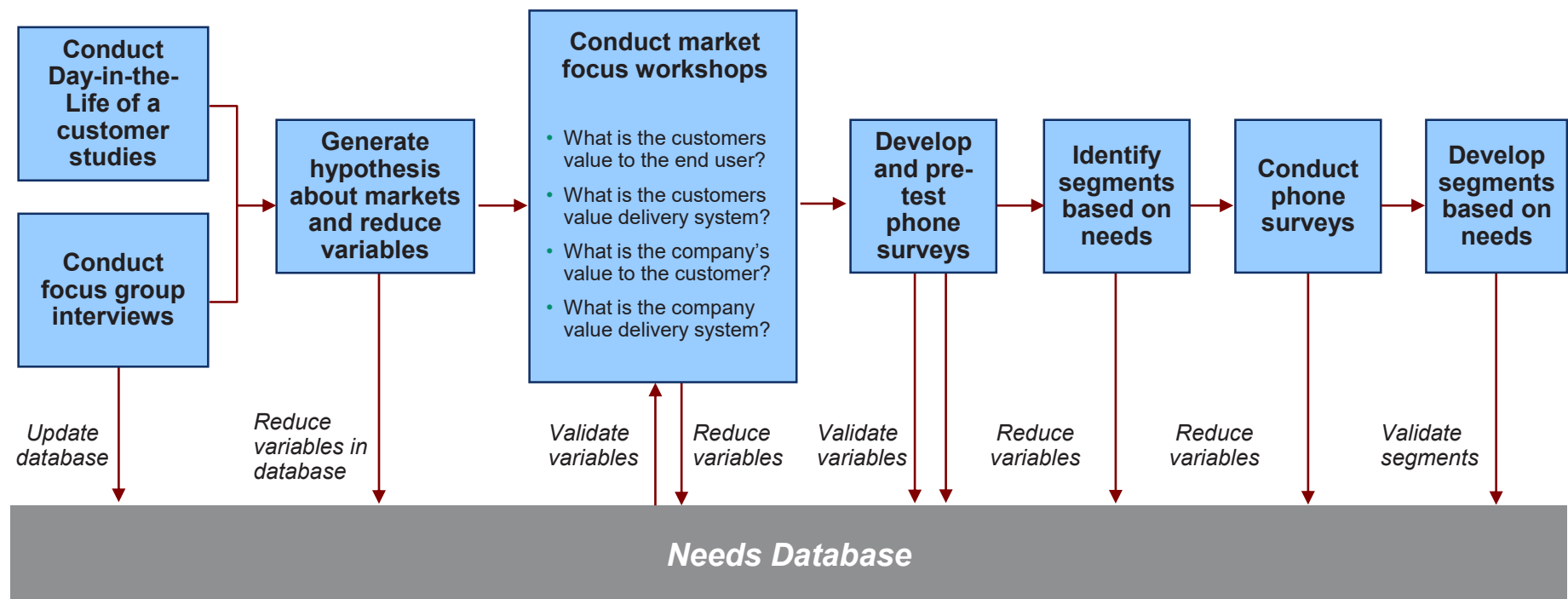
- **Not always accurate:**
 - Can be out of date
 - Not always based on full understanding of market

Different techniques are often combined to gain a more robust understanding of needs

Types of Segmentation



Example of Process Followed to Deliver Needs Based Segmentation



Financial analysis consists of understanding a company's financial performance, over time and against its peers

Primary Data Collection Tools – Advantages and Disadvantages



QUESTIONNAIRES

Advantages:

- Low cost of data collection
- Low cost of processing
- Anonymity
- Can get at feelings/attitudes/beliefs
- Avoid interview bias
- Ability to reach respondents in wide geographic locations
- Can get a large number of respondents

Disadvantages:

- Low response rate and consequent biases
- May not be answered by right person
- May skip difficult questions
- Cannot probe, correct misunderstandings, offer explanations
- Unsuitable for certain respondents (e.g. with poor literacy, language problems)

INTERVIEWS

Advantages:

- Good for motivating respondent and building rapport
- Follow-up
- Can adapt interview to situation
- Good for handling complex topics
- Can use probes

Disadvantages:

- Expensive and time-consuming to administer
- Social desirability bias (i.e. respondent may not express extreme or socially unacceptable views)
- Interviewer bias
- Difficulties with sensitive topics

OBSERVATIONS

Advantages:

- Can observe real behavior rather than perception of behavior

Disadvantages:

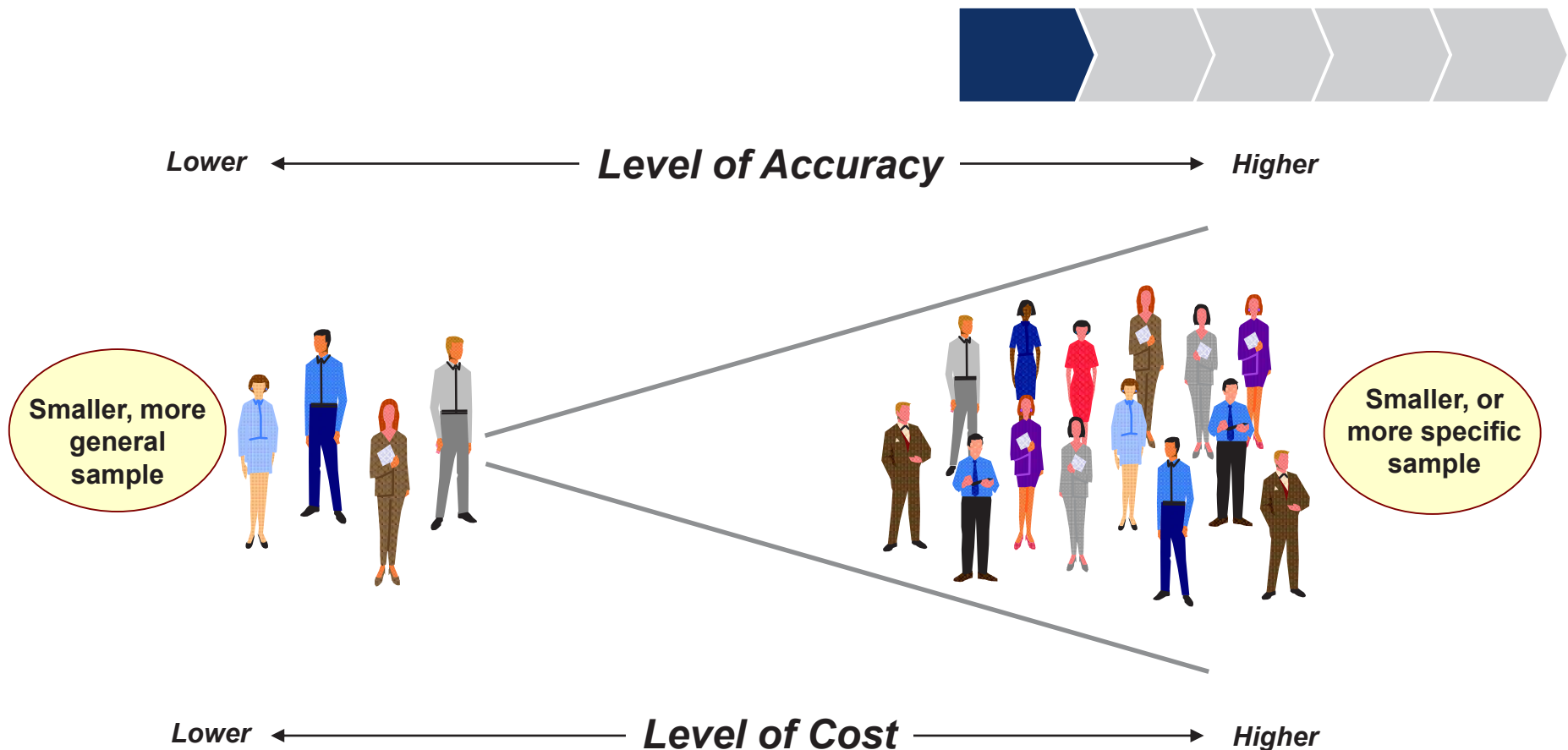
- Cannot observe perceptions, feelings, etc.
- Observer may be biased, assume the reason for actions that he observed
- Resource intensive
- Subjects may disagree to being observed

A good questionnaire is extremely difficult to develop... and takes several drafts



- **Does the questionnaire measure what it is supposed to measure?**
 - e.g. Is the relationship between variables genuine, or could there be another explanation (internal validity)?
- **A measure of consistency—will the same measure yield the same results on different occasions?**
 - e.g. Does the questionnaire obtain the same results with the same person on different occasions?
 - e.g. Is your sample size large enough?
- **Does the research protect the welfare of the subjects?**
 - e.g. Do the questions asked, methods used to obtain answers, procedures used to choose subjects, the way subjects are treated, or uses to which the data is put generate any cause for concern?

Selecting your sample population is an important step which must be discussed with the client



You do not want your client to reject your final recommendations because they were based on an "unrepresentative" sample!

