

## **The Importance of Buyer Behaviour Analysis**

These days, it is crucial to be one step ahead of your competitors at all times. One of the most important marketing tactics that an organization can use to get ahead is to know their potential customers better than anyone else – what marketers call Buyer Behaviour.

Buyer Behaviour is simply the study of how people buy, what they buy, when they buy and why they buy. However, before you can start figuring out your Buyers' Behaviour, you must determine which market segments you will be focusing on. To steal a line from the real estate industry, the three most important things in marketing are segmentation, segmentation and... segmentation.

With a crisply defined segment it is now possible to start the research. It must be done segment by segment – trying to conduct an analysis across a random set of companies won't work.

We have found that within a particular market segment the buying habits and characteristics are very similar across all firms within that segment. (The reason this holds true is that most people who move from company to company tend to move around in the same market segment.)

Next you need to identify a representative sample of potential buyers in the target segment. These should be various types of buyers including financial, technical and people who would be impacted by the products or services the firm may purchase.

The big challenge is to actually connect real-time with the targeted individuals. This should be done on a peer-to-peer basis to ask them what internal processes they would go through in order to buy a particular product or service. You should ask about the needs/wants/problems they have as well as other issues that you want to address.

It is important to note that these are not surveys but rather guided conversations that cover the range of issues you may be interested in. (Senior people will not invest the time in a one-way information extraction.) This process can also be used to complete a 'lost sales' analysis.

If we find we are getting the same answers from our sample (four or five different companies), then we are confident we are getting the right story. With experience conducting these guided conversations you'll be able to understand whether or not the responses received can be extrapolated across the entire segment or if further research is needed.

A challenge faced by companies conducting Buyer Behaviour studies internally is that the calls are almost always viewed as sales calls which makes it very difficult to reach the targeted individuals. The resulting information is typically biased and incomplete. Many individuals hold back some information so that, should your sales people come calling, they will have some ammunition left to negotiate with.

Sometimes it can be better to have an outside firm do the work because the interviewees tend to be more open, may be better able to connect with the buyers and the interviewers have no inherent bias.

Information gained through Buyer Behaviour analyses is tremendously useful in developing market positions, customer engagement models, promotional activity, feature sets and pricing plans. If you can improve your understanding of your market's problems, challenges and objectives then you'll be in a better position to delight them with your solutions.