
Overview

It is important to know who your customers are and what they need. This will help you to:

1. make sure you meet their needs so that they use your products or services
2. plan how to best market or sell your products or services
3. develop a customer service policy
4. review how successful your business is

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding a business or social enterprise
3. changing or adapting the products or services offered by your business or social enterprise
4. reviewing how successful your business or a social enterprise is

Checking what customers need involves:

1. deciding who your existing or potential customers are
2. collecting information on their needs
3. making sure that your business targets match your customers needs

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Check what customers need from your business

Performance criteria

You must be able to:

- P1 identify which part of the market, and which kind of customer, needs your business's products or services
- P2 find out what customers like about your business and its products or services
- P3 find out about how customers feel about other similar businesses, products or services
- P4 use reliable information about what your customers need
- P5 get the views of different types of customer
- P6 decide if you need to find out any further information and how you will get it
- P7 decide if your research has shown that there are opportunities to develop new products or services or approach new groups of customers
- P8 review what you have found out and match it with your businesses targets

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Knowledge and understanding

You need to know and understand:

Market Research

- K1 how your customers may be divided up (segmented) for example by:
 - K1.1 age
 - K1.2 occupation or social class, which is often linked to income (for example, professional, working-class or single-parent family)
 - K1.3 lifestyle or image (for example, caring, sophisticated or adventurous)
 - K1.4 buying habits (for example, always plans carefully, size of order or amount of customer loyalty)
 - K1.5 local neighbourhood or wider regions (for example, international, northern, southern or by postcode)
 - K1.6 benefits (for example, benefits provided by a café might be a quick snack rest during shopping, somewhere to meet, or a takeaway)
- K2 how you can find out what customers want
- K3 where you can get published information and how much it will cost you to get it
- K4 how to get and use feedback from new and existing customers
- K5 why some information is confidential and how you should deal with it
- K6 how to analyse markets and customer needs
- K7 ways of identifying and communicating with customers

Competitors

- K8 how you can find out what competitors are doing

Business Focus

- K9 why it is important to keep your business focused on the needs of your customers and how customer needs can influence the future of a business
- K10 how to match customer needs to business targets

Business Planning

- K11 how you can use customer needs in your business planning

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Additional Information

Links to other NOS

1. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
2. F4 Develop & review a framework for marketing
3. F9 Build your organisation\u2019s understanding of its market & customers
4. F10 Develop a customer focussed organisation
5. WB2 Plan how to let your customers know about your products or services
6. WB3 Plan how you will sell your products or services
7. WB11 Decide how you will treat your business customers
8. BD4 Carry out a review of your business

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