



5.1 Identifying and understanding customers

Flash cards



The importance of identifying customer needs

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- 1.Helps improve competition
- 2.Increases sales
- 3.Helps to select the best marketing mix
- 4.Avoids costly mistakes
5. Provides a product that customers will buy

Improvement in competitiveness if customer needs are met



A man in a dark suit and red tie is handing a pen to a woman in a pink sweater. They are in an office setting with large windows in the background. The man is on the left, and the woman is on the right. The background is slightly blurred, showing office furniture and a window with a view of the outdoors.

Improvement in competitiveness if customer needs are met

If needs are met customers will leave positive reviews. The business will gain a positive reputation. They will gain loyal customers, providing regular income. This has a positive spiral effect and the business will become better than their competitors.

A woman is shown from the chest up, holding several colorful shopping bags (yellow, pink, and teal) in both hands, raised above her head. She is wearing a white dress with a black vertical stripe and three white buttons. A black rounded rectangular box is overlaid on her chest, containing the text "Increase in sales" in white serif font. The background is a solid dark teal color.

Increase in sales



Increase in sales

If customers needs are met, they will be satisfied and they are likely to be loyal customers. This will help increase sales and also help spread a positive brand image. The positive brand image and good reviews will help increase sales further.

Product

Price

Helps to select best
marketing mix

Promotion





Helps to select best marketing mix

If a business is aware of the customers needs and expectations. They are therefore likely to be aware of the market. Because of their knowledge, they are likely to set the right price, offer the right product, promote using the best methods and ensure it is available at the right places. All these aspects will have a positive impact on the business.

Avoids costly mistakes



Avoids costly mistakes

Because the business is aware of the customers needs and expectations, they can meet them. They are less likely to produce a product that is not going to sell. They aren't going to set the wrong price or communicate in the wrong places. The business is less likely to make the wrong decisions, which could cause failure.

A photograph of two young women in a store, possibly a beauty or wellness shop. The woman on the left is wearing a dark brown sleeveless top and has her hair in a ponytail. The woman on the right is wearing a white long-sleeved shirt and blue jeans, with curly hair. They are both smiling and looking at each other. In the background, there are white shelves with various products and a decorative mirror. A black rounded rectangle with white text is overlaid on the image.

Provides a product that
customers will buy

A woman with dark hair in a ponytail, wearing a brown sleeveless top, is looking towards the right. In the background, another person is partially visible. The setting appears to be a retail store with shelves and a display case.

Provides a product that
customers will buy

Because the business knows the customers needs and expectations, they will meet them. They will produce a specific product that customers want to buy. This will ensure loyal customers and it will be easy to get new customers, due to their strong reputation.