

# PROFILE YOUR BEST CUSTOMERS

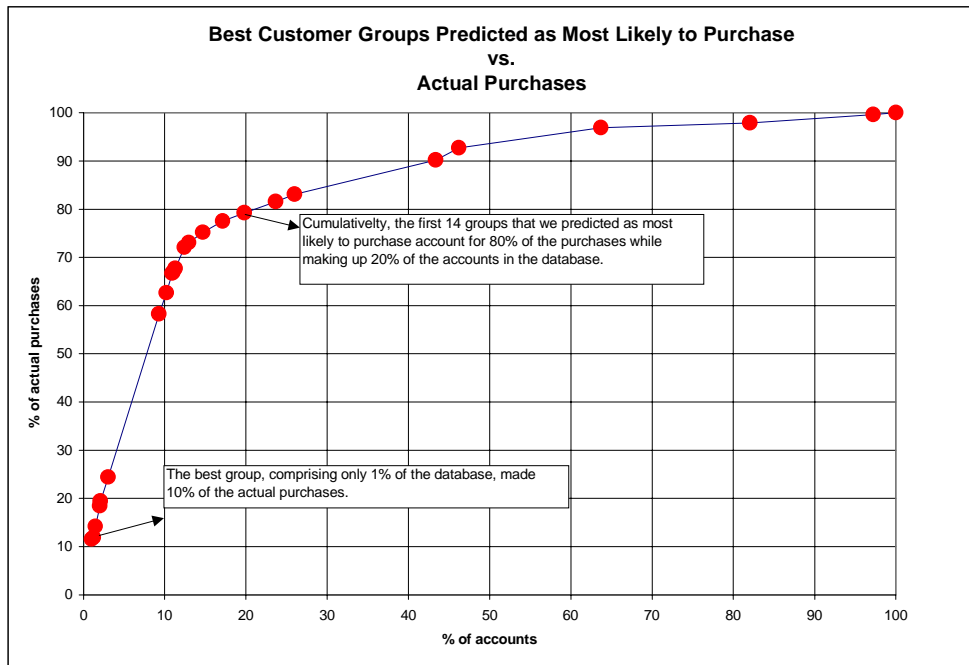
## TO FIND MORE LIKE THEM

In today's market conditions, meeting your sales goals is especially challenging. You not only have your competition, who wants to sell to the same accounts that you do, but also tough economic conditions which deter or slow down buying decisions. It is your job to identify alternatives which provide your company an extra edge in the marketplace and help you meet and exceed your goals.

Customer profiling is one of the tools that can help you realize these objectives. If done well, it can help you identify the common characteristics of your customers, so you can find more like them to sell *YOUR* products to. Customer profiling is powerful and we can prove that it works.

### Profiling Works!

The following graph is based on real data and shows actual results. Two years ago, we used profiling to help one of our clients identify the groups who historically had the highest purchasing rate for a specific digital color press. After developing the profiling model, we used it to predict who was most likely to purchase in the future. We recently reviewed two years worth of our actual purchase data to see whether our prediction was accurate. The results show that we were successful in identifying the high-buying groups correctly.



On the above graph, each dot along the line represents a group of accounts who share certain characteristics. The first dot represents the group we predicted as most likely to purchase. The second dot represents the second best group, and so on. If you had used this model (or the one we developed for your product using similar techniques), you would have identified 80% of the buyers by focusing on only 20% of the prospects.

### What Does This All Mean For You?

Profiling identifies prospects that are most likely to purchase your product in the future. Having this information allows you to focus attention on those accounts that have the highest probability of purchase. This can lead into dramatic:

- ❖ Cost savings – Focus your marketing programs to get the highest possible response and return on your marketing investment.
- ❖ Time savings – Get to the buyers sooner.
- ❖ Revenue enhancement – Immediately increase your sales revenues by focusing on accounts who are going to buy.
- ❖ Competitive advantage – Get there before your competition does.
- ❖ Competitive intelligence – Determine where your competition is successful by profiling the competitive installations.

## Who Can Benefit From This? How Can It Help Them?

Anyone in the sales and marketing team whose job is to sell more, or sell more efficiently. This includes the:

- ❖ Marketing executives, who are trying to design a better go-to-market strategy.
- ❖ Sales reps, who are trying to find where to close deals.
- ❖ Telemarketing team, who are trying to feed the sales force with more qualified leads.
- ❖ Direct marketing team (direct mail, seminars), who are trying to reach the right accounts to communicate message, increase awareness, and evoke interest.

## Why State Street? What Do We Do Differently? Why Is It Better?

There are several unique features in our approach, and we think these will give you an advantage. When we develop a customer profile for you, our models:

- ❖ Are based on a wealth of information about customers and prospects: We believe that an accurate profile is only possible with detailed information on past purchasing behavior, as well as on future prospects. Some profiling practices out there are limited to demographic information such as market segment and company size. Although we think these are important, they are not the only factors that determine a purchase. Our profiling is based on hundreds of different variables that we track in our database, including equipment configurations, type of work (applications, color mix) and purchase intentions.
- ❖ Not only describe but also distinguish: It is not enough to know what is common among the buyers. One needs to know what is different about them at the same time. Our methodology is based on not only describing the common characteristics of buyers, but also distinguishing them from non-buyers.
- ❖ Are both scientific and intuitive: When running our analyses, we use our more than 30 years of industry knowledge and intuition to interpret results. The models, in the end, need to make common sense or no one would ever believe or use them. Combining the quantitative analysis with a more qualitative approach is the only way to achieve that.
- ❖ Based on historic data: Another advantage State Street offers is its ability to use our database of historic data. This enables us to identify the characteristics of accounts before they made the purchase rather than just how they look today, after the purchase. This approach is considered to provide a much better predictive model.

## Our Work Plan:

When we develop a profile, we:

- ❖ Use our *Market Scanning Service™* Database to identify your, and your competitors', installations. (If requested, we can supplement this with your customer list.)
- ❖ Use statistical techniques and data mining tools, as well as intuition and industry knowledge, to compare and contrast the characteristics of these owners to the rest of the database.
- ❖ If requested, we can develop separate profiles for:
  - One or more of your product groups/models.
  - Your competitors' products.
  - Products installed within a certain time frame (E.g. last two years, last year, etc.).

## Typical Profiling Options and Costs:

- ❖ Initial profiling - One profile with descriptive statistics and CHAID analysis: \$25K
- ❖ Additional profiling – Up to two more profiles based on models, competitors, installation timing, or other criteria with descriptive statistics, CHAID and Discriminant Analysis: \$20K

## Potential Follow-On Work:

- ❖ Identify accounts that meet the profile and acquire account details on them.
- ❖ Use the profile to rank and rate accounts in your database.

## Contact Information:

If you would like to take advantage of this powerful tool at State Street Consultants, or to learn more about profiling and how it can help your organization, please contact us at 617.482.1234.

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