



BRIEF

Ideal Customers

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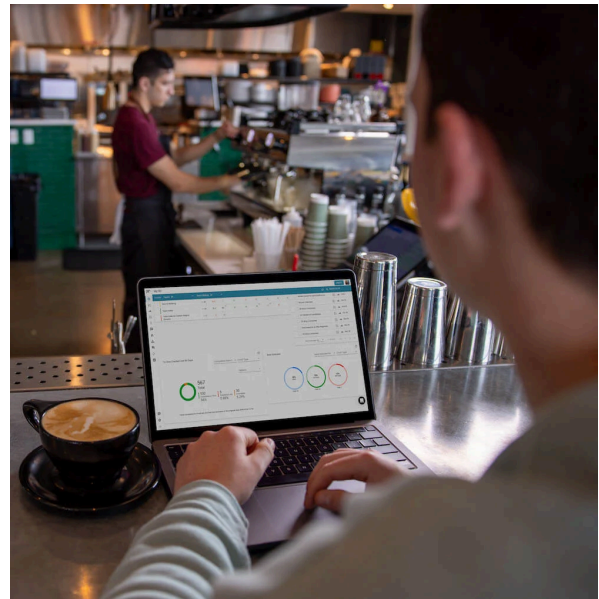
Introduction

We can't exist without our customers. Since our relationship with them will inevitably influence our company's future, we should be intentional about which customers we attract and retain. Customers are ideal when they embody a specific mix of geographic, demographic, and psychographic characteristics.

Some customers can hinder progress toward our goals by siphoning resources, frustrating our people, and potentially harming our brand. Ideal Customers, on the other hand, make our work worthwhile.

In the long term, finding Ideal Customers improves outcomes for all [Ideal Stakeholders](#) by increasing an organization's ability to:

- Saturate deeper into a desired market
- Retain clients for repeated purchases or prolonged subscriptions
- Improve customer satisfaction and marketing efforts



Context

Early in their [Stages of Development](#), companies could be tempted to widen their scope to find clients. Companies typically welcome these less-than-ideal customers during the survival stage. Still, they may drain resources and distract or hinder the innovation needed to scale effectively and efficiently. For example, customers requesting features or products outside a company's vision could pull essential resources like time and money away from existing projects.

Just as a liquid will shape itself to fill its container, an organization's processes, systems, and leadership form the container for its resources and capital. Trying to shift directions for the sake of customers who aren't aligned with the company's ideal profile will inevitably lead to resources leaking away.

To identify Ideal Customers, organizations need to discover:

- Where they are – their **geographic** characteristics
- Who they are – their **demographic** characteristics
- What they want to gain or achieve – their **psychographic** characteristics

Today, our work has moved beyond our neighborhoods, zip codes, and cities. Many companies can provide goods and services across ever-increasing distances. However, expanding into new markets may not always be in the company's best interest. When the **geography** of a company's Ideal Customer is not clearly defined, the company could hemorrhage resources trying to reach too wide of an audience.

To determine Ideal Customer **demographics**, an organization should nail down the specific size and industry of their business and the desired income level, age, or stage of a consumer's life. Data and analytics can help find the demographic information of existing customers.

What motivates our customers to choose us? Why do they choose us over a competitor? When we contemplate what our customers desire to gain, how they're motivated, and what their primary interests are, we're analyzing their **psychographics**.

EXAMPLE: ACE'S REAL ESTATE



Ace's Real Estate operates in Springfield, Illinois. Their Ideal Customers are first-time home buyers looking for builds from the early 2000s below \$400,000.



The ideal demographics for Ace's Real Estate include professionals moving from the city and young families with a median household income below \$200,000.



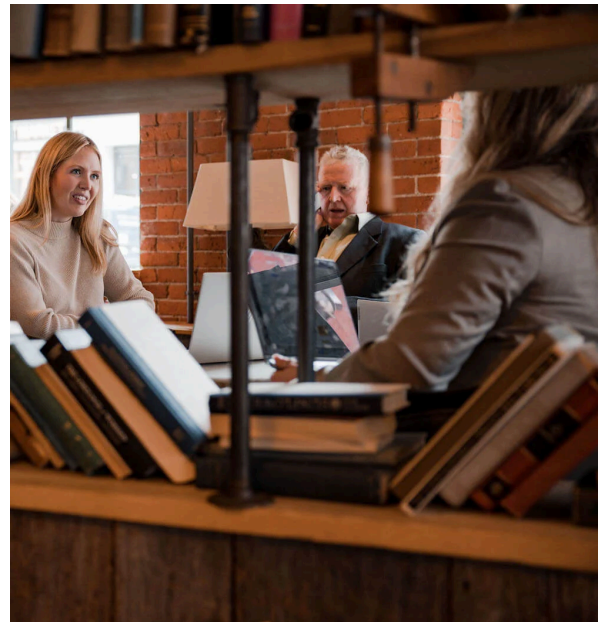
Ace stages their homes with young children and pets in mind — allowing their clients to better visualize what their lives in the home will look like upon purchasing.

“We don’t make money because we want to make money — we make money because someone values what we do.”

Compelling Value Proposition

Companies can’t be great at everything. Typically, a company excels at one of the following value propositions:

- Saving consumers money with the **lowest cost**
- Improving lives through **innovation**
- Creating ease of use by providing extraordinary **customer service**
- Offering a unique feeling by increasing a customer’s **status**



An organization’s [Compelling Value Proposition](#) (CVP) is its promise to its customers. We create departments, teams, and seats to fulfill the CVP and turn Ideal Customers into enthusiastic fans of the company’s products or services.

Embracing this strength and leveraging it is how we find, serve, and retain our Ideal Customers. Our marketing strategy needs to be hand in glove with our executed CVP to ensure that our clients are receiving the value they signed up for.

Core Disciplines of Ideal Customers

We create value for society by providing something that customers in the marketplace find worthwhile – not just by making a profit. Staying focused on appealing to our Ideal Customers takes discipline but yields an exponential return.

1. **Aim for 90% Ideal Customers.** The higher a company's percentage of Ideal Customers, the more efficient its business practices become. Building products, tools, and services for a target market helps streamline our marketing strategies and production goals.
2. **The Compelling Value Proposition is how we serve our Ideal Customers.** Our CVP becomes part of our brand identity – it's how we sell. Maximizing the benefit of a CVP requires discipline to create, build, and maintain its properties.
3. **Our brand's [commitments](#) and [Core Values](#) can attract Ideal Customers.** Especially in competitive industries, our customers look beyond our products to see what we stand for as an organization. That's why building and maintaining the integrity of our brand is so critical.
 - Are we trying to make life better?
 - Do we treat our team members well?
 - Do we give back to our community?

When our brand holds to commitments and values that make life better, we show that we're more than profiteers – we care about what we do and how our customers benefit from choosing us.

Hopefully Helpful Hints

We exist to serve our Ideal Customers.

We should always be working to build an organization that aligns its focus, resources, guiding principles, energies, and priorities around its Ideal Customers. Sometimes, this means anticipating their future needs and evolving the company to meet those needs. If we don't adapt to continue serving our Ideal Customers, someone else will.

When a company has an Ideal Customer properly profiled, attracting and retaining them becomes an intentional step in nearly every process.

Our Ninety platform helps companies outline their processes and make their Vision and marketing strategy available to the whole organization.

As the organization grows, so may the profile of the Ideal Customer.

Adaptation and expansion are inevitable with growth. As capacity, resources, and capital increase, the definition of our Ideal Customer may grow as well.

Takeaway

Identifying Ideal Customers involves knowing where they are (**geography**), who they are (**demographics**), and what motivates them (**psychographics**). Creating [high-trust](#), long-term relationships with our Ideal Customers aligns our focus and gives clarity to the entire organization.

Our Compelling Value Proposition is “how” we sell — lowest price, creative innovation, extraordinary service, or providing status to our customers.

With our “who” and “how” in alignment, we can continuously improve what we create to continue providing value to our Ideal Customers.

What’s next? Visit the [90u Library](#) or [try Ninety today](#).

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