

5.1.4: Customer Profiles

Learning Objectives

- Discuss the value of customer profiles in retail customer service

What is a customer?

When asked, most people understand what a customer is since virtually everyone on the planet, at one time or another, has the experience of purchasing goods or services from somebody else. Whether you are buying socks at a clothing store, eating at a restaurant, or streaming an online movie, the customer is, in fact, the very essence of retail. Customers can be defined into two distinct groups: internal and external.

Internal Customers

Internal customers are all the employees, vendors, and other stakeholders of a business. This concept, attributed to quality management expert Joseph M. Juran, was introduced in the late 1980s. Previously only those individuals or organizations who purchased goods or services were considered customers. Today we view customers as those who shop in store, buy products, etc. as external customers. In retail, when we focus on “internal customers,” we’re examining the relationships with people who support our “external customers.”

What is the motivation to take care of internal customers?

[W. Marriott](#), of Marriott International, a corporation renowned for providing exceptional customer service, emphasizes taking good care of their employees because, “If you take care of them, they’ll take care of your customers and the customers will keep coming back again and again.” Not only is Marriott International currently the world’s largest hotel company but it’s also continuously mentioned as one of the best places to work in the world.

Diana Dosik, a principal for Boston Consulting Group, further emphasized the importance of focusing on internal customer service during her TED talk, “Why we need to treat our employees as thoughtfully as our customers.”

Pay attention to what Dosik says about “getting you as a customer” and how a person’s journey is important to companies. As you watch this video, take note of where she discusses the “pain points” of employees.

A link to an interactive elements can be found at the bottom of this page.

You can view the [transcript for “Diana Dosik: Why we need to treat our employees as thoughtfully as our customers”](#) ([opens in new window](#)).

External Customers

When we talk about external customers, we’re focuses on the people who shop at our stores, purchase our goods and services online, and engage with our internal customers (our employees or vendors). What are some ways to focus on the external customer? Being able to answer five fundamental questions, the “5Ws,” who, what, when, where, and why about any customer, is vital to providing excellent customer service.

The answers to the 5Ws create a profile of varying demographic, psychographic, and product usage characteristics. The “Who” question factors, for example, age, gender, income, race, religion, sexual orientation, education, location, marital, and familial status.

Likewise, the “Why” question may help determine the purpose of the purchase, such as a business buying a ream of paper for printing invoices or for parents buying the same paper for their children to draw pictures. The “When” question may address the time season, for example, that your external customers might seek your products and/or services. When you spend time answering the 5Ws, this research helps retailers identify ideal customers through a process called **market segmentation**, the grouping of prospective customers into groups, or segments, that have common needs and respond similarly to a marketing action. (Source: [Investopedia.com](#).)

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- Why we need to treat our employees as thoughtfully as our customers. **Authored by:** Diana Dosik. **Provided by:** TED.
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