

**Business Development From Start to Scale**  
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**Week - 05**  
**Connecting with Customers**  
**Lecture - 22**  
**Customer Typologies**

Hi friends, welcome to the NPTEL course Business Development from Start to Scale, we are in week 5 with the theme of Connecting with Customers. In this lecture the 22 in the series we discussed the topic of Customer Typologies. One of the important aspects of management is to reduce complexity to simplicity, heterogeneity to homogeneity.

Otherwise, marketing which has to do with millions of people needs some methodologies to challenge complexity with its own paradigm of simplicity that is where the marketing skill lies.



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**Customer Typology – 1**

Companies have started appreciating the importance of thinking of a strategic customer mix (SCM), and then developing the strategic product mix to cater to that. SCM reflects a price-feature mix that customers support.

- This is an unlikely customer group, but not entirely infeasible. When capacity shortfalls occur or when demand outpaces supply, this customer group does exist.
- This is a logical outcome for customers seeking highly differentiated, feature-rich products and are willing to pay the price for it.
- This is the typical bottom of the pyramid customer group seeking basic products at low prices
- This occurs when capacity outpaces demand, and the customers in the buyers' market demand the best of product specifications at the lowest possible prices

However, the price-feature mix also determines the size of the customer group and the volumes it provides.



So, in this session we will talk about customer typologies there are benefits of thinking of a strategic customer mix that is, customers who are governed by a similar strategic approach to demand and a similar tactical approach to purchases. This helps the company to understand the kind of strategic product mix that could be developed to meet them. This approach of SCM or Strategic Customer Mix reflects a price feature mix that customers will support.

So, there are four types of classifications that are possible, low on features high on price that is, a customer group which is willing to take low features, but is willing also to accept high price. This kind of customer group could be flush with funds could be making those purchases for others in their family system although it is an unlikely customer group it is not entirely unfeasible.

When capacity shortfalls occur or when demand outpaces supply this customer group does exist there is no choice other than buy products of lower features at higher prices, but when you have these kinds of shortages and demand increases. Then the other group is one of high price and high features customer group this is a logical outcome for customers who seek highly differentiated feature rich products and are willing to pay the price for it.

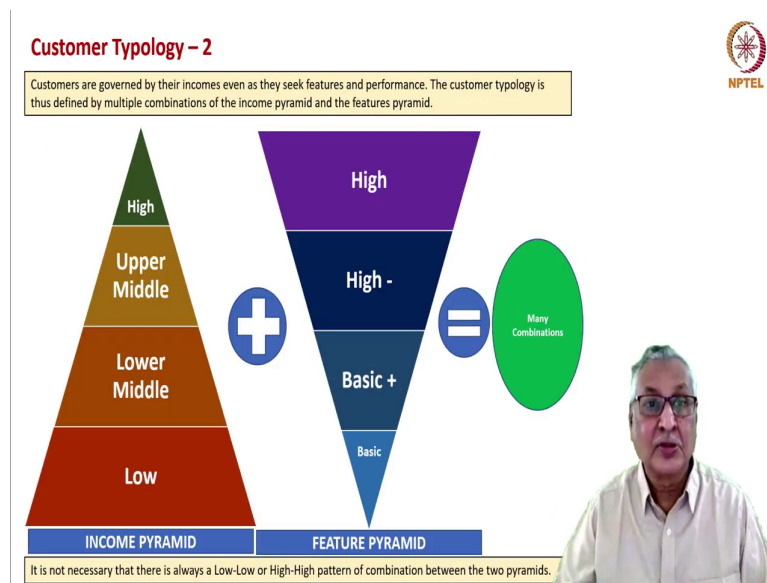
As an emerging economy becomes a developed economy the share of this type of customer group increases high price and high features. There could be other customer group which is low on price and low on features this is the typical bottom of the pyramid customer group seeking basic products at low prices.

This is again an essential part of an emerging economy marketplace this is important to ensure that there is social equity it is also important that we are able to develop the bottom of the pyramid customer group to higher levels progressively. As doctor C K Prahalad said even the bottom of the pyramid customer group has its own value to companies and they could be seen as partners in progress of the company as well as the economy.

Then we have low price high features group this is a very demanding group that is they are not willing to pay the price that is required for high features this occurs when capacity outpaces the demand and the customers in the buyer's market demand the best of product specifications at the lowest possible prices.

Consider a situation where electric vehicles are available alongside ICE in vehicles the customer may demand much higher level of features in the ICE vehicle. So, that you can leverage the mandatory arrival of the electric vehicles to tell the ICE vehicle manufacturer or dealer that look I am willing to patronize you provided you give me better features, this price feature mix also determines the size of the customer group and also the volumes it provides.

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There is another customer typology you can think about it is related to the economy and the income levels of the families and customers. Customers are governed by their incomes even as they seek features and performance. Our desires may be towards high end products, but our ability to buy could be towards middle level or low-end products.

So, the customer topology is then defined by multiple combinations of the income pyramid and the feature pyramid just as we have an income pyramid, we also have a feature pyramid for products. So, the income pyramid compresses of low income lower middle upper middle and high income this is something which we have seen even earlier.

But in terms of the feature pyramid, you have basic feature then basic plus feature high minus feature and high plus feature grouping. And the correspondence of the income pyramid with

the feature pyramid works like this generally high-income pyramid customers opt for high feature products.

Upper middle customer groups prefer high minus kind of products lower middle customers prefer basic plus products low-income customers prefer basic products when you look at this composition you will have several combinations and these combinations are not just for if you look at the previous slide where, it we said that even a high-income customer may take a basic product the number of combinations that could arise with plausibility or many.

It is not necessarily therefore, there is that there is always a low or a high pattern of combination between the two pyramids. Again, that is where the marketing skill lies in understanding the viable combinations that could happen in the marketplace market resource plays a good role in this situation.

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**Strategic Customer and Product Mix – Mobile Phones**

Samsung Galaxy Phones represents an interesting case example of how customer groups of different price-feature mix are encouraged to form. This, of course, requires a good understanding of how customers trade off attributes.

High	SE Series	S Series
Low	M/F Series	M/A Series
	Low	High
	Product Features	

Customer Groups for Samsung Galaxy Mobile Phones

Given that not every CEO can be intuitively and technologically futuristic on what can inspire customers, most companies will need to follow structured methods of understanding customers.



So, let us look at this as an example what could be the strategic customer and product mix for a mobile phone company Samsung is a noted manufacturer of Galaxy series of mobile phones. It has not stopped with just one Galaxy model it has taken up several series in that particular family.

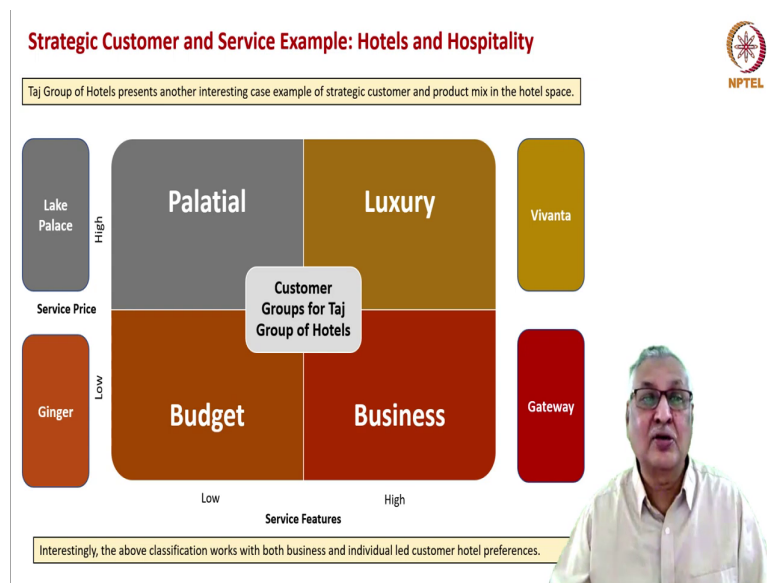
So, it has come up with two ways of looking at the market the one way is to segment the market in terms of low level of product features and high level of product features. And the other way has been in terms of the budget prices and the high-end prices. So, the customer groups for Samsung Galaxy mobile phones or in terms of four categories.

The highest is the S series, which combines high product features with high price. The next is the low product feature high price group, which is mimicking the S series, but not exactly being the S series. So, this is the SE series. Then we have products which offer budget customers a superior experience and therefore, trying to enlarge the budget applicability of the products.

So, MA series fall into this category high level of product features for a mid-range phone, but at low and mid-range price. Then we have got products which are generally sold online which are intended for low budget people and offering low product features. Not every CEO will be able to intuitively and technologically forecast what can inspire customers at different value points and different price points.

Most companies therefore, will need to follow structured methods of understanding customers. The heterogeneity of customers has to be reduced to some level of homogeneity we should not force fit customers into particular groups, but at the same time we should be able to stimulate customer thinking to opt for one or the other of the customer groups and this is the philosophy of strategic customer and product mix we have illustrated this with reference to the mobile phones.

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Let us look at the hotels and hospitality sector, Taj Group of Hotels presents another interesting case example for this concept of SCPM in the hotel space there are four types of customer groups for Taj, one, the budget hotel group two, the business hotel group third, the luxury hotel group and fourth palatial customer group.

So, the budget hotel group has been more recently introduced for a company which was more inclined towards business hotels and luxury hotels. The features of the budget hotel group is that service level is of a little standard, but it is not exactly like the super hotels. So, the we may for the sake of this understanding say that the service level is low the budget level is also low.

Why do we call service level low? Mainly because the room size will be small there may not be many toiletry kits that are available the bed sheets etcetera will be of a different nature not necessarily of low quality, but of a different nature the luxury element will be absent in that.

There may not be significant desk facilities in the room etcetera it is a functional hotel and that would have Ginger as the example. Then business hotels such as Gateway where the features are high, but the pricing is still lower compared to the luxury hotels then, they have prices which are high in respect of luxury hotels.

And which are high also in features Vivanta is an example. Some customers would like to have palatial view of life and they literally and figuratively like palatial hotels that is why Taj group of hotels has come into the palatial hotel group offering low service because the palatial are so, huge that you cannot have one on one service as it happens in the luxury hotels, but high on price.

So, the intention of the residents or guests is just to stay in such an ambience is not about service therefore, that is a group's which has emerged of late. So, the customer groups for Taj group of hotels are in terms of these four categories of which Ginger, Gateway, Vivanta and Lake Palace or reflective of the trail.

And we have to; obviously, use this classification with some kind of moderation and with some kind of discrimination when we say palatial is in the low service feature group it does not mean that it has a service level that is same as Ginger. What it means is that the level of service that is offered given the kind of pricing the product takes and the given the kind of luxury palatial ambience that it offers is commensurate not equal, but it is low that is the meaning of that.

So, we have to keep that kind of labelling in mind when we look at these kinds of strategic customer and service examples. And this interestingly works with both business customers as well as individual customers and it applies to business level customer requirements as well as



individual level customer requirements. Hotels also themselves classify in terms of business hotels and individual customers.



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**Understanding the Customer**

There are three ways for the strategic marketers to understand the customers. All the three require engagement of different types between the firm and the customers.

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graph LR; A[Ways to Understand the Customer] --- B[Experiential and Intuitive]; A --- C[Market Research]; A --- D[Design Thinking]; B --- E[Seasoned, Visionary Process]; C --- F[Established Structured Process]; D --- G[New Way of Understanding the customers]
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Of the three ways, Apple's way (seasoned, visionary and intuitive) is a unique way which probably very few can emulate. It tends to be an intrinsic natural competency of the CEO and the CMO.



So, what this means is that we should be able to understand the customer to be able to find some homogeneity within the heterogeneity of customers. There are three ways to understand the customer one experiential and intuitive that is what people who are in the super stores, people who are the trade channels use they have experienced customer interactions.

Therefore, they intuitively understand what could happen with the customer profile and customer purchase. The second is a very structured approach which professional organizations undertake market research and the third is design thinking. The experiential and intuitive approach is a very seasoned approach.


It is a visionary process you are able to understand the customers evolution because you have lived the life with the customer as part of the interactions. The market research is a structured process that is established over the last several decades and it helps the company choose its path based on certain principles and guidance's, but design thinking is the new way of understanding the customers.

There is also another way which can be attributed to only one or two companies that is the Apples way. The seasoned visionary and intuitive way which is so, pioneering developed by Apple that nobody is able to imitate it or clone it to the extent Apple has done it is a very unique way. And in that there is an intrinsic natural competency of the CMO and CMO embedded in that approach.

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**Steve Jobs: Life and Soul of Technology**

Steve Jobs, the CEO of Apple, Inc., was an iconic leader of technology and business. If Apple products have achieved a cult status and if Apple has become the first company in the world to cross USD 2 trillion in market value, Steve's technological genius and business leadership are responsible.





Steve Jobs (1995-2011), CEO of Apple, Inc.

Steve Jobs was undoubtedly one of the greatest technology visionaries and business leaders of all time.

Steve Jobs defined what words like creativity, innovation and connectivity mean through his products and customer experiences.

Steve Jobs clearly belongs to the rare class of leaders who give depth and substance to the concepts that are abstractly talked about but are never fully and truly experienced by the users. The world, not merely the domain of technology or the field of consumer electronics, became poorer by his departure.



Let us look at this I would like to take a little digression to talk about Steve Jobs who represented the life and soul of technology because what he did is a reflection of business development and strategic marketing at its pinnacle. He was an iconic leader of technology and business.

If Apple products have achieved the cult status that they have achieved and if Apple has become the first company in the world to cross trillion dollar market value ceiling Steve's technological genius and business leadership are solely responsible between 1995 and 2011 Steve Jobs led an life at the helm of Apple, which was transformative for the company.

He was undoubtedly one of the greatest technological visionaries and business leaders of all times. He defined in actual practical product and service terms what words like creativity, innovation and connectivity mean and that happened because he has designed and manufactured and delivered the products and customer experiences in a very unique fashion. He clearly belongs to the rare class of leaders who give depth and substance to the concepts we abstractly talk about in management.

Those concepts are never fully and truly experienced by the users they may be experienced by the companies, but they are never truly and fully used by the actual customers therefore, Steve Jobs loss is a loss for the world of technology for the field of consumer electronics.

We became poorer by his departure it does not mean that the institution has not progressed thereafter it did progress and there also there is a lesser that he has put in place a successor who is worthy of his legacy that is also one of the important leadership attributes.

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**Universal Product**

Steve's genius lay in the fact that his products had a universal appeal – from highly developed markets to low income markets, and from affluent consumers to indigent customers. Segmentation, as defined for decades by marketing gurus had no relevance for Apple products and customers. iPhone, for example, has a universal appeal.

iPhone	Reinventing	Convergence
The original iPhone was introduced by Steve Jobs on January 9, 2007 at the Macworld Conference & Expo held in San Francisco, California.	In his address, Jobs said, "This is a day, that I have been looking forward to for two and a half years", adding that "today, Apple is going to reinvent the phone."	Jobs introduced the iPhone as a combination of three devices: a "widescreen iPod with touch controls"; a "revolutionary mobile phone"; and a "breakthrough Internet communicator".



Steve Jobs Launching the first iPhone



The first iPhone, the revolutionary transformation

Collaborators and competitors have been one in praising the enormous transformation he brought about in the deployment of digital technology to improve and enhance everyday living.



Steve's genius lay in the fact that his products had a universal appeal we all know that a managing director of company would not like to have a product which a chauffeur of a car which he once has that is how the human mind is rather unfortunate, but that is what the truth is.

People with high income tend to have certain types of products and would not like to be seen in the same class and same grouping as people who do not have that level of income, but have same kind of superior product. So, then they feel that this product is not worth my purchase.

So, these are the kinds of what shall we say you call them emotional perversity that people tend to generate for them this during the life journey, but that is a fact of life, but Steve's

genius lay in the fact that his products had a universal appeal from highly developed markets to low-income markets and from affluent consumers to indigenous customers.

It was very common place to have a cab driver use the same iPhone which the managing director who is riding in the cab would have that is the acceptance in a universal sense for the products see designed and delivered. So, segmentation as defined for decades by marketing gurus had no relevance at all for Steve's design of Apple products and customer's. iPhone is a classic example of universal appeal.

It was first introduced by Steve Jobs on January 9, 2007 at the Macworld Conference and Expo held in San Francisco California. At that time, he said this is a day that I have been looking forward to for two and a half years and he added today Apple is going to reinvent the phone.

He introduced the iPhone as a combination of three devices path breaking at that point of time - A wide screen iPod with touch controls; a revolutionary mobile phone; and a breakthrough internet communicator. And he priced it 12 at that point of time collaborators and competitors have been one in praising the enormous transformation he brought about in the deployment of digital technology to improve and enhance everyday living.

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**Device Socialism**

Equally important has been the socialistic philosophy of Steve Jobs, which probably has not been understood well. He believed in device universality and commonness of aspirations across segments.

**Pre-Steve Jobs Wisdom**

Every other industry or business corporation believed in offering products at a lower level (so called utilitarian) to one stratum of the society and products at a higher level (so called luxury) to another stratum.



**Steve's Paradigm**

In contrast to such a practice, Steve offered one standardized high technology, high value product to all sections of the society.

**Universality**

He also did not believe in the practice of either skimming the market with hyped up value and usurious pricing or fragmenting it with broken technologies and flexible pricing.

In fact, his products are the same - whether for billionaires or for commoners. In the first several years of iPod, iPhone and iPad revolution, he offered only one standardized model for all customer segments.



It is a device socialism of a unique nature the socialistic philosophy of Steve Jobs limited the number of products and number of product varieties. He believed in device universality and commonness of aspirations across segments. So, the pre-Steve Jobs wisdom was as follows - every industry or business corporation believed in offering products at a lower level.

So, called utilitarian products to one stratum of the society and products at a higher level that is luxury level to another stratum we also discussed about segmentation in that kind of terms and, but Steve's paradigm was that one standardized high technology, high value product should be available for all sections of the society.

And when that happens independent of income disparities customers across the income segments would want such a product. Therefore, the foundation of the Steve's paradigm was

universality he did not believe in the practice of either skimming the market with hyper value and usurious pricing or fragmenting it with broken technologies and flexible pricing.

One standard high-performance product elegant in looks affordable in pricing to every segment. In fact, his products are the same whether for billionaires or commoners. In the first several years of iPod, iPhone and iPad revolution he offered only one standardized model for all customer segments.

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**Digital Ecosystem**






Steve Jobs infused life not only into technology, rendering its functioning soulful but also made retailing and consumer experience truly emotive and of lasting attachment. Apple today continues to move on this path.

**Retailing or Customer Experiencing?** At a time when manufacturers considered retailing to be a different expertise, Steve Jobs propounded the concept of Apple Stores to enable and enhance integrated user experience.

Within 3 years, with 320 retail stores, 237 of which are in USA, Apple retail network extended the integration of the ecosystem further. Each store set new standards for customer experience.

In 2011, Apple started its iCloud service which seamlessly stores all the music, photos, movies, documents, applications, mails, calendars and many others, and wirelessly pushes them to all the Apple device users.

The strategies of integration, outsourcing and collaboration thus became one under a vision of digital ecosystem for Apple products, services and consumers. For Apple customers, it was a digital home.



He also defined what it means to be a part of digital ecosystem he not only infused life not only into technology of products, but he rendered its functioning soulful he made retailing and consumer experience truly emotive and of lasting attachment and today Apple is continuing on the same path.

So, is it retailing or customer experience that is, the point which he made. So, when manufacturers used to think of retailing as a different expertise nothing to do with manufacturing Steve Jobs propounded the concept of Apple stores to enable and enhance integrated user experience. Within 3 years, with 320 retail stores, 237 which are in USA, Apple retail network extended the integration of ecosystem further. Each store set new standards for customer experience.

In 2011, Apple started its iCloud service which seamlessly stores all the music, photos, movies, documents and applications as well as business activities such as mails, calendars and many others, and it pushes these wirelessly to all the Apple device users. So, cloud, retail and globalization.

The strategies of integration outsourcing and collaboration thus became one under a vision of digital ecosystem for Apple products services and customers. And for Apple customers Apple was a digital home.





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**Customer Type by Demographics**

Demographics comprises, amongst many factors, gender, age, education and income as the four principal ones.

The diagram is a 2x2 matrix with a central blue box labeled "A Few Key Demographics". The quadrants are: Education (top-left, dark brown), Income (top-right, orange), Age (bottom-left, olive green), and Gender (bottom-right, dark olive green). Surrounding the matrix are four example boxes: "Example Analytical and Discriminating Persona" (top-left), "Example Spending and Buying Persona" (top-right), "Example Many specific to age; Some common" (bottom-left), and "Example Many specific to gender; many common" (bottom-right).

Marketing and Business Development must be demographically relevant to be customer-centric and effective.



So, this is the learning from Apple that is understanding the customers. So, thoroughly that you see the commonness and commonality and universality rather than differences you do not exploit the differences and create products and cost for that. Instead, you appreciate the commonness and entuse the customers to embrace certain products which are representative of the homogeneous nature of the desires aspirations, wants and needs.

We talked about customers being typified by demographics. Demographics as I said earlier includes many factors gender, age, education and income these are the four key factors therefore, you have a personality related to yourself or myself there is a spending and buying persona for us.

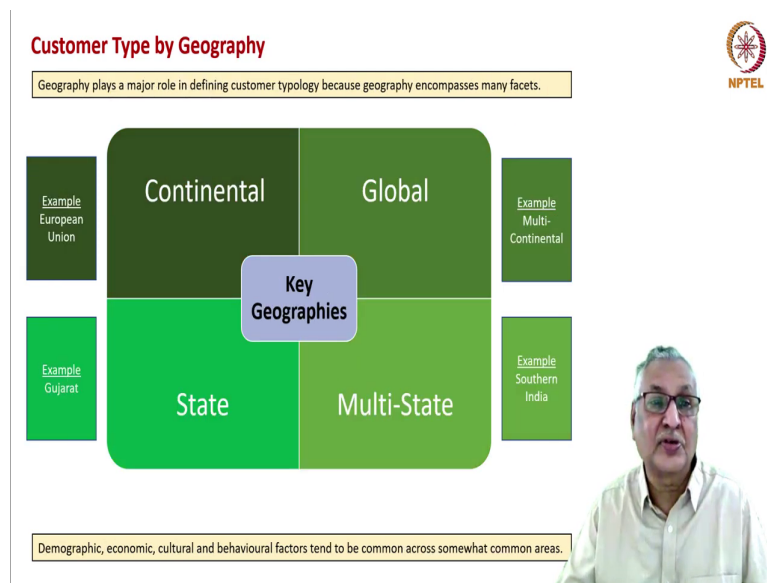
There is a gender persona which is very specific in respect of certain products and very influential in respect of certain products and neutral are defeated in respect of certain products

like it is very specific with reference to the women wear obviously. It is influential with reference to what happens with reference to purchase of kitchen items or other lifestyle items and it is indifferent to the men's purchases in a way.

Then you have age there are many specific examples to age some are common to various age groups and some are very distinctive to the age group. Like erratic population requires one type of devices as well as lifestyle requirements whereas, people who are in the millennial age group require different kinds of products and different kinds of experiences.

Then you have education driven customer typology depending upon your level of education you could be very follow your kind of customer or you could be very analytical discriminative type of personality. So, there are four types of personality which arise from the educational, income, gender and age profiles of the customers. Marketing and business development must be demographically relevant to be customer-centric and effective this is one classification.

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The other classification is by way of geography you could have a state level nativity you could have a multi-state type of inclusivity there could be continental nature and finally, there could be a global nature of the customers. So, when you look at the state level each state is a market by itself.

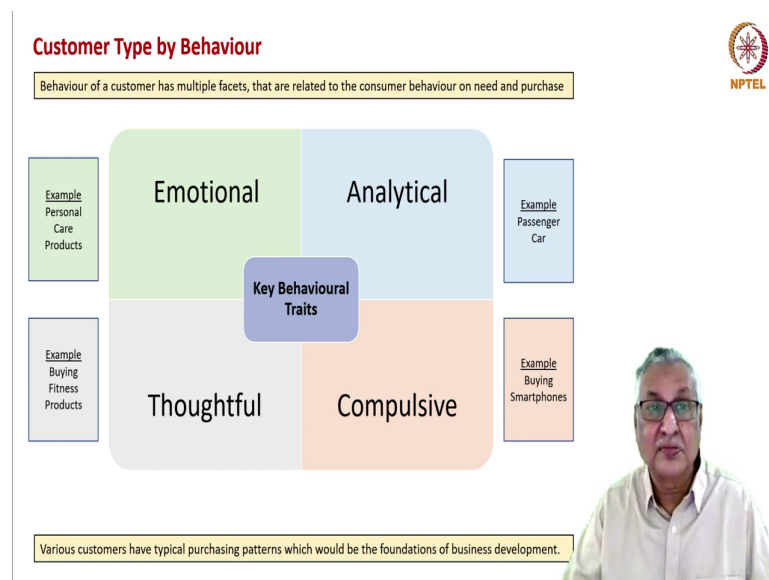
Gujarat has its own peculiar needs the food habits are different, the ethnicity is different therefore, the products that are required particularly when viewed into the family system or the individual lifestyle are different. When you look at the multi-state like South India, West India East India and North India you have different kinds of homogeneity levels that need to be considered in planning the product mix.

Continental is European Union being an example or south being an example there are some geographies which offer good potential from a business development point of view. Then you

have global that is a product which is universally applicable available multi continental example.

These are common across some geographies, but they are also not common in respect of certain geographies. Demographic, economic, culture and behavioral factors tend to be common within the geographies and as the diasporas increase in each of these areas then the commonness has to be catered to.

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Then by behavior customers can be seen in terms of different types based on their key behavioral trend. Some customers are emotional they make purchases based on the emotional consideration like my father had this kind of cloth I must have this kind of cloth or my families heritage is to possess these kinds of things therefore, I would poses these are particularly applicable in the modern day situation to personal care products.

Then you have the behavioral trait of being analytical you just like that do not buy a car some people do buy, but most people would like to understand the power talk, ground clearance, the wheelbase, the space they would like to feel and experience the specifications that is the analytical personality.

Then there are people who are thoughtful you want to buy, but you are very thoughtful buying a fitness product is not an easy task lot of thought goes into buying a fitness product even a product which supplements your fitness regime is a thoughtfully bought product.

Then you have compulsive behavioral trait you buy a smartphone because of the compulsive nature of human behavior particularly of the younger generation. Various customers have typical purchasing patterns which would be the foundations of business development again.

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**Customer Type by Culture**

Culture of a region has facets such as social, religious, nativity and ethnicity factors that influence consumers.

**Key Cultural Aspects**

- Social**: Example: Products of social standing. Eg., An apartment of a particular type.
- Religious**: Example: Committed to certain religious needs. Eg., Lamp Oil.
- Nativity**: Example: Products of local culture and bio-diversity. Eg., Herbal Medicine.
- Ethnicity**: Example: Committed to certain types of apparel. Eg., Sarees.

Product Development, Marketing and Business Development for customers have to be culturally sensitive.



Then there is a customer typology that is related to culture there are four types of cultural facets as far as the overall marketing is concerned. First is social, second is religious, third is nativity and fourth is ethnicity when you look at the social personality products of social standing that is being in an apartment or being in an apartment of a particular type being in an independent house.

They all are reflective of the social requirements for you as an individual. Then you have religious personality that is you want to buy certain products, which are related to you because of religion. Every Hindu home maybe lighting a lamp within the home puja room therefore, there is demand for lamp oil from those households.

Other religions may prefer candles we do not know, other religions may prefer other ways of worshipping or conforming to the religious scriptures. And that could be leading to purchase of different kinds of products then there is the question of nativity that is, certain products are native to certain geographies Chinese medicine is native to China.

Indian herbal medicine is native to India; Indian Ayurvedic medicine is native to India. So, products related to those kinds of classifications are approved and seconded in those nativities from customer's point of view then there is the process of ethnicity or the facet of ethnicity committed to certain types of apparel would be the ethnic population.

So, sarees are very popular in certain areas just as Chinos are popular in Japan. So, that is the ethnicity which is driving the products product development, marketing and business development have to be aligned and they have to be culturally sensitive as far as the customer typologies are concerned.

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**Customer Type by Psychography**

Psychography refers to personality, values, attitudes and interests that influence the customer.

Example: Products of social standing, Eg., An apartment of a particular type

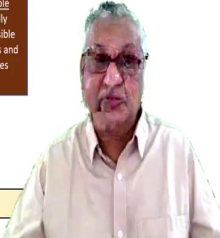

Example: Committed to organic products, responsible media

Example: Signature dresses, accessories or goods

Example: Socially responsible products and services

Key Psychological Aspects

Understanding customer psychography helps Business Development advocate high levels of ESG.



Then you have got psychography; psychography refers to personality values attitudes and interests that influence the customer when we talk about the personality here it is not the technological personality and things like that it is the basic genetic personality and the personality that has evolved over the life's journey.

And the four key psychological aspects of attitudes, interests, values and personality itself. The personality of being one with signature dresses accessories or goods is one type of personality, which drives the demand for those products from the customer then the attitudes again being in an apartment which is humble being in a villa which is luxurious is an attitude which drives the demand.

And looking at such customers people position the products. Other classification is that of interest I am interested in organic farming, I am interested in responsible media the demand

for such products and services would be aligned to the interests of those customers then the values I need to use only socially responsible products and services and nothing else.

So, you may not take any products which get delivered to you through food delivery because they use plastic they use throw away containers. So, you do not like that. So, your value system does not agree with the entire take away business of food delivery. So, understanding consumer psychography helps business development advocate high levels of environmental empathy social responsibility and corporate governance.



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**Basic Customer Types**

At a very simple level, customers are of the following types, which are self-explanatory.

<b>Example</b> Customers who are not swayed by either their past associations or advertisements, brands, company standing etc.,	<b>Neutral Customers</b>	<b>Questioning Customers</b>	<b>Example</b> Customers who are never satisfied with any product or service; who question the need for and utility of products or services
<b>Example</b> Customers becoming interested in certain products or services for the first time; people exploring health products for the first time	<b>New Customers</b>	<b>Loyal Customers</b>	<b>Example</b> Customers who respect and even adore past associations with companies, products and brands, with great unwillingness to experiment new ones

The four types of customers influence the basic types of communication from the marketers.



So, customers themselves are of different types there are four types of customers one type of customer is neutral customer the customer is not swayed by either the past associations or advertisement, brands, company standing etcetera they remain neutral. And if there is a



genuine need in their minds for the kind of products that are offered and communicated about, they would buy that otherwise they stay neutral.

Then they are questioning customers they are never satisfied with one product they keep switching between the products and they question the need for a utility of products or services. Even in an organization when a central service is there as an example HR there could be other functions which are questioning the importance of HR itself such customers do not utilize the service that is available in respect of a HR department.

Then we have new customers who become interested in certain products or services because of the first-time introduction of such products. They would like to explore those products, fill those products or services and hopefully enjoy the incremental experience they gain out of such products and services.

When a health product is introduced for the first-time people would like to explore and that reflects the new customer category. Loyal customers are those customers, which respect and even adore past relationships and stay with the companies the products and brands.

As an example, I have bought Cinthol as a student 50 or 60 years ago and even today I use a Cinthol soap. So, I am a loyal customer by that measure it does not mean that I have not looked at other soaps because. So, many choices and options have come into the marketplace over the last 5 decades yet I remain loyal to the core product which I have been with in all my professional life journey or academic life journey and so on.

So, customers are loyal to products and brands which is why marketing core goal is to create that brand connect that customer connect. The four types of customers influence the basic types of communication from the marketers. If our customer group is neutral we need to find out ways and means by which they can be influenced in a genuine way.

If the customers are questioning type of customers we have to provide all answers to the questions that they have or they may have. If the customers are new we should encourage


them to try out the new products and also build attachment and connect with such customers and if the customers are loyal we should reward their loyalty.

We should make additional benefits available to them through more customized products better features or very specific loyalty programs. So, understanding the basic customer types is an important marketing objective.

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**Business Customer Typologies**

Business customers have motivations and characteristics that are different. Primary personalities are:



<b>Visionaries</b>	<ul style="list-style-type: none"><li>• Share the vision of business development</li><li>• Appropriate to create mega relationships</li></ul>	<b>Seekers</b>	<ul style="list-style-type: none"><li>• Ever-hungry to understand new options</li><li>• Willing to take intuitive, optimal risk-reward bets</li></ul>
<b>Explorers</b>	<ul style="list-style-type: none"><li>• Constantly seek new vistas of development</li><li>• May be bogged down by more than one choice</li></ul>	<b>Analysers</b>	<ul style="list-style-type: none"><li>• Demand a huge amount of data to make decisions</li><li>• Can only do a limited number of partnerships</li></ul>
<b>Adventurers</b>	<ul style="list-style-type: none"><li>• Bold risk-takers, anticipating high rewards</li><li>• Unlikely to be patient and persistent</li></ul>	<b>Protectors</b>	<ul style="list-style-type: none"><li>• Risk avoiders who seek multiple assurances</li><li>• Likely to miss on great business opportunities</li></ul>

The six types of partners influence the course of business development for the interacting companies



So far we talked about individual customers would business customers have similar typologies yes they would have. There are six types of personalities which we can look at in respect of businesses the first category is visionary business customer. Such customers share the vision of business development when you approach such a company.

And say that there is good business sense in my combining my product development and manufacturing capability with your marketing capability the visionary business customer appreciates that and this visionary types are very useful for creating mega relationships.

Then we have business customers who are explorers they always seek new stress of development they would like to see how different continents offer potential for your products. They see how different kind of business relationships could trigger different ways of doing business.

But they would have so many options to consider that they may get bogged down by more than one choice or the liberal choice they develop for themselves through their exploratory missions. Then there are adventurer's bold risk-takers anticipating high rewards and they are unlikely to be patient and persistent also g took that bold step by getting into the financial services business decades ago that was real risk taking when people did not appreciate the importance of India in the United States.

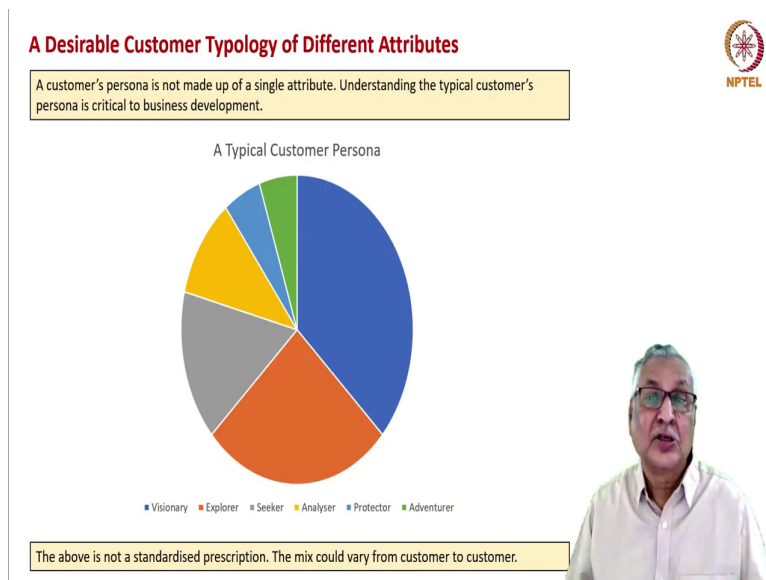
And yet it is not a permanent perpetual entity that g built after some time it has been sold over to the private equity firm and the company decided to be continuing on the path it would have become a financial behavior by now. Then we have seekers they are always curious and ever hungry to understand new options they are willing to take intuitive optimal risk reward bets on new kind of operations.

So, if you create an air conditioner which is also virus removal you are going to appeal to this kind of customer group in the business. Then there are analyzers that is who demand a huge amount of data to make decisions and they can do only limited number of partnerships and protectors are those who avoid risk they want multiple assurances and they are likely to be on great business opportunities.

So, the business customers have different needs particularly of building relationships, building partnerships, building portfolio synergy building customer complementary and so on. And the kind of mindsets they have in terms of visionary behaviour, explorer behaviour,

adventurous behaviour, seeking behaviour, analyzing behaviour, and protecting behavior influences the strategies that you as a business development leader must have.

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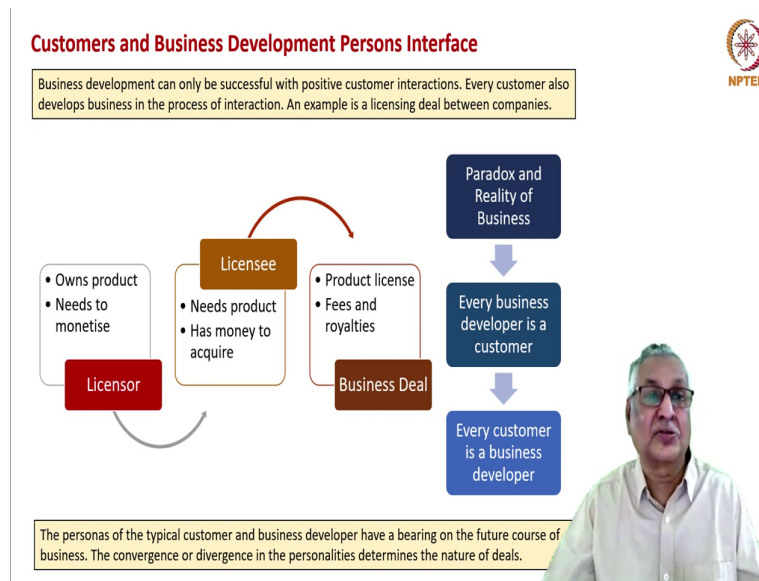


So, we could think of a desirable customer typology for your company because a customer's typology is not made up of a single attribute, we need to have customers who display within themselves multiple personalities and that is critical to business development. Even if you do not want to be kind of customizing you have to be aware that your marketplace and your customer may belong to one or the other of the classifications.

When you look at this pie chart you will find most of the businesses are visionary type and they are always explorative because they believe that growth can only come through being a visionary and being an exploratory company. They also seek new opportunities and then less of analyzes even less of protectors and probably more of adventurers.

When you have this kind of classification you know how to exactly approach a business customer it is not a standardized prescription by any means and the mix could vary from customer to customer.

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The customers and business development persons interface all the time in respect of businesses success arises only through building of relationships there is no brand power as such that you can display the brand power that you have as a corporate brand and as an individual manager or leader gets you an entry into the discussion process beyond that it is only the relationship building that matters.

So, you have to develop the customers you have to develop the business in the process of interaction let us look at an interaction between a company, which is providing technology

such a company is called licensor and a company which is taking the technology for a few such company is called licensee.

Let us look at the relationship between the licensor and licensee the licensor owns the product and needs to monetize the product in a non-competitive way. Licensee needs the product and has the money to acquire. So, as a result of this a business deal happens that is product licensing with fees and royalties and the paradox and reality of business is that every business developer is also a customer and every customer is also a business developer.

You may think that I am licensing the product from the licensor, but for the licensor you are a customer because you are providing money to the licensor on also providing loyalty because of the higher sales the licensee would have because of the product. So, this concept of looking at yourself as a business leader and the other as the customer leader you may not be probably right.

You require business development, but that does not mean that the licensor does not need business development both are intrinsic requirements one is more visible than the other that is all. So, we have to believe in this personalities of the typical customer and the typical business developer and be therefore, confident about the role that you are playing.

The convergence or divergence in the personalities determines the nature of deals that is if the licensor business developer is very aggressive and the licensee business developer is big then you would have one type of alliances vis-a-vis the situation being the reverse. So, all of these things have to be kept in mind and that is where self awareness is as important as awareness about others we will focus on the individual's role in business development in some of the later lectures.

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**Business Development Typology Interactions**


The varied personalities of customers and business development executives display varied outcomes in interactions.

<b>Business Development Personality</b>	Protector						Risk-averse Poor Result
	Analyser					High Analysis Low Result	Eliminating Many Options
	Seeker				Steady, Systematic Bets	Joint Work with Good Result	Eliminating Many Options
	Adventurer			Hi-Risk Big Bets	Moderation of high-risk bets	Conflict with Some Resolution	Conflict with No Resolution
	Explorer		Hi-Potential Low Result	All Over with Little Results	Aggressive Outreach with Optimal Results	Conflict with Some Resolution	Conflict with Low Results
	Visionary	Mega Futuristic Ventures	All Over with Little Results	Hi-Risk Futuristic Bets	Calibrated Futuristic Bets	Well-balanced Futuristic Ventures	Vision sub-optimized by conservatism
		Visionary	Explorer	Adventurer	Seeker	Analyser	Protector

**Customer Personality**

It is not necessary that customers and business development executives of the same typology will necessarily make for good combinations; some such combinations could be sub-optimal too.

Only some combinations of customer and business development personalities result in optimal outcomes while others end up in suboptimal outcomes.



So, when you look at these kinds of typologies again you have to look at the complexities that are rise, but you must also be cognizant that these typologies are far more easy to handle than handling each individual customer whether individual or business separately this provides you a good topology to look at.

So, there are two, access to this one customer personality and second is the business development personality. Why am I saying this? Because every business development personality also has an inbuilt individual personality so, you have the customer personality of visionary, explorer, adventurer, seeker, analyser and protector and as a business developer you will have the same types of personalities let us example.

So, if you as the customer please remember that although you are a customer you are also a business development person if you are a visionary and if the business development

personality of the other company is also a visionary you are likely to get mega future ventures.

It is like Tesla collaborating with Toyota to develop the automobiles for the not next generation next to next generation or ISRO of India collaborating with Maruti Suzuki to generate a new series of flying cars. Now, those are the mega futuristic ventures that could happen when visionary will meet with a visionary.

Then you could have an explorer meeting with an explorer then you will have a high potential canvas, but the result could be low because both are in the exploratory mode. Then you also could have an adventurer who has a counterpart of adventurous capability and nature.

Many projects will come up with high risk and high bit nature and whether they will be succeeding or not time only will for tell. Then you may have a seeker customer personality and a seeker business development personality, in which case you are going to have steady systematic pets which will be good for ongoing businesses.

You may have an analyzer in you and you may have an analyzer in your counterpart in which case lot of analysis, but very poor result. Then you could be very conservative in terms of protectionist approach and the counterpart also could be there then what you get in terms of business development is a risk-averse poor result ecosystem.

So, the customer personality and business personality as I have outlined are going to be very important for you to understand where you can be because from this you can generate other components as well. That is if you are explorer as a customer and the business development counterpart is visionary you will tend to be all over, but with little results.

On the other hand, you are adventurer and the business development counterpart is visionary you will have high risk futuristic bets. Similarly, another other combinations will get calibrated futuristic bets well balanced futuristic bets and in some cases vision that is sub optimized by conservatism.



When you look at a singular explorer business development personality interacting with the different customer personalities of adventure, seeker, analyzer and protector you will get again multiple results all over with little results aggressive outreach with optimal results conflict with some resolution and conflict with low results.

If you are an adventurous business development personality interacting with different types of customer persons of let say seeker analyzer protector you may get moderation of high-risk bets conflict with some resolution and conflict with no resolution. Then moving up further you are a seeker as a business developer, but you have people at analyzer and protector level.

Then you will have joint work with good result you will also be eliminating many options without really thinking respectively. Let say you are an analyzer and you have option to discuss only with protector because all the others have already been looked at then you will have the problem of eliminating too many options.

And if you are a protector, I have already said with a protector you have no hope you will just be discovers. Now, these kinds of combinations that occur are very tilted and you can see yourself horizontally or vertically in terms of this matrix and find out where your approaches, where your customer typologies, where your strategies are going to lead the companies that you are representing as business developers and customers.

It is not necessary that customers and business development executives of the same typology will necessarily make for good combinations such combinations could be sub optimal too we have seen protector with protector leading to the worst possible result situation. In most cases of visionaries working with visionaries could lead to good mega futuristic beds.

But there would need to be some kind of personality difference for the complementarities and synergies to come out in the best possible manner ultimately only some combinations of customer and business develop personalities result in optimal outcomes while others end up in sub optimal outcomes.

So, this is a very important lesson in terms of understanding various customer typologies by various methodologies. And I have given real life case examples for us to apply to your own industry setting to your own business setting and your own personalities, which are influenced by demographic, psychographics, basic personality type's etcetera. So, all of this will be useful in shaping ones personality as a business development leader with this we come to the end of this lecture.

Thank you very much, I will see you in the next lecture.