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## **Knowing your Customer Critical with Big-Ticket Products**

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A business trying to market an industrial product has a smaller customer base than one selling mass-market products, which means the entrepreneur must capitalize on each sales opportunity by investing in market research.

Industrial customers do not buy on whim and generally have a structured buying process. An entrepreneur with a product he believes customers will want needs to know what problems potential customers must solve and how they're currently solving them. What machinery does the client use? What manual processes are involved? How much does this cost (not just labor and supplies but lower production or revenues, environmental penalties or other costs)? Many industrial customers simply want to do things faster and more efficiently.

The next step is to find out why and how customers buy new technology or other big-ticket products. The people who influence purchase decisions could be technology users, managers or senior-level executives – or all three. The purchasing department might participate. Once there's interest in the product, the purchase could be subject to internal or external budget cycles or federal budgets, and purchasing decisions can take time. Knowing this helps an entrepreneur approach customers.

Other, subtler customer issues require research. Potential customers might have long-term contracts with other companies. If the new product is designed to be part of production, switching out what the customer already has might be expensive or the new equipment might require extra maintenance. The industry might be content with the status quo. The earlier an entrepreneur learns this, the more chance he has to make a sale.

Product dependencies might be the biggest problem an entrepreneur faces. Let's say a company does environmental monitoring by manually gathering samples and sending them to a lab for analysis. If a remote sensor could replace this process, the sensor's inventor needs to know what else the customer might need to make it workable. The new equipment might speed up data collection, but the customer might need software and communications capabilities to relay, capture and process data. If customers can't use a product because ancillary products don't exist or are unfeasible, they won't buy the new product. If those ancillary products don't exist, she should partner with a company that has the closest match or can make the ancillary product.

To obtain this information, an entrepreneur should interview potential customers, starting with a list of contacts at smaller companies. Names can be found on company websites, industry databases or business databases like Hoovers or zapdata.com. She should develop a questionnaire for the interview, phrasing questions carefully to avoid revealing proprietary information to competitors. From there, she should start calling, remembering that advice and assistance – not a sale – is the goal.

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