Customer profiling is a great way to get a detailed portrait of your current customer base to help you make smarter, more effective marketing decisions as you engage your customers on a more personal level. Using customer profiles, your customers can be broken down into segments, or groups, based on certain demographics and behaviors.

Without the advantage of using actual data to know customers on this detailed level, marketers are left to base campaigns and messages more on personal opinion. In this situation, effective marketing becomes extremely difficult to manage, measure, and keep profitable, resulting in less-than-stellar business results.

That’s why you need to begin building your own customer profiles as soon as possible. Because if your competition gets there first, they will fly right past you.
First let’s discuss the various elements of a comprehensive customer profile. It will be important for you to collect as many of these elements as possible to achieve the best possible marketing ideas and results.

DEMOGRAPHICS

Merriam-Webster defines demographics as, “The statistical characteristics of human populations (such as age or income) used specially to identify markets.” These characteristics commonly include data such as:

- Age
- Gender
- Income
- Children
- Marital Status
- Education Level
- Employment Status
- Physical location, such as zip code
PSYCHOGRAPHICS

Psychographics describe consumers on psychological attributes such as personality, values, opinions, attitudes, interests, and lifestyles. **They are meant to uncover the deeper motivations and interests of your customers.** Psychographics may include things like:

- Hobbies
- Musical Taste
- Lifestyle Choices
- Food and Drink Preferences
- Personality Traits
Geographic information can be very valuable, especially to businesses with multiple locations. By learning in which city, state or zip code a person resides, you can send different messaging and offers by region. Some companies even bring it down to the neighborhood or street level.

Geographic data can be a great way to help ensure an optimal marketing campaign.

For instance, in the winter months, you wouldn’t want to promote your line of snow shovels to those living in South Florida, nor would you want to promote your line of shorts and tank tops to those living in Minnesota.

On a more local level, you could promote a new store opening or only send a particular marketing message to those living within a certain distance from your store.
BEHAVIOR

In terms of marketing, behavioral data is some of the most powerful information you can obtain. By understanding your customer behavior patterns, you can create powerful marketing campaigns based on that behavior.

This data includes things like:

- Loyalty
- Purchase Patterns
- Online Behavior
- Presence Analytics — Offline Behavior

With the additional use of WiFi technology, you can gather more location-based data, such as:

- Entry and Exit Times
- Favorite Visit Times/Days
- Dwell Times
- Return Rates
- Per Person Average and Customer Lifetime Value

With this kind of data and the right tools, you'll have the ability to set up automated, triggered marketing campaigns that will send marketing messages to specified customer groups when certain behavioral criteria are met.

Together with the other elements of a comprehensive customer profile, the marketing campaigns you can create will become limitless and extremely targeted to specific audiences, allowing you to increase customer value, customer frequency, customer spend, and your overall bottom line.

Collecting customer profile information can help you identify your ideal audiences and boost your marketing efforts tremendously by giving you detailed information about the purchasing and lifestyle habits of the audiences you’re trying to reach.
Gathering information about customers in your demographic groups can be challenging and expensive, but it doesn’t have to be. It is, however, extremely important because it can help you identify where the highest-potential opportunities are in your market and help you build creative strategies to take advantage of them. The problem for most companies is finding this information in a safe, secure, unobtrusive, and inexpensive way.
So how do you find this data for those who are most likely to be your actual customers? You get it from your actual customers through market research. Market research companies, however, can be very expensive. According to market research company CSR, a 90-minute focus group of 8 consumers can cost nearly $6,000, and personal interviews can cost around $325 per person. According to another market research company Hosted Survey, the cost for completing 200 phone surveys can vary between $5,000 and $15,000, and mail surveys cost between $5,000 and $7,000.

You must also realize that the data you get from these strategies is simply a snapshot in time of how consumers felt at the time of the survey. If you ever want updated data, you have to keep purchasing it.

DATA SOURCES
There are many websites online that publish demographic and psychographic data, such as the American Fact Finder from the U.S. Census Bureau, or the Consumer Expenditure Survey found on the U.S. Bureau of Labor Statistics website. But these types of sources only provide overall population demographics — not necessarily those who are in your target audience groups.
DIY DATA COLLECTION

You can ask your customers to participate in surveys and questionnaires directly, without the help of a market research company. This will give you that same detailed insight into your customer base and allow you to build customer profiles for these consumers. While this is much less expensive than hiring a company, it is extremely time consuming, potentially off-putting for your customers, and the data collected must be processed into a usable format.

This will give you a great look into your customer base, but you’ll only be seeing an extremely small sample size. This will decrease the accuracy of the data and you could still end up wasting money in your marketing efforts by targeting the wrong people with the wrong message.

Another way to gather customer data is to obtain the information about those who are visiting your website. This can easily be done using a tool such as Google Analytics. You can also gather information from people when they download your company’s mobile app or sign up for your loyalty program. But this is still just a very small portion of your customer base, and the specific data points you can collect from these sources can be limited.

Fortunately, there is a less expensive way to gather true market data, in real time, from a large sample size of your actual customers.
WIFI DATA COLLECTION

A powerful way to get comprehensive data from a very large sample size of your actual customer base is by using WiFi technology. This method uses your WiFi access points to “watch” customers at your physical location, collecting anonymous data and measuring their behavior without them having to log into your WiFi.

If they do log into your WiFi you can begin gathering even more of the demographic and behavioral information we discussed above.

WiFi technology will remember each visitor, based on the unique ID of their mobile device, and the data it has collected about them. This way you can not only track things like age, gender, dwell time and visit time, but you can track things like customer repeat rates, first time visitor return rates, churn rates, and more.
This also opens up the door to a very effective strategy. Now physical locations, such as restaurants, cafes and retail shops, can passively collect meaningful, deep customer data and store it in a customer hub. The data can come from a variety of sources – WiFi sensors, BLE sensors, Cameras, WiFi landing pages, online sources, social media channels, and Point of Sales systems.

Your customer hub should be able to easily and permanently store all of the data and allow you to see a graphical representation or table of all of the data.

Now you can learn who your customers really are, and you’ll be able to create much more effective data-driven marketing campaigns to your newfound customer segments. Just imagine the amazing potential your marketing efforts will have when you have access to this kind of valuable and detailed information.

It is all done for you, behind the scenes, and laid out in an easy-to-understand graphical dashboard. You can start building detailed customer profiles without lifting a finger. And you’ll be able to start defining your customer segments and ideal customers and begin your marketing and promotion to each of those segments.
**Section 3**

**Overview of Why to Collect Profiles**

Now that you have your customer profile data, what are you going to do with it?

You’re going to increase customer frequency, customer spend, customer satisfaction, and the overall quantity of your customer base! Remember, you’re creating customer profiles to be able to engage with and better market to your customer segments.

Start by spending some time reviewing individual customer profiles. Before long, you’ll begin to see similar profiles that you can start grouping together. These may be close to the ideal customer or specific segments you already had in mind, or you may be completely surprised as to what you discover.

Eventually, you’ll have a much clearer view of the various segments of demographics, psychographics, and behavior patterns within your current customer base. This is when you can begin creating your list of general customer segments, or personas.

These are the personas you will use when brainstorming, creating, implementing and measuring your marketing campaigns.
Now that you have your customer segments properly defined, and you have an idea of the marketing messages and promotions you want to send to them, it’s time to get started.

Don’t forget that you’re not just targeting current customers. You should also be seeking out new lookalike prospects online and targeting them in an effective manner using the data you’ve collected. These prospects should have a higher probability of becoming a new customer, providing a more cost-effective means of acquiring new customers.

As you go through this process, ask yourself these questions:

1. What kind of action do I want this customer to take?
2. What is the best way to reach this customer?
3. What kind of deals or promotions would interest this customer?
4. What kind of deals and promotions would this customer NOT be interested in?
5. What new products or services might engage this customer?
6. What are this customer’s pain points? Why do they need what I offer?
7. How can I attract and engage more customers like this?
8. What type of imagery would engage this customer?
You need to get started as soon as possible. If you are not collecting customer profiles and using these collection, measurement and marketing techniques, you are leaving money on the table and are at-risk of becoming irrelevant to your customers as your competitors are investing in these tool sets.

These practices can vastly improve your marketing efforts, lower customer acquisition costs, and give you detailed insight into who your customers actually are. You’ll be able to make much smarter decisions as to what areas of your current marketing strategies can be tested for improvement, and how you can create new, more effective and engaging campaigns.

Basing marketing decisions on a hunch or an opinion can have devastating effects on the profitability of your business. By using correctly obtained customer profiles, you’ll get accurate data on your customer demographics and behavior, allowing you to make data-driven decisions, drive company growth and build a much larger base of loyal customers.