



Customers, beneficiaries and key influencers



What are customers, beneficiaries and key influencers?

Social enterprises tend to have many stakeholders, and it is good practice to be able to identify and define those that are relevant to your enterprise (see our guide on identifying your stakeholders for further information). Customers, beneficiaries and key influencers in particular, are stakeholders that are central to your business. Understanding and distinguishing between these three groups is essential if you want to increase your profile, attract more customers and beneficiaries and improve your marketing. This in turn will generate more income and increase your social or environmental impact.

It is also essential to distinguish your customers from your beneficiaries. Although your customers and beneficiaries can be the same person or organisation, in some cases they are different groups that require different key messages.

Customers are the people or organisations purchasing your products or services. They may be buying those products or services for themselves or for someone else.

Beneficiaries are the *consumers* of your products or services – they are the people or organisations directly using your products or services and benefiting from them.

Knowing how your potential customers make their purchasing decisions and who can influence them will help ensure that you are communicating with the right people and doing so with the right messages.

Key Influencers are people that influence the buying decisions of your customers. They don't directly make the decision themselves but the customer will refer to them or take their opinion into consideration (whether they are giving it directly or indirectly) when deciding whether to buy from you.

Why are customers, beneficiaries and key influencers important?

Knowing and understanding your **beneficiaries** is essential to plan, deliver and review your work:

- During market research and the business planning stage, understanding your beneficiaries will help you demonstrate the needs that your enterprise can meet and the potential social impact you can create.
- Once your business is up and running, it is important to ensure that your products and services are well received by your beneficiaries and that you are effectively meeting their needs.
- Monitoring feedback from your beneficiaries and measuring the impact your enterprise has created will help you communicate how well you have met your beneficiaries' needs to other people, including potential customers and key influencers (see our guide on monitoring and evaluation and understanding and measuring your social impact for further information).

Understanding your **customers' needs** and keeping them at the centre of your organisation is essential for successful marketing, sales and long-term sustainability:

- No matter how good you think your products and services are and how much beneficiaries appreciate them, if your customers' needs are not met or if the customer is not satisfied, you are unlikely to get work from them again and can say goodbye to a good reference.
- Ensuring that the customer is central to your business is not just good practice for commercial companies, it is definitely essential if you want your social enterprise to be sustainable financially.
- Focusing on benefits to the customer when marketing your enterprise is key to selling your products and services.
- Building relationships with your **customers** and ensuring that you are delivering value for money should be central at every step of the way.

Keeping **key influencers** in mind and leveraging their support will help you increase your profile and grow your customer base:

- Remember that a previous beneficiary or a past customer can also become a **key influencer** who can speak to other people on your behalf or recommend your products or services.
- Although key influencers don't have to know your enterprise personally, it is worth communicating with them or reaching out to them through PR, networking and events. Sometimes a key influencer's support for the work that you do is enough to reduce the perceived risk of working with you, especially if you are new or very innovative (see our guide on making the most of networks and PR).
- There is no marketing tool more powerful than word of mouth – you never know when you will meet a key influencer so make sure that your 'elevator pitch' is ready and maintain ongoing relationships with your clients, beneficiaries and contacts whenever possible.

How to identify and differentiate between customers, beneficiaries and key influencers

Customer OR beneficiary: if your enterprise provides employability training to young unemployed people but your services are commissioned and paid for by the Local Authority, then your beneficiaries are the young people that receive the training and your customer is the Local Authority.

Customer AND beneficiary: if your Local Authority has contracted you to deliver training to its own staff members, your customer and your beneficiary are the same organisation.

Key influencers: if a youth organisation is interested in purchasing your training services for young people, a key influencer could be a councillor who has heard about how good your training was from speaking to local beneficiaries or the Local Authority you have been delivering a successful training programme for. These key influencers can influence the youth organisation's decision to use your services. They also help to reduce the perceived risk of purchasing services from you because their opinion is trusted and respected.

Being clear about who plays what role with regards to your business will help you ensure that you are communicating the right message to the right audience, and adjust your business and marketing strategies accordingly. For example, key influencers may be concerned about a specific benefit such as the social impact you are creating in their communities. This could be why they would be recommending your services (e.g. a councillor is interested that your programme is helping reduce youth loitering and anti-social behaviour locally).

Whereas your customers will be more interested in the value for money that you provide and whether you have the right quality standards in place to deliver your service (e.g. your Local Authority is interested in using a quality and competitive provider to minimise risks). Your beneficiaries may not care about how much your services cost to the Local Authority, but rather will be interested in how well you are solving their problem (e.g. helping them to become more confident and find an interesting job).

Securing a contract and recruiting beneficiaries to deliver your programme requires a very different focus. Knowing who you are talking to and what they are interested in will make the difference between a successful social enterprise and one struggling to attract business.

Social Enterprise example

Sometimes the relationship between your beneficiaries, customers and key influencers is a dynamic one, with each group playing one or more roles. If your social enterprise produces goods that are sold through wholesalers or retailers, or if you provide business-to-business services, you will have different customer groups, some of which may also be key influencers or beneficiaries.

The Chocolution is a social enterprise that sells organic and ethically sourced raw chocolate, which is known to have beneficial health properties. Their Mayan Magic chocolate making kits are sold to wholesalers and retailers such as Selfridges, who purchase their chocolate making kits in order to sell them on - they are 'business to business' customers.

There are also people who purchase their chocolate-making kits directly online or in stores for their own use or benefit. They are both customers and beneficiaries (or end users).

If one of The Chocolution's customers happens to be a journalist for a women's magazine, and they enjoyed their experience with the product, they may become a key influencer by featuring the product in their publication. Customers or beneficiaries of social enterprises often become key influencers.

Things to look out for with customers, beneficiaries and key influencers

Your reputation

Beneficiaries, customers and key influencers are fantastic when they communicate the messages that you want them to spread. But look out for the ones that can work against you! Negative feedback and poor references are doubly penalising: you can lose both your repeat customers as well as first-time buyers in one go.

Always ensure that the people who are making your products or delivering your services meet your quality standards. This includes managing your suppliers, your team and anyone else involved. A misfit between your organisational values and your actions can cause long term damage to your reputation.

Key opinion leaders

There is a difference between key influencers and key opinion leaders. Key opinion leaders are usually one level further back from the key influencer, such as a policy officer in a Central Government department that works on developing policy in your area of work. Key opinion leaders do not directly influence the purchasing decisions but they will affect the environment and policy context within which those decisions are made (e.g. health and social care).

The 'Personalisation agenda'

If you are a provider of health and social care services, look out for beneficiaries that are empowered to select their provider themselves through what is called the 'Personalisation agenda' (see our guide on commissioning and the tendering process). This change in policy will have an impact on how you promote your products and services – you will have to market yourself directly to your beneficiaries: they are now also your customers.

Further information

Read the Personalisation Agenda on the Department of Health website:

www.dh.gov.uk

Read our guide on Identifying your stakeholders:

www.blondon.com/SocialEnterprise/SettingUp/Firststeps/Identifyingyourstakeholders.aspx

Read our guide on Commissioning and the tendering process:

www.blondon.com/SocialEnterprise/Fundingandfinance/Sourcingfinance/Commissioningandthetenderingprocess.aspx

Read our guide on Understanding and measuring your social impact:

www.blondon.com/SocialEnterprise/Monitoringandevaluation/Understandingandmeasuringyoursocialimpact.aspx

Read our guide on Making the most of networks and PR

www.blondon.com/SocialEnterprise/Marketing/Communications/Networksandpublicrelations.aspx

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