



White Space Analysis:

A Complete Guide

When it comes to sales, your ideal customer isn't always the next one—it's **your current one**. Studies have shown that, in today's competitive landscape, it can cost five times as much for a company to attract a new customer as it does to preserve an existing one.

Put simply, retaining, and nurturing current clients provides better ROI for your business.

In the process of influencing your customer base to repurchase a good or service, you can expose *untapped sales veins* that can spur your growth. In other words, there are **white spaces that are worth mining**. By performing a white space analysis, you can identify who that customer is and how to best target them.

How does white space analysis work?
Here's what you need to know.

What is a White Space Analysis?

A white space analysis helps a company identify gaps between the products and services a customer has already purchased and the other products or services your company provides.

By mining sales data, you can identify opportunities to:

- **Cross-sell** – Cross-selling is the practice of offering customers additional products and services that complement or supplement their previous purchase. For instance, if you bought a new phone, a cross-sell might include a phone case and a charger.

- **Upsell** – Upselling is considered a critical selling skill and involves the act of offering customers upgrades or more expensive products than they

initially intended to purchase. For example, an upsell with a new phone would be adding more data coverage to the base model or upgrading to the latest product release.

However, your analysis isn't simply focused on customers—it also leverages information regarding the industry, competitive landscape, and key stakeholders.

Valuable industry insights into emerging trends provide sales professionals with a head start and a staging point for strategic account planning. Executed correctly, white space analysis on sales makes it possible to identify ideal customers and then offer solutions aligned with the target's goals, needs, or strategic initiatives.



How Does White Space Analysis Work?

Identifying gaps and highlighting potential areas of consumer spend that aren't yet acquired is called "**white space mapping**."

Generally, there are two types of white space mapping:

- **Internally** focused mapping is directed toward identifying your company's strengths and the potential opportunities and areas of concern within a market. This makes it easier to determine market barriers obstructing their ability to release a potential new offering, target new groups, or enter new markets.
- **Externally** focused mapping is directed toward an existing market to identify which products or services are succeeding, which are failing, and where potential gaps may be.

For sales professionals, white space analysis helps boost topline revenue growth.

Although manual methods exist, the majority of modern white space analysis is conducted using platforms like Salesforce. These platforms gather all customer data and run comprehensive analysis on it. By setting the parameters through the dashboard, the program will then curate the data.

But what are the exact steps of the analysis?

1. Get To Know Your Existing Customers

Your first task in attempting to find a white space opportunity is to gain a clear understanding of your customers' current investment in your company's goods or services. In which case, the products, or services they've purchased previously are the first data points to consider.

Ideally, you will want to segment these according to several categories, including:

- Opportunity type
- Record type
- Industry
- Account type
- Product family
- Time period

By conducting a rigorous analysis of your customer's situation, you can leverage that information to highlight their specific pain points. Armed with these insights, you can then propose solutions that fill the gap between what they've already paid for and what additional utility your company could be providing them.

This also aids in determining whether customers are satisfied with your product or services. If they're left wanting, it could make them more susceptible to being lured away by a competitor who offers a more comprehensive solution to their specific problems.

2. Define and Limit the Scope of Your Market

There are few products and services that are universal. For the majority of companies, their offering is ideally targeted for a specific demographic. As a result, a shotgun approach tends to be ineffective. Instead of targeting all potential consumers (or even your existing customers), it's much more effective to limit your focus to a smaller segment.

Ask yourself:

- What are their challenges that you can provide solutions for?
- Where are their gaps in your product in relation to their workflows?
- Where does your customer spend their time?
- Are they getting the most out of your service or product possible?

This introspection will allow you to direct and tailor your retargeting efforts to address their common pain points. This will then drive more sales.

3. Pay Attention to Your Competitors

A white space isn't just a place where your competitors are absent. In fact, in most cases, there will be several competitors present. As Harvard Business Review notes:

"If white space really were just a place where no competitors lurked, companies would have little trouble bringing their most innovative ideas to market, since they'd be, practically by definition, the ones least subject to competition. But we all know how often that turns out to be true."

A competitor analysis will allow you to identify their strengths and weaknesses and then draw a comparison. The point of this exercise is to identify gaps where you're superior to your competitor or where they're currently falling short. Either situation presents a white space opportunity to target customers with a better solution.

Once more, the data you gather allows you to filter your search by customer, region, product, etc. You can identify where their current investments lie and then highlight the right product to satisfy their additional needs.

4. Survey Your Current Customers

You can also uncover potential white space opportunities by asking how your offering enhances your customers' daily routines and where it might fall short. This process may reveal chances for optimization, tweaks, or entirely new features that were previously overlooked.

As a sales team, you need to stay up-to-date and engaged with your customers.

A steady dialogue will showcase their ever-evolving needs. From there, you can respond accordingly. This proactive posture demonstrates to your customers that you're receptive to feedback and quick to respond.

5. Act On New Opportunities

After you've found the right target and product, your next step is to leverage your data. For instance, you can:

- Directly reach out to the potential customer and set up a meeting
- Indirectly retarget them via your marketing efforts
- Prepare to enter that white space
- Start creating a product, service, or feature that addresses a significant pain point



Benefits of White Space Analysis

There are several reasons your company will benefit from a white space analysis. Advantages include but are not limited to:

- **A better understanding of your buyer** – This type of research makes it easier to identify your target market, their pain points, and the overall customer buying journey. Armed with this knowledge, you can customize your sales pitch to address their needs.
- **Identify new customers, segments, and markets** – The white spaces in your market are often “needs” you may not have previously considered. This untapped potential makes it possible to expand your offering into new markets and mediums.
- **Help make informed decisions** – Increased customer insights can help you decide:
 - › Who to target
 - › What value props you should highlight
 - › Whether your white space solution is viable
 - › Whether there are enough customers for it to be a worthwhile pursuit
 - › How much it might cost to expand into those gaps
- **Foster innovation and product development** – By identifying areas where customer needs are not fully met, businesses can innovate and develop new products or services to fill these gaps. This can lead to increased market share and revenue growth.
- **Inform your sales approach** – Some customers are more receptive to certain types of approaches than others. Your analysis can help you settle on the best sales approach, whether it’s a soft sell or hard sell.
- **Refine your sales strategy** – There may be areas that require your focus or withdrawal. By identifying gaps and analyzing your market, you can make the necessary adjustments to fuel your growth. Using your analysis to figure out how to build a sales strategy geared for success will help you in the long term.

Position Your Team to Sell More, Smarter

The sales process is a constantly evolving challenge. White space analysis helps you stay up-to-date with your market and identify growth opportunities. From there, you can step into the void where your (or your competitors') services still have much left to be desired. Do you need someone to shine a spotlight on your white space?

Here, we implement proven sales training and sales consulting solutions that are customized to your organization's needs and market. Whether you're a small- to medium-sized business or an enterprise brand, we have the tools and expertise to help you measurably improve sales.

Reach out today to discover how our team can complement yours.



info@janek.com



800.979.0079



www.janek.com

Sources:

Wertz, J. (2018, September 12). *Don't Spend 5 Times More Attracting New Customers, Nurture The Existing Ones*. Forbes. <https://www.forbes.com/sites/jiawertz/2018/09/12/dont-spend-5-times-more-attracting-new-customers-nurture-the-existing-ones/?sh=6ad0b6c35a8e>

Johnson M. W. (2010, February 12). *Where Is Your White Space?* Harvard Business Review. <https://hbr.org/2010/02/where-is-your-white-space>