

Customer Segments

Delivering Value to Customers

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Customer Segments

The groups of people or organizations we aim to reach

- Who is it we're creating value for?
- Who are our most important customers?
- It may be tempting to say "everyone who can afford it", but you **MUST** decide which people / organizations to focus on and which to ignore.

Customer Segments

Customer groups represent different segments if:

- Their needs require and justify distinct offers
- They are reached through different Channels of Distribution
- They require different types of relationships
- They have substantially different profitabilities for your venture
- They are willing to pay for different aspects of what you offer

How do you segment customers?

- You might focus on **Demographic** factors:
 - Age, ethnicity, gender, income, geographic location, nationality, season of life, profession, industry, etc...
- You might focus on **Psychographic** factors (related to how people see the world):
 - Risk-takers, early-adopters, evangelists, investors, spontaneous buyers, traditionalists, trend setters
- Individuals or Organizations?
- Find out as much as you can about each customer segment!

Value Proposition Canvas

Providing Depth to the Business Model Canvas

Gain Creators:

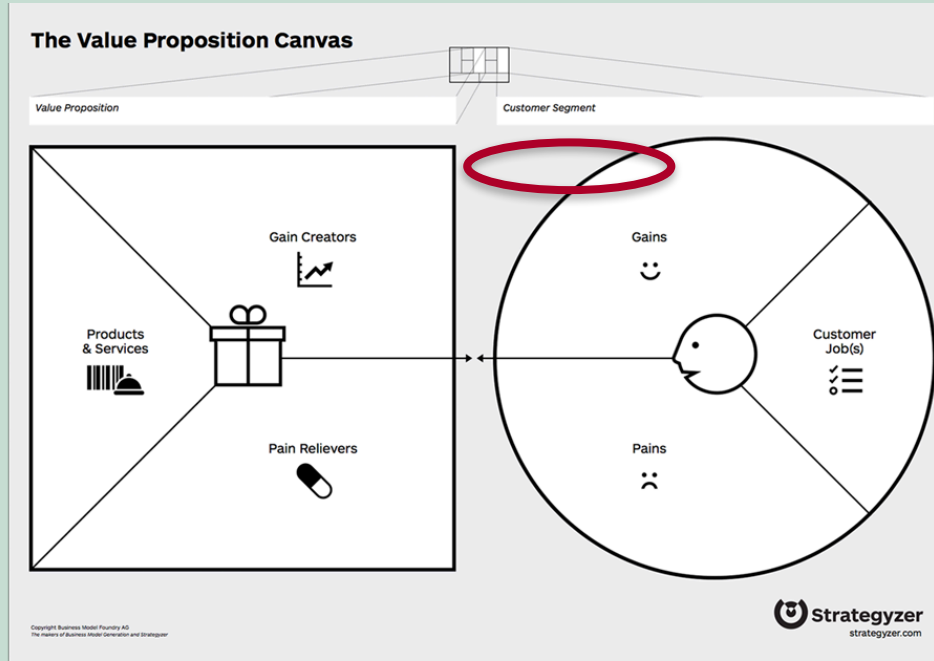
What you provide to create benefits and happiness for your customers

Products/Services:

Description of your product features

Pain Relievers:

How you alleviate bad outcomes, risks, obstacles



Gain: outcomes customers want to achieve, or concrete benefits they seek

Jobs: describe customer tasks in their own words

Pain: Bad outcomes, risks, obstacles related to jobs

Customer Jobs:

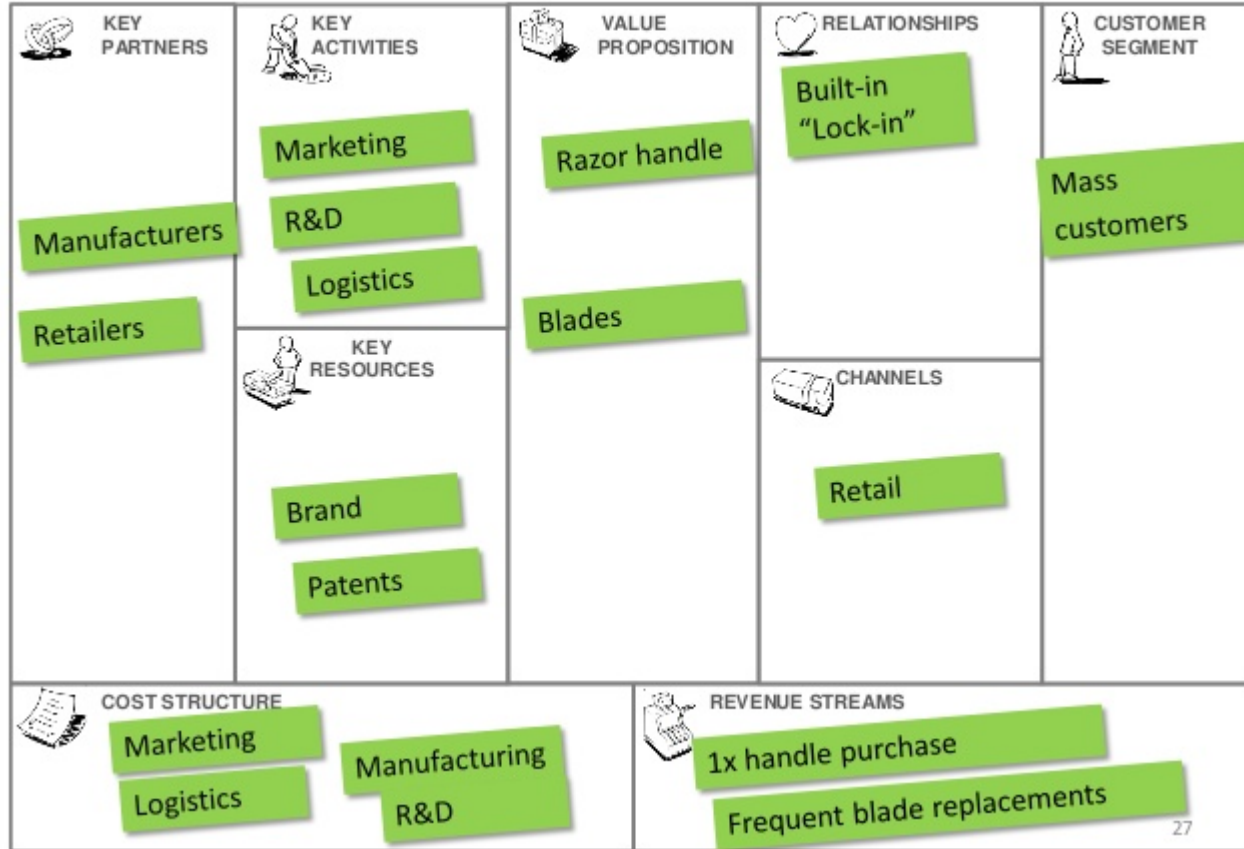
- Functional – Perform tasks; Solve problems
- Social – Look good, Gain power or status
- Emotional – Look better; Feel good
- What are their basic needs? Entertainment, dating,
- Rank order the jobs – Crucial vs. Trivial, Frequency, Context
 - Goal: Understand the “Day in the Life” of your customer
- How do they measure success or failure?
- What would increase their likelihood of adopting?

Customer Gains: Benefits customers expect or desire

- What Makes Them Happy – Saving money? Effort? Time?
- What Would Delight Them – Quality? More or less of something? Features? Performance?
- What Would Make Their Life Easier – More services? Lower cost of ownership? Flatter learning curve?
- Is It Social Consequences - Makes them look good? Status? Increased power?

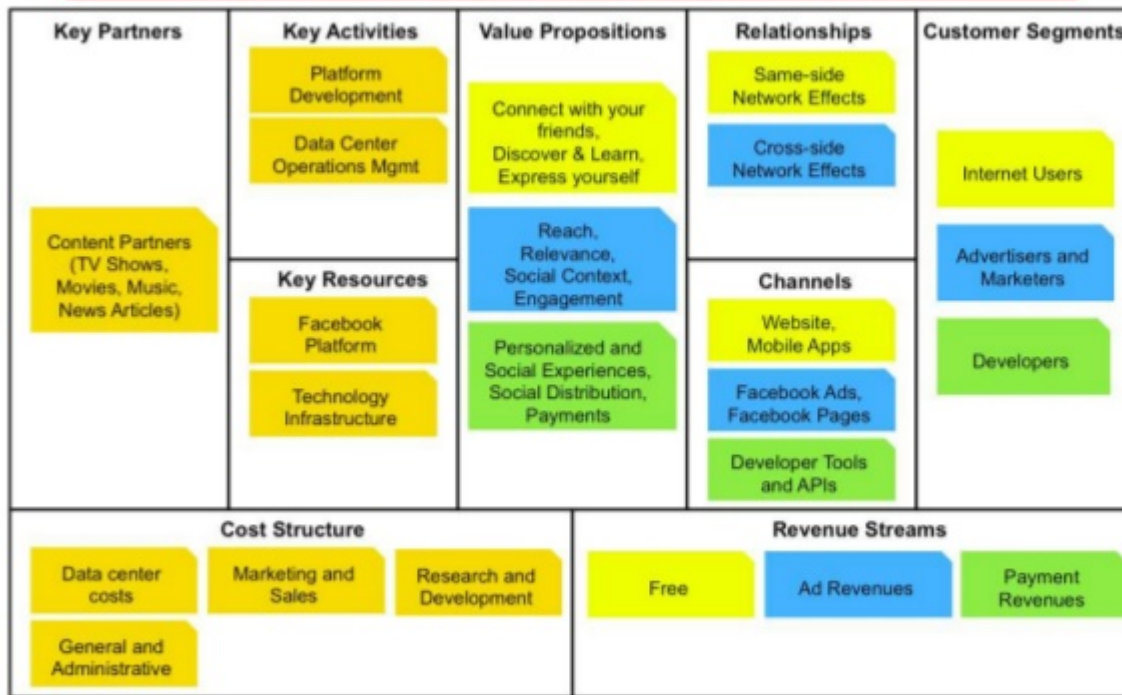
Customer Pains: Undesired costs, situations, risks, emotions

- Is Something too Costly? – Time? Cost?
- Are Current Solutions Underperforming? – Lacks Features? Too Slow? Doesn't Work Well?
- What are the Main Difficulties or Challenges?
- Determine How Important is Problem is to the Customer?
 - Is it #47 on their list, or is it #2 or 3?
- You want to solve Big Issues, Concerns, and Worries!
- Barriers to Adopt? What Risks do they Fear? What Makes them Feel Bad?



Strategy Map: Business Model Canvas

Facebook – World's leading Social Networking Site (SNS)



www.businessmodelgeneration.com

Benchmark Consulting Canada
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Source: <http://bmimatters.com/tag/business-model-canvas-examples/>



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CORPS
NSF Innovation Corps

Value Proposition

Bringing it Back to the Business Model Canvas

