

MARKET SEGMENTATION & CUSTOMER VALUES

Bootcamp 11.17.23

DEMOGRAPHICS \neq SEGMENTS

WHAT SHOULD I SELL?

- Segment by similar needs, wants, values, preferences

WHERE SHOULD I SELL?

- Segment by behavior

VALUE PROPOSITION

For **[the target customer segment]**³
has a problem with **[issue with the status quo]**¹
due to **[key unmet need]**²
[My business] offers a **[what are you selling]**⁴
that provide **[key benefit of your solution]**³

EXERCISE 0:

Which aisle do you choose?

**What are
Customers
BUYING ?**



**What you
Should be
SELLING**

VALUES: THE CORE OF WHY

$$\text{Value} = \frac{\textit{What the Customer Gets}}{\textit{What the Customer Gives Up}}$$

$$\text{Value} = \frac{\text{What the Customer Gets}}{\text{What the Customer Gives Up}}$$

$$\text{Value} = \frac{\text{😊Value}_1 + \text{😊Value}_2 + \text{😊Value}_3 + \dots + \text{😊Value}_n}{\text{☹Value}_1 + \text{☹Value}_1 + \text{☹Value}_3 + \dots + \text{☹Value}_m}$$

$$\text{Value} = \frac{w_1 \text{😊Value}_1 + w_2 \text{😊Value}_2 + w_3 \text{😊Value}_3 + \dots + w_n \text{😊Value}_n}{u_1 \text{☹Value}_1 + u_2 \text{☹Value}_1 + u_3 \text{☹Value}_3 + \dots + u_4 \text{☹Value}_m}$$

VALUES: THE CORE OF WHY

$$Value = \frac{\sum_{i=1}^n w_i \text{😊} Value_i}{\sum_{i=1}^n u_i \text{☹️} Value_i}$$



Supreme

YEEZY

Coca-Cola

SHAKES SHAKES SHAKES
FIVE GUYS
SHAKES SHAKES

EXERCISE 1:

w_i 😊 u_i ☹️

PERSON 1

- Explain your business idea in ≤ 2 minutes.

PERSON 2

- Imagine you are a potential customer for the biz idea. Name the 3 values you care most about when deciding whether to purchase.
- Distribute 100 pts across those three values. With the most points going to the most important value. You cannot have a tie.

EXERCISE 2: ATTRIBUTE MAP

Values +

1. Y-Axis: List values, spaced by prioritizations
2. Plot competitor #1's performance on each value
3. Connect plot into a line.

- Performance +

MINIMAL VIABLE SEGMENT

The **narrowest grouping** of customers who share the **same value set**, that you can **reach without duplicated effort**.

MVS: GUARDRAILS

- 1. Identifiable**
- 2. Substantial**
- 3. Accessible (Reachable)**
- 4. Stable**
- 5. Differentiable**
- 6. Actionable**

EXERCISE 3: POTENTIAL SEGMENTS

PERSON 1

- Explain your business idea in ~ 1 minute.
- List the 3 most important customer values, with rankings

PERSON 2

- Based on the business idea and ranked values, suggest 3, narrow customer segments
- Explain why you think those might be good MVS's

MARKET POSITIONING

- 1. Determine a prioritized list of values**
- 2. Identify any qualifiers/non-negotiables**
- 3. Identify competitors**
- 4. Rank competitors' performance on top values**
- 5. Look for a strategic opening**

EXERCISE 4: CHOICE ALTERNATIVES

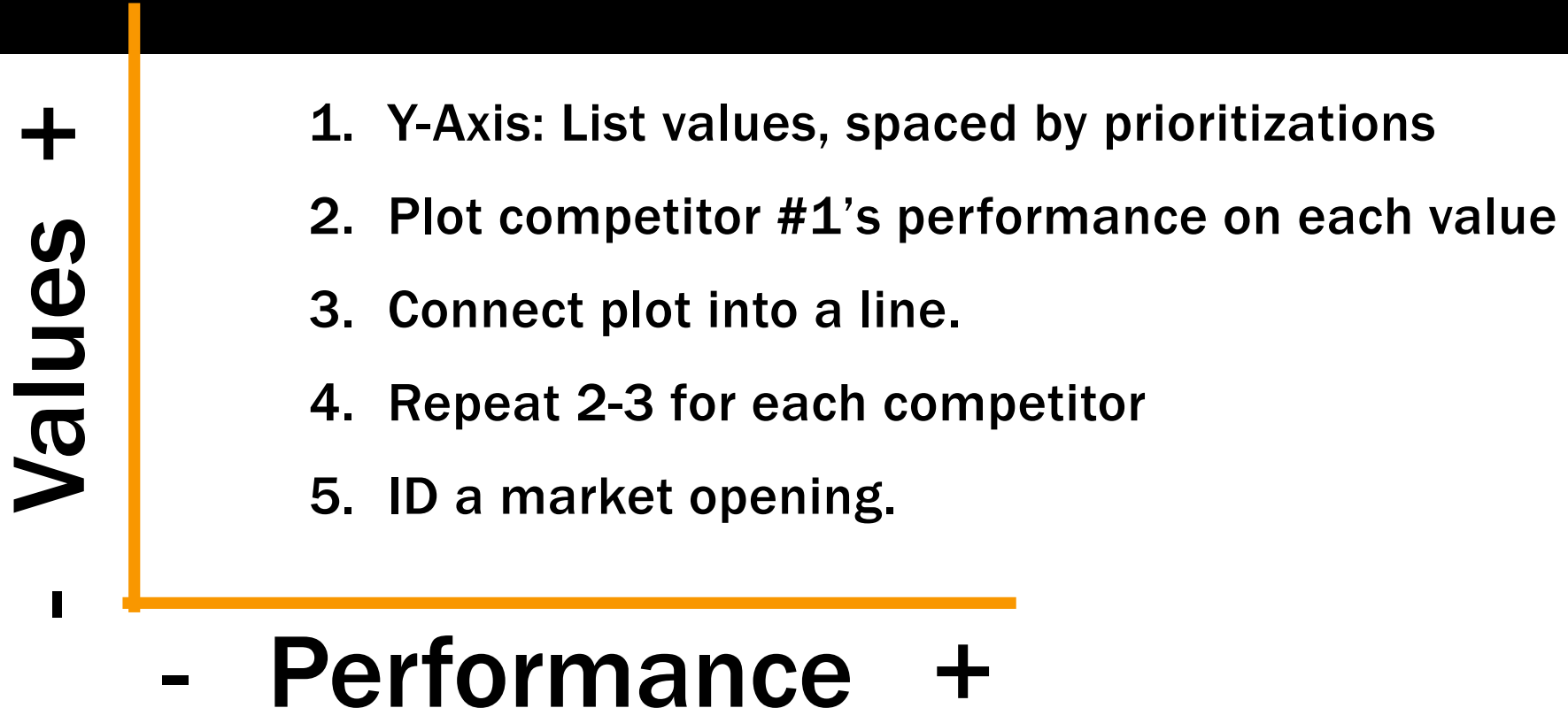
PERSON 1

- Explain your business idea in ~ 1 minute.
- List the 3 most important customer values.

PERSON 2

- Based on the business idea and values, suggest 3 competitors:
 - 2 competitors that are in the same business.
 - 1 that customers may choose or see as a substitute/replacement/alternative to fulfilling the values.

EXERCISE 5: ATTRIBUTE MAPS

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1. Y-Axis: List values, spaced by prioritizations
 2. Plot competitor #1's performance on each value
 3. Connect plot into a line.
 4. Repeat 2-3 for each competitor
 5. ID a market opening.

VALUE PROPOSITION

For **[the target customer segment]** **MVS**
has a problem with **[issue with the status quo]** **Pain**
due to **[key unmet need]** **Values & Competitor Performance**
[My business] offers a **[what are you selling]** **MVP**
that provide **[key benefit of your solution]**
Values vs Competitor Performance