Defining the Customer and the Market

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The Framework

Technology
Is it feasible?
Is it desirable?
Is it viable?

Market
Is it feasible?
Is it desirable?
Is it viable?

Business
Is it feasible?
Is it desirable?
Is it viable?

Your Venture
Defining the Customer and the Market

Your Venture

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Learning Objectives

Understand how to:

• Define your vision by identifying your product, customer, and path to market.

• Validate your vision by recognizing and resolving its biggest uncertainties.

• Based on your vision and validation, set the right milestones to pursue next.
Overview

- Who is your customer and how many are there?
- How much will they pay/how many will they buy?
- How will you reach them?
- Practice applying what you learned
  - About the customer call
  - Thursday, March 9 Workshop: Market Research at Its Best: Customer Calls

The Market Hypothesis

Overarching hypothesis:

“The customer, as currently defined, will value, adopt, and buy our offering.”

☐ go?
☐ no go?
Some Perspective...

Technology Push vs. Market Pull

– It’s easier to start with a customer problem and then find a solution.

In some cases, we are starting with an idea and looking for a problem.

– That's okay, we just need to be confident we are addressing a real problem!

Marketing 101

“It’s the customer, stupid.”
Who’s the Customer? What’s Their Problem?

- **Who has the problem?**
  - Customers, consumers, and users
  - Focus on the one driving the purchase decisions

- **How bad is the problem?**
  - Is it a nice-to-have or need-to-have solution? (Top 3 problem)

- **How much will the customer pay?**

How Many Customers Are There?

**What is market segmentation?**

- Dividing customers into homogenous groups who will exhibit uniform purchasing behavior when exposed to the same marketing mix (e.g. demographics, psychographics, benefits sought, purchase behavior)

**Why do it? STP**

- Segment, Target, Position: better to be specifically wrong than vaguely right
Is This The Right Customer?

Where do you fit in the value chain?

- Suppliers
- Sub-Assemblers
- Mfrs
- Designers
- 3rd Party Developers
- Regulators
- Dist'rs
- Retailer or Reseller
- Consumers
- End-Customers

How Do I Reach Those Customers?

What’s your path to market?

- Your “Go To Market (GTM) plan” identifies your marketing and distribution channels (and particular partners).
  - How will customers learn about your offering?
  - How will you get your product/services to them?
- Make a guess about marketing and distribution. Not sure?
  - Ask someone who knows!
How Do I Put This Into My Plan?

Put down your best guess. Identify a customer, pick a price, define a path to market. Then test it...

- Remember...better to be specifically wrong than vaguely right!
- Compare alternative customer segments, pricing and features, and paths to market to consider before picking one to explore first.
- Not sure what numbers to put down? Ask someone for help (the $5 experiment)

Validating the Market, One Customer at a Time

What does the market think? Who cares what you think, ask the actual buyers!

- What’s a customer call?
- What can you learn?
  - Will they buy? Why or why not? What are the drivers?
  - Will they be repeat buyers?
  - Is there a stronger competitor?
- Always be sensitive
  - These calls present an opportunity to build a relationship.
Next Big Bang! Workshops / Deadlines

WORKSHOPS
Thursday, February 16: Winter Mixer + Live Business Pitch
Wednesday, February 22: Developing Your Startup Slide Deck

COMPETITION DEADLINES
February 23: Final registration and Round 1 deadline. Submit Executive Summary and Team Biographies for judging.
April 11: Round 2 deadline. 20 customer call summary, two-minute video pitch, draft pitch deck.

Thank You / Questions?

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