










# *The Business Model Canvas*

## *Part I of II*

# The Business Model Canvas

Source: [www.businessmodelgeneration.com/canvas](http://www.businessmodelgeneration.com/canvas)

|  |  |   |  |   |
|--|--|---|--|---|
| <b>Key Partners</b><br>     | <b>Key Activities</b><br> | <b>Value Proposition</b><br>  | <b>Customer Relationships</b><br> | <b>Customer Segments</b><br> |
|  | <b>Key Resources</b><br>  |   | <b>Channels</b><br>               |   |
| <b>Cost Structure</b><br> |  | <b>Revenue Streams</b><br> |  |   |

# Customer Segments

- Defines the different groups of people or organizations to serve
- Separate segments if:
  - Needs require and justify distinct offer
  - Reached through different channels
  - Require different types of relationships
  - Are willing to pay for different aspects
  - Have different profitabilities

# Customer segments may exist in different types

- Mass market
  - One large group comprising only one segment
- Niche market
  - Specific, specialized customer group
- Segmented
  - Slightly different customer groups
- Diversified
  - Multiple unrelated customer segments
- Multi-sided markets

# Value Propositions

- Describes the bundle of products or services that create value for a specific customer segment
  - What value do we deliver to the customer?
  - Which customer needs are we satisfying?
  - What are we offering to each customer segment?

# Value propositions exist in quantitative and qualitative areas

## *Quantitative*

Price

Cost reduction

Risk reduction

Convenience

Usability

## *Qualitative*

Newness

Performance

Design

Brand

Customization

# Channels

- Describes how a company communicates with and reaches its customer segments to deliver a value proposition
  1. Raising awareness of the products and services
  2. Helping customers evaluate the value proposition
  3. Allowing customers to purchase
  4. Delivering a value proposition
  5. Providing post-purchase customer support

# Channels demand consideration of key questions

- Through which channels do our customer segments want to be reached?
- How can we integrate our channels?
- What measures define which channels work best?



# Customer Relationships

- Describes the types of relationships a company establishes with specific customer segments
- Driven by motivations to include:
  - Customer acquisition
  - Customer retention
  - Upselling

# Summary

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