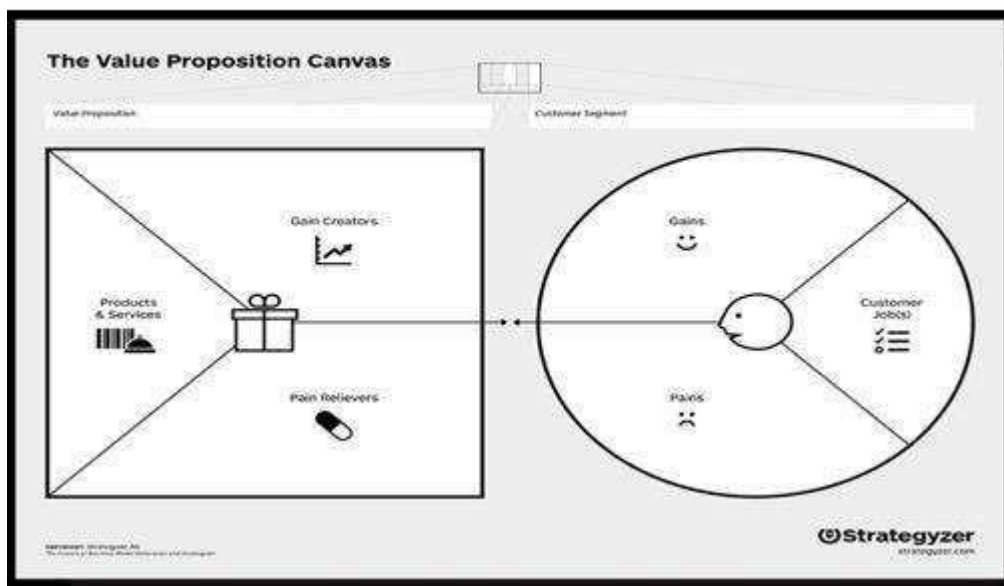


Activity 1

Define your Customer Segment

You have seen the video explaining the concept of Value Proposition Design and the various aspects of the Customer Segment like Customer Jobs, Pains, and Gains. This document will help you work on it in class and you can keep referring to it.



Instructions:

1. Fill in the Customer Segment section on the right which has these sub-sections:
 - Customer Jobs
 - Pains
 - Gains
2. In the previous lesson, you had identified your niche. You can either use the same niche here or use a broader customer segment, though it is recommended that you use the same niche here. Use your learnings from the Find Your Niche and What's the Alternative activities to fill in the Customer segment portion of the value proposition canvas.
3. Use post-it notes for this activity. Write on them and stick them onto the segments of the circle.

Next, you need to perform an Out of Class activity called the Validation Exercise. This is to validate what you have put on the canvas; you need to go out and interview industry experts and customers.

Activity 1

Define your Customer Segment

Note: Keep this handout carefully. After your Validation Exercise, you have to come back and fill the next sheet.

After you have completed the Validation Exercise, you need to prioritize your lists of Customer Jobs, Pains, and Gains.

Fill in the table below to prioritize the lists. Write your most important Jobs, Pains first. It may be convenient to use a pencil and an eraser.

Jobs importance	Pain severity	Gain relevance
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Activity 1

Define your Customer Segment

The diagram consists of three vertical panels, each representing a different dimension of a concept. Each panel has a vertical axis with an upward arrow. The first panel is labeled '+ Important' at the top and '- Insignificant' at the bottom. The second panel is labeled '+ Extreme' at the top and '- Moderate' at the bottom. The third panel is labeled '+ Essential' at the top and '- Nice to have' at the bottom.

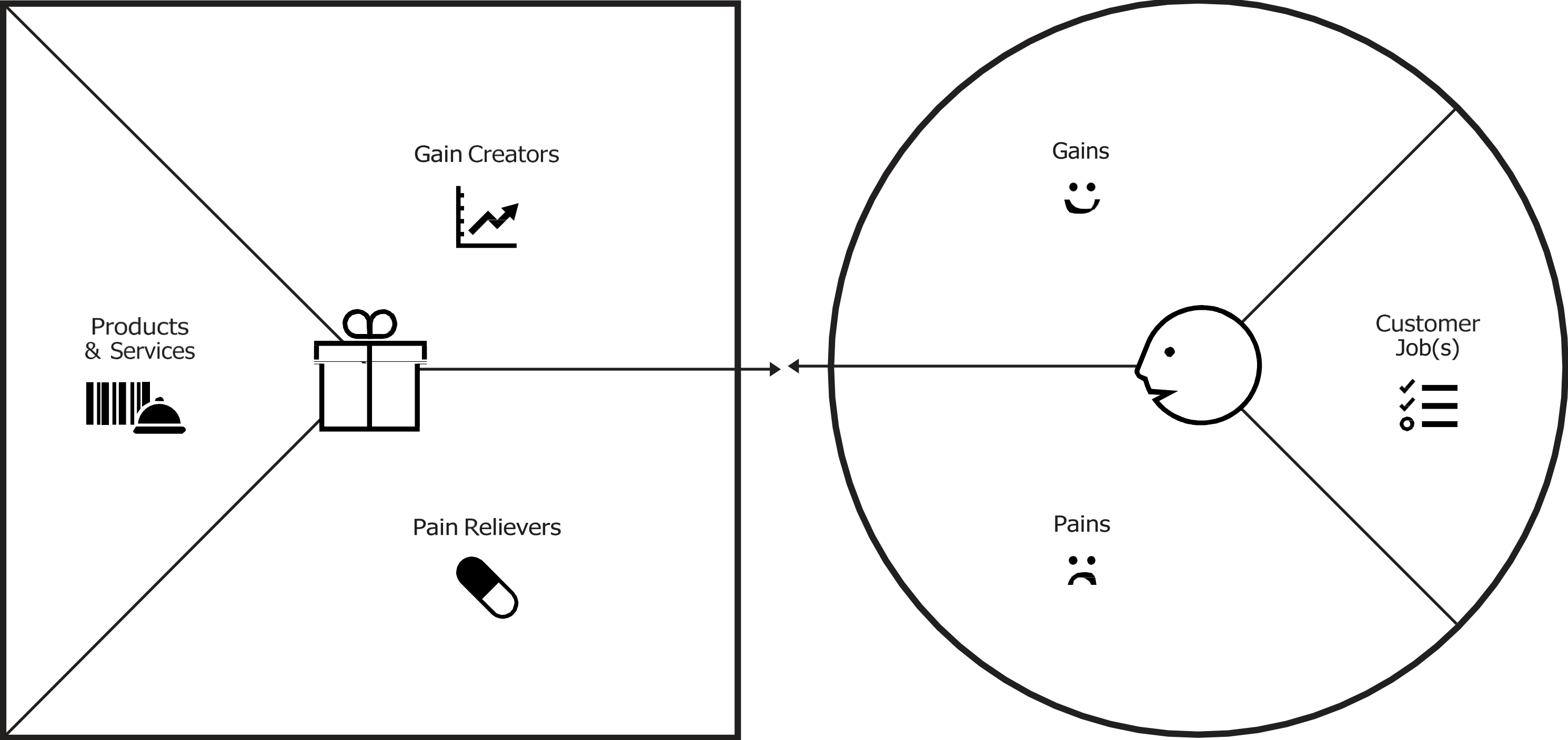
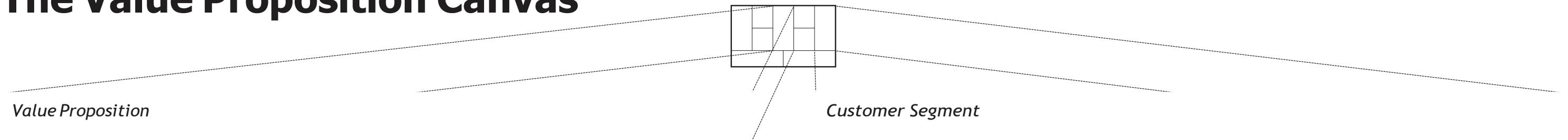
Jobs importance	Pain severity	Gain relevance
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Activity 1

Define your Customer Segment

<p>↑</p> <p>+ Important</p> <p>- Insignificant</p>	<p>↑</p> <p>+ Extreme</p> <p>- Moderate</p>	<p>↑</p> <p>+ Essential</p> <p>- Nice to have</p>
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The Value Proposition Canvas



Activity 2

Validation Exercise

You have worked on defining the Customer Segment section of the Value Proposition Canvas, i.e. Customer Jobs, Pains, and Gains. To validate what you have put on the canvas, you need to go out and interview industry experts and customers. You will need to interview at least one industry expert and two customers to validate the Customer Jobs, Pains, and Gains. This handout contains instructions to help you with this Validation Exercise. It can also be download from the LMS.

To capture the responses, use the three tables provided in this handout. Or, you may record your interviews with the permission of the interviewees, and then fill in the details here after you complete the interviews.

After you fill in these three tables:

1. Revisit the Value Proposition Canvas and make the changes based on the Validation Exercise.
2. Finalize and prioritize your lists of customer jobs, pains, and gains in the **Activity Handout: Defining Your Customer Segment**, which was given to you earlier.

CUSTOMER JOBS

Question:	Response from Expert	Response from Customer 1	Response from Customer 2
1. What problems are you trying to solve?			
2. What tasks are you trying to perform or complete?			

Activity 2

Validation Exercise

CUSTOMER PAINS

Question:	Response from Expert	Response from Customer 1	Response from Customer 2
1. What do you find too costly?			
2. What makes you feel bad?			
3. How are the current solutions underperforming for you?			
4. What are the main difficulties and challenges you encounter?			
5. What negative social consequences do you encounter or fear?			
6. What risks do you fear?			
7. What's keeping you awake at night?			
8. What common mistakes do you make?			
9. What barriers are keeping you from adopting solutions?			

Activity 2

Validation Exercise

CUSTOMER GAINS

Question:	Response from Expert	Response from Customer 1	Response from Customer 2
1. Which savings would make you happy?			
2. What outcomes do you expect and what would go beyond your expectations?			
3. How do current solutions delight you?			
4. What would make your job or life easier?			
5. What positive social consequences do you desire?			
6. What are you looking for?			
7. What do you dream about?			
8. How do you measure success and failure?			
9. What would increase the likelihood of you adopting a solution?			

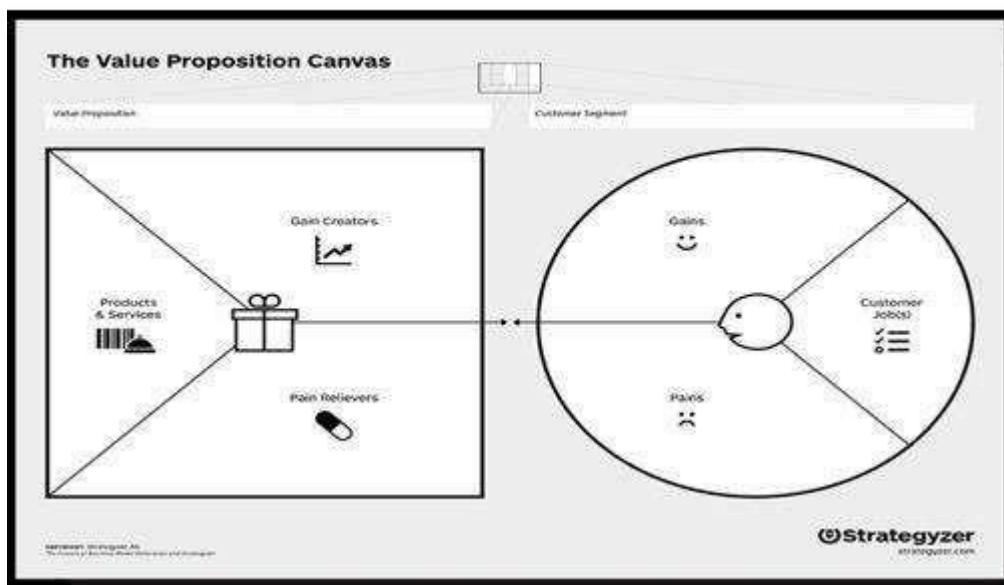
Activity 3

Value Proposition and Fit

A. Value Proposition

In the previous session, you have completed the Customer Segment portion of the canvas which was the right section of the canvas. Now you will continue work on the canvas in class and complete the left section which is the Value Proposition.

Use the same Value Proposition canvas that you started working on in the previous session.



Instructions:

- Fill in the Value Proposition section on the left which has these sub-sections:
 - Products and Services
 - Pain Relievers
 - Gain Creators
- Fill in the Products and Services sub-section with all the products and services that you offer.
- Use the questions listed below to help you fill in the Pain Relievers sub-section:
 - What would produce savings for your customers?
 - What would make your customers feel better?
 - What would fix underperforming solutions?
 - What would put an end to difficulties and challenges that your customers encounter?

Activity 3

Value Proposition and Fit

- What would wipe out negative social consequences your customers encounter or fear?
 - What would eliminate risks your customers fear?
 - What would help your customers sleep better at night?
 - What would limit or eradicate common mistakes customers make?
 - What would get rid of barriers that are keeping your customer from adopting solutions?
4. Use the questions listed below to help you fill in the Gain Creators sub-section.
- What would create savings that make your customer happy?
 - What would produce outcomes your customer expects or that go beyond their expectations?
 - What would copy or outperform current solutions that delight your customer?
 - What would make your customer's job or life easier?
 - What would create positive social consequences that your customer desires?
 - What would do something customers are looking for?
 - What would fulfill something that customers are dreaming about?
 - What would produce positive outcomes matching your customers' success and failure criteria?
 - What would help make adoption easier?
5. Use post-it notes for this activity. Write on them and stick them onto the segments of the square. You can download the canvas and this activity handout from the LMS.

B. Assessing Fit

After you have filled in the Products and Services, Pain Relievers, and Gain Creators, you need to assess if your value proposition is a good fit to your customer segment.

Answer the following eight questions with a 'Yes' or 'No' to assess your value proposition fit.

1. Does it focus on the most important jobs, most extreme pains, and most essential gains?
- ☐ Yes ☐ No
2. Does it focus on unsatisfied jobs, unresolved pains, and unrealized gains?
- ☐ Yes ☐ No

Activity 3

Value Proposition and Fit

3. Does it concentrate on only a few pain relievers and gain creators but does those extremely well?

☐ Yes ☐ No

4. Does it align with how customers measure success?

☐ Yes ☐ No

5. Does it focus on jobs, pains, or gains that a large number of customers have or for which a small number are willing to pay a lot of money?

☐ Yes ☐ No

6. Does it differentiate from competition in a meaningful way?

☐ Yes ☐ No

7. Does it outperform competition substantially on at least one dimension?

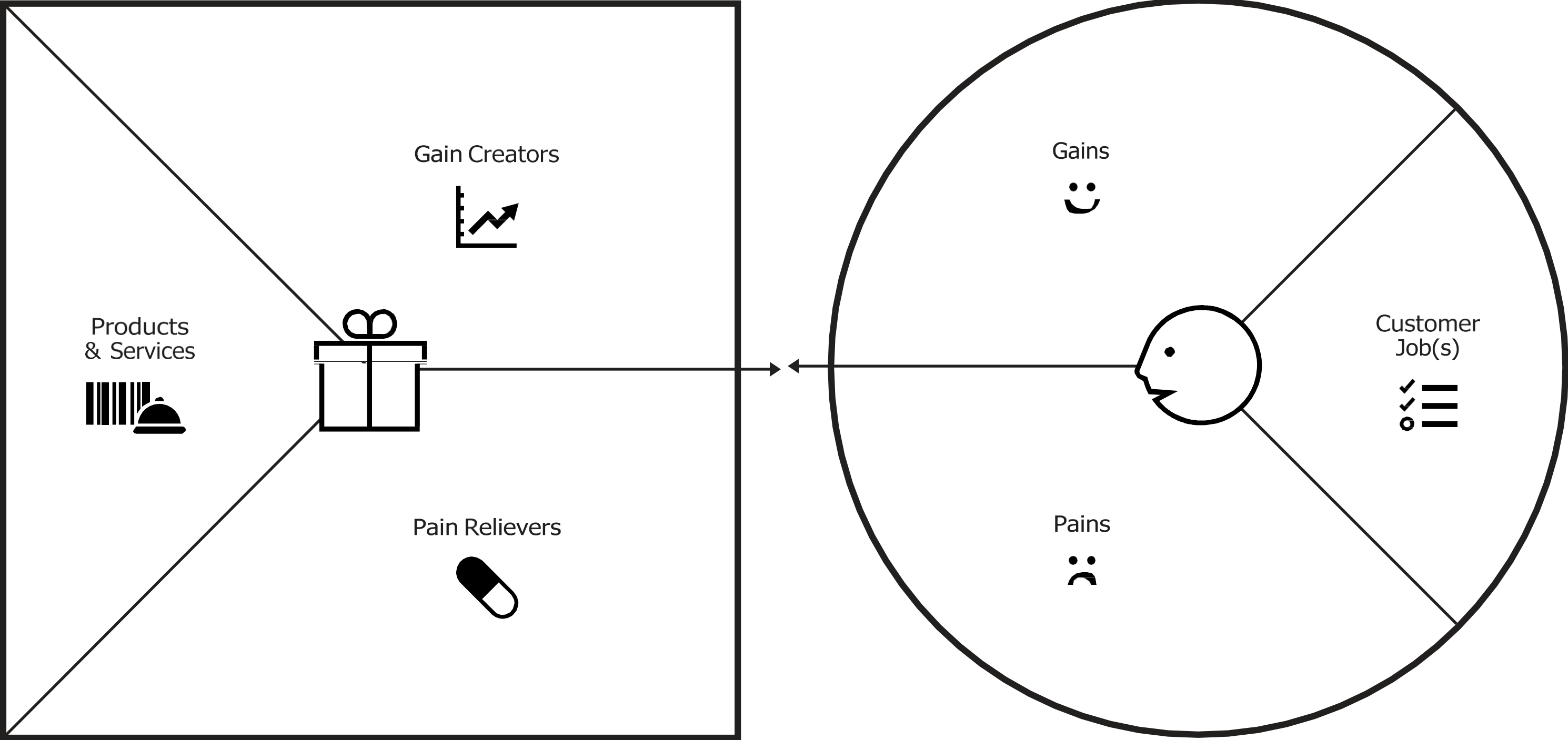
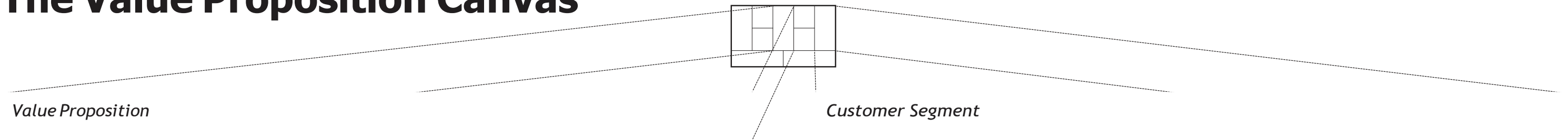
☐ Yes ☐ No

8. Is it difficult to copy?

☐ Yes ☐ No

Note: If you have answered with a 'No' to four or more questions, it is recommended you go back and tweak your Value Proposition.

The Value Proposition Canvas



Activity 4

Competition Analysis

Context

In this activity, you will identify your competitors.

You also need to identify which of the product benefits that they are offering are most important to the customers, and how customers perceive these benefits.

Here, the teams will engage in customer interviews to validate how important are the product benefits offered by them to the customer and how the competitors are faring against these benefits.

This will help you to refine Unique Value Proposition to differentiate yourself.

Objectives

This task will help you to:

- Understand who the competitors are
- Identify which product benefits customers perceive as most important
- Understand how customers perceive the benefits of what you are offering so that you can further refine Unique Value Proposition
- Identify how the competitors fare against these benefits

Instructions

1. Once you have completed the task, try to tabulate your findings similar to the one on energydrinks given below.

A. Instructions to carry out the task:

You have identified your Unique Value Proposition in the previous lesson. Now, you will identify and analyze your competitors. By doing so, you will understand if your value proposition is sufficiently different from what your competitors are offering. This will help you further refine your Unique Value Proposition and make sure your products and services are different from theirs.

Activity 5

Competition Analysis

Step 1: Identify 3 to 6 existing players who are likely to be your main competition. Be careful to correctly identify those competitors who will be fighting for the same niche. In case you are able to identify many more competitors, go for the ones who sell more in your niche.

Step 2: Identify the important product benefits (pain relievers or gain creators) that you are offering. Shortlist from the list the 4 to 10 that are most important to customers. To do this, simply merge the lists of gain creators and pain relievers you had worked on and prioritize the joint list. List them below:

Product Benefits:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

B. Customer Interviews

It is recommended you interview at least 4 customers. Every team member must get an opportunity to be a part of the interview process. You need to interview customers to:

1. Validate the product benefits.
2. Capture how the competitors fare against those product benefits i.e. the perceived performance of the competitors against each of the benefits that you are offering.

Activity 5

Competition Analysis

To do this, show them your list of product benefits and add or remove them based on what the customers say. Ask them how the competitors fare against those product benefits. Based on what the customers say as well as your research, you need to tabulate your findings.

For example, if you want to look at the energy drinks market, this is how the table will look. **Let the product benefits be column headings and the competitors be row labels.**

Competitors	Product Benefits				
	Price (INR)	Taste	Stimulants	Branding	Packaging
Energy Drink 1	80	Metallic Carbonated	Caffeine Taurine	Sports	330 ml can
Energy Drink 2	80	Metallic Carbonated	Caffeine Taurine	Sports Party	240 ml
Energy Drink 3	75	Metallic Carbonated	Caffeine Taurine Guarana	Party	300 ml can
Energy Drink 4	85 40	Apple Carbonated	Taurine Guarana	Natural	250 ml can 180 ml can
Energy Drink 5	20	Fruity	Guarana	Green Natural	200 ml pouch

Use the tables below to capture your customer responses on the validation of your product benefits as well as how they think competition is doing against those benefits.

Customer 1:

	Benefit 1	Benefit 2	Benefit 3	Benefit 4	Benefit 5
Competitor 1					
Competitor 2					
Competitor 3					
Competitor 4					
Competitor 5					

Customer 2:

	Benefit 1	Benefit 2	Benefit 3	Benefit 4	Benefit 5
Competitor 1					
Competitor 2					
Competitor 3					
Competitor 4					
Competitor 5					

Activity 5

Competition Analysis

Customer 3:

	Benefit 1	Benefit 2	Benefit 3	Benefit 4	Benefit 5
Competitor 1					
Competitor 2					
Competitor 3					
Competitor 4					
Competitor 5					

Customer 4:

	Benefit 1	Benefit 2	Benefit 3	Benefit 4	Benefit 5
Competitor 1					
Competitor 2					
Competitor 3					
Competitor 4					
Competitor 5					