






MODULE	5
TITLE	Customers and Users
TIME (approx.)	90 minutes
OUTCOMES	Students will: <ul style="list-style-type: none"> • Become familiar the terms "target market" and "market research" • Define their target market and refine what their customers want through market research • Research and test their target market/customers using market research techniques
KEYWORDS	TARGET MARKET; CUSTOMER; USER; CUSTOMER PROFILE; MARKET RESEARCH
VIDEO	MODULE 5 – Understand Your Customers Presented by: Mia Roth, Moose Toys
ADDITIONAL RESOURCES	<ul style="list-style-type: none"> • Video • Worksheets: Target Market Identification; Our Target Market; Target Market Research; Product Planning and Design.

 KIDPRENEUR ACTIVITY	 EDUCATOR NOTES
 WATCH VIDEO MODULE 5 – UNDERSTANDING YOUR CUSTOMERS Presented by: Mia Roth, Moose Toys	DISCUSSION NOTES Why Understanding Customers is Important. <p>However good your product or service is, the truth is that no-one will buy it if they don't want it or believe they don't need it. And you won't persuade anyone that they want or need to buy what you're offering unless you clearly understand what it is your customers really want.</p> <p>Knowing and understanding customer needs is at the centre of every successful business, whether it sells directly to individuals or other businesses.</p> <p>Once you have this knowledge, you can use it to persuade potential and existing customers that buying from you is in their best interests. Knowing specifically what buyers want, entrepreneurs can build and deliver the precise solutions to meet customers' needs. They also offer their products at the right locations, at the right price, and with the appropriate warranties. They deliver the right features and support to create positive buying experiences.</p>
1. WHAT IS A TARGET MARKET?	ACTIVITY NOTES Target Market A Target Market simply and clearly defines the consumers or groups most likely to purchase a product or service.



<p>Complete the target market activity to define the target market.</p> <div data-bbox="118 423 185 510" data-label="Image"> </div> <p>KIDPRENEUR WORKSHEET ACTIVITY</p> <p>For each of the products, complete the following:</p> <ul style="list-style-type: none"> Name a target market for the product. This could be very general e.g. 'females aged 13-30 years old' or it could be very specific e.g. 'females aged 13-30 who play soccer'. Use the space provided to write a 'target market profile'. This is a description of an individual within the target market, describing aspects of their life that are relevant to the product being designed for them. Describe why the product features might appeal to people in the chosen target market. Describe the product's size, colour and bundling. A space is also added for additional design features that may be relevant to this target market. <p>Discuss as a class or in small groups why it is important to identify target markets? Share.</p>	<p>Narrowly defined target markets help marketers craft compelling marketing materials that speak directly to the target buyer.</p> <p>Potential customers can be split into groups by shared characteristics e.g. gender, age, income, where they live, hobbies, preferences etc. Putting customers into groups is called market segmentation.</p> <p>A business will identify which group of people it will design its products for and sell to.</p> <p>Some businesses choose one target market and design and sell a product for them only. Some businesses create variations of their product to suit two or more different market segments (e.g. a restaurant owner opens an Italian restaurant and a Mexican restaurant for the target market that likes each type of food), but very few companies will try to design one product to sell to lots of different target markets.</p> <p>Here are some examples of target markets:</p> <ul style="list-style-type: none"> People with a large amount of cash, or people on a budget People who like quality rather than value for money, or vice versa People who support charities People who travel a lot People who live in cold or warm climates People who have time to browse, or those who are in a hurry People who like exercise and fitness
<p>2. DEFINE OUR CUSTOMERS AND USERS</p> <div data-bbox="118 1267 185 1355" data-label="Image"> </div> <p>KIDPRENEUR WORKSHEET ACTIVITY</p> <p>In your group discuss:</p> <ul style="list-style-type: none"> Who is most likely to use or need it? Where you are most likely to sell it and what type of customers will be there? E.g. school or market Are there similar products? <p>In your group decide who is your target market and why.</p>	<p>ACTIVITY NOTES</p> <p>Who is Your Target Market?</p> <p>Now that Kidpreneurs have practiced choosing target markets for products, they must now identify the target market for their own business product on their worksheet.</p> <p>Tips for choosing a target market:</p> <ul style="list-style-type: none"> Don't make it too general, as there might be too many people to try to design for. E.g. if the target market is 'teenagers' they will like lots of different colours, sizes and bundling. But if it is teenagers who like skateboarding, this will be easier. Don't be too specific, as you want to be able to sell to enough people to reach your sales goal. Think about where the product will be sold, what type of customers will be there? It might be helpful to design the product to suit them. E.g. will Kidpreneurs be selling at school? The target market should be children aged 10-12. Think about similar products that you have seen, who are their target markets?
<p>3. FIND OUT WHAT OUR CUSTOMERS WANT OR NEED</p> <div data-bbox="118 1973 185 2060" data-label="Image"> </div> <p>KIDPRENEUR WORKSHEET ACTIVITY</p>	<p>ACTIVITY NOTES</p> <p>What is Market Research?</p>



Now that you have your target audience, you now must prepare a survey to learn what your customers would like.

In your groups, write down between 5 – 10 questions you can ask your target audience about your business and product idea. You can include feedback in your pitch to customers after this module.

Market Research is the process of collecting valuable information to help Kidpreneur find out if there is a market for their businesses' proposed product or service.

Market research is about collecting information that provides an insight into your customers thinking, buying patterns, and location. In addition, market research can also assist you to monitor market trends and keep an eye on what your competition is doing.

Why market research is important.

The information gathered from market research will help them make good business decisions and develop and refine their products / service to ensure that they have the best chance of successfully attracting and selling to customers.

Successful businesses undertake market research on a regular basis to:

- identify potential new customers
- learn more about existing customers
- inform their decisions regarding existing and new products or services
- better understand their competitors
- test new markets
- identify performance, pricing or promotion opportunities

Sources and Types of Information that can be collected for Market Research:

There is a variety of data sources to assist you in researching your customers, competitors, industry, location etc.

Primary research refers to information gathered from original sources such as:

- Surveys
- Face-to-face interviews
- Focus groups
- Pitch feedback / customer feedback
- Questionnaires

Secondary research is information and data that has already been collected and analysed by other sources such as:

- Australian Bureau of Statistics
- Industry and trade publications
- Social media and websites
- Marketing and consumer lists
- Newspapers and media

We recommend that Kidpreneurs use a combination of surveys and their pitches to collect information and feedback at the various stages of their entrepreneur journey.

The types of information you collect through these sources may be:



	<p>Qualitative information measures the values, attitudes and views of a group. This type of information is useful if you want to understand why people buy your products, how they respond to your advertising or their perceptions of your brand.</p> <p>Quantitative information is based on statistics and may be used to predict market penetration, future earnings etc.</p>
<p>4. PRODUCT PLANNING & DESIGN</p> <div data-bbox="124 703 188 786" data-label="Image"> </div> <p>KIDPRENEUR WORKSHEET ACTIVITY</p> <p>In your group decide how you will design your product to suit your target market.</p> <ol style="list-style-type: none"> Size: Will the products be in one size or a variety of sizes? E.g. small for a child Colour: Will there be a choice of colours or the same colour? e.g. bright colours if for children Bundling: Are the products for individual sale, or in sets? e.g. single items, packs or 6 etc. Can the customer order a different size, colour etc. that can be sent to them later? Are there different designs of the product that will need unique names? 	<p>ACTIVITY NOTES</p> <p>Product Design Considerations.</p> <p>Once market research has revealed the wants and needs of a target market, the business can design its product to appeal to their chosen customers. For example: If an ice cream business chooses to sell to young children, it might make the following decisions about its product design:</p> <ul style="list-style-type: none"> Size: A cone that is easy to hold in small hands and doesn't break easily. Colour: Bright coloured ice cream with lollies speckled through it. The packaging would also be colourful and fun. Bundling: Ice creams would be sold individually in their own packet <p>Note:</p> <ul style="list-style-type: none"> <i>There can be complexities with identifying a target market. The target market for the children's ice cream might not be the child who eats the ice cream. Instead, the target market might be the parent who buys the ice cream for the child. In this case the product would be designed to appeal to the parent e.g. health</i> <i>Encourage Kidpreneurs to select only one product design. Having a large range of design variations can be difficult to manage, is harder to produce and can also be confusing for customers.</i>



TIPS AND SUPPLEMENTARY EDUCATOR RESOURCES

Things to Consider When Deciding on your Target Market



<http://www.inc.com/guides/2010/06/defining-your-target-market.html>

Product Design and Development Process



<http://smallbusiness.chron.com/description-target-market-3250.html>