Market Segmentation: What my startup will do

1. Add a sheet to your excel file, named “”MS-1-industries and end users, with the header:

|  |  |  |
| --- | --- | --- |
| Industries or similar categories | End users | What do they use it for |

Use group discussions to decide what industries and end users could use your idea and fill at least 10 rows in this table

1. Add a sheet to your excel file, named “MS-2-top target markets”, with the header:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| End user | Target customer well-funded? | Target customer readily accessible to sales force? | Target customer’s compelling reason to buy | Can you deliver a whole product? | Is there firmly established competition? | Can you leverage this segment to enter others? | Consistent with values, passions, goals of team? | rank |

Start narrowing down the market segments identified in MS-1, so that later you can do a deeper analysis on a small number of market segments, before choosing the Beachhead market. In each cell indicate 1-2 sentences to explain the answer to the question. Use the las column to prioritize each end-user by how compelling and opportunity you think it is. Use 1 for the best rank and go down to… at least 10

1. Discuss with real potential customers, stay in inquiry mode and learn from the customer. Do not be biased towards your idea and solution.

Assign each market segment to a subgroup within your team and set a deadline. Each such team should discuss/interact online with at least 5 potential customers. When discussing your results, if one get too emotionally attached to a market, pick someone else in the subteam to present.

Before going to the next step, take your time to get better accustomed on how to proceed by watching <https://www.slideshare.net/chenelaine/primary-market-research-an-overview-on-qualitative-and-quantitative-research-techniques>

Fill in the Market segmentation (MS) matrix, based on the explanations on the Market segmentation matrix the next page.

Add a sheet to your excel file, named “MS-3- MS matrix”, with the header:

|  |
| --- |
| Market segment name |
| End user |
| Task |
| Benefit |
| Urgency of need |
| Example of end users |
| Lead customers |
| Willingness to change |
| Frequency of buying |
| Concentration of buyers |
| Other relevant MS considerations |
| Size of market (# of end users) |
| Estimated value of end users (1, 10, 1000….) |
| Competition / alternatives |
| Other components needed for a full solution |
| important partners |
| Other relevant personal consideration |

