

Identifying Your Target Customers

This worksheet helps you systematically segment your market using demographics and geography. Thoughtful work here prevents the costly mistake of trying to serve everyone and reaching no one. You'll identify 3-5 specific customer segments, understand their characteristics, and determine which segments offer the best opportunities for initial focus.

What This Worksheet Covers

This planning tool has four parts: (1) demographic factors—age, income, education, occupation; (2) geographic factors—locations, scope, constraints; (3) segment identification—combining factors into distinct customer groups; and (4) reflection—evaluating which segments are most promising.



How to Use This Worksheet

Think deeply about WHY each factor matters, not just whether it does. Age matters because it correlates with life stage. Income matters because it indicates both ability to pay AND time scarcity. Understanding these correlations prevents superficial segmentation.



Why This Matters

Most entrepreneurs define targets too broadly ('working professionals') or too arbitrarily ('25-34 year olds'). Systematic segmentation reveals who you can serve best, where to find them, and how to reach them cost-effectively.

What You Will Gain

PRECISION

Move from vague targets to specific customer groups

EFFICIENCY

Focus resources on highest-potential segments

INSIGHT

Understand who to serve and where to find them

■ **Time Required:** 45-60 minutes

■ **Best Approach:** Complete after initial market research

Part A: Demographic Factors

AGE

Does age matter for your opportunity?

Yes No Uncertain

If yes, why does it matter? What's the underlying reason age is relevant?

What age ranges might represent distinct segments?

Segment 1: Ages _____ to _____ (description: _____)

Segment 2: Ages _____ to _____ (description: _____)

Segment 3: Ages _____ to _____ (description: _____)

INCOME

Does income level matter for your opportunity?

Yes No Uncertain

If yes, why? (Consider ability to pay AND what income correlates with)

What income brackets might represent distinct segments?

Segment 1: \$ _____ to \$ _____ (description: _____)

Segment 2: \$ _____ to \$ _____ (description: _____)

Segment 3: \$ _____ to \$ _____ (description: _____)

EDUCATION & OCCUPATION/INDUSTRY

Does education level matter? Yes No Uncertain

If yes, why? _____

Does occupation/industry matter? Yes No Uncertain

If yes, which occupations/industries? Why?

OTHER DEMOGRAPHIC FACTORS

Factor: _____

Why it matters: _____

Factor: _____

Why it matters: _____

Part B: Geographic Factors

Where could your solution theoretically work?

- Single city/metro area
- Multiple cities in one country
- Multiple countries
- Global

Where will you realistically focus initially?

List 3 specific cities/regions you're considering:

Location 1: _____

Why attractive: _____

Location 2: _____

Why attractive: _____

Location 3: _____

Why attractive: _____

Part C: Initial Segment Identification

Combine demographic + geographic factors to identify 3 potential target segments:

SEGMENT 1

Name: _____

Age: _____ Income: _____ Location: _____

Why attractive: _____

SEGMENT 2

Name: _____

Age: _____ Income: _____ Location: _____

Why attractive: _____

SEGMENT 3

Name: _____

Age: _____ Income: _____ Location: _____

Why attractive: _____

Reflection & Next Steps

Part D: Segment Evaluation

Which segment seems most promising based on demographics and geography?

Most promising segment: _____

Why does this segment seem most promising?

What do you NOT yet know about this segment?

How could you learn more about this segment?

✓ Next Steps

You've accomplished something most entrepreneurs skip: moving from vague targets to specific segments. This is foundational work. Next, you'll layer on psychographic, behavioral, and needs-based segmentation to complete your customer understanding. Demographics and geography tell you WHO and WHERE. The next dimensions will reveal WHY, HOW, and WHAT they need.