THE KNOW YOUR CUSTOMER BLUEPRINT

How to find and reach your most valuable customers.

Nine Labs — Psychology Driven. Design Focused. Business Results.

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Step 1: Write down your current Value Proposition.

A Value Proposition is a promise of value to be delivered and acknowledged by a customer. A Value Proposition can apply to products or services, parts of a company, or an entire organization. You can read more about Value Propositions on Wikipedia.

Action Item:

Write your current Value Proposition on a blank sticky note or index card and set it aside for later.

Note: Throughout this document, we will conduct the same exercise alongside you. We will be using a travel coffee mug as our example product. Follow along with these boxes for guidance. If you get stuck, just let us know.

Our Value Proposition:
Millennial Mug - the best coffee mug for millennials.

Step 2: Identify your Target Audience.

Marketing has changed dramatically over the last few years. Simple demographics aren't good enough. If you're going after "25-35 year old women in New York City", your focus isn't, well, focused enough.

To understand why someone would want what you're selling, you need to understand who they are. You have to make the audience as specific as possible. To do that, you need to understand your users:

- You can ensure you're solving a problem that exists in people's lives. Don't build a snow machine for an eskimo!
- Because understanding them is the key to building a product that is tailored to its audience.

Try answering these questions:

- Where do they work?
  - How do they get there?
  - What is their occupation?
- What is their education level?
- What is their socio-economic status?
- Why are they coming to us?
  - What are their goals?
  - What are their needs?
- Who are our users?
  - Businesses or consumers?
  - Demographics?
  - Background knowledge?
  - Understanding of terminology?
- When are they visiting?

    - Morning or evening?
    - When they're in a crisis?
    - Daily?
    - Monthly?
- What are their habits?
    - Do they use social networks?
    - Content producers or consumers?
    - What you ask depends on the product
- How are they accessing?
    - Desktop or mobile?
    - Tablet?
    - Over the phone or in person?

You can repeat this exercise for as many segments as you like (e.g. by gender, by location, etc.) because people in warm climates may have different needs/wants from people in cold climates.

The Millennial Mug

Q) Where do they work?

A) In dense cities and ride their bikes or trains to work.

Q) What is their education level?

A) Over 60% have a college degree, ~15% have an advanced degree.

Q) What is their economic status?

A) Median income is $65,000/yr income.

You might already have information about your target audience.

If your app or website has Google Analytics installed, check out this article to learn more about getting demographic data from the reports. If you've conducted customer research or have any other existing data about them, now's the time to compile that data so we can use it in the next step. Not sure how? We can help.

Step 3: Understand Your Audience's Perspective

Empathy maps are a simple, yet powerful tool to help us understand and empathize with our users and customers. They were developed by XPLANE as a method for understanding audiences, including users, customers, and other players in any business ecosystem. If you'd like more information, read this article on empathy mapping exercises and how we conduct them.

Instructions:

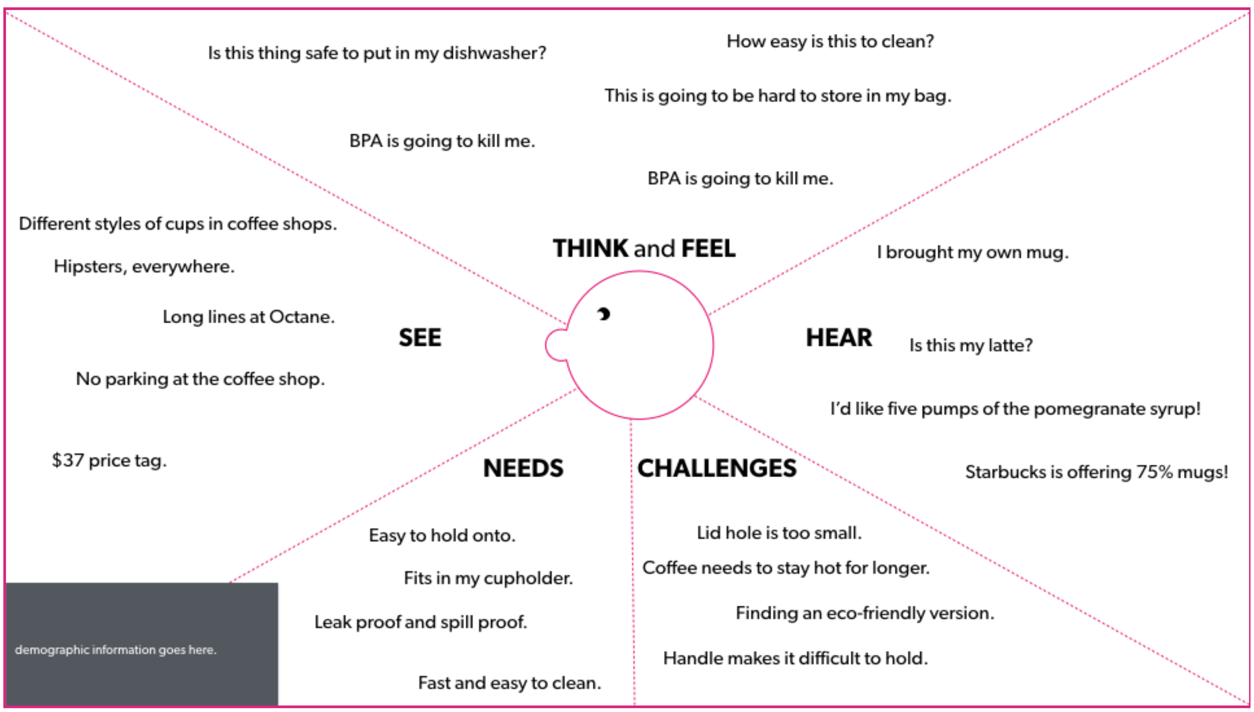
1. Assemble your team and have them bring any personas, data, or insights about the target of your empathy map. All of that target audience information we just collected in step 2, bring that with you!
2. Print out, or sketch, the empathy map template on a large piece of paper or whiteboard.
3. Hand each team member sticky notes and a marker.
4. Each person should add at least one sticky to every section. Ask questions, such as what would this user be:
    a. thinking & feeling about their worries or aspirations?
    b. hearing while using our product, from their friends or boss?
    c. seeing while using our product in their environment?
    d. saying & doing while using our product in public or in private?

e. experiencing as a need for our product?

f. experiencing as a challenge either with our current product or without it?

5. Have the team members speak about the sticky notes as they place them on the empathy map. Ask questions about deeper insights so that they can be elaborated for the rest of the team.

6. At the end of the session, ask the team members what insights they've learned. More importantly, ask them what hypotheses they now have about the users that they'd like to validate.



Example Empathy Map for our Millennial Mug target market.

Empathy with The Millennial Mug's Target Customer

The target audience for the Millennial Mug seems to want a BPA free, leak-proof, easy to carry/transport mug which reflects their personal style.

As we can see from the Empathy Map above, our target audience has specific thoughts, needs, and challenges. These attributes don't have much to do specifically with being a "Millennial". They are specific to how people view the usefulness of a travel mug, and how they feel about using one.

Step 4: Talk to Five Customers.

It's best to speak with five actual customers. If you can't get them, customers that fit your target profile are okay! To get started, send an email to your customer list and request their help. Here's an example to get you started:

> We are looking for people who [demographic or characteristic] to evaluate some new ideas we are exploring. We aim to [Value Proposition]. My team is conducting 1-on-1 interviews this month via [how you'll conduct them].
>
> If you are interested in giving feedback, please let us know. There is no preparation needed to participate. [If you're offering an incentive for their feedback, this is a good place to let them know!]

As you prepare your list of questions for your customers, be sure to have the following things ready to go:

- A method to capture notes or record the sessions (don't forget to ask permission before recording!)
- Lots of sticky notes.

The questions you want to ask your customers should be specific to your product. We can't give those to you since we don't know your product. But we can share an example with you and give you some tips on how to ask the questions.

TIPS FOR ASKING QUESTIONS:

Be wary of priming

- Don't ask leading questions
- Never ask about intention, always probe behavior

Focus on specific instances:

- "Have you ever had ________ problem"?
- "Tell about the last time you ...."
- Avoid generalizations like "What do you usually ..."

Keep them talking:

- "Tell me more about that"
- "What do you mean by..."
- "Help me understand better.."
- Never put words into their mouth like "So do you mean..."
- If they get off topic, redirect with: "That's really interesting. But can you tell me more about..."

Questions for The Millennial Mug

- Do you drink coffee? Tea?
- Tell me about the travel mug you use every day.
- What, if anything, could improve your experience with it?
- What qualities or characteristics are important to you in a travel mug?
- How much liquid would the ideal cup hold?
- What would you pay for a new travel mug?

TIPS FOR DIAGNOSING CUSTOMER PROBLEMS:

Another way to identify the cause of problems your customers face is **5 Whys Analysis**. Also called Root Cause Analysis, 5 Whys is a simple and effective tool used to get to the root cause of a problem.

5 Whys in subjective in its approach. It relies on the group analyzing the problem to come to their own conclusions about what the root causes are. It also relies on participation of technical experts to drill down through the symptoms and uncover the root cause.

The 5 Whys are set around asking ‘why’ to a problem 5 times. Each time you get an answer, and then ask why again, and again, until you come up with the real root cause of a problem.

Think of being a child again, when you used to annoy your parents by repeatedly asking ″Why?″. You would get an answer, and then ask why to every consecutive answer. That is exactly 5 Why Analysis!

Note: The 5 Whys is not about asking questions exactly five times. You ask ‘why’ as many times as you need to until you get to the real cause of a problem.

Step 5: Understanding Their Needs & Wants

An Affinity Diagram is a tool that gathers large amounts of data and organizes them into groups based on their natural relationships. These data can be ideas, opinions, and issues our customers face. This process is often used to group ideas generated by brainstorming. We can use it to help identify wants and needs of our customers.

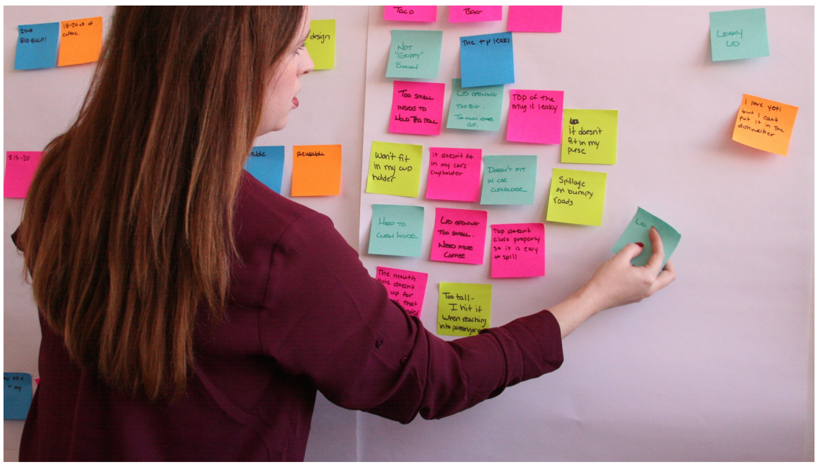
Action Item:

1. **Scribe insights**
    a. After speaking with your customers, go back through your notes or recordings and scribe one insight or finding per sticky note. Try to be as concise as possible, it'll make your mapping session much easier!

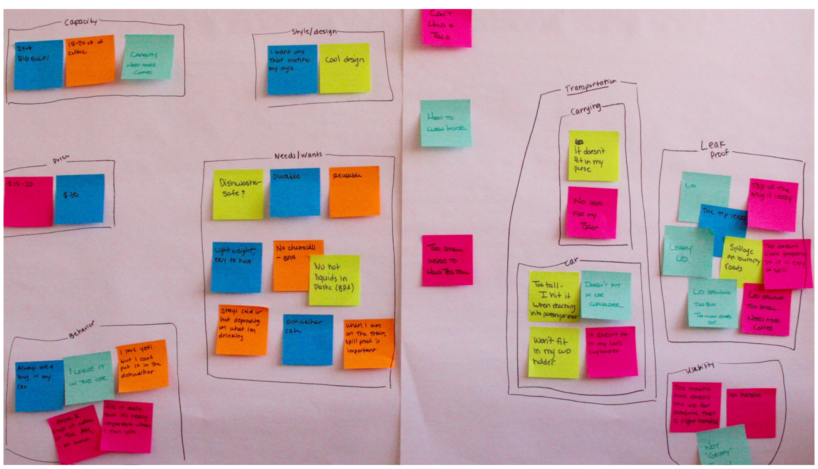
2. **Sort ideas into groups**
    a. The team members physically sort the cards into groupings without talking.
    b. Start by looking for two ideas that seem related in some way. Place them together in a column off to one side.
    c. Look for ideas that are related to those you've already set aside and add them to that group.
    d. Look for other ideas that are related to each other and establish new groups. This process is repeated until the team has placed all of the ideas in groups.
    e. NOTE: Ideally, all of the ideas can be sorted into related groups. If there are some "loners" that don't fit any of the groups, don't force them into groupings where they don't really belong. Let them stand alone under their own headers.

3. **Identify the group names**
    a. A group name is an idea that captures the essential link, or relationship, among the ideas contained in a group of cards. This idea is written on a post-it or on the paper itself and must consist of a phrase or sentence that clearly conveys the meaning, even to people who are not on the team. The team develops headers for the groups by:
        i. Finding already existing ideas within the groups that will serve well as group names and placing them at the top of the group of related cards.
        ii. Alternatively, discussing and agreeing on the wording of cards created specifically to be group names.
        iii. Discovering a relationship among two or more groups and arranging them in columns under a super group name. (In our example, you'll see that Transportation is a super group name consisting of Carrying and Car)

After interviewing your customers, you should end up with a pile of insights. Remember, one insight per sticky note!



Begin applying the stickies to the wall and ask questions about any insights you don't fully understand.



Start identifying the relationships between insights and group them together. Once you've identified the relationship, draw a line around them and write the name of the group.

Needs and Wants for The Millennial Mug

Easy to carry
BPA free
Fits in bicycle bottle holder
Leak and spill proof
Stylish but not trendy

Step 6: Value Proposition Alignment

Now it's time to see how well your Value Proposition aligns with the needs and wants of your target audience. This part of the exercise will show you if the way you're describing your product or service is actually important to the people you want to know about it.

Action Item:

Take each of the unique needs and wants and write them down, one per line, on the worksheet below. Put all the needs first, then all the wants, but other than that don't worry about prioritizing them. Then as a group, for each need and want, ask:

"Does our Value Proposition address this need?"

If yes, write how. If no, write why not.

Needs and Wants	How and Why

Need more room? Just print multiple copies of this page.

Step 7: Assemble the Pieces

Now you can begin to see how your current Value Proposition lines up with your target audience. Think about which words and concepts you could use to address them.

One popular way to format your Value Proposition is: *We do ___(what you do)___ for ___(who you do it for)___*. Let's use this format for the Millennial Mug.

Updated Value Proposition for The Millennial Mug

We make the best travel coffee mug for millennial business people.

As you can see, that's not much of an improvement over our original Value Proposition. So, let's look at how to improve it. Describe the value your product or service provides as it relates to the Needs and Wants of your target market. If your audience wants a travel mug that fits in a bicycle bottle holder, say that it does.

> We make spill-proof coffee mugs that fit in your bottle holder.

You get the idea. Think of further refinements to your message that remove unnecessary superlatives. Make sure the focus in on the target audience and their needs. To make it a little more direct you can remove unnecessary words like "We make". That part is generally implied, so removing it doesn't hurt anything. In fact, it gives your message a bit more punch!

Final Value Proposition for The Millennial Mug

The BPA free, spill-proof mug that fits in your bottle holder!

Summary

Now that you're thinking about how to directly address the needs and wants of your target audience, you can create as many Value Propositions as you feel necessary. Use a whiteboard or blank piece of paper to jot down your ideas and discuss them with your team.

When you're ready to figure out how to spread your message to your target audience, give us a call to learn how.

LET'S CHAT

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