

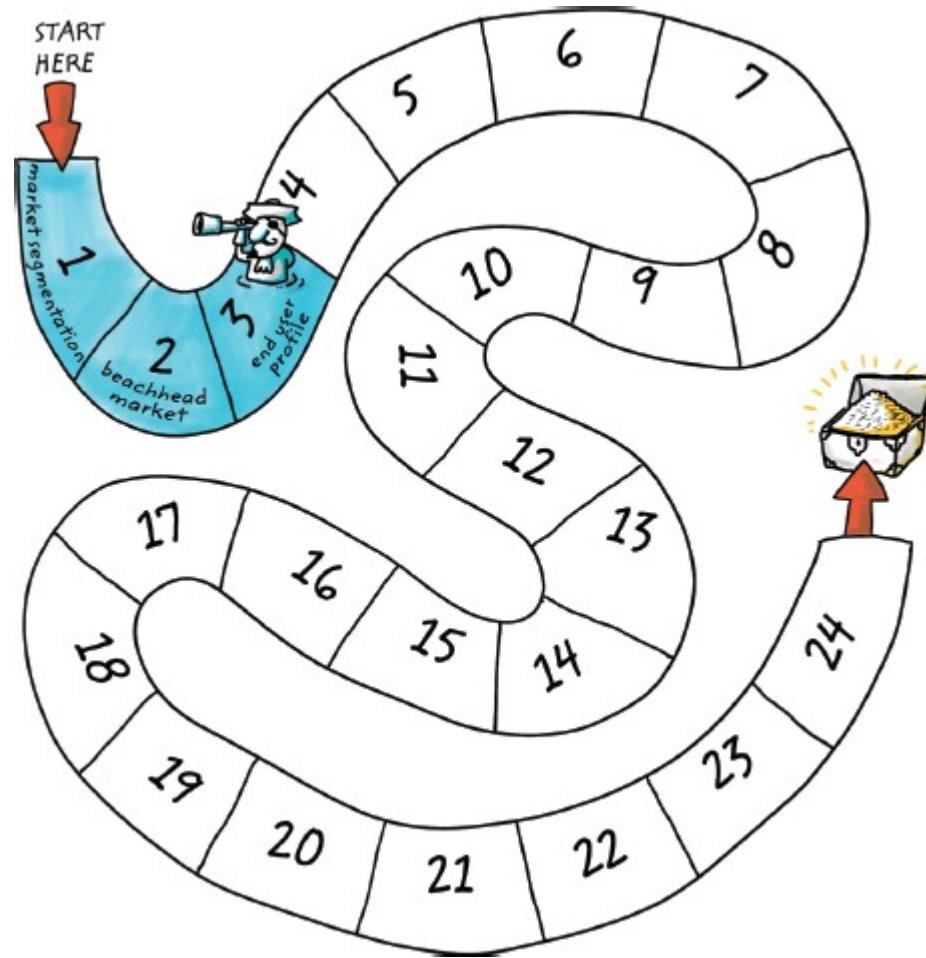
## Lesson 5: End User Profile, Total Addressable Market (TAM) Size, Persona

# Lesson Plan

---

- ▶ Building an End User Profile
- ▶ Calculate the Total Addressable Market (TAM) Size for the Beachhead Market
- ▶ Profile the Persona for the Beachhead Market

# Step 3: Build an End User Profile



# Target customer

---

- ▶ **End User** (our focus)
- ▶ **Decision-Making Unit**
  - ▶ *1. Champion or Advocate*
  - ▶ *2. Primary Economic Buyer*
  - ▶ *3. Influencers, Veto Power Holders, Purchasing Department*



# Target Demographic Characteristics

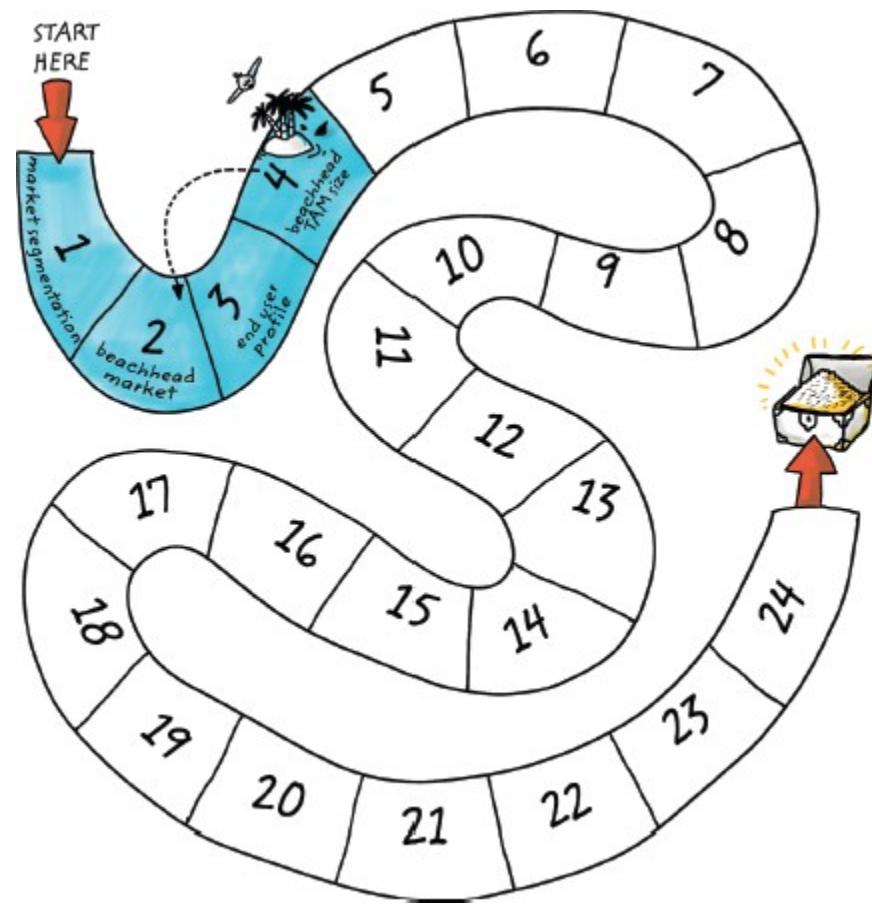
---

- ▶ What is their gender?
  - ▶ What is their age range?
  - ▶ What is their income range?
  - ▶ What is their geographic location?
  - ▶ What motivates them?
  - ▶ What do they fear most?
  - ▶ Who is their hero?
  - ▶ Where do they go for vacation? For dinner? Before work?
  - ▶ What kind of car do they drive?
  - ▶ What newspapers do they read? Websites? What TV shows do they watch?
  - ▶ What is the general reason they are buying this product?  
Savings? Image? Peer pressure?
  - ▶ What specific characteristics make them unique and identifiable?
  - ▶ What is their story?
-

# Step 4:

---

## Calculate the Total Addressable Market (TAM) Size for the Beachhead Market



# Total Addressable Market (TAM)

---

- ▶ Total Addressable Market (TAM) = annual revenue/year your business would earn if you achieved 100% market share in that market. This is used only for your first beachhead market.
  1. Determine how many end users exist that fit your End User Profile using a **bottom-up analysis** based on primary market research.
  2. Complement this with a **top-down analysis** to confirm your findings.
  3. Determine how much revenue each end user is worth per year
  4. Multiplying the two numbers results in the TAM.  
Revenue per end user x Number of end users = TAM

# Bottom-up analysis/counting noses

---

- ▶ Used to calculate the number of end users that fit your End User Profile
- ▶ Use:
  - ▶ Customer lists
  - ▶ Trade associations
  - ▶ Other sources of customer information

To identify number of customers (and number of end users they have).

- ▶ Contact a few key customers.



# Top-down analysis

---

- ▶ Starts by using secondary market research such as market analysis reports, to determine how many end users meet different characteristics.
- ▶ A top-down analysis should be complementary to your bottom-up analysis.



# TAM Sizing Example

Subset of Koreans in US who like to watch Korean TV

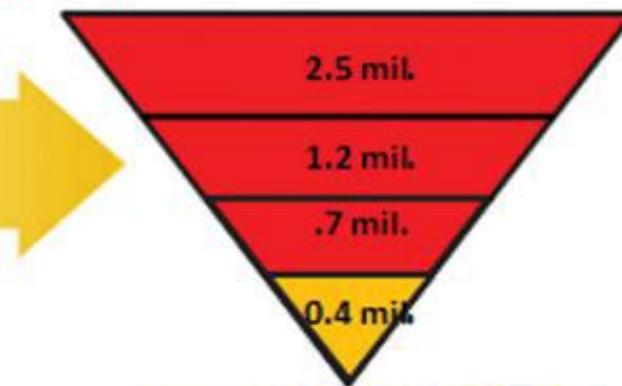
Age: 20–35 Females

Nationality: Korean

Residency: USA

Hobby: Watches avg. 2 hrs per day **Korean drama** through **illegal websites**

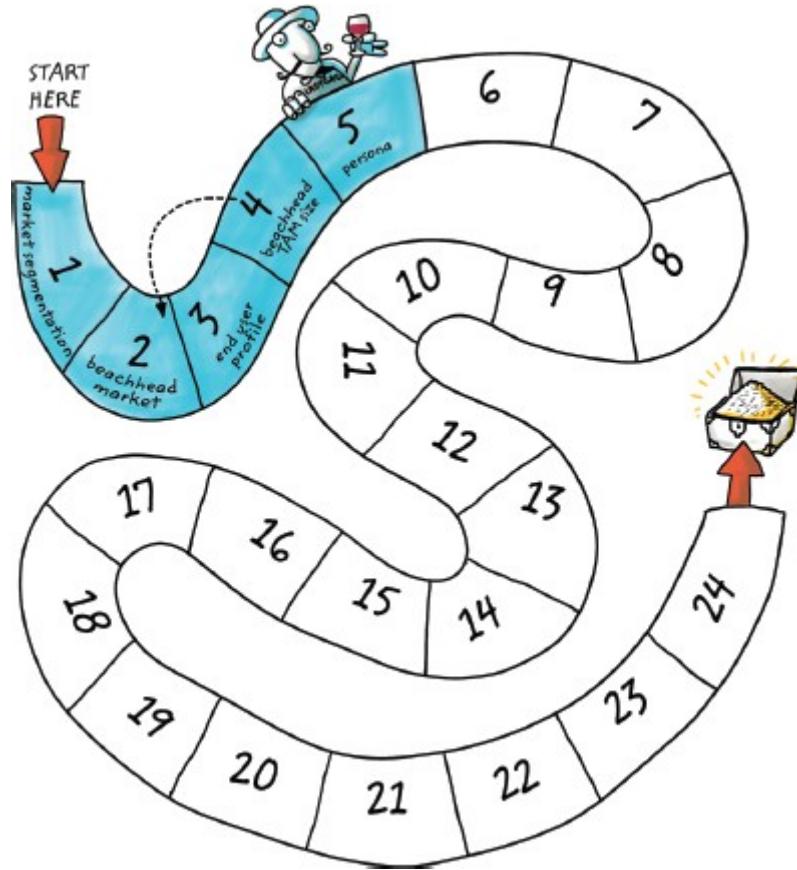
Note: **Not satisfied** with the **illegal websites'** services and its **quality** of content



Joonmedia, Bada, Dabdate

## Step 5:

Profile the  
Persona for  
the  
Beachhead  
Market



# Persona

---

- ▶ The Persona is one end user from one potential customer
- ▶ By thinking in terms of an actual Persona, you can answer questions more clearly:
  - ▶ Is your target customer happy with their region's education system?
  - ▶ Would your target customer be interested in a puppy?
  - ▶ Does your target customer want to check e-mail reliably on the go?
- ▶ Use primary market research data to identify a Persona of a paying end user



**Table 5.1** Chuck Carroll Persona**Facilities Manager, IBM NE Data Center, in Littleton, MA**

Environment	<ul style="list-style-type: none"> <li>Now has just over 20K Blade servers today growing at 15 percent per quarter for the past two years and for the foreseeable future.</li> </ul>
Personal Information	<ul style="list-style-type: none"> <li>He is second-generation American (parents from Ireland).</li> <li>Born in Medford, Massachusetts.</li> <li>Medford High to Middlesex Community College.</li> <li>Moved to Winchester.</li> <li>Family with 2 kids (12, 15).</li> <li>Just turned 40 this year.</li> </ul>
Career Context	<ul style="list-style-type: none"> <li>Mid-career, 18 years at IBM and not looking to leave.</li> <li>He is technical in the technician sense, not the engineering development sense.</li> <li>He is maintenance-focused and his vocational degree is relevant.</li> <li>Has been in current job for five years and has had three different managers already but hopes to keep this job for next five years at least.</li> <li>Promotion path forward is to manage more facilities.</li> <li>Makes \$65K per year and has the potential for a 5 percent bonus at the end of the year, based on the unit's overall performance and his contribution as determined by his boss, the data center manager.</li> <li>Eligible for salary increase each year, based on his appraisal (can be between 0 and 12 percent).</li> <li>He has been consistently ranked a 1 or 2 (on a scale of 1–5 where 1 is the best) in his yearly performance review, with reliability and supporting the business unit's growth as two key metrics upon which he is rated.</li> </ul>
Information Sources	<ul style="list-style-type: none"> <li>He prefers people to websites when he looks for information and answers to questions.</li> <li>Belongs to AFCOM (association for data center management professionals) and gets a lot of information from them, and especially likes to go to the Data Center World conference in early October each year in Las Vegas.</li> <li>Second-biggest influence is the Uptime Institute.</li> <li>Has started to look at Green Grid but not impressed.</li> <li>Also starting to get forwarded e-mail about a blog (Hamilton and Manos) that other influential facilities managers are starting to read, and he has recently bookmarked it himself</li> </ul>
Purchasing Criteria in Prioritized Order	<ol style="list-style-type: none"> <li>1. Reliability (highest priority)</li> <li>2. Growth (high priority)</li> <li>3. Costs (medium priority)</li> <li>4. “Greenness” (low priority—extra credit)</li> </ol>
Other Noteworthy Items	<ul style="list-style-type: none"> <li>Drives a Ford F-150 pickup truck and always buys American</li> <li>He wears a beeper that is always on</li> <li>Listens to country music</li> <li>He used to be a volunteer fireman and is proud of it. He makes level-headed decisions when there is a crisis, calling in his training to act fast and put out fires</li> </ul>

<b>Name</b>	Ed Champ
<b>Title</b>	Sculpting Manager, Boys' Toys R&D, Hasbro, Pawtucket, Rhode Island
<b>Age</b>	40 (he is about 10 years older than the developers he hangs out with; but he fits in well with the group and is thought to be one of the guys—they are almost all guys—even though he is their supervisor)
<b>Income</b>	\$73.5K (he is the highest paid in the group, by a good margin, due to his seniority; he has been at Hasbro in this location for 14 years and has been a top performer and promoted through the ranks)
<b>Schooling</b>	Missouri State University—Bachelors of Fine Arts & Science: Sculpture and Anatomy (he secretly admires Rhode Island School of Design—RISD—graduates but that is not how he got here)
<b>Personal</b>	Has a girlfriend, but no talk of marriage; he seems to be married to his job. He has a child from a previous relationship, but the child does not live with him; many of his friends are gay.
<b>Career Promotion</b>	It is very unlikely he will get further promoted as he does not like management and it is not his forte. He hopes to make more money to keep up with inflation, but mostly he just loves his job and living in Rhode Island with creative types—and at his age, the job security is good.
<b>Industry Associations</b>	A very strong and active member of IDSA (Industrial Design Society of America) above all else. There are local meetings which he looks forward to. These can be epic, in part because of the relevant content, but even more so because he gets

to hang out with people from RISD, Pasadena Arts Center College of Design, and the like, and talk into the night about the latest in art and design. There are national meetings as well, and he sometimes goes to the big SIGGRAPH conference (often held in Los Angeles) where there are some great parties.

#### Music

His group listens to technopop artists like Thomas Dolby; while he is not wild about it, he likes it.

#### Socializing

His social life often revolves around his work. He likes to hang out with designers; but they don't have much money so when they go to bars, they drink wine (but not beer) and sip whatever drink they get so that it lasts. They have little disposable income so they have to be very careful to not blow money. Interestingly, they are more likely to do designer drugs (e.g., ecstasy) than to lose control by getting drunk. At the bars they go to in Providence, he and his friends often wear all black. It is also common for them to have body piercings, wear jewelry, and have discreet tattoos. But always, their life revolves around art and talking about art.

#### Heroes

Milton Glaser, John Lasseter (Disney & Pixar), Steve Jobs

#### What Gets Him Motivated

Making great products and seeing them get to market with his design intent.

#### What He Fears Most

1. Having to leave Hasbro because it is bought or something worse. This is not true for the other designers, but unique to him.
2. Putting out a product that he feels is crap because he ran out of time to get it done right.
3. Having his design intent ruined by the engineers after he sends it on to them.

#### Priorities

1. Time to market.
2. Being able to express his design intent.
3. Being assured his design intent is not lost when engineers get ahold of it.

# Summary

---

- ▶ Persona provides specific details about the primary customer within your beachhead market
- ▶ Selling to a specific individual vs. an End User Profile
- ▶ Understanding your Persona's needs, behaviours, and motivations = success at making a product to serve them

