

Business plan

Market analysis & Customer Profile

2S . Ana Daniel | anadaniel@ua.pt | 2019-20

Agenda.

- Introduction
- Market analysis: methods and tools for building a customer profile
- Qualitative research

Market Analysis

Current and future development of the sector/segment (quantitative and qualitative assessment)

Market size & market development

Current and future development of the sector.

Customer Profile & target market

Segment/Customer profile.

Competitors Analysis

Current market position of 3-5 most important competitors

Important elements

- Size (turnover) of the sector
- Growth rate of the sector
- Economic development and its trends
- Technology development
- Relevant political, social, legal and environmental factors (PEST analysis)

Important elements

- Client Profile (segmentation)
- Jobs to get done/Gains/Pains
- Size of the target market

Important elements

- Competitors' products/services description
- Benchmarking
- Competitors' strategies and practices (distribution channels, price formation, advertising, service)
- Competitive intensity (5 Forces)

Customer Profile and Target Market

**“If you want to continuously
revitalize the service that you
offer to your customers, you
cannot stop at what you are
good at. You’d have to keep
asking what your customers
need and want, and then, no
matter how hard it is, you’d
better get good at those
things”**

Jeff Bezos CEO, Amazon.com

Source: innosight (2018)

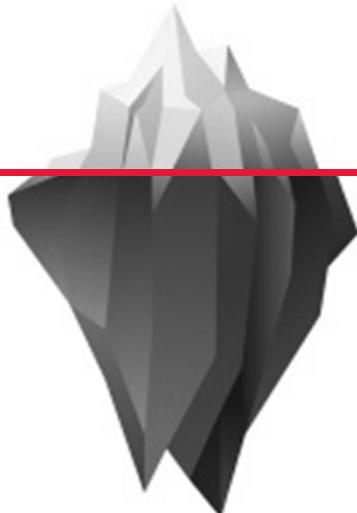
Source image: <https://www.success.com/jeff-bezos-says-these-are-the-5-secrets-to-success/>



How do we know the market?

We need to gather information

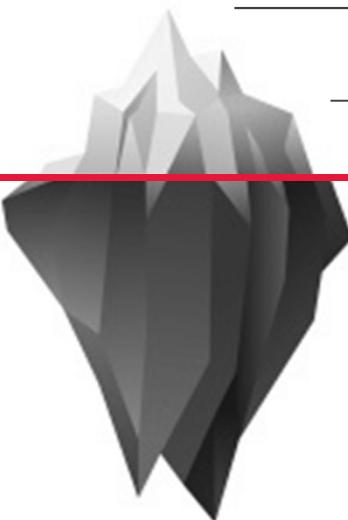
Visible and publicly available information



'Invisible' and hidden information

How do we know the market?

- i. Identify stakeholders/customers involved.
- ii. For each stakeholder/customer-segment, understand their main needs/pains.
- iii. Look for “deep” and “unrevealed” reasons.



Trend reports, market info, etc

Insights from third parties

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Types of research

Qualitative research

It is **used to understand** concepts, thoughts or experiences. This type of research enables you to gather **in-depth insights** on topics that are not well understood.

Tools: Interviews, ethnography, discourse analysis

Data analysis: Summarizing, categorizing and interpretation

Number of respondents: Requires few respondents

Quantitative research

It is used to test or confirm theories and assumptions. This type of research can be used to establish generalizable facts about a topic.

Tools: Surveys, experimental research, content analysis

Data analysis: Data analysis: math and statistical analysis

Number of respondents: Requires many respondents

Types of research

Quantitative Methods

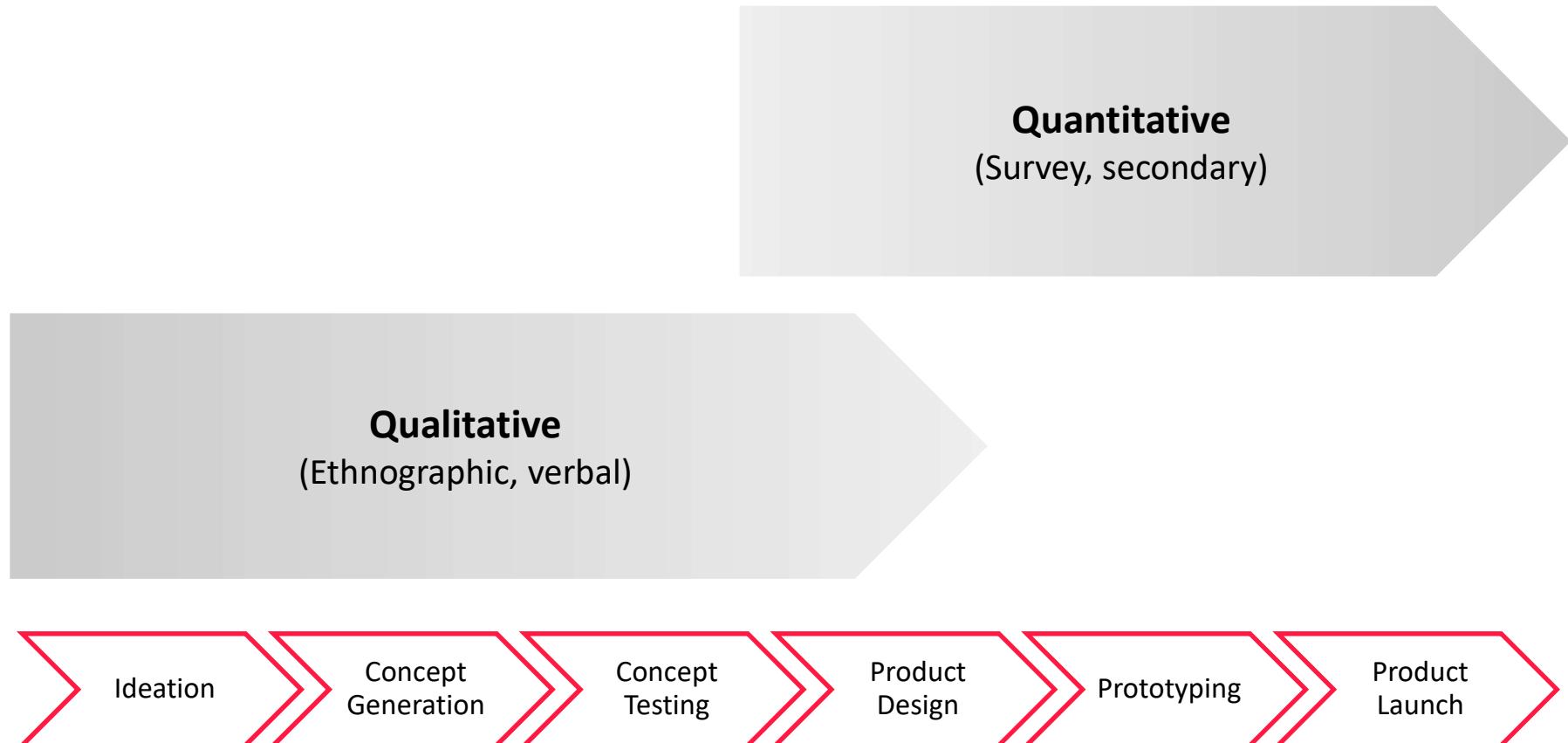


Qualitative Methods



Image credit: @MattPLavoie

Types of research





**Qualitative approach to
customer's profile**

Sources of Primary Information: Techniques to gain Customer Insights

Technique	Data Detective	Journalist	Anthropologist	Impersonator	Co-creator	Scientist
Description	Realize (Desk) Research	Talk to potential customers to get easily customer insights.	Observe potential customers in the real world.	„Be your customer“ and use products and services. Spend time in your customers shoes.	Integrate customers into the process of value creation to learn with them.	Realize experiments with customers.
Difficulty	*	**	***	**	****	****
Strength	Good basic for further research	Quick and cheap to get first insights	Allows to discover real-world behaviour	Firsthand experience of jobs, pains and gains	Proximity to customers allows you to get deep insights	Provides fact-based insights. Works good with new ideas.
Weakness	Static data	Customers not always know what they want. Actual behaviour can differ from interview answers	Difficult to get customer insight related to new ideas	Not always representative of your real customer	May not be generalized to all customer (segments)	Could be hard to apply

Source Osterwalder et al. 2014, p. 106-115

Being a Journalist to gain customer insights and build customer profile

CASE: Project of a new less expensive incubator

Students from Stanford D.School were challenged to:

Design a less expensive incubator for babies born prematurely in Nepal.

Questions:

How to create a baby incubator that would cost less than 1% of the price of a traditional 20.000\$ incubator?





The students traveled to Nepal to meet with families and doctors and see the problem for themselves. During the trip, they were exposed to the angst of parents who were not able to save their premature babies. **This mission of empathy helped them define who the users were and what their problem was.** The students discovered that there were in fact many donated incubators in the hospitals, but surprisingly **they were mostly empty.**



They realized that less expensive incubators would not actually solve the problem, since **most premature babies were born far from hospitals, in rural areas, without access to incubators regardless of their cost.**

The students changed their perception of what was needed and began to think about how babies in rural areas could stay warm for long periods of time.





They stopped thinking of the doctors as their users and started thinking about desperate parents who need to give their babies a chance to survive.



The Embrace Infant Warmer is a product with a mission.

Embrace is a sustainable social enterprise that is addressing the issue of global infant mortality through

an innovative infant warmer that costs less than 1% of a traditional incubator.

The design looks like a miniature sleeping bag but in reality saves lives of vulnerable infants. It is a new, low cost solution to help keep low birth weight babies' body temperature warm so they can survive and thrive in developing countries.

It can be used in clinics or in community-based settings. Our customers will be private clinics, NGOs and governments, who are also our distribution and education partners. We plan to pilot the product and business concepts in India, and then roll out in the rest of the developing world.



Being a Journalist to gain customer insights and build customer profile

Tools: Focus group

- The profile of the typical prospect is defined (demographic, psychographic, etc...)
- A group of people (six to ten) that matches with that profile is selected and invited to a meeting
- Participants normally get presents or a little payment
- The whole process is guided by a professional moderator, who direct the prepared agenda, ensuring that all topics get covered in the session
- Usually, marketing managers are observing the session, using cameras or two-way mirrors
- Focus groups might give some insight, however, because of their size are not always representative

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Being a Anthropologist to gain customer insights and build customer profile

TOOL: Ethnography

Ethnography is a human-centred research method where you immerse yourself in participant's environment to gain a more in-depth and often profound perspective of their lives. With it, you can uncover problems and solutions you might never have known existed.

Source: <http://blog.overlapassociates.com/blog/using-ethnography-in-design-research>



Being a Anthropologist to gain customer insights and build customer profile

CASE: New Kids toothbrush (by IDEO) <https://www.youtube.com/watch?v=XrpAveg7ZIg>

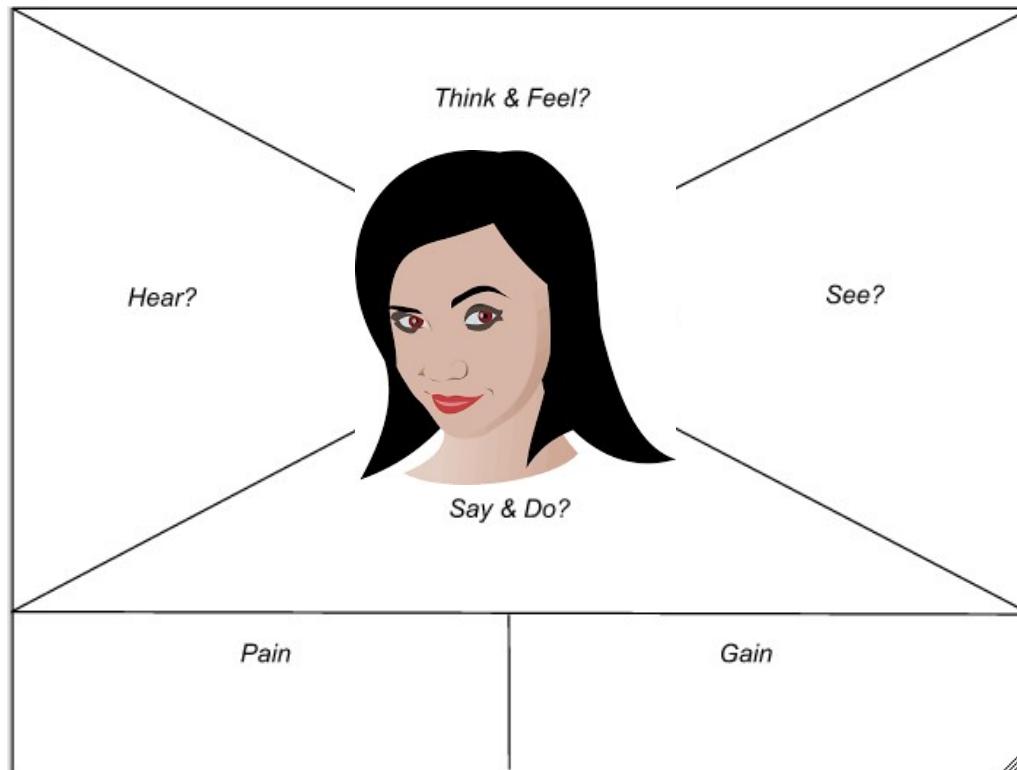


Tools: Empathy map

Empathy map is a tool that allows to gain a deeper insight into their customers and understand the target market. Provide a glance into who a user is as a whole.

This tool can also represent a group of users, such as a customer segment.

Useful to synthesize observations and information.



Says & Do: what the user say during an interview and the actions

Think & Feel: captures what the user is thinking through the experience and feels (impatient, annoyed, confused, worried, happy)

Tools: How to do an Empathy map?

1. Define scope

- I. What user or customer will you map? Will you map an individual user? Always start with a 1:1 mapping (1 user/persona per empathy map). This means that, if you have multiple customer types (called personas), there should be an empathy map for each.
- II. Define your primary purpose for empathy mapping - Is it to analyze an interview transcript? If so, set a clear scope and time box your effort to ensure you have time to map multiple user interviews.

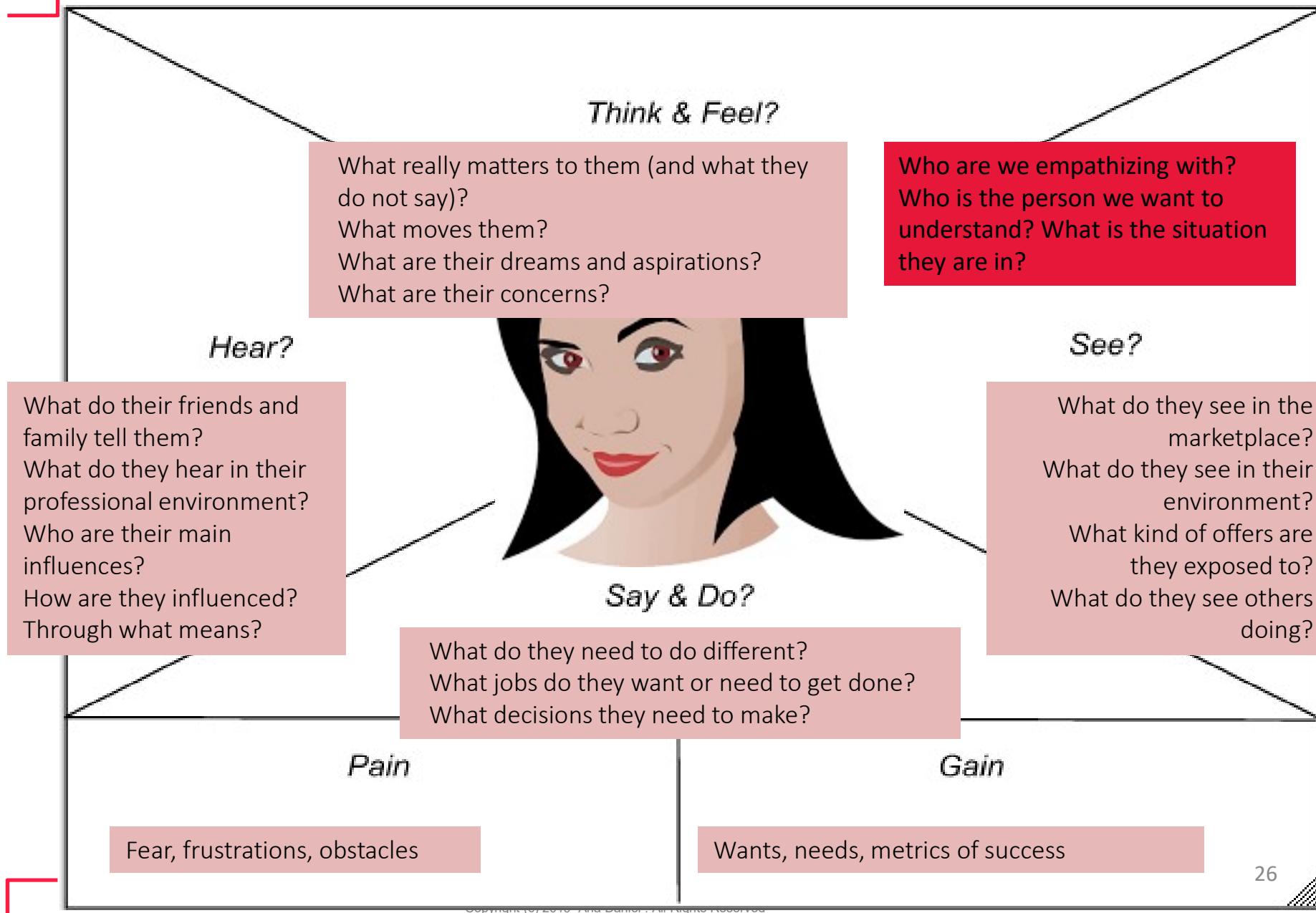
2. Gather data

- I. Perform user interviews, field studies, listening sessions or qualitative surveys.

3. Individually generate sticky notes for each quadrant

- I. Once you have research inputs, you can proceed to mapping as a team. In the beginning, everybody should read through the research individually. As each team member digests the data, they can fill out sticky notes that align to the four quadrants. Next, team members can add their notes to the map on the whiteboard.

Tools: How to do an Empathy map?



Summary

- Different approaches to gather market information: quantitative and qualitative;
- Qualitative research enables to gather in-depth insights on topics that are not well understood;
- Relevance of gather information from real customers or users;
- Improve the business model canvas and value proposition by summarizing the main findings of your qualitative research on an empathy map.

**Thank you
for your attention!**

Ana Daniel | Universidade de Aveiro, Portugal | anadaniel@ua.pt

