

## Segmentation – Targeting – Positioning

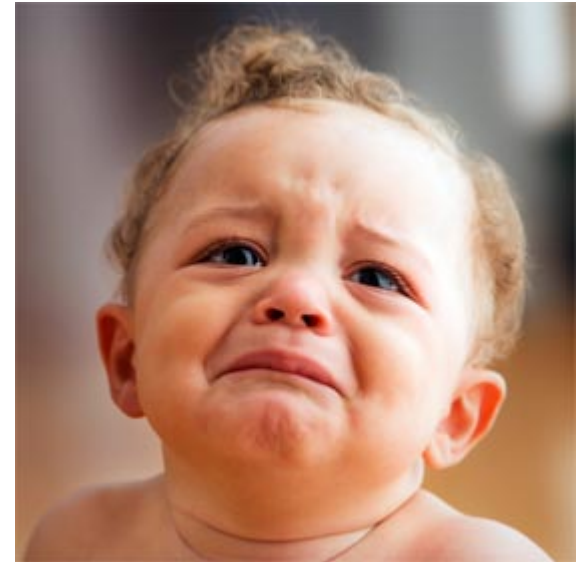
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- Identifying segments of customers in the market
- Identifying which segment(s) to target
- Positioning your product / Developing a value proposition for the target segment

## What is the Target Customer Definition

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- The **people** we are providing benefits to
- The common **ultimate objective** they want, and the **underlying problems** or pain that gets in the way
- How they **currently deal with the problem**, and how much it costs them or is inconveniencing them
- **How many** have this problem
- **How fast** the problem or the number of people with the problem is growing



# What is the Value Proposition

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- The **business**
- The **benefits** the business provides to the customer
  - **Eliminates problems or pain** and helps achieve the customers' objective
- How the business is **unique and better** than competitors or alternatives... so much that customers would pay for it
- The **tradeoffs** that the consumer will need to make with the business
- The **insights** (competencies, discontinuities, orthodoxies) that the business leverages and will drive its success
- How the business drives our **domain** forward



Make it easily **understandable** and **compelling to customer**

Make it **appealing to investors**

### *Description is*

- ❑ **Customer demographics/psychographics**
- ❑ **List of product/service features**
- ❑ **What it says**
- ❑ **What is it about**

### *Explanation is*

- ❑ **The common problems that link all the target customers**
- ❑ **How the business solves customer problems**
- ❑ **What does it mean**
- ❑ **What it is**

# To improve Target Customer Definitions and Value Propositions, ask critical questions

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## Customer Definition

- What is the ultimate outcome that people want to achieve?
- What underlying problem/pain stands in the way of the outcome? Is the severity of this rising, and why?
- Who else are we delivering benefits to (can be both customer and end-consumer)? Don't others have this problem as well, and if so, are they also customers?
- Do they know they have the problem, or do they need to be told or convinced of it?
- How are they currently dealing with the problem? What other hardships do they bear as a result of their current way of dealing with the problem? How much does the problem cost them?
- How many people have this problem? Is this growing, and why?

## Value Proposition

- What is the business?
- What are some similar examples from this industry or other industries that could explain the business?
- What problem/pain does the business overcome? What does it allow them to do that's worthwhile that they couldn't do before? How does the business overcome the problem/pain?
- Are these functions/features relevant to the problem/pain?
- How does the business deal with the problem better than current methods of dealing with the problem?
- What trade-offs must the customer make with business? Will they pay for this?
- What insights does the business leverage? What makes this an attractive business to invest in?
- How does the business drive us closer to the domain?



mobile*me*



# mobile*me*



- **Trendy businessmen smart phone users...**
- **... who want to access their email and data from both their PCs and their smart phone.**

# mobile*me*



- **Trendy businessmen smart phone users...**
- **... who want to access their email and data from both their PCs and their smart phone.**

# mobileme



*What are the underlying problems?*

- Trendy businessmen smart phone users...
- ... who want to access their email and data from both their PCs and their smart phone.

# mobileme



*How are these problems currently being dealt with? What is the cost or hardship with keeping things the way they are?*

- Trendy businessmen smart phone users...
- ... who want to access their email and data from both their PCs and their smart phone.

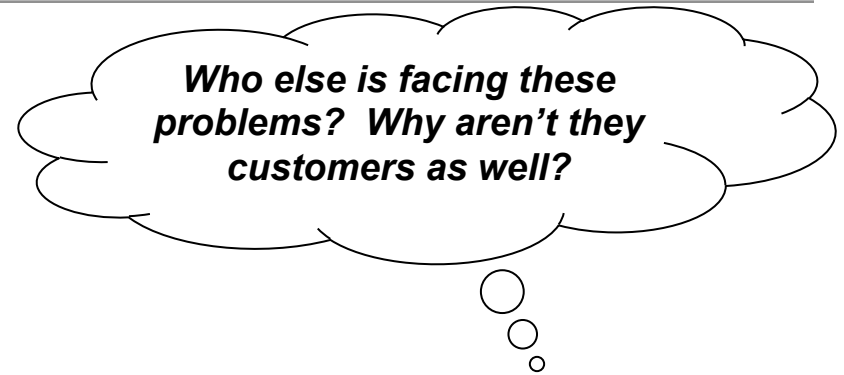
# mobileme



*Are these problems getting better or worse as time goes by?*

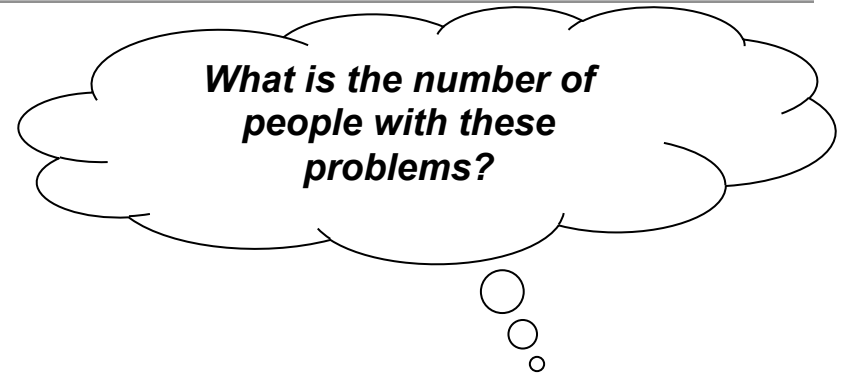
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# mobileme



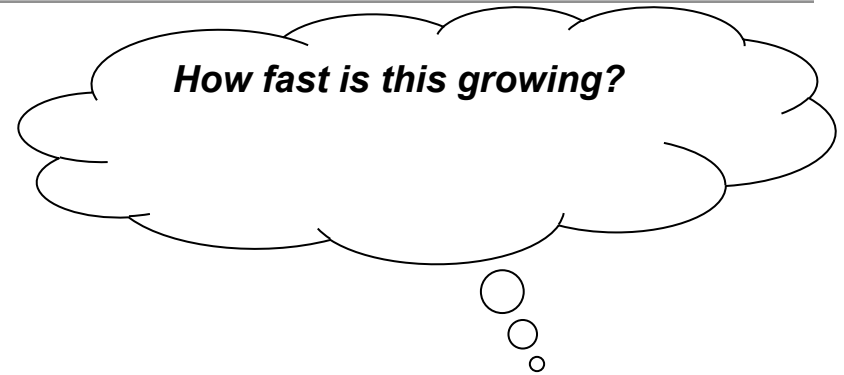
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# mobileme



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# mobileme



- **Trendy businessmen smart phone users...**
- **... who want to access their email and data from both their PCs and their smart phone.**

Let's ask some critical questions

# mobileme



*What is the number of people with these problems?*

*Who else is facing these problems? Why aren't they customers as well?*

*How fast is this growing?*

□ Trendy businessmen smart phone users...

□ ... who want to access their email and data from both their PCs and their smart phone.

*What are the underlying problems?*

*How are these problems currently being dealt with? What is the cost or hardship with keeping things the way they are?*

*Are these problems getting better or worse as time goes by?*

## V2: This Target Customer Definition is good

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- **People...**
- **... who need to access all data from all applications...**
- **...anywhere from any device (whether mobile, Mac/PC,TV) ...**
- **... but are inconvenienced with having to manually email or upload or synchronize files...**
- **...and who can't access unsupported data or unsupported applications.**
  
- **The severity of this problem is rising as people do more things on more devices.**
  
- **The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years**

## V2: This Target Customer Definition is good



*Specific problems, not  
specific people*



- **People...**
- **... who need to access all data from all applications...**
- **...anywhere from any device (whether mobile, Mac/PC,TV) ...**
- **... but are inconvenienced with having to manually email or upload or synchronize files...**
- **...and who can't access unsupported data or unsupported applications.**
  
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- **The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years**

## V2: This Target Customer Definition is good



- People...
  - ... who need to access all data from all applications...
  - ...anywhere from any device (whether mobile, Mac/PC,TV) ...
  - ... but are inconvenienced by the need to use email or unsupported applications.
  - ...and who want to access their data from unsupported applications.
- Explains the underlying outcome that people want to achieve*
- The severity of this problem is rising as people do more things on more devices.
  - The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years

## V2: This Target Customer Definition is good



- People...
- ... who need to access all data from all applications...
- ...anywhere from any device (whether mobile, Mac/PC,TV) ...
- ... but are inconvenienced with having to manually email or upload or synchronize files...
- ...and who can't access unsupported data  
unsupported data *Explains problems with the current ways of achieving the desired outcome*
- The severity of this problem is increasing as people do more things on more devices.
- The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years

## V2: This Target Customer Definition is good



- People...
- ... who need to access all data from all applications...
- ...anywhere from any device (whether mobile, Mac/PC,TV) ...
- ... but are inconvenienced with having to manually email or upload or synchronize files...
- ...and who can't access unsupported data or unsupported applications.
- The severity of things on hand *Explains problem that can't currently be solved*
- The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years

## V2: This Target Customer Definition is good



- **People...**
- **... who need to access all data from all applications...**
- **...anywhere from any device (whether mobile, Mac/PC,TV) ...**
- **... but are inconvenienced with having to manually email or upload or synchronize files...**
- **...and who can't access unsupported data or unsupported applications.**
  
- **The severity of this problem is rising as people do more things on more devices.**
  
- **The market includes people who own only one device (1 billion people) and people who own multiple devices (1 billion people) expected to double by 2015.**

*A growing problem*

## V2: This Target Customer Definition is good



- **People...**
  - **... who need to access all data from all applications...**
  - **...anywhere from any device (whether mobile, Mac/PC,TV) ...**
  - **... but are inconvenienced with having to manually email or upload or synchronize files...**
  - **...and who can't access unsupported data or unsupported applications.**
  - **The severity of these things on more**
- An estimate of the market size*
- **The market includes everybody who owns more than one device (1.2 billion people worldwide in 2010) and is expected to double every 3 years**

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**Now, let's move to Value Propositions**

# mobileme



- **Me.com email account**
- **Show off your Apple-related email address to people**
- **Email management**
- **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- **...and access their PC files and Apple App data from their smart phone**

# mobile*me*



- ❑ **Me.com email account**
- ❑ **Show off your Apple-related email address to people**
- ❑ **Email management**
- ❑ **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- ❑ **...and access their PC files and Apple App data from their smart phone**

# mobileme



- Me.com email account
- Show off your Apple-related email address to people
- Email me *How is this feature relevant to the problem/pain or the outcome?*
- Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...
- ...and access their PC files and Apple App data from their smart phone

# mobileme



- **Me.com email account**
- **Show off your Apple-related email address to people**
- **Email management**
- **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- **...and access their PC files and Apple App data from their smart phone**

*What business is all of this?*

# mobileme



*What trade-offs  
must the  
customer make?  
Can they keep  
their existing  
email accounts?*

- **Me.com email account**
- **Show off your Apple-related email address to people**
- **Email management**
- **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- **...and access their PC files and Apple App data from their smart phone**

# mobileme



- Me.com email account
- Show off your Apple-related email address to people
- Email manager
- Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...
- ...and access their PC files and Apple App data from their smart phone

*How are these better than the ways that people currently deal with the problem?*

# mobileme



- Me.com email account
- Show off your Apple-related email address to people
- Email management
- Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...
- ...and access their PC files and Apple App data from their smart phone

*What customer problem does this list of features overcome?  
Or how does it help achieve the desired outcome?*

# mobileme



- **Me.com email account**
- **Show off your Apple-related email address to people**
- **Email management**
- **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- **...and access their PC files and Apple App data from their smart phone**

***Why is this a good business for Apple?***

# mobileme



- **Me.com email account**
- **Show off your Apple-related email address to people**
- **Email management**
- **Digital locker where they can access their files and Apple App data (notes, address books, calendar, photos) from their PCs...**
- **...and access their PC files and Apple App data from their smart phone**

*How many trendy  
businessman smart phone  
users will use this?*

# mobileme



- Me.com email account

*What trade-offs must the customer make?  
Can they keep their existing email accounts?*

- Show off to people

*How are these better than the ways that people currently deal with the problem?*

- Email management

*How is this feature relevant to the problem/pain or the outcome?*

- Digital locker where they can access their files and Apple App Store calendar

*What business is all of this?*

*What customer problem does this list of features overcome?  
Or how does it help achieve the desired outcome?*

Apple App

*Why is this a good business for Apple?*

*How many trendy businessmen smart phone users will use this?*

## V2: This Value Proposition is good

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- **Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)**
  
- **...including non-Apple apps...**
- **...regardless of whether the data is illegal/pirated...**
- **...without the user having to do anything**
  
- **Apple runs data centers and manages complex settings/ synchronization for users.**
  
- **Every Apple customer will use iCloud automatically.**
- **It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.**
- **Only Apple can deliver an effortless user experience.**

## V2: This Value Proposition is good



- Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)

- ...including
- ...regarding
- ...without the user having to do anything

*Directly addresses the customers' desired outcome*

- Apple runs data centers and manages complex settings/ synchronization for users.
- Every Apple customer will use iCloud automatically.
- It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.
- Only Apple can deliver an effortless user experience.

## V2: This Value Proposition is good



- **Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)**
- **...including non-Apple apps...**
- **...regardless of whether the data is illegal/pirated...**
- **...without the user having to do anything**
- **Apple runs data centers and manages complex settings/ synchronization for users.**
- **Every App automatically syncs to the cloud**
- **It drives the switch, and provides revenue for media companies.**
- **Only Apple can deliver an effortless user experience.**

*Explains Apple's business*

## V2: This Value Proposition is good



- **Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)**
- **...including non-Apple apps...**
- **...regardless of whether the data is illegal/pirated...**
- **...without the user having to do anything**
- **Apple runs setting**
- **Every Apple customer will use iCloud automatically.**
- **It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.**
- **Only Apple can deliver an effortless user experience.**

*Clear points of differentiation that overcome customer problems*

## V2: This Value Proposition is good



- Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)
- ...including non-Apple apps...
- ...regardless of whether the data is illegal/pirated...
- ...without the user having to do anything
- Apple iCloud settings, *Market size and growth potential*
- Every Apple customer will use iCloud automatically.
- It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.
- Only Apple can deliver an effortless user experience.

## V2: This Value Proposition is good



- Provide people with automatic and effortless access to all data/settings and all apps from all devices anywhere (as long as one of those devices is made by Apple)

- ...including non-Apple apps...

- ...regardless of whether they are pirated

- ...without

*The price customers must pay in order to get the benefit*

- Apple runs data centers and manages complex settings/ synchronization for users.
- Every Apple customer will use iCloud automatically.
- It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.
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## V2: This Value Proposition is good



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- **...without the user having to do anything**
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- **Every Apple automatic switch, and p. companies.**
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*Attractive to Apple because it uses unique core competency*

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- ...including non-Apple apps...
- ...regardless of whether the data is illegal/pirated...
- ...without the user having to do anything
- Apple runs data centers, settings/ sync
- Every Apple device syncs automatically.
- It drives Apple hardware sales, makes it hard to switch, and provides leverage over media companies.
- Only Apple can deliver an effortless user experience.

*Attractive to Apple because it drives Apple forward in Media domain*