

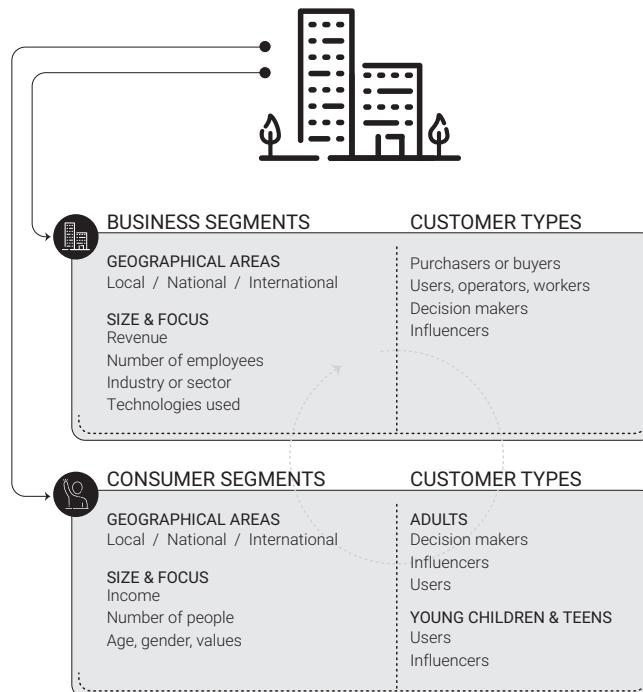
Product Manager's Desk Reference (3e)

Illustration Insights – Chapter 8 – Figure 8.1, Figure 8.3*

Understanding Customer Needs and Market Segments

The first step in the process of understanding customers is to learn how they're grouped or segmented. When you understand the needs and motivations of specific customer types (consumers or businesses), you can more easily uncover a solution or product capability to meet a particular need. If you truly want to conceive disruptive products or come up with ideas for features that customers clamor for, you need to ensure that your product delivers a compelling value proposition and is priced to reflect that value.

To effectively assess market segment trends, the diagrams below can help.



	SEGMENT 1	SEGMENT 2	SEGMENT 3
Size Number of People			
Size Number of Companies			
Past Market Size			
Past Growth Rates			
Segment Attractiveness (H/M/L)			
Your Company's Share & Competitive Position			
Future Growth Rates			
Future Revenue Potential			
Corporate & Product Strategic Importance			
Priority for Future (H/M/L)			

* Note: Figure 8.2 is omitted

Product Manager's Desk Reference (3e) Illustration Insights – Chapter 8 – Figure 8.4

Understanding Customer Needs and Market Segments

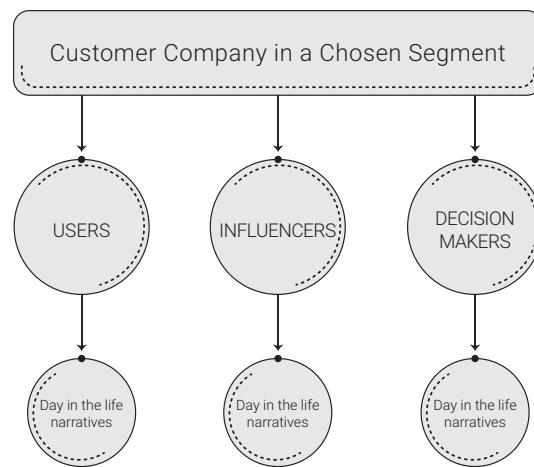
It's vital to understand how customers in given segments operate. Or simply put, how do customers do what customers do? One way is to be able to plan and carry out customer visits. Some product managers face travel restrictions which is doubtless a challenge. However, if a product manager provides the appropriate justification to visit the customer, there's a very good chance her manager will heed the request. The correct documentation for this vital element of market research is a customer visit plan. Many salespeople use a somewhat similar technique to chart which customers they're going to visit and in what sequence, but this is not quite the same. Procedurally, you can't initiate this alone—you need to respect the salesperson's domain. When you have a clear plan for what you want to accomplish for a visit requiring travel, you improve the odds that your travel request will be approved, restrictions or not. The Customer Visit Plan template shown below can be used to justify your visit(s).

NAME OF CUSTOMER'S COMPANY	
ADDRESS OF CUSTOMER'S COMPANY	
NAME OF PRIMARY CONTACT	
PHONE NUMBER	
EMAIL ADDRESS	
ACCOUNT MANAGER NAME & INFORMATION	
PRODUCT MANAGER NAME & INFORMATION	
DATE OF PLANNED VISIT	
OBJECTIVE OR PURPOSE: Why is this visit being carried out? What do you want to learn? Is this visit a singular visit to one customer, a series of visits to one customer, or is it one customer visit in a series of multiple customer visits?	
CUSTOMER "TARGETS" TO BE VISITED: (Names of people, job titles, etc)	
GUIDELINES & GROUND RULES: (e.g., voice or video recording, picture taking, security rules, nondisclosure)	
TEAM MEMBERS WHO ARE ATTENDING: Names & titles (e.g., product manager, engineer, marketing manager, account manager). Also, what role will each play? (observer, interviewer, video recording, work flow diagrams, photography, etc.)	
AGENDA & STRUCTURE: How will the visit be structured? Introductory session, presentations, tours, on-site employee visits, interviews, observations, etc.	
CAPTURE THE VISIT: Use this space to write down what you heard or observed. Note work flows, skills used, timing, difficult activities or actions by different customer types or users as they "do what they do."	
DEBRIEF: Capture all observations based on what all visitors learned, observed, or inferred. Use this data to prepare a final visit report or presentation for cross-functional team stakeholders.	
ADDITIONAL NOTES, ACTIONS, OR FOLLOW-UP: (e.g., thank-you note for customer and for team members)	

Product Manager's Desk Reference (3e) Illustration Insights – Chapter 8 – Figures 8.5, 8.6

Understanding Customer Needs and Market Segments

An important vantage point from which to understand customers, is to identify exactly “who” is the customer. In a B2B setting, a customer is not a company, per se. A customer is a person who works in a company. Further, each “customer type” can be a user, influencer, or decision maker. If you can identify the customer and can track their state of “need” at the best time, you may be in an optimal position to identify the benefits they seek, and in turn, create the product or product features that mean the most to that customer. The diagram below can serve as a simple blueprint to identify customers by the role they play. From this, you can create the appropriate day-in-the-life narratives most closely aligned with the identified “persona.”



Once you identify each customer, and the needs you’re able to uncover for that customer, you’re in a good position to associate those needs with the features they value most. Use the table below to create the connections between a customer who needs to do (something) and is satisfied by a (solution or features).

CUSTOMER	NEEDS TO BE ABLE TO DO...	A SOLUTION COULD BE (LIST FEATURES)...
Persona 1	n1 n2 n3	f1 f2 f3
Persona 2	- - -	- - -
Persona 3	- - -	- - -

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