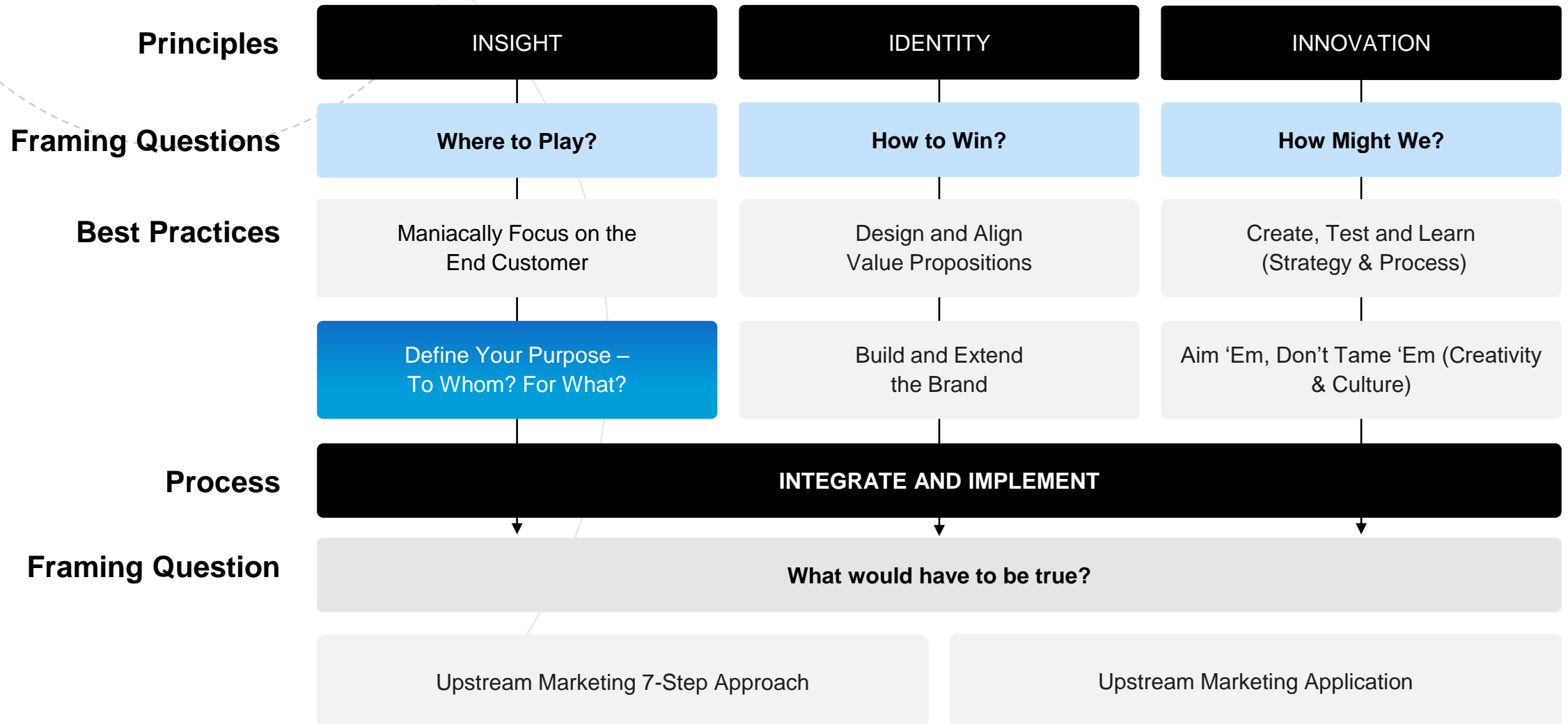




DEFINE
YOUR PURPOSE
TO WHOM? FOR WHAT?

Define Your Purpose – To Whom? For What?






Two related aspects in determining where to play

Define your purpose

Gain internal clarity around the larger business aspiration

Various terms are used and debated – a purpose, mission, vision and values statements



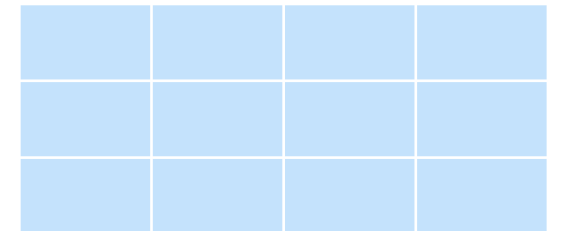
Begin with Why?

Answer To whom? For what?

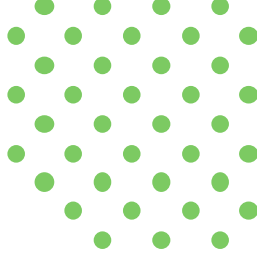
Gain deep insight into end customers:





What do you know about your important customers that your competitors don't know?

A customer demand framework helps identify and focus opportunities

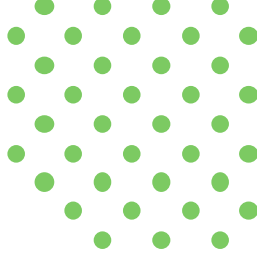





Define your purpose



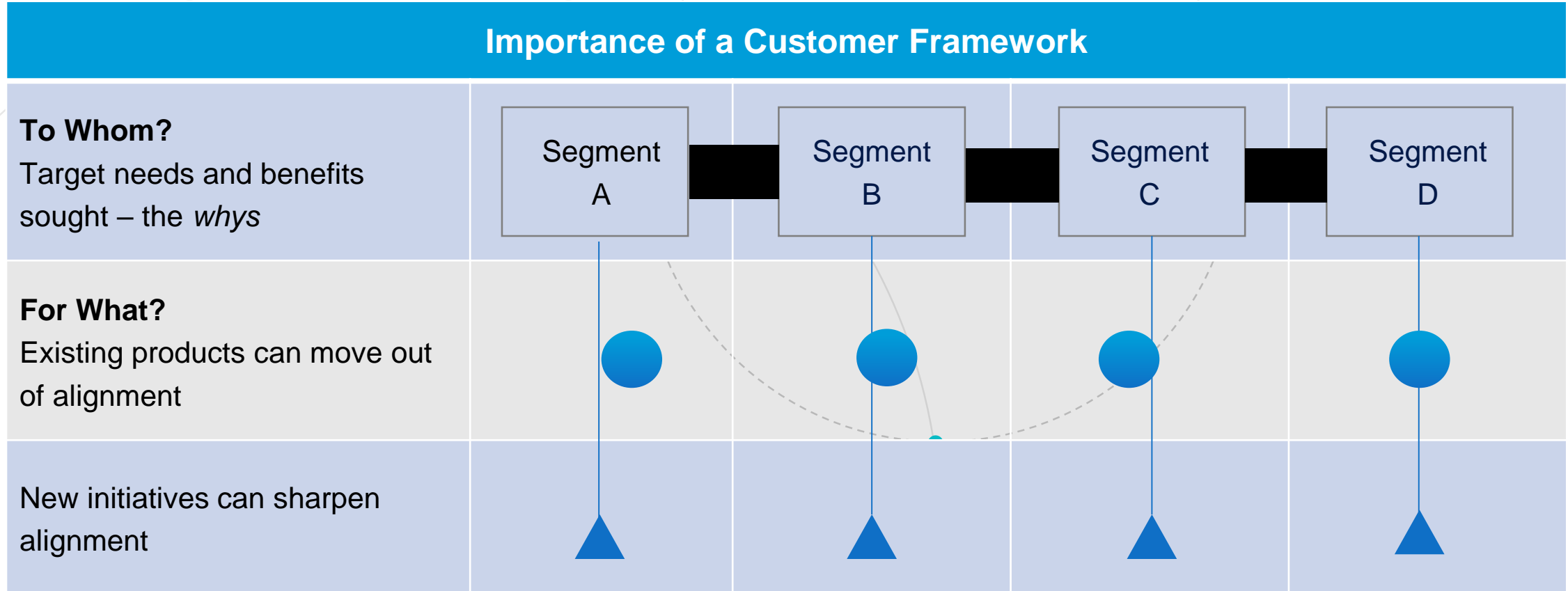
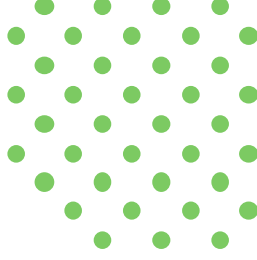
Company	Not . . .	Rather . . .
	Online retailer	Our vision is to be the earth's most customer-centric company ; to build a place where people can come to find and discover anything they might want to buy online
	Hardware and software	To make a contribution to the world by making tools for the mind that advance humankind (Steve Jobs original)
	Search	Organize the world's information and make it universally accessible and usable
	Athletic shoes and apparel	Unite the world through sport to create a healthy planet, active communities and an equal playing field for all

Define your purpose



Company	Not . . .	Rather . . .
	Air travel	Connect people to what's important in their lives through friendly, reliable, and low-cost air travel
	Coffee	Inspire and nurture the human spirit – one person, one cup , and one neighborhood at a time
	Theme parks	To make people happy (Walt Disney original)

Answer To Whom? For What?



Three growth strategy frameworks

Level 1

Growth Strategy 2 x 2 Matrix

Establishes four broad growth strategies, considering new and existing markets, and new and existing products

Level 2

Conventional Market Segmentation

Uses standard segmentation approaches – geographic, demographic, behavioral and attitudinal – to group customers

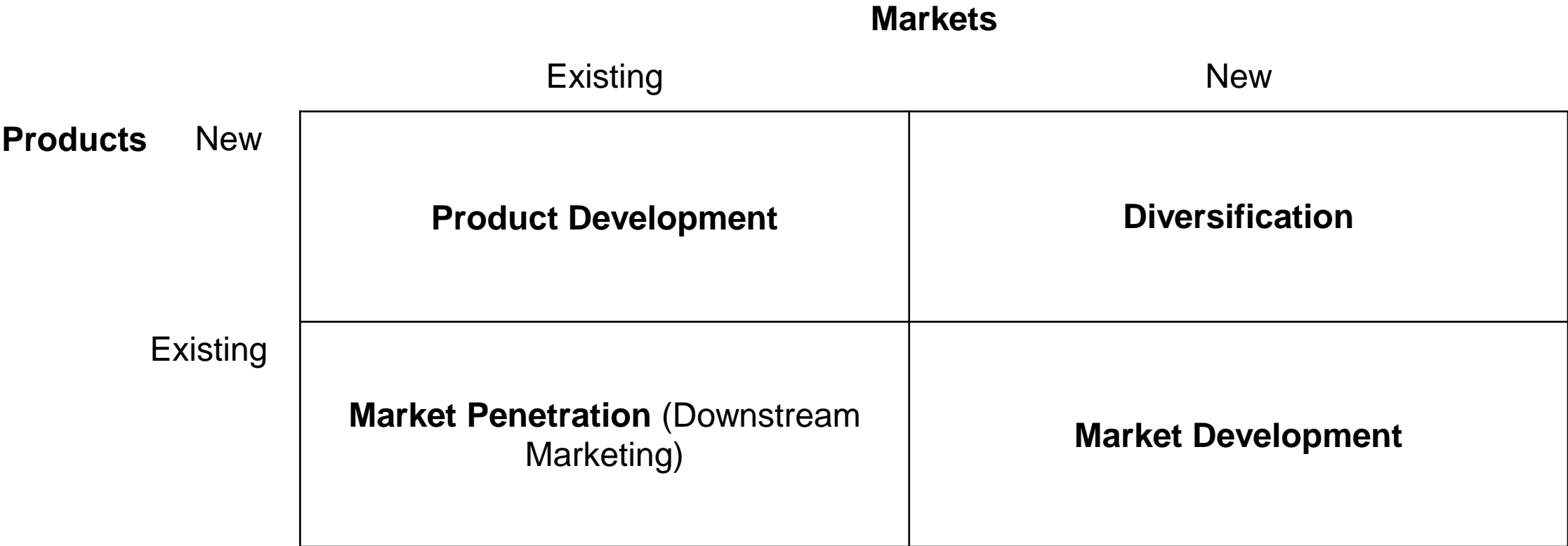
Level 3

Customer Demand Framework

Uses proprietary insight to precisely inform to-whom, for-what and corresponding strategic opportunity areas

Level 1 Growth Strategy Matrix

Ansoff Matrix





02

Conventional Market Segmentations

GEOGRAPHIC

Geographic segmentation is used when language, cultural, and other local factors are present

DEMOGRAPHIC

Demographic segmentation uses age, income, household makeup, and life stage to define segments

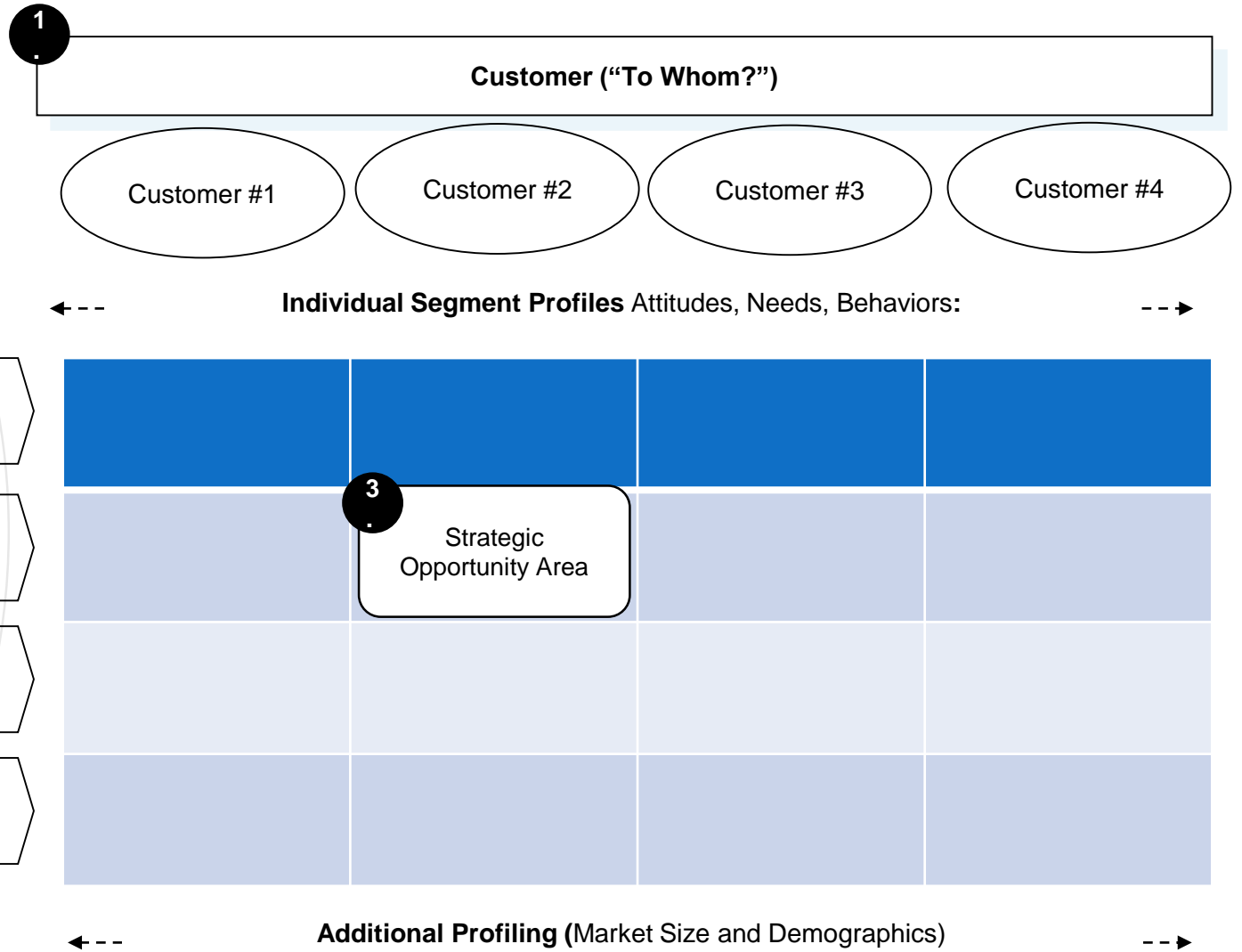
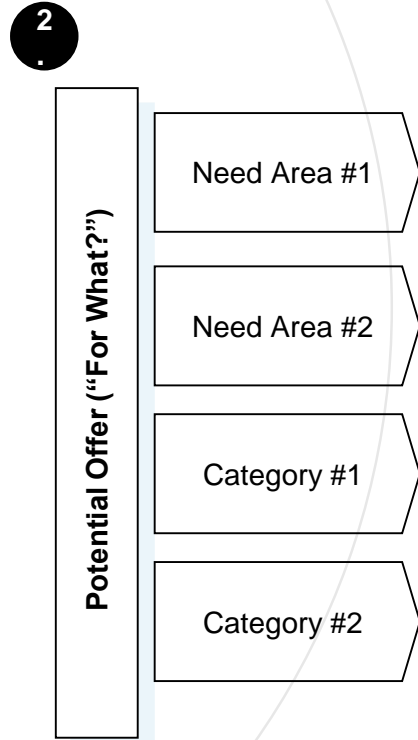
BEHAVIORAL

Behavioral segmentation divides a market by shopping and buying behaviors

ATTITUDINAL

Attitudinal segmentation (also called psychographic segmentation) separates customers based on attitudes, motivations, and needs

Level 3 Customer Demand Framework

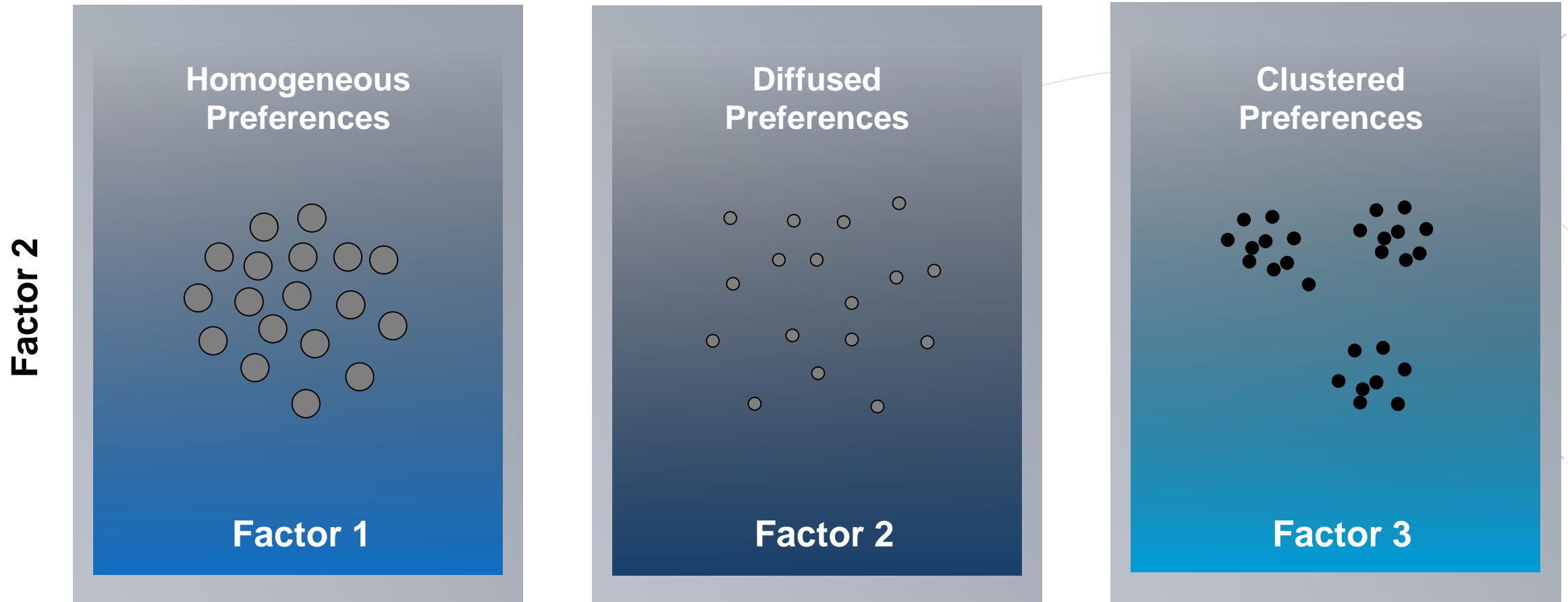


Level 3 Customer Demand Framework

Characteristics of a level 3 framework

- ✓ Consumer led, insight-driven
- ✓ Proprietary to your organization
- ✓ Emphasizes new demand spaces
- ✓ Provides alignment (to whom, for what)
- ✓ Common platform shared within the organization

Most categories demonstrate clustered preferences



Level 3 Customer Demand Framework Example



Attitudes

	“Natural Product Passionates”	“Performance Seekers”	“Natural Food Followers”	“Better For You Strivers”	“Medically-Driven”
Natural food is an integral part of their life	Driven to obtain peak physical performance with healthy lifestyle	Strive for healthy living, though not “crunchy granolas”	Seek enhanced health through moderation, better for you diet and exercise	More reactive	
Avoid “chemically-based” products (e.g., would not take 1-a-day vitamin)	Primary motivation is nutrition; “natural” may be a bonus	Increased understanding by following trends and topical research	As they age, they use supplements to address needs and deficiencies	Look for specific solutions to manage health issues (“get back to prior self”)	
Actively seek information and stay informed	Consider themselves higher intensity athletes or “fitness buffs”	Information sources moving from more mainstream (Dr. Oz) to key thought leaders	Natural products less important vs. nutrition overall	Seek targeted benefits - reduce pain, slow disease	
Take pride in being in the know – others seek their opinions	May be into endurance sports (like triathlons, marathons, cycling, etc.)		Not super knowledgeable; rely on reviews (Amazon) and mainstream info. (Dr. Oz)	Concerned about side effects	
				Desire to reduce “pharma-treadmill”	

Level 3 Customer Demand Framework Example

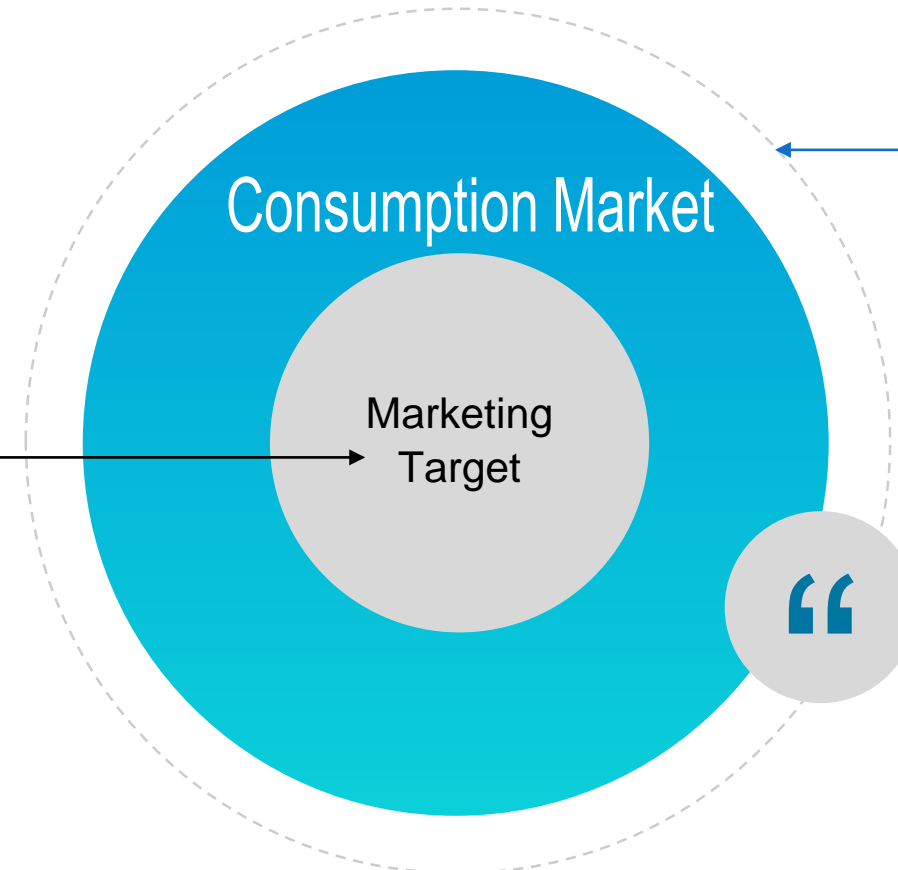
	“Natural Product Passionates”	“Performance Seekers”	“Natural Food Followers”	“Better For You Strivers”	“Medically-Driven”
Behaviors	Buy mostly at natural food specialty stores	Buy at natural food or nutritional supplement stores (GNC, Vitamin Shoppe, etc.)	Purchase from Whole Foods/Sprouts and natural foods section of traditional grocery	Purchase from mass, drug, traditional grocery, occasionally a supplements store	Purchase from drugstore, traditional grocery or item-specific online retailer
	Willing to invest time and resources in finding the best	Willing to invest time and resources in finding the best	Pursue new ideas (e.g., yoga, cleanse, holistic solutions) and then narrow over time to what works	Less likely to commit time and energy searching for solutions	Seek opinions, referrals from more involved consumers or condition ‘experts’ (MD, chiropractor, etc.)
Demos	Avid label readers	May join purchase clubs tied to activity, interest & products	Seek referrals, advice of retailer	Beginning to move beyond vitamins and new trends	
	Key WOM advocates	Follow coach/ trainer advice		Less brand loyal and less consistent in daily regimen	
	Broad age range	Skew 40 and under	Broad age skew, skew female	Skew slightly older	Skew younger to aging boomers
	Broad income range	Skew male and slightly higher income	Higher income		Broad income

Targeting is an issue of prioritization – who's the center of the bullseye?

A focused target results in a stronger value proposition and brand positioning

Focus of Marketing

Value Proposition
Positioning
Communication



Rest of the Market

Not as attractive a core target for various reasons

May be attracted by the benefits offered to the core target

Can be a focus area of communication plans and messaging

Speak to the target but let others listen.

The targeting paradox

Often, the tighter the marketing target, the broader the appeal among the consumption market



“We wanted Nike to be the world’s best sports and fitness company. Once you say that, you have a focus. You don’t end up making wing tips or supporting the next Rolling Stones concert”

- Phil Knight



“Our DNA is as a consumer company – for that individual customer who's voting thumbs up or thumbs down. That's who we think about.”

- Steve Jobs



Cost-conscious, no-frills travelers looking for the best value for their dollar. This includes both leisure and business travelers seeking low cost, simplified air travel with a pleasant experience.

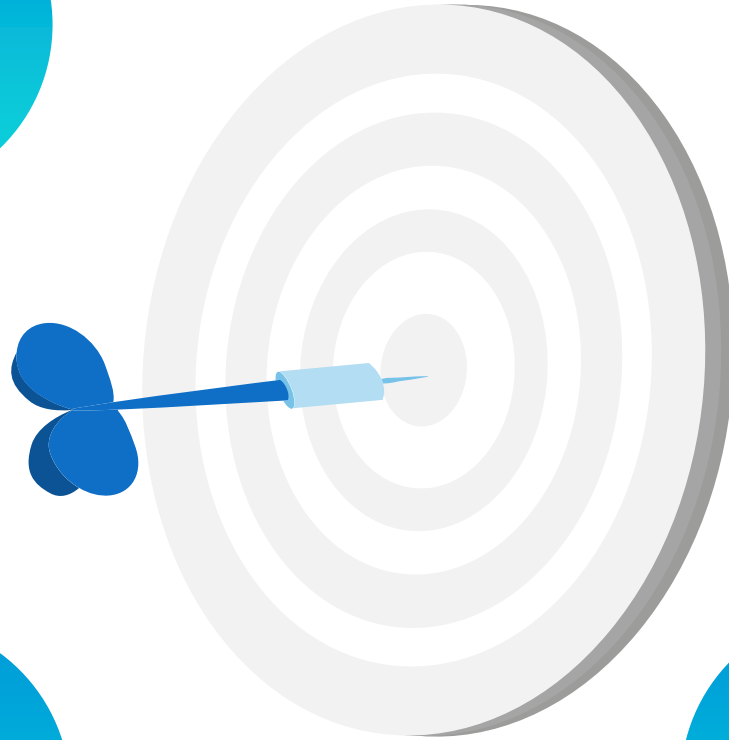
Evaluating Potential Targets

Segment Size

Segment Growth Rate

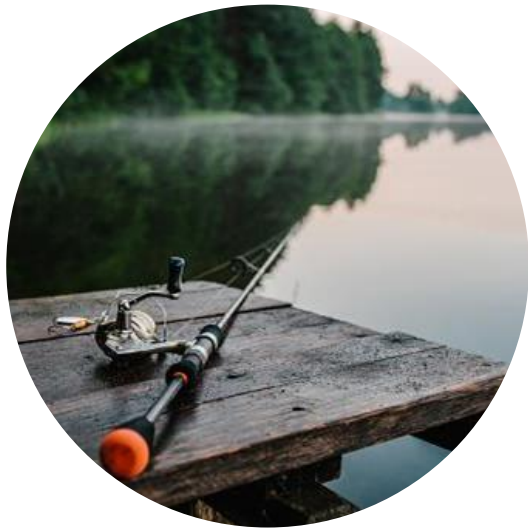
Brand Fit

Can We Win?



Where to look for growth

The intersection of the to-whom, for-what framework results in a strategic opportunity area



Fishing ponds



Oil wells



Innovation buckets

Strategic Opportunity Area Development

Potential growth sources

- ✓ Unmet customer needs
- ✓ Market trends
- ✓ Portfolio gaps
- ✓ Technological innovation
- ✓ Competitive opportunities
- ✓ Supplier opportunities
- ✓ Etc.

Write them down in a consistent format so they can be evaluated and prioritized

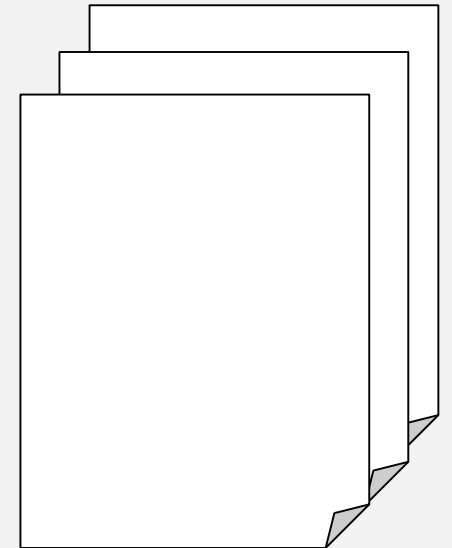
Target Description

Customer Need

Consumer Insight

Benefit Provided

Opportunity Sizing



Sample strategic opportunity areas



For a luxury automotive manufacturer, how might we design a sales and service experience for the one-third of customers who prefer to skip the dealer experience entirely?



For a traditional automotive insurance company, how might we sell new financial products and services, including retirement planning, investment management, and trust services, to existing insurance clients?



For a food manufacturer of prepackaged mixes, how might we deliver a Starbucks or specialty-bakery dessert experience at home?



Sample strategic opportunity areas



For a retail bank, how might we attract consumer segments across multiple cultures and backgrounds through an improved customer experience?



For a biopharmaceutical company, how might we improve patient compliance to promote better care and improved quality of life?



For a manufacturer of backpacks, how might we penetrate the workplace with a new line of packs that combine the professionalism of a briefcase with the convenience of a traditional backpack?

Sample strategic opportunity areas



For a small kitchen appliance maker, how might we create a “driving idea” to increase cooking confidence through tips and recipes on Pinterest and other social platforms?



For a public library, how might we transform the customer experience, recognizing the shift to remote learning, makerspace, and digital programming and away from physical books?



For an enterprise software company, how might we create a direct-to-consumer vision, strategy, and investor pitch deck to secure funding and expand the business.

Define Your Purpose – To Whom? For What?

Questions to Consider



Why does the organization do what it does? What is its purpose?



To whom—on which customer segment—should you target your growth efforts?



For what— which high-potential strategic opportunity areas should be targeted?