Step 3:
Build an End User Profile

I can generally see them and describe them to you but they are not in completely clear focus yet

We start by beginning to define our general customer with a target customer profile
Step 3: Build an End User Profile

::: In This Chapter, You Will:
::: Use primary market research to flesh out a detailed description of the typical end user within your market segment

Now that you have identified a specific beachhead market, you will get to know your target customer. It is critically important that you adhere to the mentality that you build your business based on the customer, rather than pushing onto the market what you want to sell.

Each customer consists of an end user and a Decision-Making Unit:

- **End user**: The individual (a real person!) who will use your product. The end user is usually a member of the household or organization that is your customer.

- **Decision-Making Unit**: The individual(s) who decide whether the customer will buy your product, consisting of:
  
  - **Advocate**: The person who wants the customer to purchase the product; often the end user.
  
  - **Primary Economic Buyer**: The person with the authority to spend money to purchase the product. Sometimes, the end user.
  
  - **Influencers, Veto Power, purchasing department, etc.**: People who have sway or direct control over the decisions of the Primary Economic Buyer.

Your focus will be on the end user, because if the end user does not want your product, you will be unable to sell the product to the customer. In this step, you will build a profile of the end user that is specific enough to use for calculating the Total Addressable Market size of your beachhead market. Later on, you will identify one end user who fits the End User Profile to serve as your Persona.

While you could calculate the size of the beachhead market now, you will find that even in your narrow beachhead, the end users are not all alike. You will first need to narrow further by choosing a specific demographic of end users.

**Why Target a Specific Demographic?**

Even though your beachhead market is narrow, you will find a lot of variety among the end users you are targeting. They may be young or old, may work and/or live in urban, suburban or rural settings, may be worldly or may have stayed in the same town their whole lives. Most importantly, then may have different goals, aspirations or fears.

Trying to sell a product to a wide variety of end users is as unfocused as trying to sell to multiple markets. Your sales strategy may not be equally effective for 25-year-olds and 50-year-olds, and your
feature sets may differ depending on the priorities of the end user. You do not want to spend your time and resources trying to be everything to everybody.

Therefore, you will not try to describe every end user. Instead, describe a narrowly defined subset of end users with similar characteristics and with similar needs. Look for a subset the same way you looked for a beachhead market.

As I will note throughout this book, continually talk, observe and interact with your target customer to obtain this information. You will not be able to simply think through the profile on your own. Primary market research is fundamental to your success and in this way, you will likely uncover information that is not only not available elsewhere but will be in a form that is relevant to you. Once you have done this primary market research, it is pure gold and do not give it away.

**Potential Characteristics to Include in Your End User Profile**

- Gender
- Age range
- Income range
- 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 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 makes them special and identifiable?
- Tell their story

**Does Your Founding Team Include Someone in the End User Profile?**

It is a huge advantage if someone who fits the End User Profile is on your team from the beginning, as the depth of understanding you have about your customer is a critical factor to your success. It will also facilitate honest and open discussions within your team because your end user is right in the room, rather than making assumptions about the end user that turn out to be not true when you go and talk
with end users. If you don’t have someone from the demographic already on your founding team, you should hire a target end user for your executive team relatively soon.

Examples

SensAble Technologies

In the below description of the end user for SensAble, you can see the picture of the end user starting to emerge. We are starting to understand our target customer in a much more specific way. Yes, there is a demographic cohort to help us build a market size in the next step (which is important), but there is also the rich context which will be so important as we move forward to make this real and will probably be the defining factor to our success.
### SensAble End User Profile: Industrial Designer in Toy and Footwear Companies

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male (90%), Female (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>24-35 estimating that the average is close to 31</td>
</tr>
<tr>
<td>Level at Company</td>
<td>Is an individual contributor and not a manager</td>
</tr>
<tr>
<td>Income</td>
<td>$40K-$50K per year depending on the region</td>
</tr>
<tr>
<td>Education</td>
<td>Rhode Island School of Design/Pasadena School of the Arts or other high-end arts school</td>
</tr>
</tbody>
</table>

**History**

This is not their first job in industry so they have some experience. However, this is not their end job either. This is something they will do for a while as long as it is interesting and fulfilling and they have a job. The industry is tough and they realize they can be laid off if things don’t go well. This also leads to a lack of strong attachment to their job, so if another job comes up, they will move on without reservation.

**Context**

The designers see themselves as artists, not businesspeople. While they might want to be doing great art outside of the commercial world, they have realized that they need a paycheck to survive and have made that compromise. They may do some art on the side but they also are serious about wanting to create products that show off their artistic skills, and they are frustrated with products that don’t properly convey their very specific design intent. Hence they have not given up using clay studios, which convey design intent much better than the new digital tools that are being forced on them. The new tools are engineering tools that have been modified for designers and they make it very difficult to convey design intent. While the designers are tech-competent and even savvy when it comes to creative tools, that is not at their core. It is a means to an end. They might have an Apple computer at home and one in their department but at the office, they are primarily working on their Windows-based PC.

**Personality**

The designers like to socialize but would never be confused with fraternity boys. They do not have much money and are careful to not waste it. They drink carefully and/or do light recreational drugs when they go out. They like to sit around and listen to technopop music (like Thomas Dolby) and talk about the arts. They generally wear all black and a good number of them have body piercings and maybe even artfully done tattoos. While they do like to socialize, they can also be quiet and introverted much of the time.
Ride Sharing Company, Russia

Note: Throughout the book, I will supplement SensAble examples with examples from MIT student teams who took 15.390 New Enterprises while in their degree programs. These examples are not always fully fleshed out because of the students' time limitations. I provide them in this book as examples that illustrate the basic concepts of the steps.

This student team looked at creating a new ride-sharing service for a group of customers in Moscow who do not have such a service today. They are focused on younger tech-savvy drivers who they think will be more likely to use the service, and they are interested in using the new infrastructure of mobile phones and social media to do this in a capital-efficient way that has not been possible before.

A less-detailed version of their end user profile is below. As you will see, the team is not nearly specific enough in its demographics. The company is trying to be inclusive with its profile, but the result is lost focus. As a startup, you will have to exclude people in order to stay focused on a key group of customers who will provide much-needed initial cash flow.

<table>
<thead>
<tr>
<th>End User Profile for Russian Ride-Sharing Company</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male, female</td>
</tr>
<tr>
<td>Age</td>
<td>17-40 years old</td>
</tr>
<tr>
<td>Region</td>
<td>Moscow (during initial growth stage)</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student, young professional, internal migrant, middle management</td>
</tr>
<tr>
<td>Social level</td>
<td>Medium, high</td>
</tr>
<tr>
<td>Characteristics</td>
<td>Has a smartphone</td>
</tr>
<tr>
<td>User category</td>
<td>Early adopters, technologically advanced</td>
</tr>
<tr>
<td>Other</td>
<td>Active users of social networks, outgoing personalities</td>
</tr>
</tbody>
</table>
Baseball Website

This team was looking to make a one-stop site for sports fans (baseball to start) where they could go to get information about their favorite team and interact with other like-minded fans. It would be a case of an uncensored ESPN meets Sports Talk Radio but much more interactive and multi-dimensional than either. The site could also integrate the then-exploding field of fantasy sports.

The team decided to focus its product on one very specific part of the sports fan base – young online males between the ages of 18 and 34. This segment was a very attractive group to capture because liquor, automotive and electronics companies were anxious to advertise to this demographic as the demographic started to earn incomes and form buying habits that might last a lifetime. The team did its primary market research and found there was receptivity and then in this case also used some secondary research to learn more about their demographic.

Here is a key component of their customer profile:

![Target Audience Diagram](image)

**Target Audience:**
- Males
- 18-34 years old
- Online
- 26-30 million

**Target Audience Interests:**
- Females (70%)
- Sports (50%)

Source: ComScore Media Matrix

Source: Juniper Research, "Demographic Profile of Young Affluents"

The gray box on the profile indicates that they decided to sharpen their focus on 25- to 34-year-old males making over $75K per year. Implicit in this choice is that the team will be deselecting the other demographics, only pursuing one demographic to start. The target audience interests is a good case in needing to confront the brutally honest facts about our demographic, rather than looking at the end user through rose-colored glasses. From the secondary research presented here, the two top website choices for the broader 18-34 age demographic are sites to look at girls (we hope nice sites – but we will have to find out the reality to truly understand the end user) and sports sites.
Summary

Your analysis of your target customer is nowhere near complete, but the end user profile points you in the right direction for future steps. The journey is only beginning but you are starting off with the right focus – a well-defined target customer.