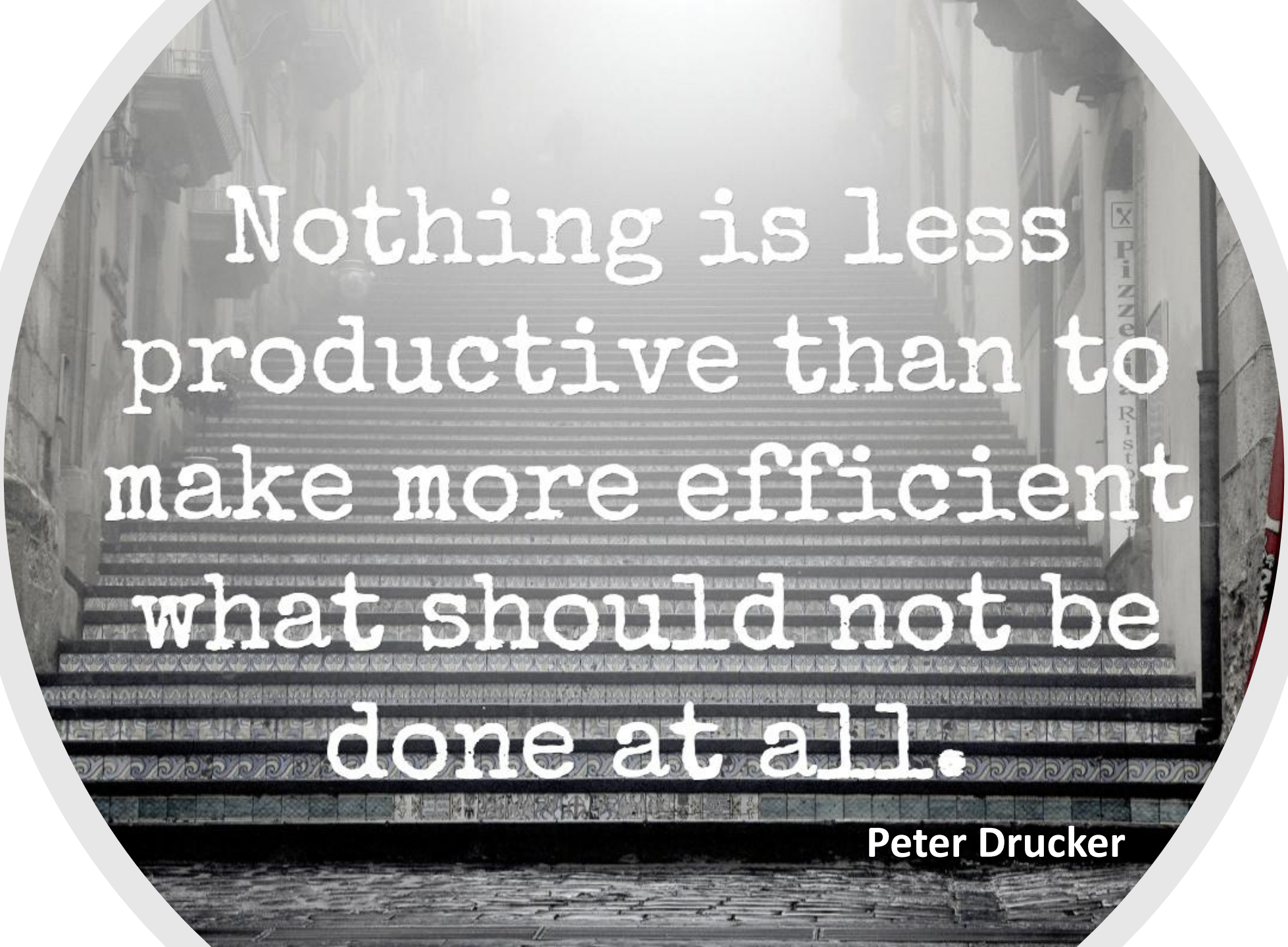

Nothing is less
productive than to
make more efficient
what should not be
done at all.
Peter Drucker



Problem Verification

Antonis Livieratos
Ass. Professor, NKUA

Idea → Minimum Viable Product (MVP) → Final Product

1. Founding team formation

3. Contact with potential customers aimimg to gain feedback



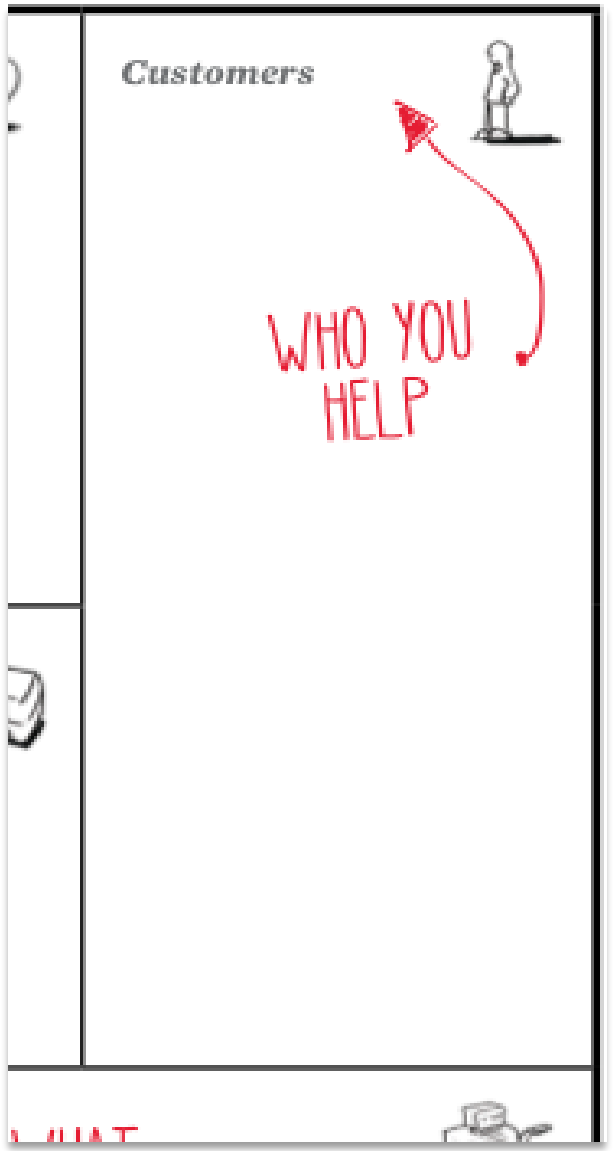
2. Define the problem, set the hypotheses, generate the business model

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Market Segmenta-tion



Your target market consists of a set of buyers who share common needs, values or characteristics *(e.g. age, sex, educational back-ground, monthly income, traditions, desires, etc.).*



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Market Analysis



Beachhead market

All possible target groups are judged on the basis of 6 criteria:

- **Access to the target group**
- Purchasing power
- How important is the "problem*" (nice to have or must have)?*
- Can we deliver the solution (with or without partners)
- Competition
- If successful, can we leverage additional segments?

Start with the target group that meets most criteria

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	Access	Purchasing power	How big is the problem?	Can you deliver?	Competition	Leverage to new segments
Target Group 1	✓		✓	✓	✓	
Target Group 2		✓	✓	✓	✓	
Target Group 3		✓	✓			
Target Group 4	✓	✓	✓	✓	✓	
Target Group 5	✓	✓	✓	✓	✓	
Target Group 6			✓	✓		✓

Target group

Market Segmentation Criteria	B2C Business2Consumers	B2B Business2Business
	Geographic	Geographic
	Demographic (age, sex etc)	“Demographic” (industry, size, turnover etc.)
	Behavioral (e.g. habits … looking for new change)	“Behavioral” (looking for quality? Price sensitive?)
	Psychographic (values, lifestyle etc.)	“Psychographic” (‘best place to work’, corporate culture, loyalty)

Persona (B2C) - Carol

name Carol

gender Female

age 45 year

status Single

occupation Saleswoman

location Amsterdam



bio

Carol is a hard working mom, who does her best to create a safe and warm home for her children. She is highly invested in the lives of her children.

quote

"Sharing is caring"

interests

Carol wants to help as much as possible at the school of her kids.

personality

extrovert — introvert

observing — intuition

thinking — feeling

judging — perceiving

goals in context

Despite not having a lot of money, Carol tries to create a safe living environment for her children.

preferred channels

Carol is an online shopper, because it saves her time and she can shop at any moment.

frustrations in context

Carol has little time and is annoyed with everything that costs needless time. Sometimes she worries about unexpected financial setbacks.

brands

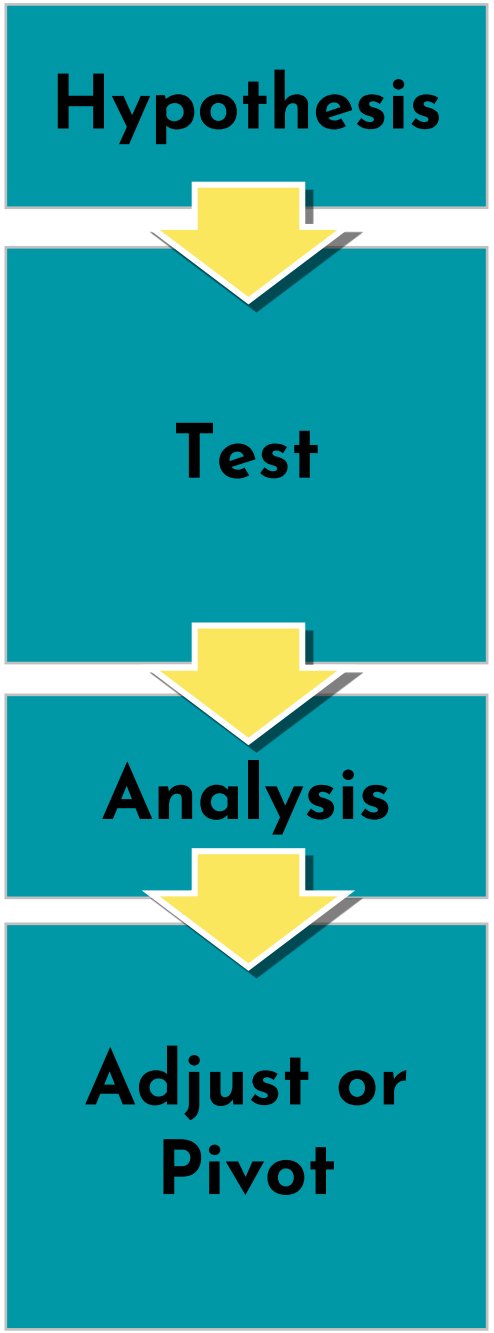
Wehkamp

H&M

Zara

bol.com

Market Analysis



make an educated guess how your business model works

meet with potential customers and industry participants to
- **verify the problem**

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The problem interview

A typical order in a 'problem interview' would be:

1) *It seems that some people/firms (like yourself) have trouble with….. (state the problem). Is this also your case?*
2) *How important is the problem for you (it cost you money, time, makes you nervous, unsecure…)*
3) *What are you currently doing in order to solve this problem?*
4) *How do you imagine the ideal solution to this problem would be?*
5) *Are you willing to pay for a solution to this problem?*

Verify problem

"**problem recognition scale**" to arrange the answers you got:

- **no problem...**
- **latent problem**: *customers have a problem but don't know it*
- **passive problem**: *customers know the problem but aren't motivated to find the opportunity to solve it*



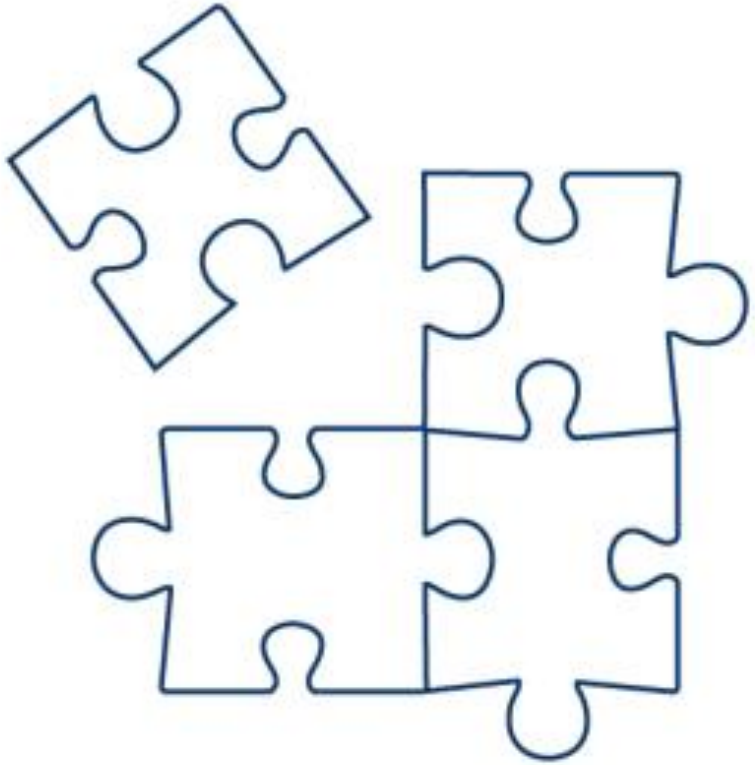
- **active (or urgent) problem**: *customers recognize a problem or passion and are searching for a solution but haven't done any serious work to solve the problem*
- **vision**: *customers have an idea for solving the problem and even have cobbled together a home-grown solution, but they are prepared to pay for a better one.*

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Market Analysis

TOP 20 REASONS STARTUPS FAIL

#1: No market need



CBINSIGHTS