



First Avenue
Ventures

The Structured Start-Up

WORKBOOK



**MODULE 7: CUSTOMER
EXPERIENCE,
CUSTOMER
DEVELOPMENT, AND
CUSTOMER PERSONAS**

TOPICS COVERED:

How developing customer personas can help you understand your customers, what you can offer them, and how/if your customer base can scale.

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MATTERS
MOST**

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WHY WILL CUSTOMERS CHOOSE YOU — AND KEEP COMING BACK?

"If your product requires advertising or salespeople to sell it, it's not good enough: technology is primarily about product development, not distribution."

— Peter Thiel, *Zero to One: Notes on Startups, or How to Build the Future*

"There is something fundamentally different between a sale to an early adopter and a sale to the early majority, even."

— Geoffrey A. Moore, *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers*

Newness requires awesomeness. Although early adopters thankfully exist, most people stick to their old habits. Individuals have habits; organizations have habits. These habits are hard to break. It is sometimes said that you need something to be ten times better than the current solution in order to get market adoption. While this is impossible to quantify, incremental change rarely if ever works in a new venture or with a new product.

In the first module of this course, we asked you why you exist. To answer this module's questions, you may want to go back to your first answer. Why your company exists – its mission – should help illuminate why customers will choose you. What are you offering to your customers that is so awesome and so superior that they choose your product?

However, we also want to be sure these customers scale. While plenty of companies have done well with early adopters, growth companies are typically focused on more extensive markets. Early adopters will sometimes go through hoops to purchase a product or service, but the rest of the market will not. As you scale, this difference becomes fundamentally important; often, it's the difference between a lifestyle business and a growth business.

Determining your customer personas will help. Empathy is key: get inside the customer's head and try to understand them. Think to yourself: *If I were a customer, I would choose this product or service for this reason.* For instance, a forty-year-old household finance decision-maker might be the customer for a consumer product. A twenty-five-year-old might be the customer for a nightclub. And a marketer at a business with a high customer count who has access to a credit card and the monthly budget may be the customer for an SaaS product.

Sometimes, a company's sales team names the 'persona.' They will list out all of the persona's characteristics in order to fully understand the customer's decision-making process.

Unlike other modules, with this unit, you have no particular counterforce. When you're thinking about your ultimate customers, you're really thinking through who you want to be as a company. No right answer exists, but all companies and entrepreneurs need to know who they want to be. Thinking about the customers you ultimately want to serve goes to the heart of the matter. We often look at this from the perspective of a life-long quest to figure out what you want to be when you grow up. The only wrong answer is to not know, although constant discernment is fundamental.

CONFLICTING DYNAMIC

QUESTIONS TO CONSIDER

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1. Why will customers initially choose your company/product/service?

2. Why will customers keep coming back to you?

QUESTIONS TO CONSIDER

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3. What will make customers refer you to other customers?

4. How can you convey these things to potential and current customers?
