

Apply the Methods to a Sports Venture

- a. Develop a market segmentation grid for your favorite sport. First, list all the potential segmentation criteria, then experiment with different combinations of two- or three-dimensional grids. For customers, consider age as well as gender as a potentially “hard,” measurable, and actionable criteria upon which to construct the axis of the grid. Then give attention to customers’ uses which are a reflection of their various attitudes toward physical activity, including sports (e.g., learning, recreational play, and competitive/professional play). Draw the market segmentation grid that you think is best.
- b. For one of your segments, such as recreational play for young adults, identify three distinctly different types of customers, employing your common sense. You can even give them names, such as the “weekend warrior,” “the marathon man,” or “outdoor Susan” to reflect the *personas* that emerge from your segmentation chart. These customers should have different attitudes, behaviors, and motivations in playing the sport. That is the definition of a clear customer group. Then ask a friend or two who play the sport to tell you what they think of your customer groupings.
- c. Then, as a prospective entrepreneur, consider all the different products that are possible for your grid, such as balls, racquets, and clothes. Next, consider all the different services possible for your grid: camps, clubs or leagues, facilities, learning CDs, archived multimedia, and even online communities. Find a product that applies to multiple market niches and determine how that product would have to vary, if at all, to serve those different niches. Then do the same thing for a service—how would it have to vary to serve different market niches? Use your market segmentation grid to show the application of that product and its variation; then do the same for the service.

Draw each framework on a separate page and write a sentence or two that explains your reasoning.

Apply the Methods to Define the Addressable Market for Your Venture Idea

Next, we want you create the Customers and Their Uses Template for your own venture idea.

- a) Label the columns and rows for the Customers and Their Uses Template (Figure 2.6) for your venture. That means identifying the specific customer groups and their primary uses for products or services, such as the ones you might create.
- b) Next, hit the Web and find data to support the relative size and “value” or spending for each customer group. You might get lucky and find data for the size and spending for each “use” as well. For example, your authors enjoy fishing. We are both older, experienced fisherman (and we spend a lot of money on the sport). Another customer group is the younger sport fishermen who don’t fish as often and prefer not to purchase \$500 rods. For the customers’ uses, we have freshwater fishing and saltwater fishing and within these, fishing for specific types of fish. A quick search of “recreational fishing demographics” brings us to all the data we require. An entrepreneur could then target products or services for young beginners versus older, experienced customers, and focus on particular types of fishing (e.g., fishing for trout versus fishing for striped bass).
- c) After constructing your grid, now circle what you believe to be your primary customer and customer use for your venture’s offerings. Be prepared to defend your choices.