Guide 9: Identify your target customer

Unit 2, Task 1

Your goal

Decide who is most likely to buy your product. Test your starting idea about these people. Use what you learn to make your customer description more useful.

Your product is the good or service you plan to offer. It does not have to appeal to everyone. A clear customer group helps you make decisions about features, price, and promotion.

What to produce

Create a target customer profile. Record the assumption you tested, how you tested it, what you found, and how the findings affected your profile.

Use your own document or paper. The prompts and sentence starters in this guide are support, not extra official requirements. Follow your teacher's instructions.

Key terms

- **Market segment:** a group of customers with shared characteristics.
- **Target customer:** the person or group a business chooses to serve.
- **Demographic characteristics:** facts about a group, such as age range or location.
- **Psychographic characteristics:** interests, values, or ways of living that affect choices.
- **Customer profile:** a clear description of a likely customer. It can describe a typical person who represents the group.

A profile is not a list of facts about a named classmate. Include only details that help explain a buying decision. Do not collect private financial information. The user and buyer can differ: a student may use a pouch that a parent buys.

Step 1: Review your evidence

Return to your Unit 1 interviews and product tests. Who experienced the problem, need, or want? Who showed interest? Who did not?

Separate evidence from guesses. A person liking your sketch does not prove that the person will buy your product.

Step 2: Draft a profile

Describe the customer group's relevant characteristics and daily situation. Include demographic and psychographic details where they help you understand the customer.

For example, a student's habit of carrying a small bag may matter more to a pouch design than the student's exact age. Do not assume that every member of an age group has the same interests or budget.

Explain the problem, need, or want, how the customer currently deals with it, and why your product might be worth considering. Mark uncertain details as assumptions.

Step 3: Choose an assumption to test

A hypothesis is a prediction you can check with evidence. Choose a claim that could change your profile if it is wrong.

For example: “Students who carry a small bag will place more importance on pouch size than on extra pockets.”

Decide what evidence would support or challenge this claim before you collect answers. Avoid changing the test afterwards just to make your idea seem successful.

Step 4: Talk with potential customers

The CED suggests at least one interview with a person who matches the proposed profile. Arrange this safely with your teacher. Ask permission, explain the purpose, and let the person stop or skip a question. Use anonymous notes; do not record audio or video without permission.

Use neutral questions such as:

- “How do you carry your supplies between classes?”
- “What matters when you choose a way to carry them?”
- “What would make this idea useful or unsuitable for you?”

Avoid “You would like our small pouch, wouldn't you?” This wording pushes the person towards agreement.

Example: Ready Pouch

Ready Pouch is our fictional example business. Its proposed product is a small pencil pouch for students.

This is a fictional example, not real customer research.

The team first describes its customer as “all students.” It then tests whether students with small bags prefer a compact pouch.

In this invented interview, the student values a small size but already has a pouch that works well. The team learns that bag size alone does not explain interest. It revises the profile to focus on students who move between classrooms and currently have difficulty organising loose supplies.

One interview is useful for finding questions. It cannot show how common a preference is across all students. The revised profile still needs more evidence.

Your turn

Write your profile and a short record of your test:

1. Who is the likely customer, and who might pay?
2. Which characteristics matter to the buying decision? Why?
3. What did you predict, and how did you test it?
4. What did the person actually say or do?
5. What will you keep, change, or investigate next?

You can use: “We first thought ____. Our interview showed ____. We changed ____ because ____. We still need to check ____.”

Check your work

- My profile is more specific than “everyone.”
- I explained why the characteristics matter.
- I included relevant demographic and psychographic details.
- I recorded genuine evidence, including disagreement.
- I explained a decision and the limits of my evidence.

Next: Build customer relationships

In Unit 2, Task 2, use this profile to plan how to attract customers and keep their trust.

Independent guidance based on the AP Business with Personal Finance CED, printed pages 160-161. This is not an official College Board resource.