

UNDERSTANDING YOUR CUSTOMER

MODULE 4

EMPOWER LAB • EMPOWER 40K

UNDERSTANDING YOUR CUSTOMER

Build for people, not for yourself.

Before You Begin

You can have a great idea.

You can build a beautiful product.

You can believe strongly in what you are creating.

And people can still decide not to buy it.

Why?

Because entrepreneurship is not about building what **you** want.

It is about creating something that provides value to **someone else**.

In Module 3, you learned that a good idea is not automatically a good business. You learned the importance of testing your idea before investing too much time or money.

Now we are going one step deeper.

You need to understand the people you are trying to serve.

Who are they?

What do they need?

What problems do they experience?

What do they currently use?

What do they care about?

And what would make them choose your solution?

The better you understand your customer, the better you can create value for them.

LEARNING OUTCOMES

By the end of this module, you should be able to:

1. Identify the specific customer your business is trying to serve.
 2. Explain the difference between what customers say they want and what they actually need.
 3. Identify customer problems, needs, and frustrations.
 4. Conduct a simple customer interview.
 5. Use basic market research to learn about customers and existing solutions.
 6. Collect and use customer feedback to improve an idea.
 7. Explain how understanding customers helps a business create value.
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WHO IS YOUR CUSTOMER?

One of the first questions every entrepreneur should be able to answer is:

“Who am I building this for?”

A customer is not simply "everyone."

If you try to build something for everyone, you may end up understanding no one deeply.

Imagine you want to create an affordable transportation service.

Your customers could be:

- University students
- Market traders
- Office workers
- Parents
- Tourists
- Elderly people

Each group may have different needs.

Students may care most about price.

Office workers may care about reliability.

Parents may care about safety.

Tourists may care about convenience.

The service may be similar, but the reasons people choose it can be very different.

Be specific.

Instead of saying:

“My customers are young people.”

Try:

“My customers are university students who need affordable transportation between campus and nearby communities.”

The clearer you are about who you serve, the easier it becomes to understand what they need.

BUILD FOR PEOPLE, NOT FOR YOURSELF

Entrepreneurs often make a simple mistake.

They assume:

“If I like this idea, other people will like it too.”

But you are not your customer.

You may have different experiences, income, priorities, habits, and preferences.

Something that seems useful to you may not matter to someone else.

That is why entrepreneurs need to step outside their own perspective.

Instead of asking:

“Would I buy this?”

Ask:

“Would my customer buy this?”

And more importantly:

“Why?”

That question can change the way you build a business.

UNDERSTAND THE PROBLEM

Customers do not always describe their problems clearly.

Sometimes they only describe what they currently do.

Imagine someone says:

“I always have to travel across town to buy this product.”

That statement tells you what they are doing.

But there may be a deeper problem.

Maybe they are losing time.

Maybe transportation is expensive.

Maybe the product is difficult to find.

Maybe they need it urgently.

Your job is not simply to collect answers.

Your job is to understand the situation behind the answers.

Ask:

What is frustrating about this?

How often does it happen?

What does it cost them?

What do they do when it happens?

What have they already tried?

Good customer understanding comes from listening carefully.

CUSTOMER INTERVIEWS

One of the simplest ways to understand customers is to talk to them.

You do not need a complicated research project.

You can start with a conversation.

But there is an important difference between **talking to customers** and **selling to customers**.

If you are interviewing someone, your goal is to learn.

Do not begin by saying:

> “I have this amazing business idea. Would you buy it?”

Instead, ask about their experience.

For example:

“Tell me about the last time you experienced this problem.”

“How did you deal with it?”

“What was difficult about it?”

“What did you do instead?”

“How much time or money did it cost you?”

“What would make the experience better?”

These questions help you understand what is happening in the real world.

Listen more than you speak.

You are not trying to convince the customer that your idea is good.

You are trying to understand whether your idea solves something that matters to them.

WHAT PEOPLE SAY VS. WHAT PEOPLE DO

Customer feedback is valuable.

But there is an important lesson:

What people say and what people do are not always the same.

Someone may tell you:

“Yes, I would definitely use that.”

But when the product becomes available, they may never use it.

This is why entrepreneurs should look for evidence.

If someone says they want a service, ask whether they would actually sign up.

If they say they would buy a product, find out whether they are willing to pay.

If they say something is important, ask how they currently spend time or money solving it.

You are not trying to catch people in a lie.

People simply make predictions about their future behavior, and those predictions are not always accurate.

The lesson:

Listen to what people say. Watch what they do. Learn from both.

MARKET RESEARCH

You do not have to learn everything by talking to customers.

You can also research the market.

Look at businesses that already serve the people you want to serve.

What do they offer?

How much do they charge?

What do customers like about them?

What do customers complain about?

What are they doing well?

Where are there gaps?

Market research can help you understand the environment you are entering.

And remember:

Competition is not always a bad thing.

If other businesses are already solving a problem, that may actually show that people are willing to pay for a solution.

The question becomes:

“What can I do differently or better?”

CUSTOMER FEEDBACK

Once you begin testing your idea, people will give you feedback.

Some feedback will be positive.

Some will be negative.

Some may be confusing.

Do not only listen to the compliments.

Pay attention to repeated concerns.

If several customers say:

“This is too expensive.”

That is information.

If several people say:

“I don't understand how this works.”

That is information.

If customers keep asking for something you never considered, that is information too.

Feedback gives you an opportunity to improve.

Do not treat feedback as an attack on your idea.

Treat it as information that can make your idea stronger.

CREATING VALUE

Understanding your customer brings us back to one of the most important ideas in entrepreneurship:

Creating value.

Value means giving people something they consider useful, helpful, meaningful, convenient, enjoyable, or worth paying for.

Your customer decides whether they see value.

You can believe your product is valuable.

But ultimately, the customer makes that judgment through their actions.

They may buy.

They may use it.

They may return.

They may recommend it.

Or they may walk away.

Your job as an entrepreneur is to keep learning why.

YOUR CUSTOMER PROFILE

Take the business idea you developed in Module 3.

Now describe the person you are building for.

Who are they?

What problem are they experiencing?

What do they currently do to solve it?

What frustrates them about the current solution?

What do they value most?

What would make them choose your solution?

You are not trying to describe every person who might buy from you.

Start with the customer you understand best.

EMPOWER LAB CHALLENGE

TALK TO YOUR CUSTOMERS

Find **three to five people** who fit the customer profile you created.

Talk to them.

Ask about their experiences, not just their opinions about your idea.

Try questions like:

- “Tell me about the last time you experienced this problem.”
- “How did you solve it?”
- “What was the hardest part?”
- “What do you currently spend to solve it?”
- “What would make this easier?”

Listen carefully.

Write down the things you hear repeatedly.

Then ask yourself:

- ☐ Did what I learned confirm my assumptions?
- ☐ What surprised me?

☐ What should I change?

REFLECTION

Think about the conversations you had.

What did you learn about your customer that you did not know before?

What assumption about your customer was wrong?

What is one thing you could change to create more value for them?

A Thought to Carry With You

Your customer is not an obstacle between you and your business idea.

Your customer is the reason the business exists.

Do not build something and then search for people to buy it.

Start with people.

Listen to them.

Understand them.

Learn what matters to them.

Then create something worth choosing.

Build for people, not for yourself.