Hello again! This is Megan Dougherty from Firepole Marketing, and I’m thrilled to welcome you to Lesson 2 of the Audience Business Masterclass.

Recap of the Previous Lesson

Last week we talked about who you want to serve and what you want to provide them with. You thought about the problem you want to solve for your future customer, or the delight that you want to create for them.

You also identified a viable niche by checking for pain and urgency or irrational passion, and for people who are actively active seeking a solution, and have few or no perceived options.

You made sure that the larger market you’re going after is big enough to sustain your growth over the years, and finally we talked about getting into your customers heads to figure out who they’re currently turning to for solutions, creating a list of the competitors that you’ll be up against when you go to market.

In Today's Lesson

Today we’re continuing with the first module of the Audience Business Masterclass, which is all about Building the Foundation. This is the second of three lessons in this module before we get into Cultivating Relationships, Launching Explosively, and Creating Profitable Offers.

Here’s what you’re going to learn in today’s lesson:

- First, you’ll learn how to create a **customer profile**, by fleshing out the paragraph that you wrote last week into a full description of the one, single person who is going to be a perfect fit for your business. You're also going to validate that they really exist using demographic and psychographic information.
Then we’re going to talk about getting into their heads and learning how they act, think and make decisions when they’re confronted with the problem that you want to solve, or seeking the delight that you want to provide.

We’re going to talk about iterations, and why it is sometimes crucially important to be willing to go back and change your initial assumptions.

And finally, we’re going to use all of these new insights to create spectrums that your customer is likely to divide the competition along. You’ll need those when it comes time to position yourself in the marketplace.

Okay, I’m going to hand you over to Danny, to get started by talking about customer profiles, and why they’re so very important when you’re building your Audience Business.

Customer Profiles

The long and short of it is that if you don’t have a well-crafted, highly detailed customer profile, most of what you’re going to be doing will be guesswork.

It is very common for entrepreneurs to be totally convinced that they know who they’re going after, but when you ask them to write it down, suddenly they have nothing real to say about the person that they want to serve. They were working on hunches and guesswork that had never been validated.

Without an actual, written-out Customer Profile, you don’t really know who you’re going after, and they might not even exist.

The result is a "Song Airlines" situation. Song Airlines was supposed to be this very progressive airline, with branding that was centered on feeling and family. They did a lot of promotion to create an emotional attachment with their target market – except that they were going after a target market that didn’t really exist. They were targeting moms with young children who travel a lot for work. Sounds great – an untapped niche in the flying market. The only trouble is that there *aren’t* a lot of moms with young children who travel a lot for work. Most women with young children choose to be at home more, and most women who do travel extensively for work don’t provide primary care for very young children.

Anyway, long story short, the airline bombed.
Starting to build your business without nailing down your ideal customer is like building a house of cards on a pile of feathers – it will fall down, because there is nothing solid to support it.

You can avoid creating phantom customers, and validate all of your assumptions about your one person, by using both demographic and psychographic information when you’re creating your profile.

**Demographics and Psychographics**

The idea is to have as complete a picture of your target audience as possible, and demographics and psychographics are the two major sides of making that happen. Let’s explore what each of these are, and how you can use them in building your Audience Business.

Demographic information is everything that is externally quantifiable about the person – basically, everything that you’d expect to find on a government census form, like age, gender, height, weight, occupation, income, education, family status, and so on – anything that you can describe by looking in from the outside.

The second side of creating your profile is the psychographics. This includes everything that’s going on inside your ideal customer’s head - the kind of stuff they’d tell their spouse, or therapist, like their desires, fears, values, interests, politics, convictions, concerns, and so on.

It is very important to profile both in terms of demographics *and* psychographics, because the one will help you gut-check the other. Especially when you’re working on the psychographics, the demographic details will help validate the existence of your one person. Otherwise you risk creating an imaginary person who exists only to patronize your business.

Let’s say, for example, that you sell can openers. Would you describe your customer as caring deeply about a smooth can opening experience, excited about minimizing wrist fatigue and passionate about a dent-free opening?

Probably not, because most real people just don’t care that much about can openers, one way or the other. They care about having opened cans, and that’s usually as far as it goes.
Psychographics are usually what you'll appeal to when you're trying to sell something, but if you only used psychographics in your profiling, you might inadvertently focus on how your customer relates to your product or service, ignoring all of the other elements to their personality. Demographics help you avoid this by reminding you that your customers are real, whole people.

Now, don't worry, we've made it as easy as possible for you to figure out your demographics and psychographics. You're going to do it with Worksheet #5: Demographics and Psychographics. Fill out the entire worksheet with as much detail as possible for your ideal customer - absolutely *everything* that you can describe about the audience.

The paragraphs that you wrote in the last lesson, about who you want to serve and what you want to provide are about to be fleshed out into a detailed profile of your one person.

Start with those paragraphs, and use Worksheet #6: Customer Profiling to create a one-page description of your ideal customer, drawing on Worksheet #5 for demographics and psychographics. Use all of that information to really describe them, going into as much detail as you can, and even giving them a name.

And remember, they're a real person, so don't use ranges.

No person is 27-42 years old. They are 36. They don't have 2-4 young children. They have a six year old girl and a four year old boy. Their annual income isn't $24,000 to $60,000, it's exactly $42,000.

This process can be a bit time consuming, but it isn't that difficult. Just in case you need a bit of extra help getting started, though, we've got a bonus worksheet about Finding Your ONE Person that you can refer to, in the resources below the video.

Now, when people talk about customer profiling, they usually think they understand the level of detail that they need to be aiming for, and they're usually wrong, so I want to share with you a sample customer profile that Megan created for Paying for Life, her own Audience Business. As you listen, try to really picture the person that she is describing.

Recently Graduated from College or University. Underemployed. They have a job that is unrelated to their passion. They are willing to sell out, to a certain degree, to finance
their lifestyle / projects, but resent that fact, and want to get out of what they are doing. They find this difficult because they are not earning enough money (or are using it too badly) to be able to afford to follow their passion fully. These passions can include, but are not necessarily limited to: artist/musician/writer/activist/traveler/scholar/. This passion takes up a significant portion of their free time and usually late at night. They are working in customer service in some way, because the hours are flexible and the remuneration is the highest possible for the least amount of emotional investment. They frequently find themselves short of money, despite working full or close to full time. They have pricy social lives, they frequently go out to bars, restaurants, shows, plays or their friends’ houses. Drinking will almost always be involved. Much of their “after-rent” income will be devoted to social expenses.

They are socialists, dislike the government, large corporations, organized religion and anyone who tells them to stop screwing around and get a real job. They feel frustrated that they did the “right” thing by going to college and it turned out wrong. They do not trust that hard work will get them where they want to be, or believe that the best way through life is to graduate, get a career, marry, buy a car and house, and have kids, although they know a few people who have done this.

They have debt: student loan or credit card or both. They make the minimum payments but little more. They try to avoid thinking about it, because it seems overwhelming. They rent their urban apartments, and usual bills include smartphone, internet and utilities. They pirate television and movies, but buy music (as long as it is available for direct purchase from the artist). While they are broke, it is situational, not generational.

That's Megan's customer profile for Paying for Life, and you'll notice that this is a tremendous amount of detail. Well, I know it sounds like a lot, but that's really the level of detail that you want to be aiming for.

It's a clear enough picture that not every single detail needs to be mentioned – but anything not explicitly stated is easily assumed.

Now, before we go any further, there is an important point that I want to emphasize: You need to begin by focusing on one person, because different customers will respond to different messaging, and when you try to appeal to multiple customer profiles, you appeal to none. By focusing your messaging on just one profile, you will have much more success than if you try to cast a wide net.
If you feel like this might be a challenge for you (or you just want to be really, really thorough) use Worksheet #7: A Day in the Life, to help you paint a picture of what your customer’s everyday life is like. It’s a bit time consuming, but it’s a great exercise that can lead to some surprising insights about your customer.

So at this point, I hope you understand the importance of having a realistic and highly detailed customer profile, which you’ll create using demographic and psychographic information. I hope you also understand the dangers of skipping this step, or thinking too wishfully about your ideal person; you could crash and burn just like Song Airlines did.

The next step is to really get into your customer's head, so that you can get a better understanding of how they think, act and make decisions.

**Getting Into Their Heads**

This is important, because you need to know when and where the need will arise for whatever it is that you want to offer, and where are they going to go to get it.

What do I mean by that?

Once you have a picture of who your one person is, you have to think about when and where in their day, week, month, or year the need for your offer will arise? What is the trigger that will get them to take action? We talked about acute pain or irrational passion – what is the thought, event, or circumstance that prompts them to go out and do something about it? What is the obvious place they’ll go for a solution? Where will they go for an answer? If they don’t find it right away – what will they try next? And what will they try after that?

There are several ways you can get this information.

You could use "over the shoulder testing" where, instead of trying to guess, you sit a person down and actually watch them solve the problem in question, either physically or theoretically. Of course, if you do this, make sure it’s with someone who fits your customer profile! This isn't as hard as it sounds, because you probably do have pretty easy access to someone who fits the profile – after all, you wouldn’t want to be going after a market that you have absolutely no contact with or connection to, right?

Ask them a question, and don’t just listen to their answer - get them to walk you through...
what they would do and look for, and who they would talk to, and so on when posed with the same problem that *you* want to be solving for them with your business.

Another thing to do is simply to think intelligently. A detailed customer profile will protect you from going down many of the wrong paths, so just take the time to sit down and think through where they're likely to go. And yes, in case you're wondering, the Day in the Life activity and worksheet that I mentioned earlier can be very helpful with this process!

Now, if you want to really get the most mileage out of this process, you should do it with friends.

Get together some people that you trust – smart people that you respect, and who care about your success. They don’t have to be in your field, but the trust and respect are both very important. Put out some pizza and beer – or whatever you and your friends enjoy - and hand your profile out to everyone.

Tell them that this is the customer you want to serve with your business, and that you want them to help you think through how they would solve the problem that you want to solve for them.

What would the person do? Who would they talk to? What resources would they consult? What would they be thinking about?

There are many exercises you can use to help your friends and colleagues brainstorm, and we give instructions for how to conduct some of them in the resources section below this video.

Whatever method you use for the brainstorming, the most important part is to just get people physically together, because you want to encourage analysis and communication, which is much easier in person.

After you’ve taken all of this new information into consideration, it’s time to fill out Worksheet #8: Get into their Heads. This will capture and refine everything we’ve just discussed about getting into the customer's head. When you’re filling it out, keep in mind that they haven’t heard of your company yet, and when you’re determining how you’ll make yourself available, we’re talking about places online where they might find you – not ways you will deliver content.
So we’ve just discussed how to delve deep into the inner workings of your ideal customer, learning what will trigger them into action to solve a problem or create a delight.

The next thing we’re going to talk about in this lesson is a little challenging, and sometimes even a little painful, but trust me – it is necessary, and absolutely worth it.

**Iterations Upon Iterations**

I’m talking about iterating – going back to the drawing board, and changing some of the things that you had already decided.

Last week we talked about your angle, and identified some competitors. This week we’re validating that work with the customer profile, and in doing so, you might find that your angle doesn’t make as much sense as you originally thought. Or maybe it’s your niche that needs some work, or maybe you weren’t quite on-target about the competition.

The upshot of all this is that it might be time to go back and fiddle with your original idea. Then see if it fits with your customer profile. Maybe it’s getting closer, but now the profile is a little off – so you’ll re-work that, too.

It can seem discouraging to have to go back and change things like this, but it's actually very normal. These iterations can be an agonizing pain in the butt - but it's absolutely worth it, and so much easier than realizing you didn’t get it quite right when you’re much further along, and have to scrap a lot of your hard work to start over. Even though it’s a pain, take the time to iterate if you have to - your business will be much stronger for it, and you’ll be a lot clearer about what you actually want to be doing and why.

Just in case you’re thinking that we’re immune to these iterations here at Firepole Marketing, we’ve got a few things that you should check out in the resources below. The first is a link to a post that I wrote at the start of 2012 about refining our value proposition – over, and over, and over again. The second is a podcast episode we recorded all about the Zig Zag Evolution of the Firepole Brand. And we’ve also got a breakdown for you of some of the different iterations that Megan went through when finding her angle and customer profile for Paying for Life – all steps that she went through before arriving at something that really fit together well, and made her excited to move forward.

This is definitely one of the harder parts of this program, because it isn’t easy to change
Remember, if you don’t do the work you won’t see the results, so put in the time.
And if you get stuck, email us at Team@FirepoleMarketing.com - we’re here to help!

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your initial assumptions, or sacrifice a beloved idea - but we know that you can do it, and the benefits will reveal themselves in every step going forward.

Now, we're almost done, but there's one last thing that we're going to cover in this lesson before wrapping up, and that is using all of the information that you've pulled together about your ideal customer and using them as a filter to see the market through the eyes of your customers, by creating **spectrums and edges.**

**Spectrums and Edges**

Creating these spectrums and edges is very important, because a lot of the positioning work that we'll do in the next lesson will build on it.

So you've just finished creating a detailed customer profile, and getting into their heads – now you're going to use that new understanding, and the list of competitors that you came up with in the last lesson, to start thinking of spectrums on which your audience will be measuring you against the competition. And it's important to do this all from the perspective of your customer, because it doesn't matter how you think you're different from the competition – it matters how they do.

Spectrums are basically dimensions on which you and your competitors can be arranged. It's a little hard to understand just from an explanation, so I'll illustrate with the spectrums that we considered when we first planned the positioning for Firepole Marketing, and there are several additional examples in different industries provided in the resources below this video.

- **Newbie vs. Experienced** – One of the first spectrums that came to mind for us is the spectrum of newbies vs. experienced – some of our competitors create content and solutions that are clearly targeted at people who are completely new to marketing, whereas others create content and solutions that are geared for people with more experience.

- **Amateur vs. Professional** – This spectrum is similar, but it's more about training than experience; some competitors are serving professional marketers – people whose job is primarily marketing – whereas others target business owners and entrepreneurs – people who may like marketing, and probably have to do it, but for whom it isn't their primary job, and who probably haven't been trained in doing it.
• **Online vs. Offline marketing** – Some competitors clearly focus on online marketing, whereas others focus on offline marketing.

• **Spammy vs. Kumbaya** – This spectrum was popularized by Copyblogger, and they even released a membership site called Third Tribe that was right in the middle of this spectrum. That site has since been superseded by the Authority program. They divided the world of online marketing into two extreme camps; on the one hand there were spammy, skeezy internet marketers who would do anything to make a buck, and on the other there were idealistic bloggers who couldn't seem to make a dime. Copyblogger argued that you could be an ethical blogger and still run a successful business, and Third Tribe was born.

• **Strategic vs. Tactical** – This is about the type of information that our competitors were providing – was it very tactical, like "how to take over the world with Twitter in 5 easy steps", or more strategic, like "how to understand your customer and align with their needs".

• **Techie vs. Non-techie** – This is pretty straight-forward – some competitors focused a lot on technology, and seemed to cater to an audience that is much more technologically literate, whereas others really stayed away from that stuff.

• **Traditional vs. Audience** – This is a distinction based on the type of business we’re helping people to build. Traditional businesses work on creating a product or service, and then trying to sell it, while Audience Businesses build the group of interested people, and then create products and services that work for them.

You can find these spectrums by taking a few of the competitors that you identified last week, and asking yourself how they compare to each other. Whenever you can say that one competitor is more of something than another, that’s a spectrum.

Now, don’t worry too much about where you or your competitors fall on these spectrums. For now, all you want to do is *identify* the spectrums – we’ll talk about what to do with them, and how to use them to position against the competition, in the next lesson. And of course, there is a worksheet below that you can use to help you figure this out – **Worksheet #9: Spectrums and Edges**. Use it to start brainstorming the different dimensions on which *your* ideal customer will segment your competition.

Now Megan will recap the lesson, and tell you about your homework.
Recap of the Lesson

That's it for today – we've covered a lot of ground, so let's quickly recap before wrapping up:

In today's lesson, you learned how important it is to have a realistic and highly detailed customer profile, which you’re going to create using demographic and psychographic information. You also learned the dangers of skipping this step, or thinking too wishfully about your ideal person.

You also learned how to get into your customers' heads to learn about their behavior and decision making, using intelligent thinking, and leaning on the wisdom of your friends and family if you have to.

You learned how to identify the different spectrums that your ideal customer will use to compare and distinguish between you and your competitors, and you also learned about the importance of going through as many iterations of this whole process as it takes to make sure you have a solid, viable business case going forward.

Homework, Resources, and Action Steps

Your homework for this week is to complete all five of the worksheets that I mentioned in today’s lesson:

- Worksheet #5: Demographics and Psychographics
- Worksheet #6: Customer Profiling
- Worksheet #7: Day in the Life
- Worksheet #8: Get into their Heads
- Worksheet #9: Spectrums and Edges

As you go through these worksheets, go back and review the work that you did last week, and iterate it all if you have to, until you’re ready to settle on a final business case and customer profile.

Now, I know that this is some hard work that I’m asking you to do, so don’t hesitate to consult the FAQ, review the Case Study that is attached to this lesson, and reach out to...
us directly for help.

You should expect to spend at least 10 hours on this work, and don’t be surprised if it takes a little longer.

For the technology setup work this week, head over to the technology learning centre and try to complete all of the steps outlined in the video Wordpress Basics. You may find this to be a little or a lot – so if it’s too much – do what you feel you can handle – and if it’s too little – get started with Aweber Basics. Of course – you can always submit a technology ticket if you have any difficulties that we can help you with.

**In the Next Lesson...**

Next week you're going to learn about positioning yourself within your market using the competitors and spectrums that you’ve already identified. We’re also going to talk about differentiating yourself from the competition, and finding the best possible path to market.

As always, if you have any questions, or need any help whatsoever, my team and I are here to help you. Start by reading the Frequently Asked Questions below this video, and then email us at Team@FirepoleMarketing.com. We're here to help, and we're absolutely committed to your success!

So go – apply what Danny just taught you, and you'll be receiving more great content in about a week!