## 5 Steps for Discovering Your Ideal Customer

One of the most essential elements of running a successful online business is developing a detailed profile of the ideal customer. Finding and serving a perfect customer when you first start your business will save you months of wandering in the dark, looking for a paying market. The following five steps will put you on the right path for discovering your target customer.

## Start with the Smallest Market Possible

You have to locate a group of customers that believe what you have to offer is unique. When you are first getting started, you will have very few resources to work with to get your name out there. Your key to initial success is to find a very narrow group and create raving fans out of them. Once you start to gain traction in your market, you can expand your reach.

## Create an Initial Value Hypothesis

To continue to move forward, you have to stay in test and refine mode. That is why you must create a "why us" value proposition and use that as your hypothesis. Too many people get caught up in trying to execute their business plan when the market doesn’t care. The only thing that matters is what you discover and apply outside your office.

## Gain Perspective in Discovery Test Sessions

The key to making and affirming your initial assumptions is to set-up discovery test sessions with your prospects. You can join industry or trade groups or offer free samples to those who are willing to provide you feedback. It is vital that you start talking to prospects about what they need, what they think, what works and what doesn't. This is how you evolve your business.

## Create an Ideal Customer Sketch

Some of the information that you need to create your ideal customer sketch will be commonly understood, like demographics, but much of the data will be discovered in your test sessions and additional research. Now is the time to identify and define everything you can about your ideal target group.

## Strategy Model Components

Now you need to apply this new ideal customer sketch to other elements of your business strategy. Consider how it might impact your offerings, your revenue streams, your pricing, and your distribution channels. You will also need to consider how you can reach this particular market and what resources you'll need to have an impact on the market.

Understanding your ideal customer will allow you develop the right products and the right price. Knowing what your customers need and want can help you build a successful business.