



GO-GRASS

Grass-based circular business models
for rural agri-food value chains

Customers, customer needs and Market

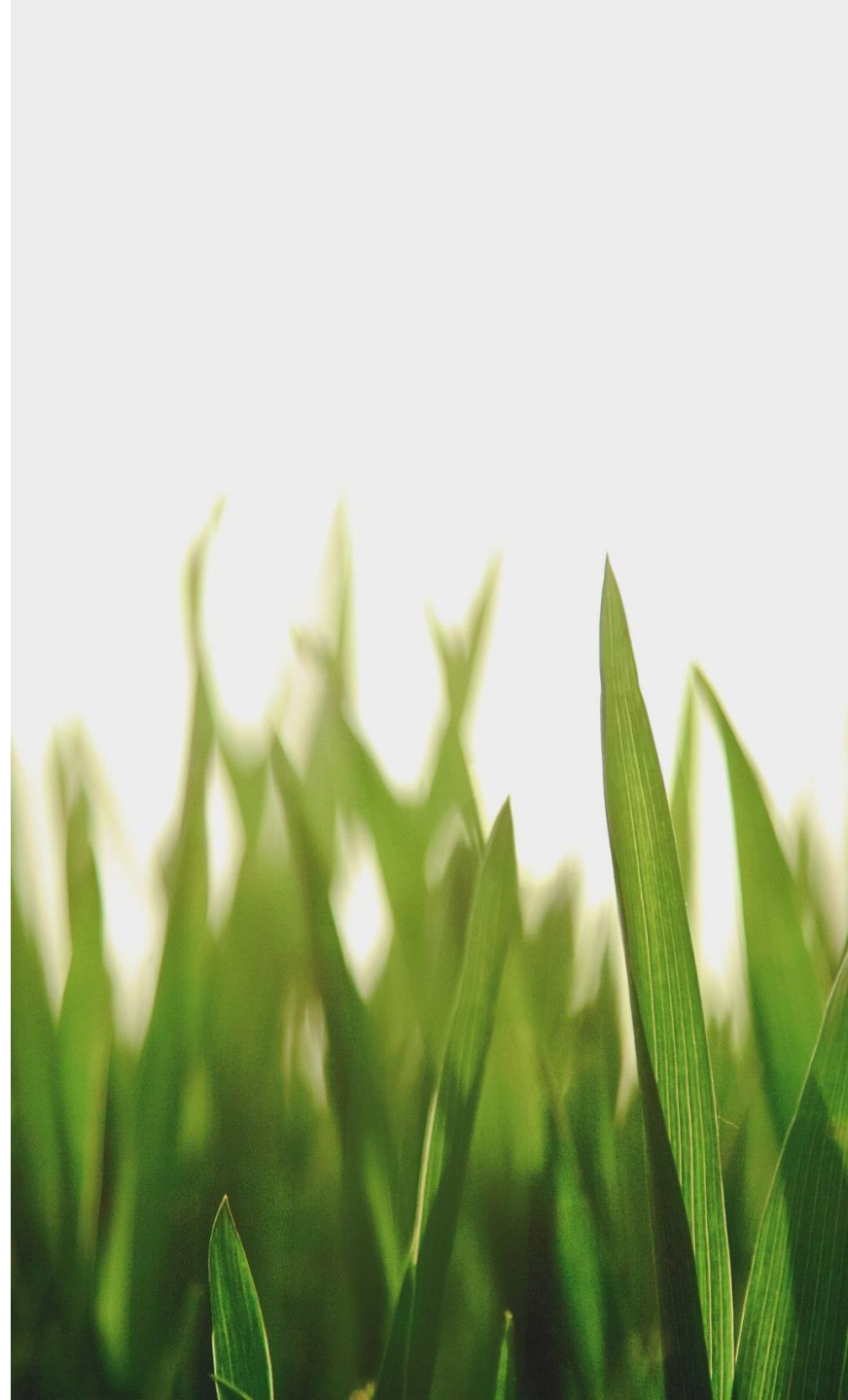
Training Material





Agenda

1. Defining customers and users
2. Value creation
3. Type of testing
4. Market size and type
5. Key Learnings





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1 – Customers and users



Defining customers and users

Customers and users can be different, as users might not be the ones paying for your product/service. Therefore, it is important to identify if there is a difference between:

- who uses your product/service (users)
- and who pays for it (customers).

If there is no difference, then users are also your customers.





Users and customers – Swedish DEMO

In the Swedish DEMO,
horse owners are both
users and customers.

Bedding material



customer and user

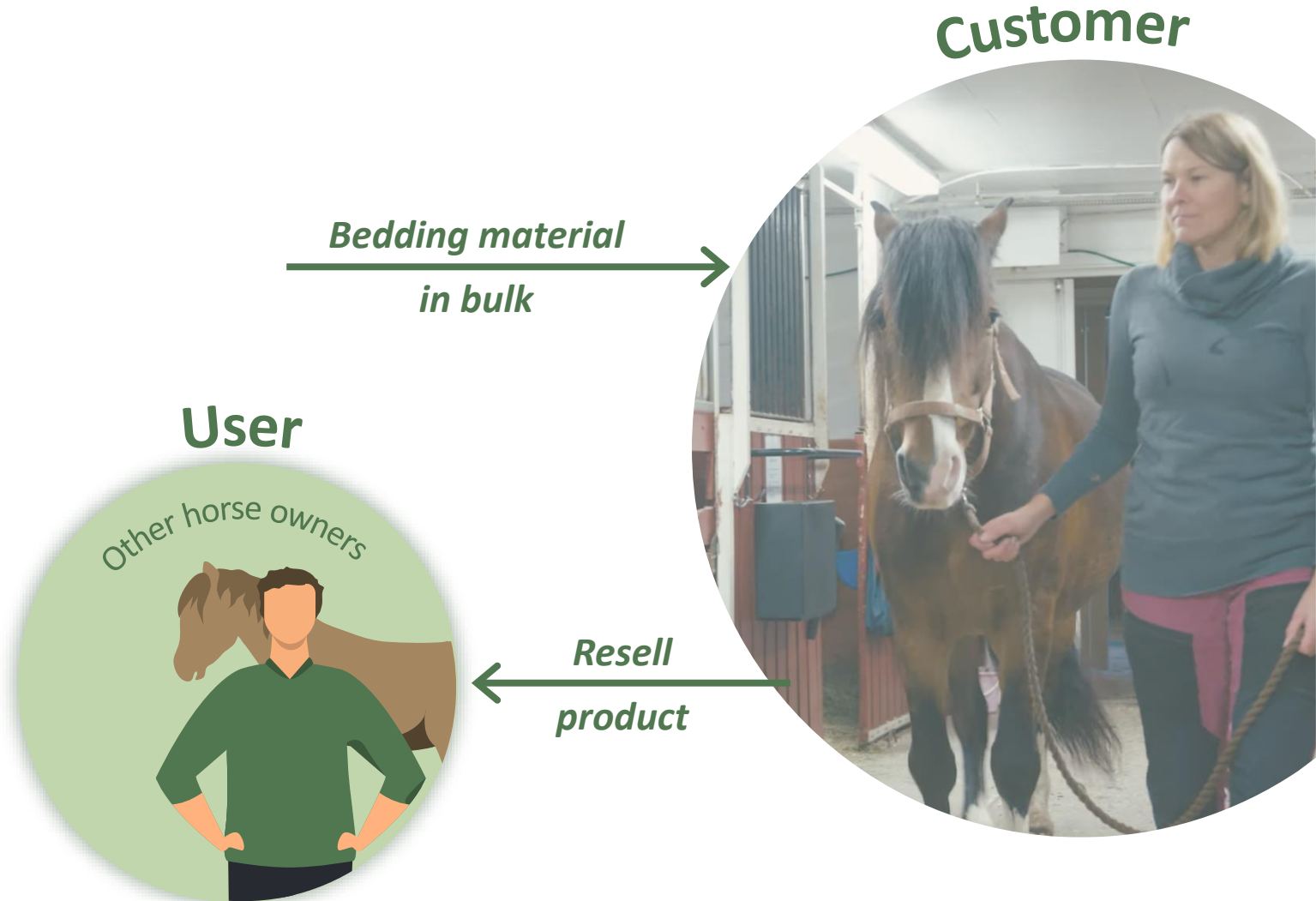




Users and customers – Swedish DEMO

In the Swedish DEMO, horse owners are both users and customers.

If, for example, they decide to purchase in bulk and then resell to other smaller horse owners then they would become customers selling to other users.





Define and identify your customers and users

- *but how?*

Customers and users might be different so it is important to define the needs, wants, values and preferences of your customers and users.

Some tools that can be used to define your customers/users:

- **Segmentation:** Defining customer segments allows for better targeting based on traits, and behaviours, so a more customer-centric approach can be used to understand their demand, problems and context
- **Persona development:** developing a persona allows you to define the values, needs and preferences of your customers and users.

Keep in mind that business customers may have other values and needs than consumers

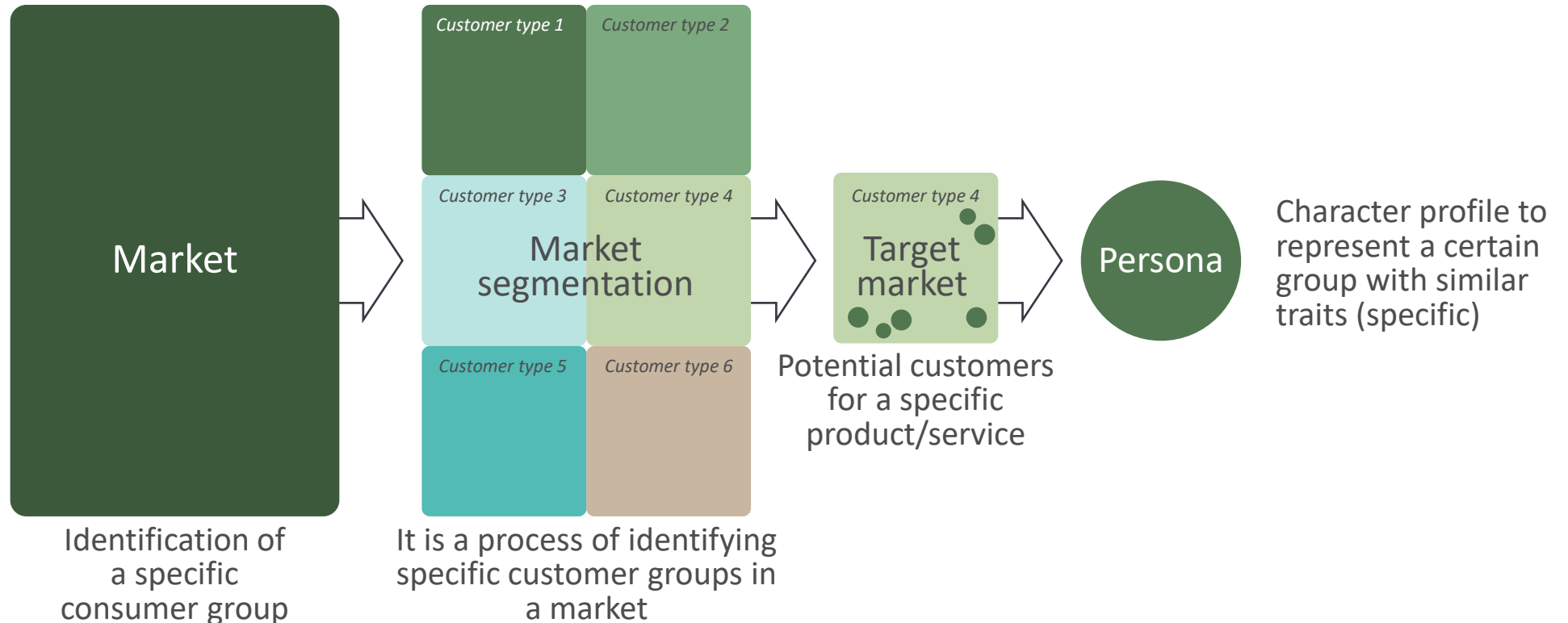
– there is a **big difference between B2B and B2C markets**





Segmentation for targeting

Market segmentation is a process of looking at your potential market(s) and categorize them in a way that you have a clear view of what the market has to offer. Target market is the outcome of market segmentation.





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2 - Value creation

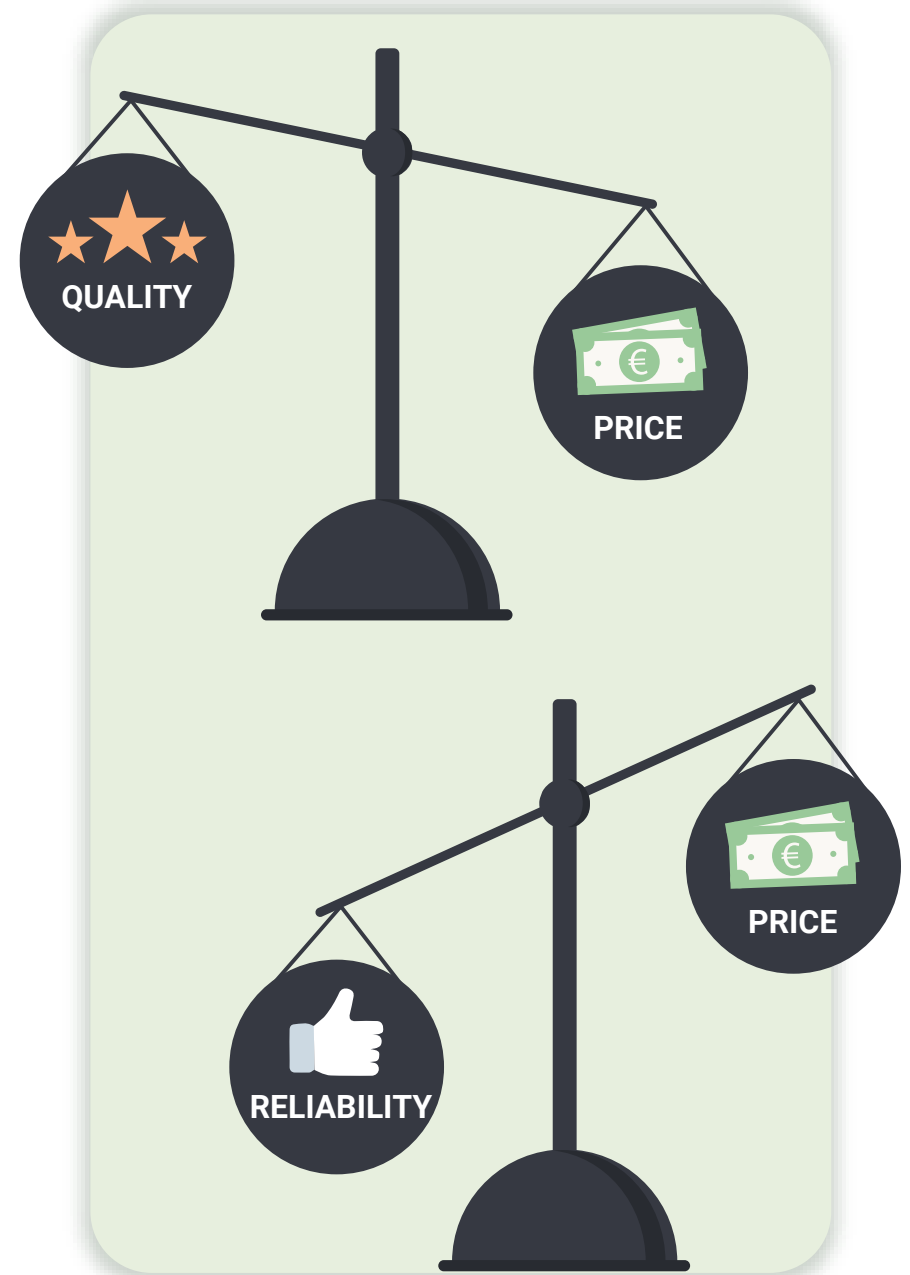


Value Creation

Value creation is a perception of how your customers/users feel like their problem is being solved by your product/solution.

It is based upon a trade-off between several factors, as:

- Price
- Quality
- Functionality
- Reliability
- Novelty/Innovation





Value creation for horse owners

Needs for horse owners:

- Alternatives to wood, as it is a scarce resource
- Not easily degradable
- Wood is not the most comfortable bedding material
- Higher chances of bacterial infection when using wood

Animal bedding from reed canary grass creates value by:

- Comfortable for horses
- Heat-treated for hygienic purposes
- Environmental benefits: reuse of grass and potential uses afterwards (fertilizer)
- Good value for money





3 – Types of testing



Types of testing

Concept testing

Concept testing is assessing the very idea of a product, its purpose, whether it really is necessary and how it meets the needs of people.

Product testing

Testing the product or service you offer in a real-life environment means observing the performance by gaining feedback from users.

Market testing

Market testing allows you to test multiple scenarios and select the one that is most promising for market expansion.





Swedish demo example

Testing animal bedding with cattle farms

Reduced labour

Bedding material from reed canary grass needs to be changed only every other day compared to wood shavings (daily)

Increase in biogas production

10% increase in biogas production when the animal bedding used with manure was used in the process contributing to the circularity of the farm.

Increased grass production

13% increase in grass production and is expected to have a better functioning biogas reactor since the material will probably not build sediment.

Product testing in a real-life environment confirmed customer acceptance and competitive advantages.

Picture taken from the Swedish DEMO video





Swedish DEMO video

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Market testing tools

Market testing is the final measure for customer acceptance.

What are these methods you can use?

1. close feedback (*after product testing with customers/users*)
2. online market testing (*questionnaire to identify demand/needs*)
3. small-scale testing (*e.g., Swedish and Danish DEMO*)
4. or competitive analysis (*to identify your competitive edge*)





Testing is essential

Testing is a powerful way to validate your product/service under real-life conditions and see how it fulfilling the users' or customer's needs and/or is creating the expected value.

- **Enhances customer satisfaction:** Identifies and addresses potential issues or flaws, resulting in a better user experience.
- **Improves market fit:** Ensures that the product meets the intended purpose and solves the customers' pain points effectively.
- **Builds credibility:** Positive feedback from testing can boost customer trust and loyalty.

If there were no tests done:

- *Have a plan on how you will do it*
- *Create a contingency plan to mitigate potential risks*





Learning through testing

Grass-based paper products were tested live, and feedback was collected via online questionnaires. The results showed:

- **Priority:** The people interviewed were assessing paper products based on structure, usage, context of usage, appearance, price and sustainability
- **Characteristics:** The majority of the positive comments were received on the firmness and smoothness of the grass paper. The visitors also reacted positively to the colour and visible fibres.
- **Expectations:** environmentally friendly, easily recyclable, more costly, accessibility





4 - Market size and type



Defining market type

Desktop research is an easy and simple way to get to know the market you are aiming to enter.

Market maturity

-  Not yet existing
-  Emerging
-  Mature

Market trends

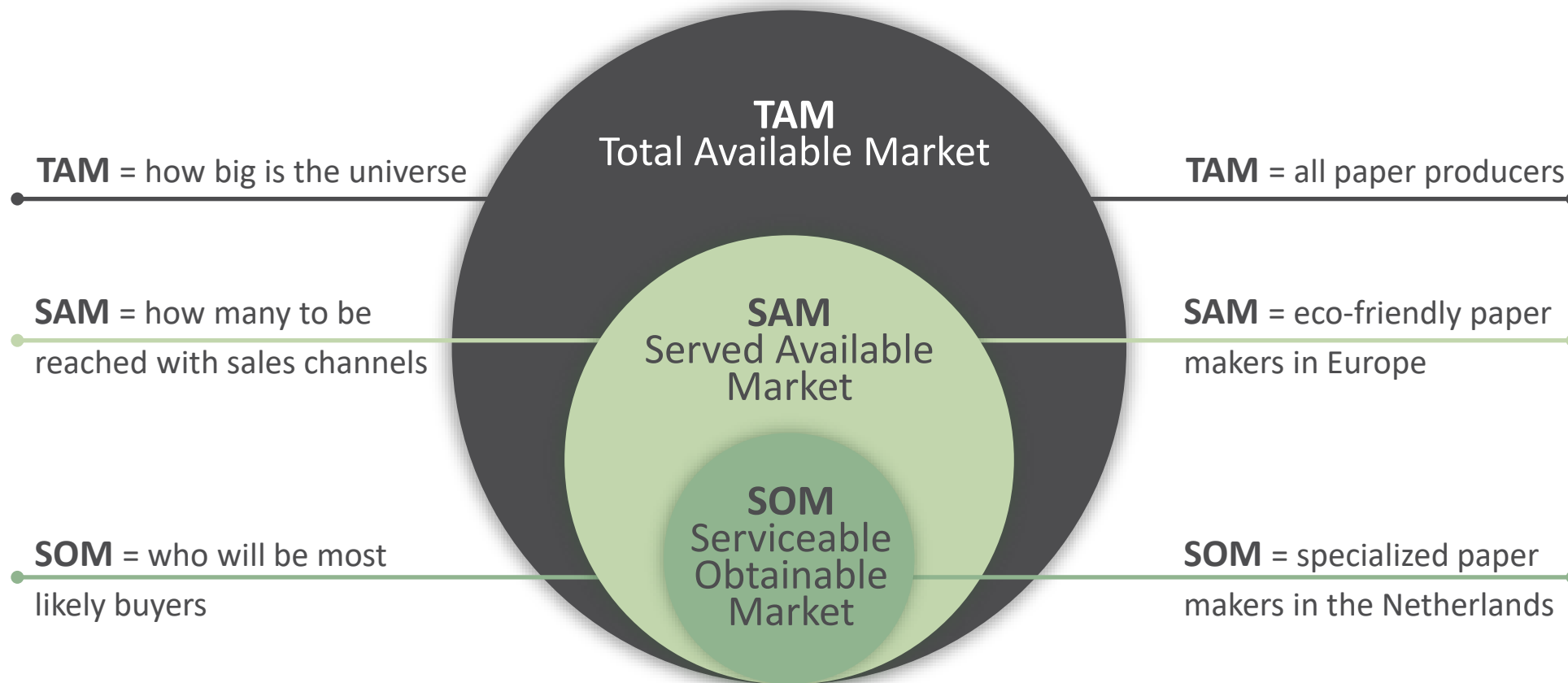
-  Emerging
-  Growing
-  Stagnant
-  Declining





Defining market size

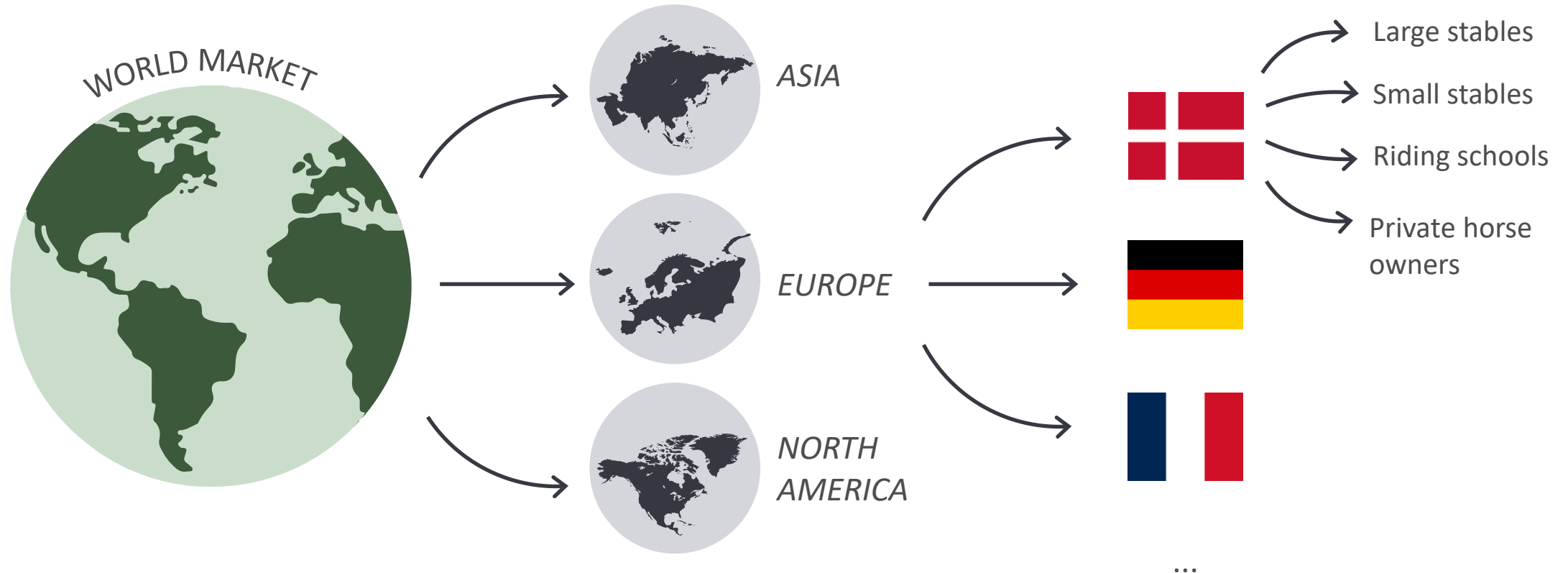
Dutch DEMO example





Market segmentation




Bedding material market





The importance of segmentation

Capturing equal shares in all markets is not viable




Segment				Rest of EU
Large stables	2%	2%	2%	2%
Small stables	2%	2%	2%	2%
Riding schools	2%	2%	2%	2%
Private horse owners	2%	2%	2%	2%





Be realistic...

Understand where it is best to start, and understand the customers in these markets

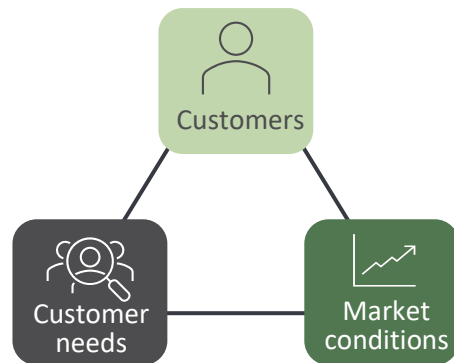
Segment				Rest of EU
Large stables	60%			
Small stables	60%			
Riding schools	20%			
Private horse owners		60%	30%	



Sales Channels

Describe specific sales channels for each of the markets you are (planning on) selling.

Justify why the specific sales channels have been chosen. How do your products will be delivered to customers/users? Over time this choice of sales channels might change, depending on the strategy you decide to follow.



Market approach



Market expansion



World market



Potential sales channels

in the case of the Danish DEMO



Protein powder to feed manufacturers (B2B)

- Targeting feed manufacturers allows for bulk sales and distribution to reach a wider market
- Establishing partnerships ensures reliable and consistent demand for the protein concentrate.



Brown juice to biogas plants (B2B)

- Selling brown juice to biogas plants enables its utilization as a valuable resource for biogas production.
- Biogas plants have the necessary infrastructure to process organic materials and generate biogas.



Fibers to dairy farmers (B2B)

- Selling directly to dairy farmers ensures a targeted approach
- Aligns with emerging market conditions where farmers prioritize supporting local environments





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5 - Key Learnings



Key Learnings

At the end of this training, you should be able to:

- Define your customers and user groups
- Identify their needs, preferences and wants
- How does your product address their needs and creates value for them?
- How was the concept, product and market testing conducted? If none, how will you do it?
- Define your targeted market and its size and condition
- Which channels will you use to sell your products?





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Contact

xyz@mailaddress.com

Contact

xyz@mailaddress.com

Contact

xyz@mailaddress.com