

# **Building an Ideal Customer Profile (ICP)**





# CONTENTS

<b>What is it?</b>	<b>4 - 5</b>
<b>Why do you need it?</b>	<b>6 - 7</b>
<b>How do you use it?</b>	<b>8 - 9</b>
<b>Case study</b>	<b>10 - 13</b>
<b>The importance of niche</b>	<b>14 - 17</b>
<b>Step-by-step guide</b>	<b>18 - 19</b>
<b>Validating assumptions</b>	<b>20 - 21</b>
<b>A handy checklist</b>	<b>22 - 23</b>

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# What's an Ideal Customer Profile?

**An Ideal Customer Profile (ICP) is the perfect company or customer you want to target.**

This is vital for generating revenue as they're more likely to buy your product, stay loyal to your business and recommend you to others. Remember, word-of-mouth marketing is still as effective as ever.

The first step is to work out who your perfect buyers are before bringing them to life. Because if you don't know your target audience, you won't position your product or service in a way that appeals to them.

An ICP should include consumers that'll benefit from your product or service while giving you enough value in return to make profit. This ROI could include referrals, buyer insights, testimonials and revenue.

**So, who the hell is  
you this information  
why should I care  
they have to sa**

# The author



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Javan founded Digital Glue in 2008 and brings 20 years of experience in PR and marketing. His focus is making sure that great innovations succeed. He uses his expertise in building messaging and campaigns for businesses taking the world's best innovations to market.

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# Why do you need it?

## **An ICP is important because it:**

- Helps you fine-tune your marketing campaigns and improve their focus and messaging.
- Makes your marketing more accurate, targeted and effective.
- Allows sales and marketing teams to clearly identify and reach the right customers.
- Lets you concentrate your marketing on the customers most likely to buy from you.
- Helps you connect with and sell to the right accounts.

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# So, how should you use it?

Using an ICP involves several key steps to make sure your marketing and sales efforts are directed towards the right audience. Here's how you can use an ICP effectively.

## **1. Create targeted marketing campaigns**

Use the ICP to develop marketing campaigns that resonate with your ideal customers. Tailor your messaging, content and channels to match their needs, preferences and behaviours.

## **2. Streamline your sales activity**

Focus your sales efforts on prospects that closely match your ICP. This increases the likelihood of closing deals since you're targeting customers who are more likely to benefit from and buy your product or service.

### **3. Personalise customer outreach**

Customise your outreach (emails, ads and social media) based on the characteristics of your ICP. This'll then boost engagement and conversion rates.

### **4. Improve product development**

Use insights from your ICP to guide product or service development. Knowing what your ideal customers need will help you attract and then keep them.

### **5. Make sure you're all on the same page**

It's a good idea to make sure all company employees and teams understand and use the ICP. This'll help maintain a consistent approach in reaching and serving your ideal customers.

### **6. Measure and optimise**

Keep a very close eye on the effectiveness of your efforts using the ICP. Get feedback, analyse results and adjust your profile as needed to improve targeting and performance.



# CASE STUDY

## How Salesforce used an ICP to achieve great results

### Challenge

As Salesforce grew, they needed to target and sell their CRM solutions to a wide range of businesses. With so many products and a big market, they had to nail down their Ideal Customer Profile (ICP) to focus their efforts.

### Creating the ICP

#### 1. Demographics and firmographics

- **Company size:** They targeted mid-sized to large firms with complex CRM needs.
- **Industry:** Salesforce picked industries like finance, healthcare and retail, knowing each had specific CRM requirements.



#### 2. Problems and needs

- They found their ideal customers struggled with **managing customer data, integrating processes and scaling operations.** Their ICP was made up of companies needing solutions for these issues.

#### 4. Market validation

- Salesforce checked their ICPs against **real customer feedback** and **market research**. This helped them fine-tune their profiles and target the right segments.

#### 5. Segmentation and differentiation

- They created **different ICPs for various industries and company sizes**. This way, their marketing and sales strategies were spot-on for each segment. For example, they had unique approaches for large enterprises and mid-sized firms.

#### 3. Behavioural insights

- They studied how potential customers looked for CRM solutions, their decision-making processes and buying habits. They wanted to **understand what made businesses tick** when choosing a CRM.

#### 6. Quantifiable metrics

- Salesforce **tracked metrics** like customer acquisition costs, lifetime value and conversion rates to see how well their ICPs worked. They **adjusted their approach** based on these results.



## ***How it was implemented***

### **Salesforce used their ICP to do the following:**

- **Personalise marketing** - they ran targeted marketing campaigns and created content for their ideal customer segments.
- **Focus sales efforts** - sales teams reached out to prospects fitting their ICPs, making their pitches more relevant.
- **Develop products** - they used ICP insights to develop features tailored to their target customers' needs.

## ***Results***

- **Increased efficiency** - targeting well-defined ICPs made marketing and sales more effective, leading to higher conversion rates.
- **Better customer fit** - Salesforce attracted customers who were a great fit for their solutions, boosting satisfaction and retention.
- **Growth** - this strategy helped Salesforce grow and become a leading player in the CRM market.

# Key Takeaways...

## **Data-driven**

Salesforce used real data to build and refine their ICPs, making sure they were targeting the right people.

## **Segmentation**

Tailoring their approach for different industries and company sizes helped them meet specific needs better.

## **Continuous improvement**

They kept updating their ICP based on market changes and feedback, staying relevant and effective.



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THE IMPORTANCE OF NICHE

# The importance of **niche**

**Niche markets are particularly important for tech startups for several reasons.**

## **Laser-focused resources**

Startups often have limited resources (time, money and personnel). By targeting a niche market, you can focus your efforts on a specific segment rather than spreading yourself too thin across a broad market. This focus allows for more efficient use of resources, leading to quicker product development, more targeted marketing and better customer support.

## **Easier market entry**

Entering a broad market dominated by established players can be challenging. However, by focusing on a niche, startups can avoid direct competition with large companies and prove themselves as leaders in a smaller, under-served market. This can lead to quicker market penetration and the development of a loyal customer base.



# The importance of niche

## **Tailor-made solutions**

A niche focus allows you to deeply understand the specific needs and pain points of your target market. This understanding means you can create highly tailored products or services that solve problems more effectively.

## **Brand differentiation**

In a crowded tech landscape, differentiation is key to standing out. By using a niche, startups can position themselves as specialists, offering unique solutions that larger competitors may overlook. This can help you build a strong brand identity and loyalty among customers within the niche.

## **More customer loyalty**

Niche markets often have highly engaged and loyal customers who appreciate that a company is dedicated to solving their specific problems. Loyalty like this can lead to repeat business and word-of-mouth referrals. As you know, that's crucial for startup growth.

## **Faster feedback loops**

For startups in niche markets, it's easier to get feedback from customers. This is down to the close relationship they often develop with them. The feedback can be quickly incorporated into product development, allowing for rapid iteration and improvement - this is vital for staying competitive and meeting customer needs.

## **Potential for premium pricing**

Customers in niche markets are often willing to pay a premium for solutions that meet their specific needs. This can lead to higher profit margins for you as you're providing specialised value that's not readily available from broader, mass-market products.

### **Better scaling opportunities**

Once you've established yourself within a niche and built a solid foundation, your business can explore adjacent markets or expand your product offerings. Starting with a niche provides a manageable path for scaling, as you can use your expertise and customer base to grow into new areas.

### **Attracting investors**

Investors often look for startups that have a clear focus and a well-defined market opportunity. A niche focus can show that the startup has a strategic approach to capturing market share. This, in turn, can make it more attractive to investors who see the potential for growth within that niche or expansion beyond it.

## **In a nutshell...**

Focusing on a niche market allows you to build a strong foundation, avoid direct competition with larger players and create a product or service that resonates with a specific audience. This approach often leads to more sustainable growth and long-term success.



# A step-by-step guide to creating an ICP

## Who to involve

### Marketing team

**Role:** Looks at market trends, user behaviour and target segments.

**Contribution:** Provides insights on user engagement and campaign results.

### Sales team

**Role:** Engages directly with potential users and clients.

**Contribution:** Shares what users are struggling with, their issues and which leads are most likely to convert.

### Customer Support team

**Role:** Manages user questions and feedback.

**Contribution:** Identifies common issues, user requests and satisfaction levels.

### Product team

**Role:** Builds and refines the tech product or service.

**Contribution:** Provides insights on how different user segments interact with the product and which features they find most valuable.

### Founders/leadership team

**Role:** Sets the overall strategy and vision.

**Contribution:** Makes sure the ICP aligns with the startup's long-term goals and growth plans.

# What questions to ask

## **User demographics**

- What's their age, gender and income level?
- What's their job title and which tech industry do they work in?

## **Company details**

- How big is the company (for example, number of employees & revenue)?
- Where are they located? Are they a local startup, mid-sized tech firm or global company?

## **Behaviours**

- How do they discover your product (e.g. word of mouth, online search, social media)?
- What's their decision-making process like (how long they research for and who makes the important decisions)?

## **Challenges**

- What specific problems are they looking to solve with tech?
- How do these challenges affect their business operations or personal projects?

## **Goals and aims**

- What are their main goals - short-term and long-term?
- How does your tech product or service help them achieve these?

## **Product usage**

- How do they typically use your product (daily, weekly, which key features)?
- What do they love (or not love) about it?



# Validating assumptions

## Surveys and Interviews

Survey or interview target users to confirm assumptions.

Ask about their needs, challenges and product feedback.

## Data-Driven Validation

## Analyse User Data

Use CRM and analytics tools to check ideal user characteristics.

Look for patterns in activity, engagement and feedback.

## Targeted Campaigns

Run small, focused campaigns, aimed at ICP.

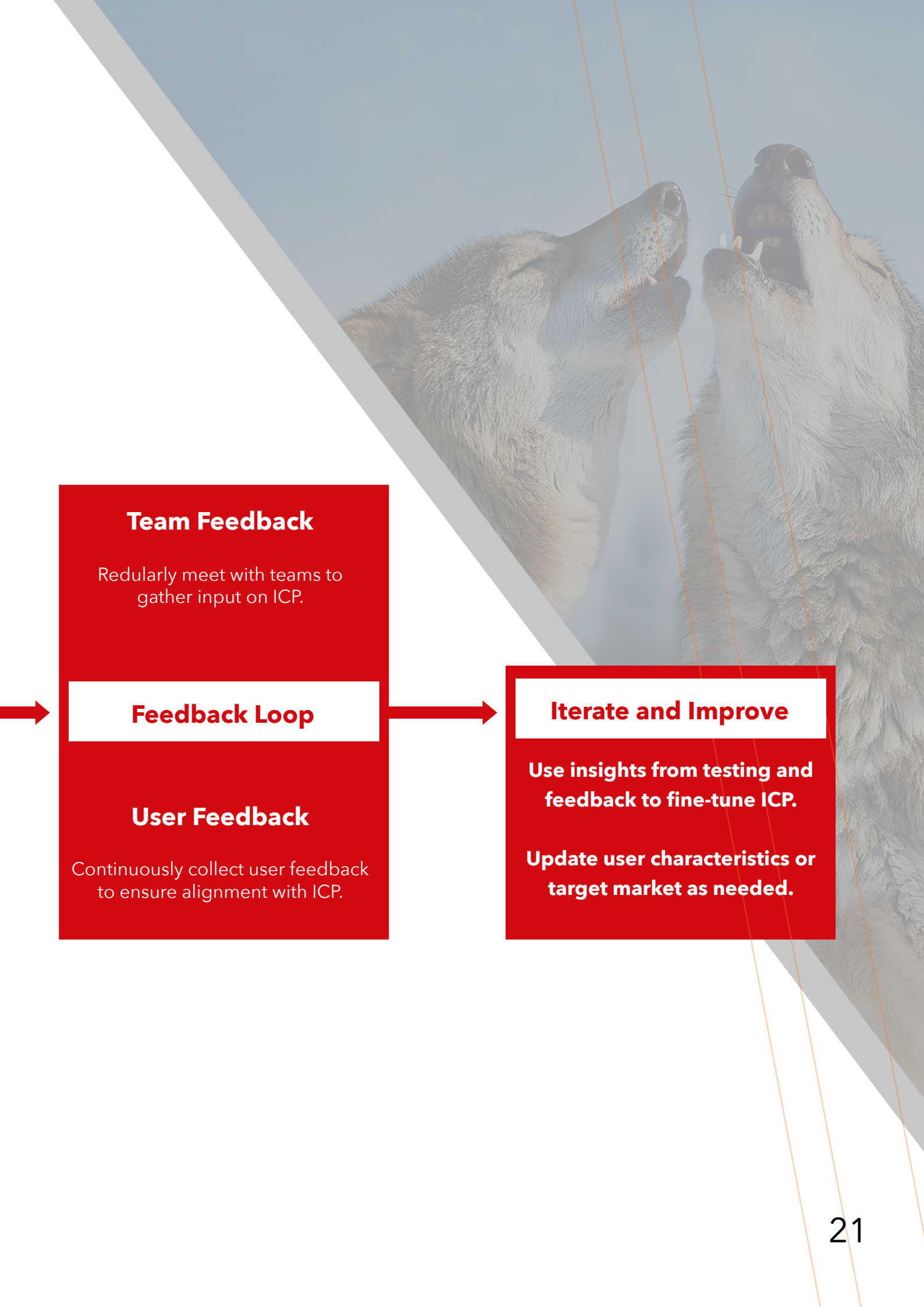
Track response and conversion rate.

## Market Testing

## A/B Testing

Test different messages, features and channels.

Refine ICP based on results.



### **Team Feedback**

Regularly meet with teams to gather input on ICP.

### **Feedback Loop**

### **User Feedback**

Continuously collect user feedback to ensure alignment with ICP.

### **Iterate and Improve**

Use insights from testing and feedback to fine-tune ICP.

Update user characteristics or target market as needed.



# How to make sure your ICP's hitting the mark

## A checklist



### Clarity and specificity

Are details like age, gender, location and income clear and specific?

For B2B, do you have clear info on company size, industry and revenue?



### Relevance to product/service

Does your ICP show the problems your product or service solves?

Are their needs and goals matched with what you offer?



### Behaviours

Do you know how they buy and make decisions?

Do you understand how they interact with your industry or product?



### Market validation

Has this ICP been backed up by feedback from current customers or prospects?

Have you checked this profile against market research to make sure it's a good fit?

### **Segmentation and differentiation**

Have you spotted any sub-groups within your ICP for more focused marketing?

Does your ICP stand out from what your competitors are doing?

### **KPIs**

Is your ICP based on real data?

Can you track specific metrics to see how well targeting this profile is working?

### **Alignment with your goals**

Does your ICP match up with your business strategy?

Is there room to grow within this profile for your long-term goals?

### **Practicality**

Can your marketing and sales teams reach and engage with this profile?

Are you using your resources (time, money, tools) effectively for this profile?

### **Flexibility**

Can your ICP scale as your business grows or the market changes?

Can you easily tweak your ICP based on new info or changes?

### **Feedback**

Do you regularly review and update your ICP based on results and market shifts?

Are you using feedback from your team to improve your ICP?

**Hopefully you've found  
this pack useful**

**If you have any questions or think  
we can support you in using an  
ICP to boost your business, please  
get in touch.**

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**We'd love to help.**