

Industry Conditions: Demand Conditions

Knowledge and demand conditions

- Understanding the **knowledge conditions** and **demand conditions** within an industry provides:
 - Insights into the attractiveness of an industry for new entrants
 - Information on if, and how, to compete effectively within a chosen industry

Demand Conditions

- Examine three aspects of customer demand conditions
 - Magnitude of customer demand
 - Rate of growth of that demand
 - Heterogeneity of that demand across customer segments

Dying Businesses?

- Pay phones
- Coin-operated arcades
- Record stores
- Bookstores
- Newspapers
- What's next?



Source: payphone.com

Top Industries to Start and Grow a Business by *Inc. Magazine*

- Mobile app design
- Exam preparation and tutoring
- Home healthcare
- Tea and healthy beverages
- Safety and quality testing

» PORTFOLIO COMPANIES
SELECT A GROUP FOR



2U, Inc.

Formerly 2tor, Inc.

2U develops state-of-the-art technology platforms that give universities the ability to deliver traditional offline curricula in a unique online learning environment



Capital Education Group, Inc.

Capital Education Group is a leading operator of private schools, summer camps and ABA therapy centers for children with autism and other specialized learning needs.



Educational Initiatives

Educational Initiatives develops and offers assessment products and services for schools in India that clearly pinpoints what students are learning, gives insight into the learning process, and provides concrete ways to improve learning and teaching efficiencies.



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Fidelis Education

Fidelis offers a rigorous end-to-end education solution for the military to civilian career transition.

Segmentation presents an opportunity for entrepreneurs to specialize.

- Degree of segmentation
 - The degree to which the customer base of an industry wants different features in the products or services it demands.
- Market segmentation
 - How can you, as the entrepreneur, carve out a niche for you that is sizeable enough to reach your goals, yet small enough to be unattractive to large companies?

What is your purpose for market segmentation?

1. To determine who to serve
2. And who not to serve
 - too expensive,
 - too time-consuming, and
 - very ineffective to be all things to all people

What is your purpose for market segmentation?

3. In what order

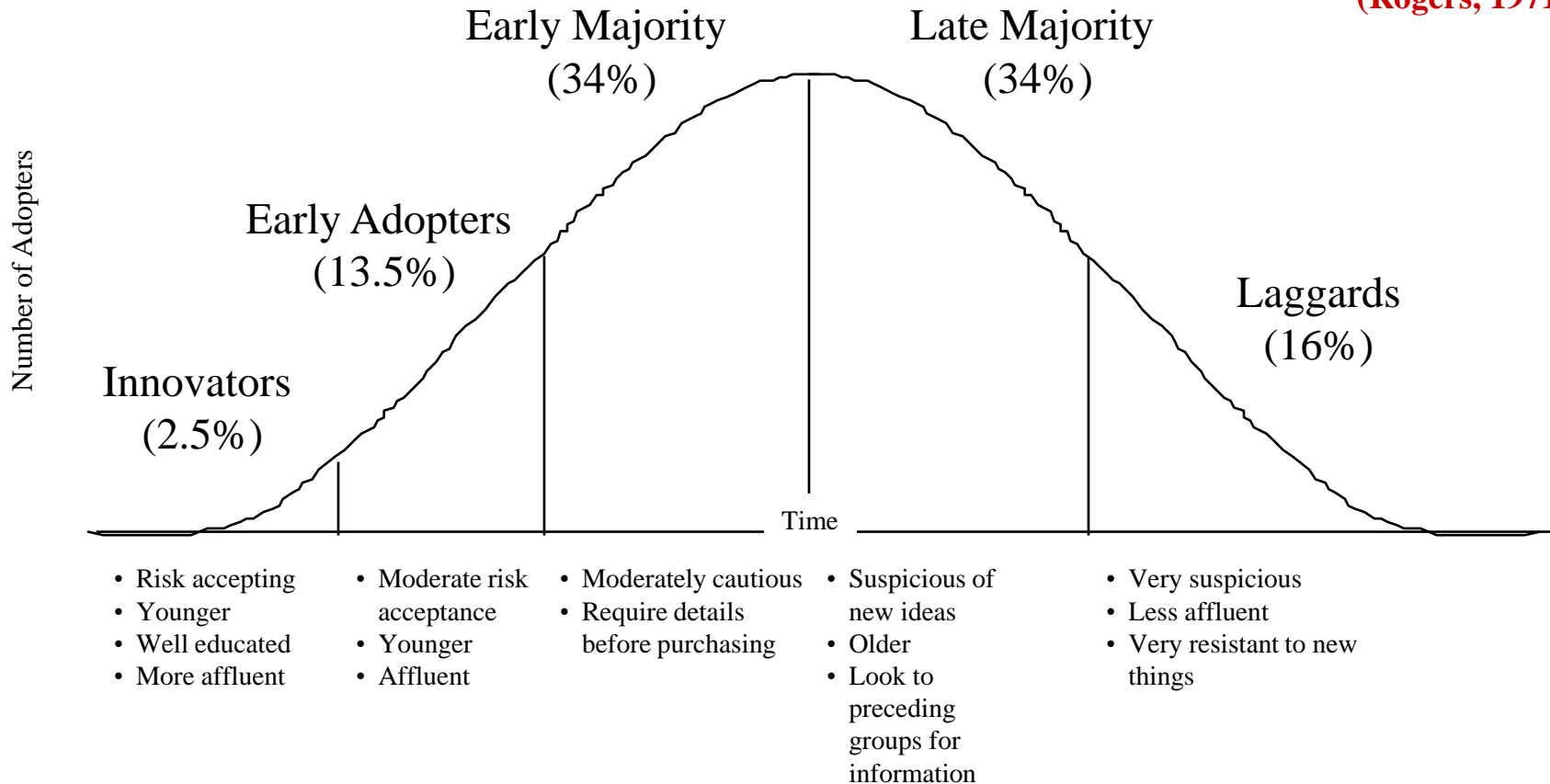
- Pursue the most attractive niche first, then move forward to the 2nd niche, and so forth

4. And how to market to them

- Address what matters to their buying-decision

Adopter categories

(Rogers, 1971)



Segment markets by needs and wants

- Reduction in expenses
 - Downsizing and/or in a mature stage of their life cycle
- Improved cash flow
 - Traditionally low profit margins and/or high inventory costs
- Improved productivity
 - Traditionally low profit margins and/or have experienced depressed earnings
- Improved manufacturing quality
 - Prospects might be businesses with complex, multi-discipline manufacturing processes
- Improved service delivery
 - Highly competitive markets

Segment markets by needs and wants

- Improved employee working conditions/benefits
 - Potential employees are in short supply and/or high costs with turnover
- Improvement in market share/competitive position
 - New entrants to a competitive market
- Need for education
 - Demand for on-going skills improvement
- Involvement with social trends
 - Concerned with environmental protection, employee security, anti-crime, etc.
- Specific - relating to product/service characteristics
 - Interested in safety, security, economy, comfort, speed, quality, durability, etc.

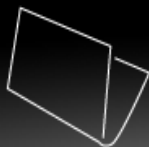
Other ways to segment your market

- Geography
- Age
- Gender
- Lifestyle
- Interests
- Income level
- Life stage
 - College, young family, retiree

Our goal is to provide effective and affordable tutoring that enhances student understanding of course material and reinforces positive study habits.

PURCHASE A SESSION

Ready to prepare your student
for a brighter future?



SERVICES

Find out all that Peer
Advantage Tutors has to offer.



**EMPLOYMENT
OPPORTUNITIES**

Looking for a great job during
the school year?



UPCOMING EXAMS

- ✓ SAT & Subject Test Oct 4
- ✓ SAT & Subject Test Nov 1
- ✓ SAT & Subject Test Dec 6

[more...](#)

DID YOU KNOW?...

- ✓ The average GPA of students accepted to the University of Maryland is 3.88
- ✓ Harvard rejects 50% of applicants who score 2400 on the SAT.

[more...](#)

SUCCESS STORIES

"My son received an E-, failing his 2nd quarter of Geometry; after tutoring with Peer Advantage Tutors for the 3rd quarter, he received a B!"
--Hyattsville, MD parent

[more...](#)

Who does the tutoring?

University of Maryland students with at least a 3.5 GPA & tutoring experience

Where does the tutoring take place?

Tutors travel within 15 minutes of campus to meet at the high school student's home. Else, they meet at a library or café convenient to both.

Summary

- Seek opportunities where market demand is sufficiently large and growing
- Segment your market into smaller sub-groups (based on needs and wants, location, demographics, etc.)
 - Aim for success in one segment, then grow to subsequent segments as your reputation and brand grows