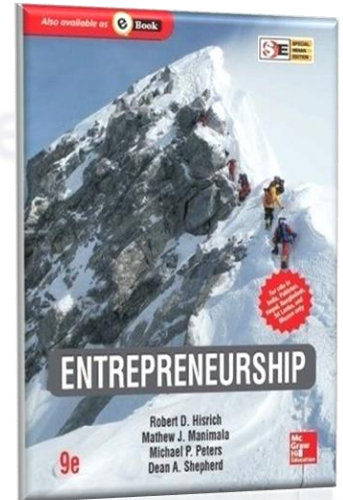


# Entrepreneurship & Leadership (HSS-421)

(2+0)



Department of Computer  
Software Engineering  
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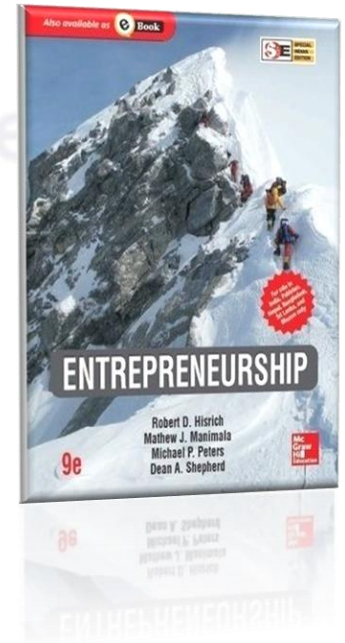


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## MARKET ANALYSIS

Lecture No 07

By Engr. Syed Rizwan Ali

In this Lecture will cover ..

- Determine Market Needs: To evaluate and interpret primary and secondary data sources to identify current and emerging needs within a given market.
- Identify and Segment the Target Audience: To apply segmentation techniques to pinpoint a specific target audience that aligns with the product or service being analyzed.
- Assess the Competitive Landscape: To develop insights into competitors' market positioning, strategies, and differentiators.

In this Lecture will cover ..

- Formulate Market Positioning Strategies: To recognize the value propositions that will appeal to the chosen target audience segment.
- Integrate Market Analysis into Business Decisions: to enhance market presence, launch new products or services, or pivot based on changing market dynamics.

# Market Analysis



# Market Analysis for Startups

## 1. Industry Overview:

- **Definition & Scope:** Describe the industry the startup is entering, defining its boundaries and segments.
- **Trends:** Highlight the current and emerging trends in the industry. These can include technological trends, shifts in consumer behavior, or macroeconomic factors.
- **Lifecycle Stage:** Determine whether the industry is nascent, growing, mature, or in decline.

# Market Analysis for Startups

## 2. Market Size & Growth Potential:

- **Total Addressable Market (TAM):** The total market demand for the product or service.
- **Serviceable Addressable Market (SAM):** The segment of TAM targeted by your products and that can be reached by your go-to-market strategy.
- **Serviceable Obtainable Market (SOM):** The share of SAM that can realistically be captured.

# Market Analysis for Startups

## 3. Customer Segmentation:

- **Demographics:** Age, gender, income level, education, etc.
- **Geographics:** Specific locations or regions your startup targets.
- **Psychographics:** Lifestyle, behavior, values, and the psychological reasons they might be interested in your product.
- **Behavioral Factors:** Usage rate, loyalty, readiness to buy, etc.



# Market Analysis for Startups

## 4. Problem Statement & Market Need:

- Describe the specific pain points or needs the startup aims to address.
- Validate these needs with data or primary research, like surveys or interviews.

# Understanding Market Needs

- Understanding market needs is an essential aspect of any business's strategic planning and product development process. It involves recognizing and analyzing the demands, preferences, pain points, and expectations of potential customers in a particular market.
- This knowledge aids in the design and delivery of products or services that cater to these needs and ultimately achieve business success.

# Understanding Market Needs: A Comprehensive Guide

- **1. Define the Market:**
  - Identify the specific segment or demographic you're targeting.
  - Consider factors like age, gender, income level, geography, and occupation.
- **2. Conduct Primary Research:**
  - **Surveys:** Use online platforms or direct interviews to gather data on consumer preferences, pain points, and expectations.
  - **Focus Groups:** Conduct sessions with potential users to dive deep into their needs and reactions to product ideas.

# Understanding Market Needs: A Comprehensive Guide

- **2. Conduct Primary Research:**
- **One-on-One Interviews:** Engage directly with potential customers to get in-depth insights into their requirements and challenges.
- **3. Conduct Secondary Research:**
- **Industry Reports:** Leverage reports from research agencies, which often provide insights into market trends and customer preferences.
- **Competitor Analysis:** Study competitors' offerings to identify gaps or areas of improvement in the market.

# Understanding Market Needs: A Comprehensive Guide

- **3. Conduct Secondary Research:**
- **Online Forums and Reviews:** Monitor platforms like Reddit, Quora, or product review sites to gauge what customers are saying about similar products or services.
- **4. Recognize Pain Points:**
- What problems or challenges are your target customers facing?
- How are current solutions in the market failing to address these issues adequately?

# Understanding Market Needs: A Comprehensive Guide

- **5. Identify the Value Proposition:**
- What can your product or service offer that others don't?
- How does it address the identified needs or pain points?
- **6. Gauge Demand Elasticity:**
- How sensitive are your customers to price changes?
- Would a slight increase in price lead to a significant drop in demand, or would it remain relatively stable?

# Understanding Market Needs: A Comprehensive Guide

- **7. Test the Market:**
- **Pilot Launch:** Release your product or service in a limited area or to a specific segment to gather initial feedback.
- **Minimum Viable Product (MVP):** Develop a basic version of your product with essential features to test the market's response.
- **8. Analyze Feedback and Iterate:**
- Regularly gather feedback from users.
- Make necessary changes based on feedback to better fit market needs.

# Target Audience Identification

## **1. Understand Your Product or Service:**

- Begin by thoroughly understanding what you offer.
- What problem does it solve?
- Who might benefit from this solution?

## **2. Analyze Your Current Customer Base:**

- Who are your existing customers?
- Identify common characteristics and interests.
- Why do they buy from you instead of your competitors?

## **3. Check Out Your Competition:**

- Who are they targeting?
- Is there a segment of the market they've overlooked?



# Target Audience Identification

## 4. Segment the Market:

- Demographic Segmentation: Based on age, gender, income level, education, occupation, etc.
- Geographic Segmentation: Target by location - country, state, region, urban vs. rural, etc.
- Psychographic Segmentation: Based on lifestyle, personality, values, and social class.
- Behavioral Segmentation: Based on product usage rate, brand loyalty, benefits sought, etc.

# Target Audience Identification

## 5. Utilize Market Research:

- Primary Research: Surveys, interviews, focus groups, etc., to gather information directly from potential customers.
- Secondary Research: Utilize existing data from industry reports, market statistics, and competitor analyses.

# Competitive Analysis

- Competitive analysis is the process of identifying competitors and evaluating their strategies to determine their strengths and weaknesses relative to your own product or service. The primary goal is to establish what makes your product or service unique so you can position it more effectively in the market.

1. Identify Your Competitors:
2. Gather Information:
3. Analyze Their Online Presence:
4. Evaluate Their Marketing Strategies:
5. Review Their Sales Tactics and Distribution Channels:

6. Product and Pricing Analysis:
7. Assess Their Strengths and Weaknesses:
8. Understand Their Customer Base:
9. Identify Areas of Opportunity:
10. Monitor and Update Regularly:

**Thanks**  
**Q&A**

