

Market Segmentation

Step 1: Brainstorm Broadly Potential Market Segments for Your Idea/Technology/Product

Brainstorming What My Startup Will Do

What is my idea or technology? FoodRescue is a platform that empowers businesses and households to efficiently reduce waste, manage food inventory and contribute to a more sustainable food system. It includes features such as a marketplace for near-expiration items, a smart inventory system and educational resources on composting and recycling.		
What industries and end users could my idea or technology apply to?		
Industry or Similar Category	End Users	What They Would Use It For
Food Service	Restaurants	Manage inventory, reduce waste, and save costs.
Retail	Supermarkets	Sell near-expiration items and minimize food waste.
Household	Consumers	Learn composting and recycling techniques and save money.
Agriculture	Farmer Markets	Sell surplus produce and reduce food waste.
Hospitality	Hotels	Monitor food inventory and reduce environmental impact.

Step 2: Narrow Down This Broad List of Potential Market Segments to 6-8

Top Target Markets to Consider for My Startup

End user	Target customer well-funded?	Target customer readily accessible to sales force?	Target customer's compelling reason to buy?	Can you deliver a whole product?	Is there entrenched competition?	Can you leverage this segment to enter others?	Consistent with values, passions, goals of team?	Rank
Restaurants	Yes	Yes	Yes, restaurants face significant costs associated with food waste	No	Moderate	Yes	Yes	1
Supermarkets	Yes	Yes	Yes, supermarkets incur costs from unsold inventory	No	Strong	Yes	Yes	2
Consumers	Yes/No	Yes	No, consumer's willingness to prioritize reducing food waste is often influenced by personal values and economic factors.	No	Moderate	Yes	Yes	3
Farmer Markets	No	No	No, vendors may not prioritize reducing food loss due to competing farming concerns.	No	Low	Yes	Yes	4
Hotels	Yes	Yes	No, reducing food waste might not be a priority for a hotel.	No	Low	Yes	Yes	5

Step 3: Drop These Market Segments Into a Matrix and Review/Update the Rows for Your Situation

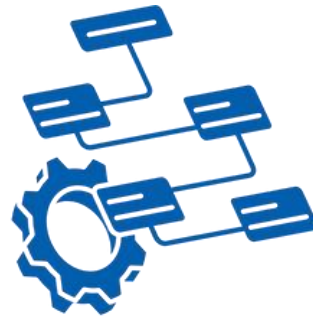
Market Segmentation Matrix Row Definitions

Market Segment Name	Food Service	Retail	Household	Agriculture	Hospitality
End User	Restaurants	Supermarkets	Consumers	Farmer Markets	Hotels
Task	Reduce food waste in restaurants	Minimize food waste in supermarkets	Manage and reduce household food waste	Minimize food loss during harvesting and transportation	Efficiently manage food inventory to minimize waste in hotels
Benefit	Reduced costs, environmental impact	Lower grocery bills, earn money from market	Save / earn money, education	Reduced environmental impact, adopting sustainable farming methods	Cost savings and improved profitability, Enhanced customer loyalty
Urgency of Need	High	High	Moderate	High	Moderate
Example End Users	Restaurants, coffee shops, catering services	Supermarket chains, Convenience stores	Families, Conscious individuals	Farmers	Hotel Managers
Lead Customers	Large restaurant chains, catering companies	Major supermarket chains, grocery store franchises	Community organizations, local initiatives	Farmer's cooperatives, agricultural associations	Hotel chains, resort groups
Willingness to Change	High	High	Moderate	Moderate	Moderate
Frequency of Buying	Weekly	Weekly	Daily	Monthly	Monthly
Concentration of Buyers	Many competitive buyers	Many competitive buyers	Many competitive buyers	Few competitive buyers	Many competitive buyers
Other relevant market considerations	Food safety regulations, industry trends towards sustainable sourcing	Online grocery shopping trends, competition from discount retailers	Municipal recycling programs, accessibility to composting facilities	Government subsidies or incentives for sustainable farming practices	Hotel sustainability certifications, partnerships with local donation programs
Size of Market (# of end users)	Hundreds of millions	Hundreds of millions	Hundreds of millions	Tens of millions	Tens of millions
Est. value of end user (\$1, \$10, \$100, \$1K, etc.)	\$10 - \$100	\$10 - \$50	\$1 - \$10	\$1 - \$10	\$10 - \$50
Competition / alternatives	Competing restaurants, food delivery services	Other supermarkets, online grocery delivery services	Local community programs, DIY solutions, composting services	Community-supported agriculture programs	Other hotels and resorts implementing waste reduction strategies
Other components needed for a full solution	Food inventory management software, waste tracking systems	Shelf-life tracking tools, donation coordination platforms	Educational materials on reducing household waste	Vertical farming systems, hydroponic kits, urban gardening tools	Waste management software for tracking and optimizing food waste
Important partners	Food suppliers, waste management companies	Food producers, distribution companies	Waste management organizations, community groups	Local governments, community organizations	Hospitality industry associations, sustainable tourism initiatives
Other relevant personal considerations	Team's passion for sustainability, environmental awareness	Alignment with team's focus on reducing waste in supply chains	Personal commitment to reducing waste in daily life	Team's interest in urban farming and local food systems	Team's dedication to crafting a sustainable and exquisite guest experience.

Calculate the TAM for the beachhead market



**Bottom-up
approach**



**Top-down
approach**

Bottom-Up TAM Analysis Summary

1.	One Time Charge Data Point	
1a	Estimation of price per unit	100
1b	Number of units needed per end user	12
1c	Average life of product in years	1
1d	Annualized revenue (1a*1b)/1d (Data Point 1)	1200
2.	Budget Available Data Points	
2a	Current spending per end user (Data Point 2)	2400
2b	Total budget for the end user	30.000
2c	What percentage of budget could go to this solution reasonably?	5% = 1500
2d	Annualize revenue (2b*2c) (Data Point 3)	45.000.000
3.	Comparables	
3a	Who are the comparables for your business?	Businesses who sell their near-expiration food before closing
3b	What are the comparable products?	Food delivery apps/Food waste apps
3c	What is the comparable converted to similar annualized revenue (Data Point 4 plus however many more you deem relevant)?	960
4.	Interpreting the Results	
4a	Consensus on estimate of annualized revenue per end user, based on the four Data Points above (a range is fine)	1.200 - 24.000
	How did you end up at this number/range?	Calculated the revenue from 1 to 20 customers (stores), while having an annual subscription of 100\$

Top-Down TAM Analysis Summary

1	Total # of end users in the broad market segment	2.000.000	Source/ based on:	Based on population of Greece and population who could benefit from our app
2	Total # of end users in the targeted subsegment of your Beachhead Market	650.000	Source/ based on:	Based on the previous population and the population of our specific region
3	Annual monetizable revenue per end user	1.200	Source/ based on:	Based on the price of subscription
4	Estimate of top-down TAM (line 2 times line 3)	780.000.000		

Competition Analysis

A competition analysis plays an important role. Making a competition analysis to know enough about competitors is very important for business. By doing the analysis, you will identify the strengths and weaknesses of current and potential competitors and establish what makes your product or service unique, so that you can develop the correct strategy to win the battle.

Chart 1: Comparison Table

					
inventory system	✓	✗	✓	✓	✗
educational resources	✓	✓	✗	✗	✓
Recipe Suggestions	✓	✗	✗	✗	✗
Local Availability	✓	✓	✓	✓	✓
Price per Serving	✓	✓	✓	✓	✓