

# Recognize a Potential Market

# Entrepreneurial Ideas

The creation of an entrepreneurial idea leads to the identification of entrepreneurial opportunities, which in turn results in the opening of an entrepreneurial venture.

# Market Analysis

Looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers and regulation.

# **The following activities can be recommended:**

## **Demographics**

**Is the statistical characteristics of human population**

## **Segmentation**

**Is the process of dividing into segments with similar  
characteristics.**

# Market Need

Must determine the needs of the market through analysis based from research conducted focusing on their needs.

# Target Market

A group of people that have been identified as the most likely potential customers for a product.

# Essentials in Entrepreneur's Opportunity – Seeking

- Entrepreneurial mind frame.
- Entrepreneurial heart flame.
- Entrepreneurial gut game.

# Sources of Opportunities

There are many ways to discover opportunities. Looking at the big picture, some have noticed the emerging trends and patterns for business opportunities. While others are trying to find out their target market.

# I. Changes in the environment

**Entrepreneurial ideas arise when changes happen in the external environment. A person with an entrepreneurial drive views these changes positively.**

# EXTERNAL ENVIRONMENT

## PHYSICAL ENVIRONEMENT

- Climate
- Natural Resources
- Wildlife

## SOCIETAL ENVIRONEMENT

- Political forces
- Economic forces
- Sociocultural forces
- Technological environment

## INDUSTRY ENVIRONEMENT

- Competitors
- Customers
- Creditors
- Employees
- Government
- Suppliers

## **2. Technological discovery and advancement**

**Person with entrepreneurial interest sees possibility of business opportunities in any new discovery or because of the use of latest technology.**

### **3. Government's thrust, programs, and policies**

**The priorities, projects, programs,  
and policies of the government are  
also good sources of ideas.**

## **4. People's interest**

**The interest, hobbies, and preferences of people are rich sources of entrepreneurial ideas.**

## **5. Past experiences**

**The expertise and skills developed by a person who has worked in a particular field may lead to the opening of a related business enterprise.**

# **Forces of Competition Model**

**Regardless of what product or services you have, competition is always present.**

**Competition – it is the act or process of trying to get or win something.**

# **These are the five forces competing within the industry:**

- **Buyers**
- **Potential new entrants**
- **Rivalry among existing firms**
- **Substitute products**
- **Supplier**

# Levels of Product

- **Augmented product**

**Includes the image and service features of a certain entity. It gives emphasis on the intangible benefits that the customer will be getting from buying the product.**

- Tangible products

**Are the basic physical appearance which can be a service or idea having precise specifications and is offered under a given/specified description.**

## ● Generic product

**Emphasizes the impacts of the product to the consumer, not the seller. This will signify the purpose of its existence and the primary objective in creating the product.**

**Identify what level of product are  
the following;**

- 1. Discount coupon**
- 2. Tissue**
- 3. Free recipe book**
- 4. Vehicle**
- 5. Building**

# Types of Product

**Goods** are sale of the physical products from the manufacturer to the consumer or final and ultimate user.

**Services** are intangible products that satisfaction can be measured in future preferences.

**Durable goods** are the physical products that are used over a long period of time.

**Non-durable goods** are the physical products that are quickly and easily be consumed or worn out.

**Rented-goods services** are the consumer rented facility of the sellers in a certain period of time. Ex. Car rental, office for rental

**Owned-goods services** are repair and maintenance services rendered by the sellers to the products of the customer. Ex. Laundry business, car wash

**Non-good service is personal service on the part of the seller; most common are the expertise and profession of the seller.**

# **Characteristics of Services**

- 1. Intangibility** is the services that cannot be displayed, transported, stored, packaged or inspected before buying.
- 2. The credibility of the service provided most of the time counts.**
- 3. Inseparability** is the service provide and services that cannot be separated.
- 4. Variability** is when the service is difficult to standardize because it varies upon the performance of the provider.

# Consumer Products

1. Convenience products are purchased with the minimum or less effort because the buyer has knowledge of product characteristics prior to shopping.

Staples are low prices items that are routinely purchased on a regular basis and are products that are very used every day. Ex. Rice, soap, toothpaste

Impulse products are the items that the customer does not plan to buy.

# **Product Satisfying Features**

## **Design**

**Good design can improve the marketability of the product through its design and appearance.**

## **Product Colors**

**It is the customer's rejection or acceptance of the product. This could be true in clothing, cars or furniture and other fixtures.**

## Product Quality

**This is set of features and attributes of a product or service that determine its ability to satisfy human needs.**

## Product Warranty

**One very important attribute of the product is warranty.**

**THANK YOU**