

Conducting Secondary Research

Guide

Introduction

This has been designed to guide you conduct the secondary research for the projects you have been assigned to. It contains explanations and tips for effectively carrying out activities included in the project outline. Secondary research is a research method that involves analyzing and synthesizing data that has already been collected and published by other sources, such as books, academic articles, market reports, government publications, and online databases. The focus of the secondary research will be on Competitor's analysis, gathering insights and market sizing.

Key points to be covered

- Types of secondary research
- Online sources for secondary research
- Industry reports for gathering insights
- Gathering insights
- Synthesizing findings
- Competitor analysis
- Market sizing
- Conclusion

Types of secondary research:

- Online sources
- Industry reports
- Government publication

Sources

Online Sources:

- Industry blogs
- Market trends
- Consumer behavior
- Competitor analysis

Industry reports

- Market trends
- Competitor analysis

Government Publication

- Sectorial publications

Tips for effectively using online sources

Check for the credibility of the sources

Cross check information from multiple sources

Gathering Insights & Synthesizing Data

Insights

Insights are valuable pieces of information that you gather from your research or data analysis that can help you make informed decisions or gain a better understanding of a particular topic. Insights are often hidden within the data, and it requires careful analysis to extract them.

Tips for gathering insights

- Identify key trends and patterns
- Look out for gaps in the market

Synthesizing

Synthesizing refers to the process of combining different pieces of information to create a more comprehensive understanding of a topic or situation. In the context of research or data analysis, synthesizing involves taking large amounts of data or information and organizing it into meaningful patterns, themes, or categories.

Tips for Synthesizing

Categorize information into themes

Use visuals to present findings

Example on Insights & Synthesizing

Suppose you're conducting secondary research for a startup that sells organic food products. You've gathered information from various sources, such as industry reports and competitor websites, and now you need to extract valuable insights from this data.

To gather insights, you might start by identifying key trends and patterns in the data. For example, you might notice that the organic food market is growing rapidly, with an increasing number of consumers looking for healthy and sustainable food options. You might also observe that certain product categories, such as organic snacks and beverages, are particularly popular among consumers.

Next, you might look for gaps in the market that your startup could fill. For example, you might notice that many organic food products are expensive and not accessible to all consumers. Your startup could focus on offering affordable and convenient organic food options that appeal to a wider range of consumers.

To synthesize these findings, you might categorize the information into themes, such as market trends, consumer preferences, and competitor strengths and weaknesses. You might use visuals, such as charts and graphs, to present this information in a clear and concise manner.

For competitor analysis, you might use the insights you've gathered to evaluate your competitors' products, pricing, and marketing strategies. For example, you might notice that a competitor is offering a new line of organic snacks that are popular among health-conscious consumers. You could use this information to develop your own line of organic snacks that offer unique flavors or packaging to differentiate your product from the competition. Overall, gathering insights from reports and synthesizing the findings is essential for making informed business decisions. By using a structured approach and identifying key themes and patterns, you can extract valuable insights that help you stay ahead of the competition and capitalize on emerging market trends.

Competitor Analysis and Market Sizing

The importance of conducting competitor analysis and market sizing:

- Helps identify potential opportunities and threats
- Helps understand the competitive landscape
- Helps estimate market size and potential revenue

Competitors Analysis

- Identify direct and indirect competitors
- Analyze competitors' products, services, pricing, and marketing strategies
- Understand competitors' target customers

Access a template of a competitor's analysis here: [Competitor Analysis Template](#)

Market Sizing

Market sizing refers to the process of estimating the total size of a particular market or industry in terms of revenue, customers, or other relevant metrics. It is an important aspect of business planning as it helps businesses to identify the potential size and growth of their target market, and to make informed decisions about market entry, pricing, and product development.

Market Sizing Approaches

The top-down

The top-down approach involves starting with the overall market size and then working backwards to estimate the size of your specific market segment. This approach is useful when there's a lot of publicly available data on the overall market, and when your market segment is a small percentage of the total market.

Example:

If you wanted to estimate the size of the global soft drink market, you might start with a report that estimates the size of the global beverage market, and then estimate the percentage of that market that is made up of soft drinks.

Bottom-up

The bottom-up approach involves estimating the size of your market segment by starting with individual customers and working your way up. This approach is useful when there's not a lot of publicly available data on the overall market.

Example:

If you wanted to estimate the size of the local pizza delivery market, you might start by calling a few pizza restaurants and asking about their delivery volume, and then extrapolate to estimate the total size of the market based on the number of pizza restaurants in the area.

Top-down Methods

TAM (Total Addressable Market)

The TAM represents the total market demand for a product or service. In this case, the TAM for bicycles in Ghana would be the total number of people who could potentially buy a bicycle.

Step 1: Start with the total population of Ghana, which is approximately 33 million.

Step 2: Estimate the percentage of the population that would be interested in buying a bicycle.

Let's assume it's 20%.

Step 3: Multiply the total population by the percentage that's interested in buying a bicycle to get the TAM.

$$\text{TAM} = 33 \text{ million} \times 20\% = 6.6 \text{ million}$$

So the TAM for bicycles in Ghana is 6.6 million people.

SAM (Serviceable Addressable Market)

The SAM represents the portion of the TAM that a company can realistically target and serve. In this case, the SAM for bicycles in Ghana would be the number of people who are interested in buying a bicycle AND are in a position to do so, for example, those who have access to bicycle retailers or have a suitable location for riding a bike.

Step 1: Research the number of people who live within a reasonable distance of bicycle retailers. Let's assume it's about 80% of the total population, or 26.4 million people.

Step 2: Apply the percentage of the population interested in buying a bicycle to the number of people who have access to bicycle retailers to get the SAM.

$$\text{SAM} = 26.4 \text{ million} \times 20\% = 5,280,000 \text{ million}$$

So the SAM for bicycles in Ghana is 5.2 million people.

SOM (Serviceable Obtainable Market)

The SOM represents the portion of the SAM that a company can realistically capture. In this case, the SOM for bicycles in Ghana would be the number of people who are interested in buying a bicycle, have access to bicycle retailers, and can afford to buy one.

Step 1: Research the average price of bicycles and estimate the percentage of the population that can afford to buy one. Let's assume the average price is GHC 500, and 50% of the SAM can afford to buy a bike.

Step 2: Apply the percentage of the SAM that can afford to buy a bike to the SAM to get the SOM.

$$\text{SOM} = 5.2 \text{ million} \times 50\% = 2.6 \text{ million}$$

So the SOM for bicycles in Ghana is 2.6 million people.

Conclusion

Note that this is a very simplified example, and there are many other factors that could impact the TAM, SAM, and SOM for bicycles in Ghana, such as the popularity of alternative modes of transportation, the availability of bike-friendly infrastructure, and so on. However, this example should give you an idea of how to apply the concept of top-down market sizing to estimate the TAM, SAM, and SOM for a market.