

Lecture 3: Market Research & Opportunity Assessment

Finding and Validating Opportunities

Startup Management, Aleš Špetič, 2025





Recap Lecture 2

Idea Generation

- Idea sources: pain points, passions, trends
- Brainstorming tools: SCAMPER, Design Thinking
- Importance of early validation

Learning Objectives

By the end of this lecture, you will:

-  Estimate market size
-  Map the competitive landscape
-  Identify market timing and trends
-  Apply Blue Ocean vs Red Ocean frameworks

Why Market Research Matters

Save money, time, and effort

- Avoid building something nobody wants
- Discover hidden insights or unmet needs
- Prioritize features and positioning
- Strengthen investor pitches and credibility

Case Study - Google Glass

A cautionary tale of poor market timing

- **Launch Year:** 2013 (Beta to public in 2014)
- **Goal:** Revolutionize wearable computing
- **Problem:** Privacy concerns, unclear use case, high price (\$1,500)
- **Market Mistake:** Society wasn't ready for visible, always-on cameras



Competitive Landscape

Where are you going to sell?

- **Target Market:** Identifying and understanding your ideal customers—their demographics, behaviours, needs, and pain points.
- **Competition:** Analyzing your competitors' strengths, weaknesses, strategies, and market positioning. This enables you to differentiate your business effectively.
- **Industry Trends:** Staying up-to-date with industry developments, emerging trends, and disruptive forces that could impact your business.

Target Market

Identifying Your Ideal Customers

- **Demographics:** Age, gender, income, education, location, and occupation to understand who your customers are
- **Psychographics:** Interests, values, lifestyle, and personality traits that shape how they engage with products or services.
- **Segmenting the Market:** Break down the market into specific groups based on demographics and psychographics to better target each segment

Target Market

Understanding Customer Behaviors

- **Purchase Patterns:** How often and when do they buy?
- **Channel Preference:** Online vs. Offline habits
- **Decision Factors:** What influences buying?

Target Market

Addressing Customer Needs & Pain Points

- **Customer Needs:** What problems does your solution solve?
- **Pain Points:** What frustrations exist in current alternatives?
- **Your Solution:** How do you remove friction or improve outcomes?

Customer Personas – Humanizing Your Market

Understand your customer like a real person

- A persona is a fictional, research-based profile of your ideal customer
- Includes demographics, goals, frustrations, and behavior patterns
- Helps align product, messaging, and sales to customer needs
- Build from interviews, surveys, and behavioral data

Sport Tickets Inc.

Example: a startup for online ticket sales for local sport events



Target Market

Understand how customers behave



- **Purchase Patterns:** Last-minute buyers, prefer digital tickets, value discounts
- **Online Behavior:** Discover via social media, expect mobile-first purchase flow
- **Decision Factors:** Game popularity, convenience, ability to attend with friends

Target Market

Who we're building for



- **Demographics:** ages 18–45, urban/suburban middle-income earners, passionate about local sports and events
- **Psychographics:** community-minded and social, support local teams, Value shared experiences with friends/family
- **Audience Segments:**
 - **Casual Attendees** – occasional, socially driven
 - **Loyal Fans** – regular game-goers
 - **Families** – affordable local entertainment

Target Market

Addressing what truly matters



- **Customer Needs:** Easy, fast, and reliable online ticketing for local events
- **Pain Points:** Hidden fees, clunky interfaces, limited payment options
- **Our Solution:**
 - Mobile-first platform
 - Transparent pricing
 - Multiple payment methods
 - Real-time ticket updates

Persona example

Luka from Maribor

- **Name:** Luka, 28, Sports Enthusiast from Maribor
- **Job:** Mid-level Sales Rep
- **Tech Habits:** Buys everything on mobile, prefers Apple Pay
- **Goals:** Quick access to last-minute sports events, wants to support local teams
- **Frustrations:** Complicated booking sites, added fees, lack of discovery options
- **Behavior:** Follows regional sports leagues on social media, shares event stories online



Using Personas to Shape Strategy

From insight to action



- **Product Design:** Mobile-first interface with one-click checkout
- **Marketing Strategy:** Geo-targeted social ads around local games
- **Messaging Tone:** Casual, energetic, focused on community
- **Feature Priorities:** Event discovery, last-minute ticket offers, no hidden fees

What is Market Sizing?

Defining the scope of your business opportunity

- Gauging how big your opportunity is
- Used for forecasting, positioning, fundraising
- A tool to define your startup's ambition

TAM / SAM / SOM Framework

A structured method to segment your market

- **TAM** – Total Available Market
- **SAM** – Serviceable Available Market
- **SOM** – Serviceable Obtainable Market

TAM/SAM/SOM for Pizza in Novo Mesto 🍕

Local market sizing in action

- **TAM:** All people who eat pizza in Slovenia (~2 million)
- **SAM:** Pizza-eating population in Novo Mesto (~20,000 people)
- **SOM:** Your realistic target based on capacity, delivery radius, and marketing (~2,000 people)

Case Study – Spotify

Applying market sizing to a real-world example



- **TAM:** All global music streaming listeners (~1.5 billion users)
- **SAM:** Users in countries with licenses, good internet, and modern devices (~500 million)
- **SOM:** Realistic early target — college students in Europe with laptops and credit cards (~5–10 million at launch)

Activity – Estimate TAM/SAM/SOM

Practice sizing the market for your idea

Estimate TAM/SAM/SOM for your startup idea:

- **Step 1: Define TAM** — the global or total audience with this need
- **Step 2: Narrow to SAM** — your reachable or relevant market based on region, tech, user type
- **Step 3: Define SOM** — your realistic, achievable share of that market over the next 1–2 years

Competitive Analysis

How to Conduct a Competitive Analysis

- **Identify Competitors:** direct or indirect?
- **Analyze Products and Services:** Evaluate the products or services your competitors offer. Understand their features, pricing, quality, and unique selling points.
- **Market Share and Positioning:** Are they market leaders, challengers, or niche players?

Competitive Analysis

Identify Competitors

- **Direct Competitors:** These are businesses offering identical or very similar products/services to the same customer base.
- **Indirect Competitors:** Include businesses that offer alternative solutions to the same customer problems.
- **Emerging Competitors:** Identify startups or new entrants that could disrupt the market.

Competitive Analysis

Analyze Products and Services

- **Features:** What functions do competitors offer?
- **Pricing:** How do fee structures compare?
- **USP:** What makes each competitor stand out?

Example - Understanding Competition

Spreadsheet Tools

- **Microsoft Excel:** Industry standard for data analysis; powerful features, offline use
- **Google Sheets:** Collaboration-first, cloud-based, accessible
- **Apple Numbers:** User-friendly for basic tasks, strong Apple ecosystem integration



Competitive Analysis

Market Share and Positioning

- **Market Leaders:** Identify the dominant companies in the industry. These businesses hold the largest market share and often set industry trends and standards.
- **Challengers:** Look at competitors that are aggressively trying to increase their market share by differentiating themselves in terms of innovation, pricing, or customer service.
- **Niche Players:** Consider smaller competitors who focus on specific segments or local events. These players may not have large market shares, but they cater to dedicated communities or underserved markets.

Competitive Analysis

Who we're up against



Direct Competitors:

- StubHub, Ticketmaster – large platforms for professional & local sports
- Strong brand recognition, wide distribution

Indirect Competitors:

- Eventbrite, Meetup – platforms for general events, including sports
- Focused on broader categories, not just fans

Emerging Players:

- TickPick, fan engagement apps, blockchain ticketing startups
- Innovating with tech, niche features, local market entry

Competitive Analysis

Analyze Products and Services



Ticketmaster:

- Pros: Mobile ticketing, seating maps, VIP packages
- USP: Exclusive sports league partnerships
- Con: High service fees (~20%)

Eventbrite:

- Pros: Simple event setup, lower fees
- USP: Great for organizers, not just buyers
- Con: Lacks sports-specific tools and fan engagement

Competitive Analysis

Market Share and Positioning



🏆 Market Leaders:

- Ticketmaster: Exclusive deals, global brand, pro league dominance
- StubHub: Resale market leader, covers both major and local events

🚀 Challengers:

- SeatGeek, TickPick: Compete with lower fees and sleek mobile UX
- Targeting younger, mobile-first customers with better user experience

🎯 Niche Players:

- Eventim - local

Competitive Matrix Example

Visualizing how you compare to others

Brand	Price	UX	Focus
You	\$\$	👍	Gen Z
A	\$\$\$	👑	Execs
B	\$	👎	Budget users

Competitive Matrix Example

Spreadsheet Tools Comparison

	Price	Collaboration	Power Features	Platform
Microsoft Excel	\$\$\$	Limited	★★★★	Windows/Mac
Google Sheets	Freemium	★★★★★	★★	Web-based
Apple Numbers	Free (Mac)	★★	★	Apple-only

Competitive Analysis

SWOT

- **Strengths:** These are your internal advantages. What does your startup do exceptionally well? What sets you apart from competitors?
- **Weaknesses:** These are internal disadvantages or areas where improvement is needed. Recognizing weaknesses is crucial for addressing and mitigating them.
- **Opportunities:** External factors that could positively affect your business. These can include market trends, emerging technologies, or untapped customer segments.
- **Threats:** External factors that could negatively impact your business. This may involve competition, economic downturns, or regulatory changes.

Competitive Analysis

SWOT: Sport Tickets Inc.



Stregths	Weaknesses
Local Focus	Low brand recognition
Mobile-first	Limited reach

Opportunities	Threats
Digital ticketing	Big brand competitors
Expand to events	Tech disruption

Why Timing Matters

Understanding when your market is ready

- **Being too early** = same as being wrong
- **Success** = idea × timing × execution

Why Timing Matters

Examples

Good:

- **Airbnb (2008):** Launched during recession when people needed extra income
- **Zoom (2020):** Surged during remote work boom



Bad:

- **Pebble Smartwatch (2012):** Entered before wearables market was fully mature, overtaken by Apple Watch
- **Apple Newton (1997):** Expensive, not ready (handwriting recognition) bulky, poor battery



Trends Signals

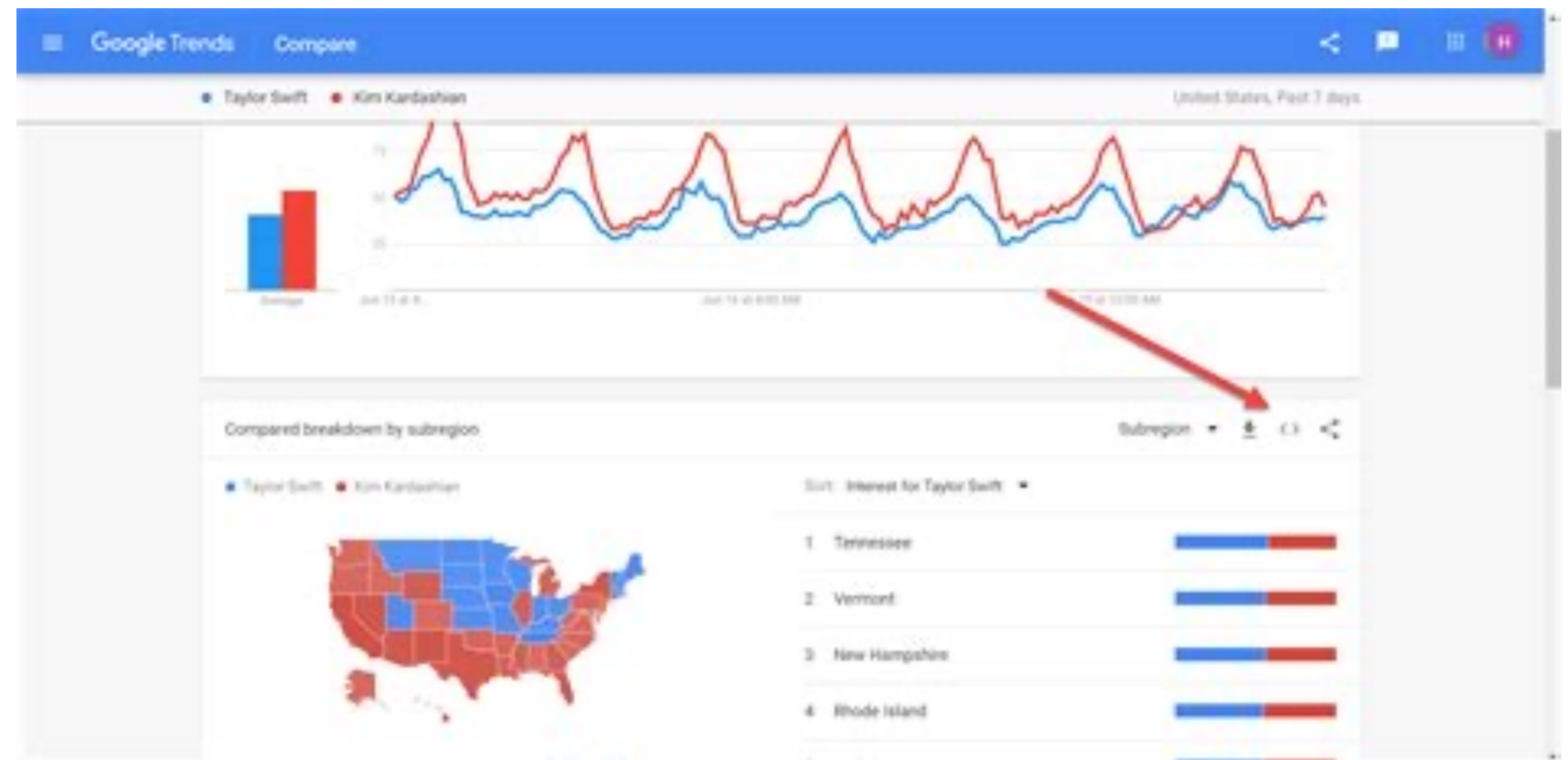
Spotting shifts that shape market opportunities

- Consumer behavior shifts (e.g. rise in remote work demands - Zoom, Notion)
- Investment and media attention (e.g. AI after ChatGPT launch)
- Regulatory change (e.g. GDPR drove growth in privacy)
- Emerging tech (AI, AR, crypto) (e.g. AR brought consumers apps - IKEA place)

Tools for Trend Spotting 🔍

Platforms to track industry momentum

- Google Trends
- Substack, Twitter/X, Reddit
- Crunchbase, Pitchbook
- Product Hunt



Google Trends Example

Using data to validate growing interest

- Topic: “Plant-based meat”
- Trendline: Sharp increase 2018–2021, dropping interest since
- Regional data: Strongest in U.S., Canada, Western Europe

Activity – Why Now?

Make the case for timing your startup

- What recent shift enables your idea?
- Is there a cultural or tech tailwind?
- What's your time-to-market advantage?

Red Ocean vs Blue Ocean

Compete or innovate—choose your strategy

- Red Ocean: Competing in saturated space
- Blue Ocean: Creating new demand
- Goal: Innovation, not imitation

Blue Ocean Examples

Startups that changed the rule

- **Cirque du Soleil:** No animals, added theater
- **Canva:** Empowered non-designers
- **Tesla:** Made EVs aspirational



Red Ocean Examples

Competing head-to-head in a crowded space

- **Uber vs Lyft:** Same value proposition, same market
- **Compete on:** Price, speed, driver incentives, brand
- **High marketing spend, little differentiation**



Strategy Canvas

Visually differentiate your value proposition

- Map value attributes (price, design, features...)
- Compare with incumbents
- Reveal your unique positioning

Strategy Canvas Example – Airbnb vs Hotels

Comparing value curves

Attribute	Traditional Hotels	Airbnb
Price	High	Medium
Local experience	Low	High
Amenities	High	Medium
Personalization	Low	High
Flexibility	Medium	High

Activity – Ocean Strategy

Map where you play and how you win

- Map yourself on a strategy canvas
- Identify 2 attributes where you win
- Decide: Red or Blue Ocean?

Common Pitfalls

Mistakes to avoid in market research

- “Everyone is our customer” trap
- Ignoring timing or signals
- Overestimating SOM
- No real competitor analysis

Summary – What We Covered

Key takeaways and strategic tools

- Market sizing = vision clarity
- Competition = hidden leverage
- Timing = momentum builder
- Ocean strategy = strategic framing

Assignment – Market Research Brief



Apply what you've learned to your idea

Prepare a 1-pager and appropriate slides for your pitch deck:

- TAM / SAM / SOM with sources
- Competitive matrix
- Trend insight + timing
- Red/Blue strategy

Use Google Docs or Slides to create your pitch deck and share it with ales@spetic.si by the day before the next lecture!

Resources & Further Reading

Tools and materials to explore deeper

- Blue Ocean Strategy – W. Chan Kim & Renée Mauborgne
- The Mom Test – Rob Fitzpatrick (customer interviews)
- Google Trends (trends.google.com)
- Crunchbase (startup and funding data)
- CB Insights, Pitchbook (market insights)