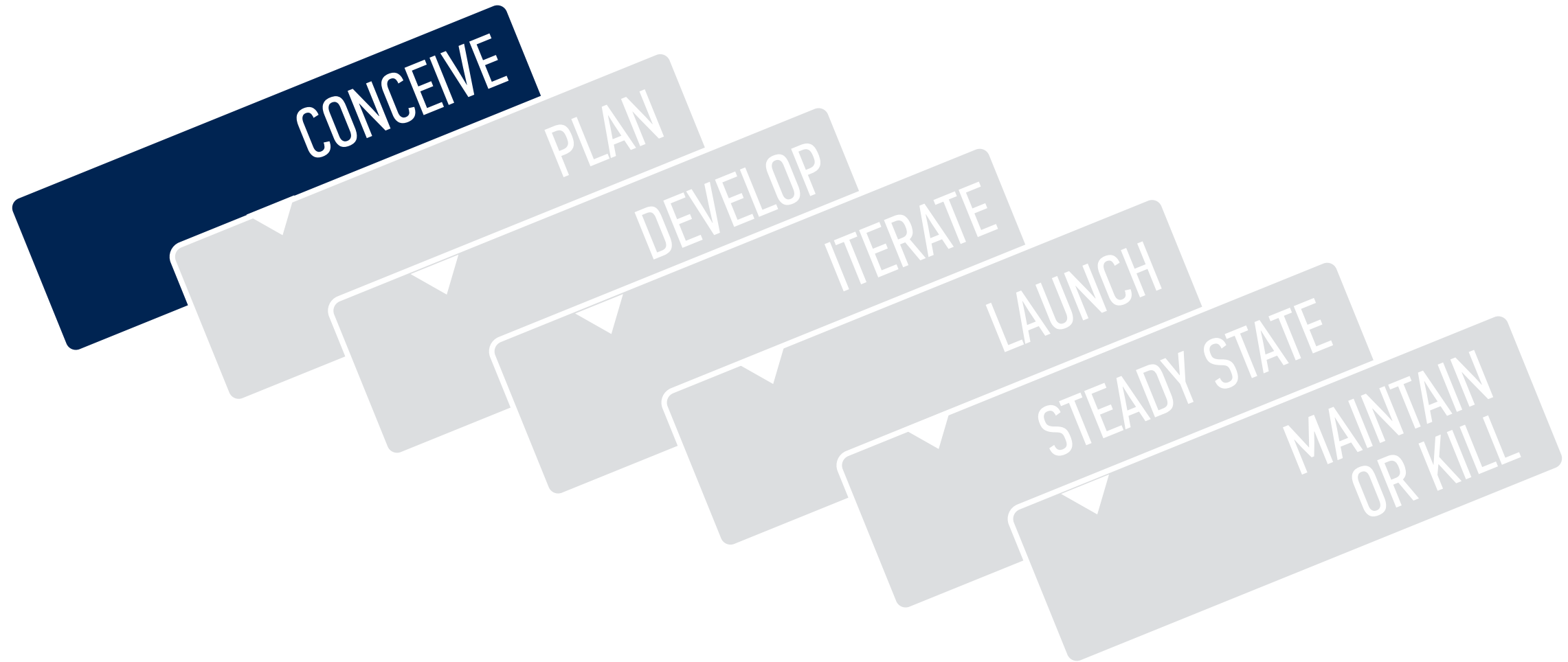


MARKET RESEARCH

David R. Miller
PDM7 Instructor

TESTING AND VALIDATING YOUR IDEA



TESTING AND VALIDATING YOUR IDEA

LEARNING OBJECTIVES

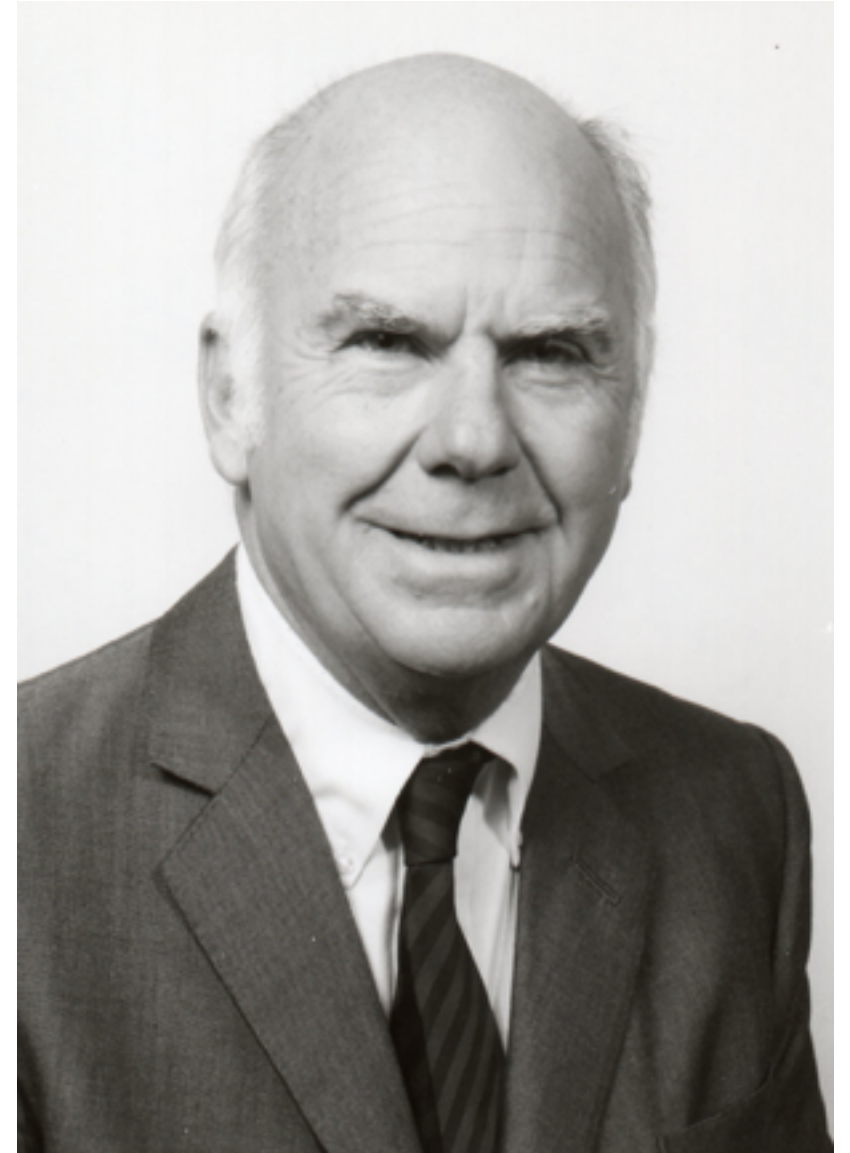
- › Understand the SWOT analysis for a business
- › Develop a competitive analysis of a feature or business
- › Effectively size a market utilizing quick math and assumptions

MARKET RESEARCH

SWOT ANALYSIS

SWOT ANALYSIS

- Created by Albert Humphrey at Stanford
- Evaluated the Strengths, Weaknesses, Opportunities, and Threats involved in a business
- Can be carried out for a product, place, industry, or person.



COMPETITIVE ANALYSIS

STRENGTHS

- Things you're good at
- Experience, knowledge
- Unique characteristics
- Resources
- Geographical location
- Competence, capabilities
- Quality, reputation
- Flexibility on product, pricing, distribution



COMPETITIVE ANALYSIS

WEAKNESSES

- › Things you need to improve
- › Gap in skills, knowledge
- › Financial issues
- › Market awareness and reputation
- › Right people at the right jobs
- › Poor location
- › Leadership/Mgmt issues
- › Staff motivation & involvement



COMPETITIVE ANALYSIS

OPPORTUNITIES

- Strategic alliances, acquisitions
- Diversity of the business
- Take advantage of new trends
- New Product Development
- Enter new markets
- Reduce costs
- Be faster, better, easier, more stylish
- Innovation and technology



COMPETITIVE ANALYSIS

THREATS

- Change in the environment
- Loss of a major customer
- Raw materials, energy, transportation costs
- Strong competition
- Competition's new products and innovations
- Change in technology
- Fashion
- Seasonality



MARKET RESEARCH

DO AN EXAMPLE OF A SWOT ANALYSIS AS A CLASS

MARKET RESEARCH

COMPETITIVE ANALYSIS

COMPETITIVE ANALYSIS

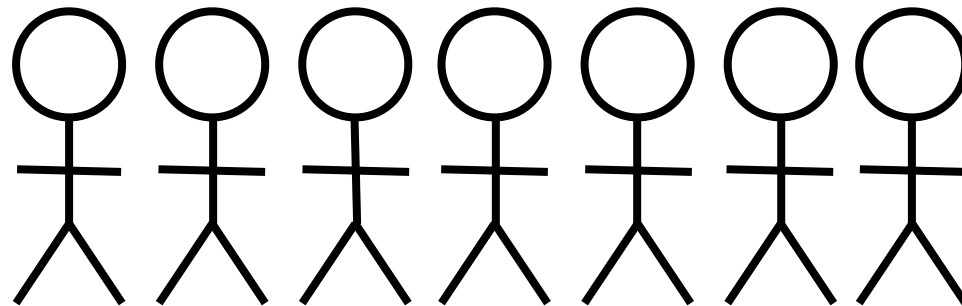
BENEFITS, NOT FEATURES

GAP IN THE MARKET



THE MARKET

MARKET IN THE GAP



COMPETITIVE ANALYSIS

SIMPLE COMPETITIVE ANALYSIS

- › Identify the key points of differentiation.
- › Research competitors.
- › Compare your businesses and look for strong points of differentiation.

COMPETITIVE ANALYSIS

DROPBOX IN 2007

	Email	File Server	Flickr / FB	YouSendIt	Dropbox
File Size					
File Type					
Delivery method					
Price					
Hassle at scale					

COMPETITIVE ANALYSIS

DROPBOX IN 2007

	Email	File Server	Flickr / FB	YouSendIt	Dropbox
File Size	< 10 MB	Big	100MB/mo	2GB	10GB/day
File Type	Any	Any	Photos	Any	Any
Delivery method	Attachment	Upload	Upload + Link	Upload	None
Price	\$\$\$ or free	\$\$\$\$	\$ or free	\$ or free	\$ or free
Hassle at scale	High	High	High	High	Low

ACTIVITY



EXERCISE

KEY OBJECTIVE(S)

Conduct a SWOT and competition analysis for Spotify.

TIMING

- 15 min 1. In groups, go through the SWOT analysis for Spotify.
- 15 min 2. List of differentiations for Spotify and compare against top competition.

DELIVERABLE

SWOT analysis and competition chart for Spotify.

MARKET RESEARCH

MARKET SIZING

MARKET SIZING

WHAT IS MARKET SIZING?

ANALYZE THE SCALE OF OPPORTUNITY

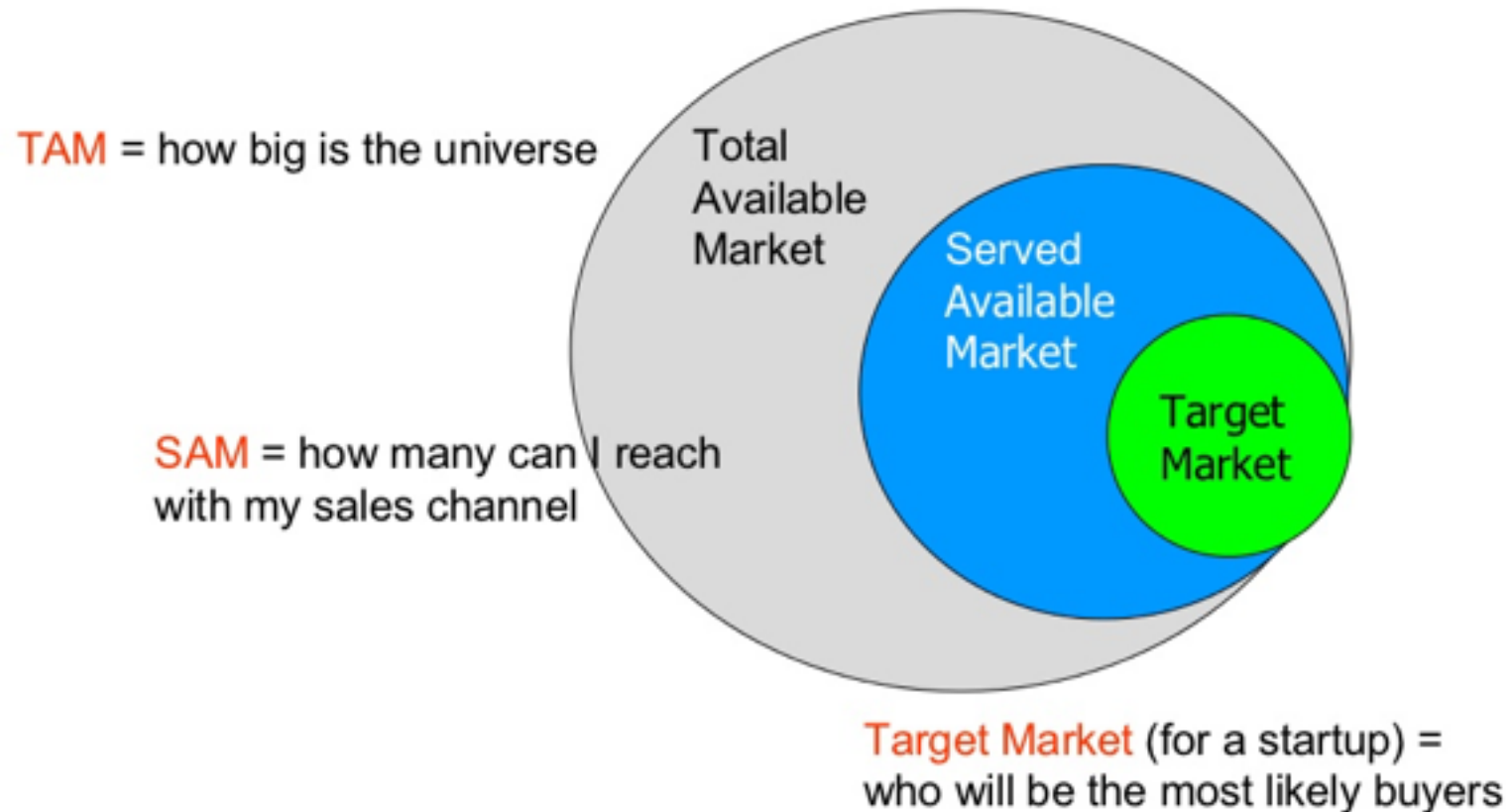
HIGHLIGHTS ASSUMPTIONS TO BE TESTED

**CAN BE DONE WITH LITTLE TO NO RESEARCH, OR LOTS
OF RESEARCH**

SOMETIMES DONE AS A “GUT” CHECK

MARKET SIZING

Total Available Market, Served Available Market, Target Market



MARKET SIZING

CONCESSION ORDERING APP FOR NBA GAMES

- ▶ Number of teams: 30
- ▶ Number of games per team: 82
- ▶ Total games = $(30 \times 82) / 2 = 1,230$
- ▶ Average available seats in NBA stadium: 18,000
- ▶ Average capacity per game: 85%
- ▶ Average attendance at NBA game = $(0.85 \times 18,000) = 15,300$
- ▶ Average spend per attendee: \$100 (\$80 ticket, \$20 concession)
- ▶ Total spend per game = $100 \times 15,300 = \$1.5\text{M}$
- ▶ Total for all games = $1.5\text{M} \times 1,230 = \mathbf{\$1.8\text{B}}$

ACTIVITY



EXERCISE

KEY OBJECTIVE(S)

Conduct a simple market sizing for a dog walking app in NYC.

TIMING

- 20 min 1. In groups, think through the size of a dog walking market in NYC.
- 10 min 2. Estimate the potential revenue for the app using assumptions.

DELIVERABLE

Size of market and potential revenue from dog walking app.

INSERT CLASS TITLE

HOMEWORK

MARKET RESEARCH

CONDUCT A COMPETITIVE ANALYSIS FOR YOUR PRODUCT

Use SWOT or the competition analysis spreadsheet to assess competition and strengths of your product/business.

MARKET RESEARCH

SIZE OF MARKET

Conduct a simple analysis of the size of the market for your product.

PRODUCT DEVELOPMENT LIFE CYCLE

Q&A

PRODUCT DEVELOPMENT LIFE CYCLE

EXIT TICKETS

[HTTP://GA.CO/PDMTICKET](http://ga.co/pdmticket)

1. Which are the four pieces of a swot analysis?
 1. Strengths, Worries, Opportunities, Threats
 2. Strengths, Weaknesses, Opportunities, Threats - Answer
 3. Size, Weaknesses, Opinions, Threats

2. What could be a key differentiation for a company?
 1. Business knowledge in the area
 2. Technology advancements
 3. Key partnerships
 4. All the above - Answer

3. What is the purpose of market sizing?
 1. See the size of opportunity - Answer
 2. Understand competitors
 3. View my strengths and weaknesses