

Business plan

Market analysis &

Customer Profile

[Quantitative Methods]

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Agenda.

- Introduction
- Market analysis: methods and tools for building a customer profile
- Quantitative methods

Market Analysis

Current and future development of the sector/segment (quantitative and qualitative assessment)

Market size & market development

Current and future development of the sector.

Important elements

- Size (turnover) of the sector
- Growth rate of the sector
- Economic development and its trends
- Technology development
- Relevant political, social, legal and environmental factors (PEST analysis)

Customer Profile & target market

Segment/Customer profile.

Important elements

- Client Profile (segmentation)
- Jobs to get done/Gains/Pains
- Size of the target market

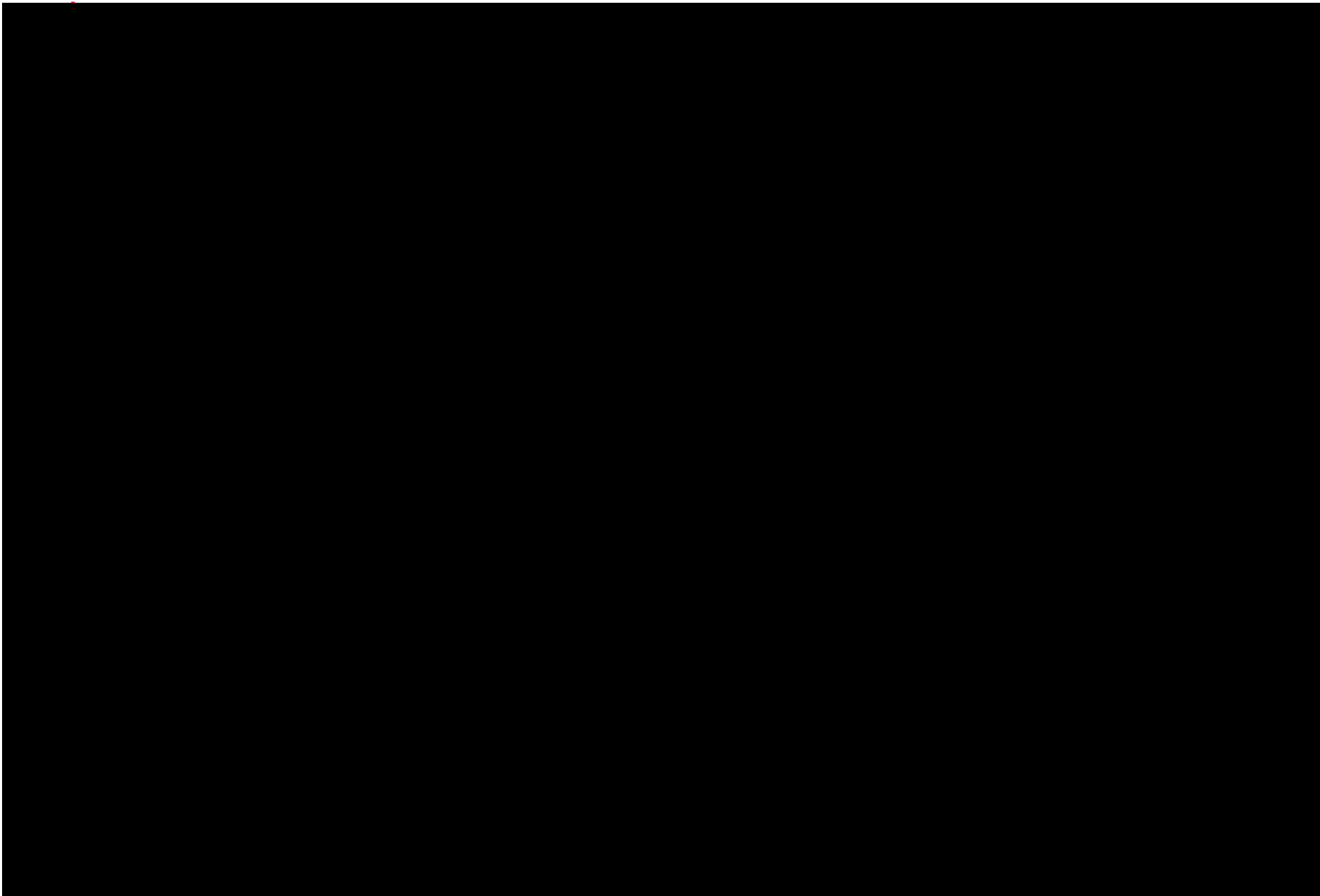
Competitors Analysis

Current market position of 3-5 most important competitors

Important elements

- Competitors' products/ services description
- Benchmarking
- Competitors' strategies and practices (distribution channels, price formation, advertising, service)
- Competitive intensity (5 Forces)

Customer Profile and Target Market



How do we know the market?

We need to gather information

Visible and publicly available information



'Invisible' and hidden information

**Quantitative approach to
customer profile**

Quantitative methods

Main Characteristics

- The data is usually gathered using structured research instruments;
- The results are based on larger sample sizes that are representative of the population;
- The research study can usually be replicated or repeated, given its high reliability;
- Researcher has a clearly defined research question to which objective answers are sought;
- All aspects of the study are carefully designed before data is collected;
- Data are in the form of numbers and statistics, often arranged in tables, charts, figures, or other non-textual forms;
- This design examines relationships among variables, and data is usually analyzed with Excel, STATA, SPSS, R.

Quantitative methods

Research Strategy

1. Identify the problem and purpose (variables);
2. Define your population and your sample;
3. Select the method to collect data;
4. Select sampling method;
5. Develop tools for data collection (surveys are considered the cornerstone of quantitative research!);
6. Collect relevant data and information;
7. Analyze the data and report findings;

Adapted from: <https://libguides.usc.edu/writingguide/quantitative>



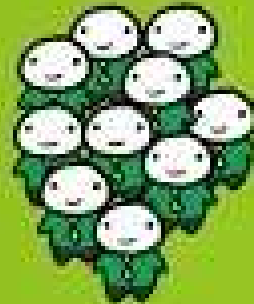
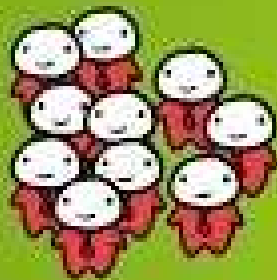
Quantitative methods

Types of sampling methods

1. Simple random sampling
2. Stratified random sampling / Cluster sampling
3. Multistage sampling
4. Convenience sampling



STRATA



SAMPLE SIZE = 6

HOW MUCH DO YOU
WEIGH IN KILOGRAMS?



STRATIFIED RANDOM SAMPLE

Quantitative methods

TOOL: Questionnaire

The best way to reach people who would not give an interview. Unfortunately, response rates are very low. Channels: internet, phone, in person/paper.

- Questionnaire is a set of questions presented to respondents
- Typical sequence: Contact questions, Fact questions , Sensitive questions
- Sensitive questions must be placed at the end (e.g. income, age, etc.)
- Precise formulation of questions:
 - Do you like this Ad?
 - Do you find that this Ad is informative?
- Avoid / clarify Technical Vocabulary
 - Do you normally buy private brands?
 - Private brands are brands that... for example... , do you normally buy them?
- Keep it easy!
 - Do I need a professional degree to answer your questionnaire?

Being a market researcher

TOOL: Questionnaire

Open versus Closed Questions

- Answers might be specified (closed-end) or left empty for the respondent to answer with his own words (open-end)
- Closed-end questions are appropriate for measuring how many people prefer something or act in a certain way
- Open-end questions are ideal for getting explanations of certain phenomena

Example:

Which Yogurt do you normally buy?

Which of the following brands of Yogurt do you normally buy?

- ☐ Müller
- ☐ Danone
- ☐ Milram
- ☐ Bauer

Other, please specify _____

- Advantages open questions:
 - Fewer influence from the interviewer
- Advantages closed questions:
 - Answers are easier to compare
 - Larger rates of answering

Being a market researcher

TOOL: Questionnaire

Type of Scales

- Nominal scale:

Which chocolate do you eat most dearly?

- ☐ Ritter Sport
- ☐ Milka
- ☐ Other, please specify _____

- Ordinal scale:

Please organize the following brands in accordance with your preference, write a 1 next to the brand that you like most dearly, a 2 next to your second love brand, etc.

Ritter Sport _____ Milka _____ Lindt _____

How do you like chocolate?

not at all (1) few (2) neutrally (3) something (4) a lot (5)

not at all (1) few (2) something (3) a lot (4)

Being a market researcher

TOOL: Questionnaire

Type of Scales: Likert scale

Example:

- How much do you like the taste of chocolate?

not at all	few	neutrally	something	a lot
(1)	(2)	(3)	(4)	(5)

- Is chocolate healthy?

not at all	few	neutrally	something	a lot
(1)	(2)	(3)	(4)	(5)

- Your friends, do they like chocolate?

not at all	few	neutrally	something	a lot
(1)	(2)	(3)	(4)	(5)

- Total judgement: $(4+3+5)/3 = 4$

Type of Scales: Optimal number of scale points

- The larger the amount of the scales points, the higher the information contents
- The smaller the amount of the scales points, the higher the answer reliability
 - Compromise: 5 - 7 scales points
- In even number of scales points, (without neutral point), the respondent must take a decision
- In odd number of scales points, (with neutral point), answer reliability is higher
 - Most frequently used: odd number of scale points

Being a market researcher

Data analysis

Type of Scales: Optimal number of scale points

- Descriptive statistics
- Multiple regression
- Discriminant analysis
- Factor analysis
- Cluster analysis
- Conjoint analysis
- Multidimensional scaling



Thank you for your attention!

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