

**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.

### Customer Profile & target market

Segment/Customer profile.

### Competitors Analysis

Current market position of 3-5 most important competitors

#### 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)

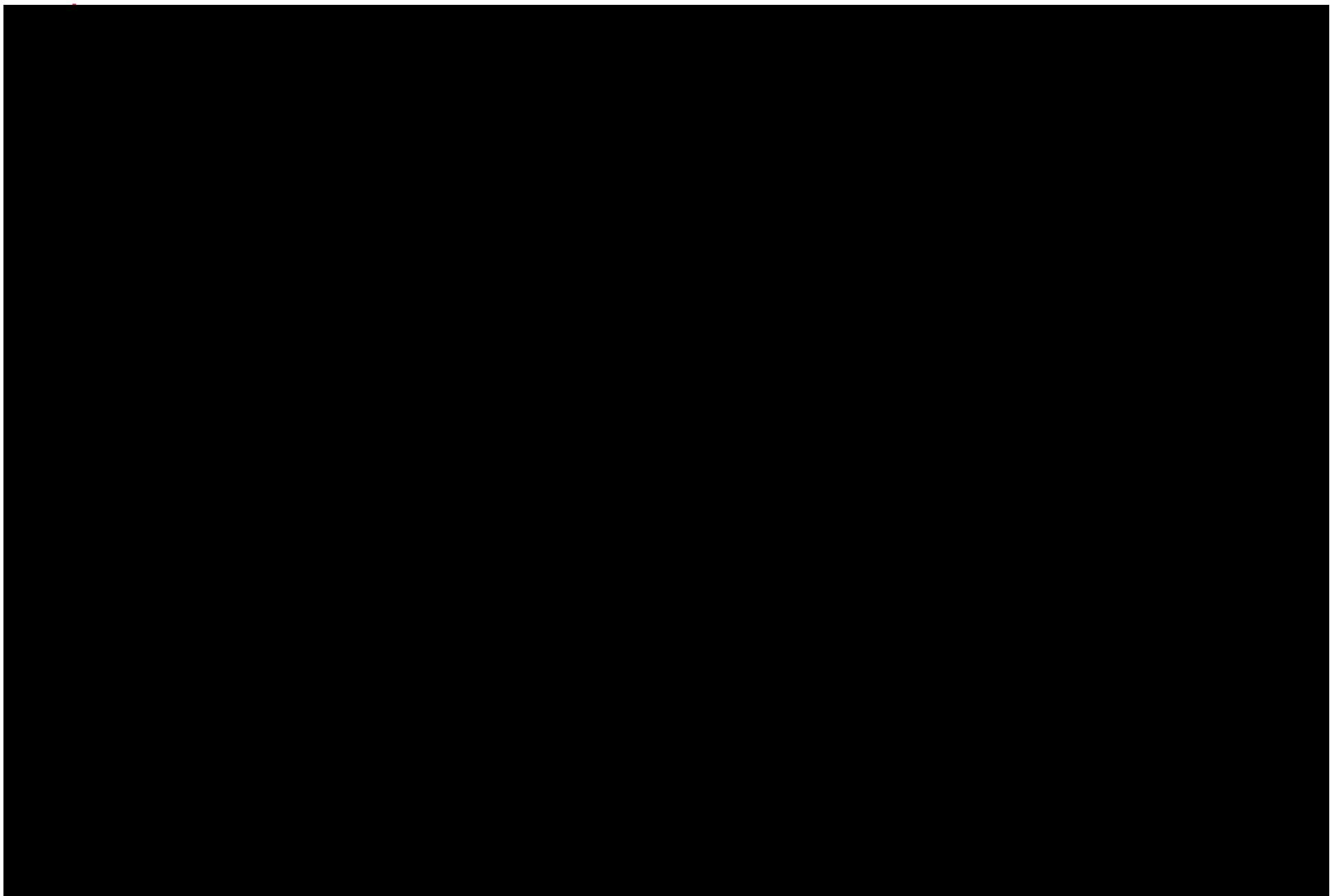
#### Important elements

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

#### 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**



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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.

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

# 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;

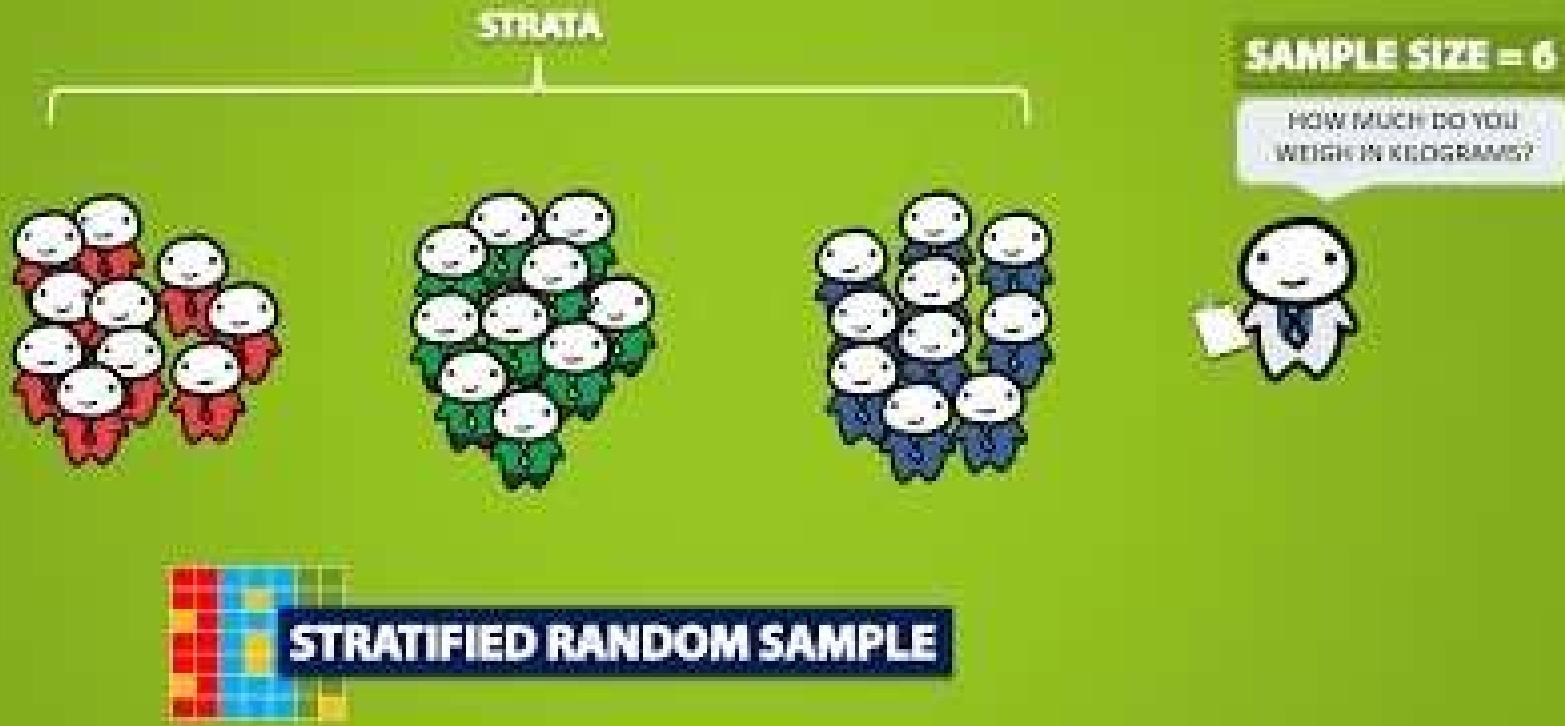
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# Quantitative methods

## Types of sampling methods

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





## 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:  $(4+3+5)/3 = 4$

## Being a market researcher

### TOOL: Questionnaire

#### 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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