

Elements of Market Analysis

Market Analysis in the
Product Marketing and Business Planning Processes

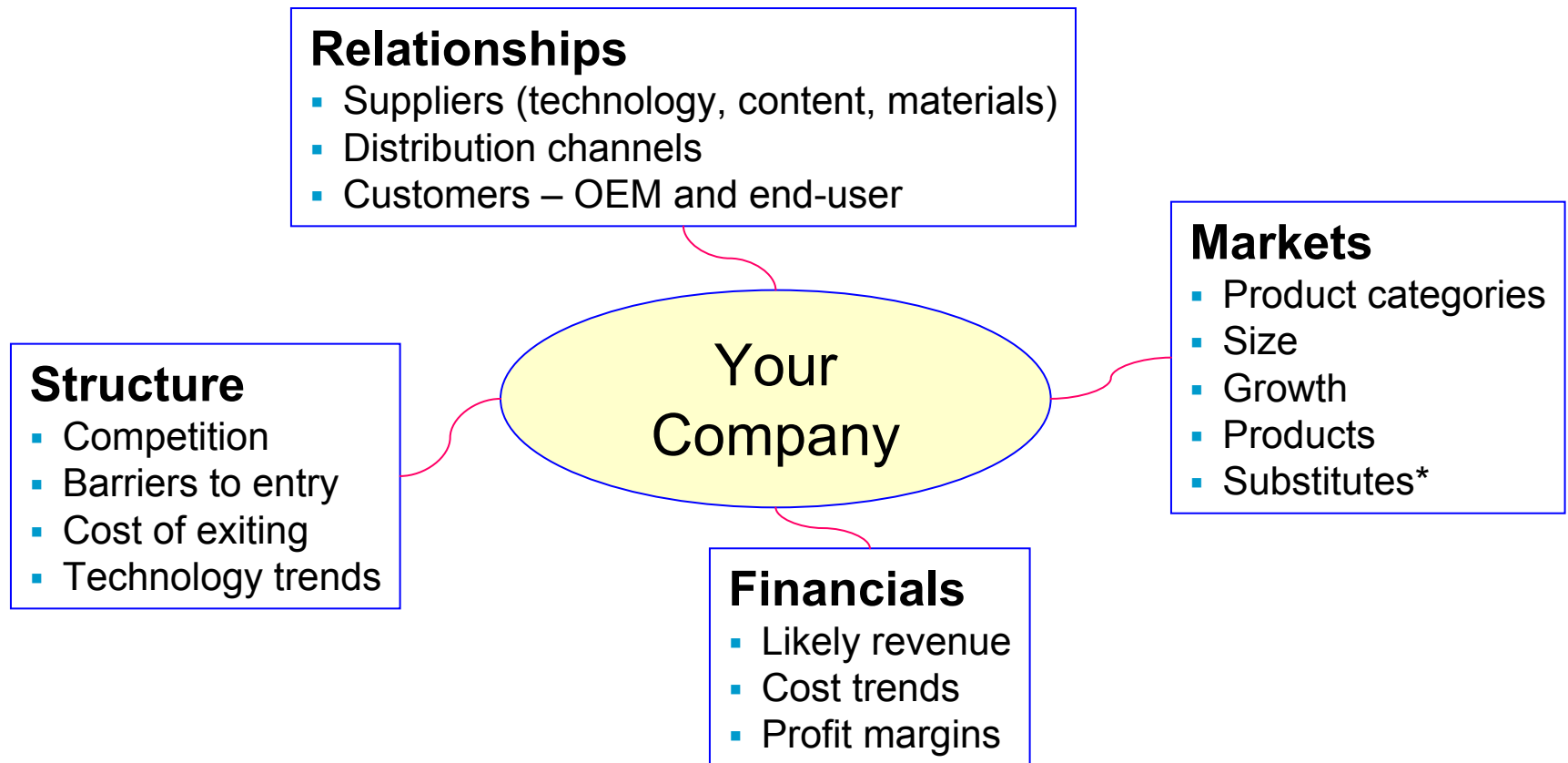


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Provide an Industry Overview

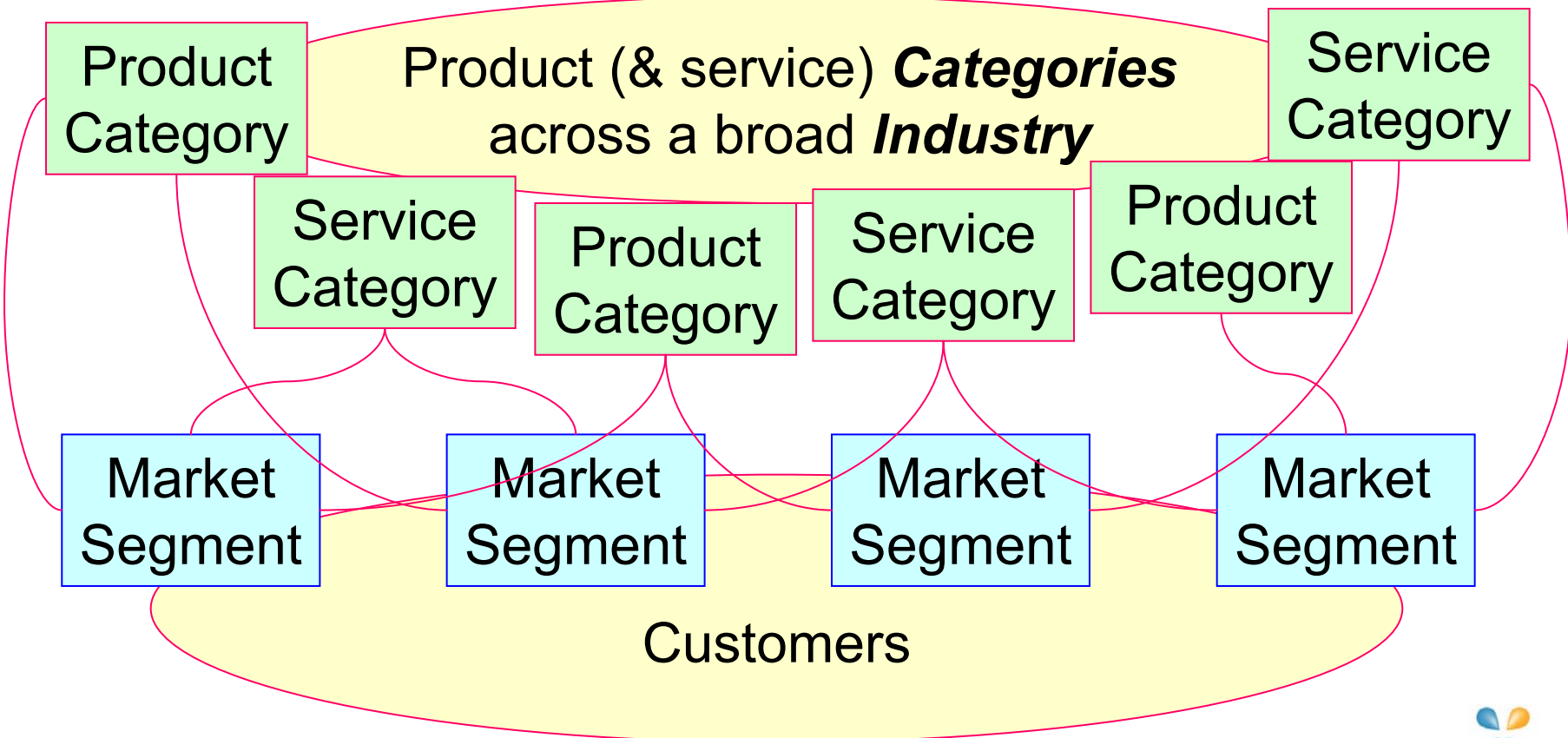
- Clarify what market segments (product/service categories) are included
- Identify the key players & their relationships, if any
- Provide a map of how you fit in...



Use Consistent Terminology

Industry: Broad set of related **product categories**

Market Segment: An identifiable group of customers with requirements in common that are, or may become significant in determining a separate product category. A given segment may be the same physical set of customers identified as a market segment for another product category.



Assess Relevant Product Categories, Part 1

- What categories can you win in? Be number 1, 2, or 3 in the market.
- How big is the market for this product category today...and two years from now?
- What phase of market adoption? (innovators, early adopters, early majority, late majority, laggards)
- Is this a market size you can manage?
- Are they customers you can identify?
- Can you reach the customers?

Assess Relevant Product Categories, Part 2

- Is the customer demand under-served by competitors?
 - Key competitors & market share
 - Market saturation
- Is this a highly profitable market?
- Is there synergy with current core competencies, products, technology, & personnel?
- How will your offering be positioned?
- Can you develop a sustainable unique selling proposition?

Conduct SWOT analysis and pick initiatives that match the company's mission & vision.

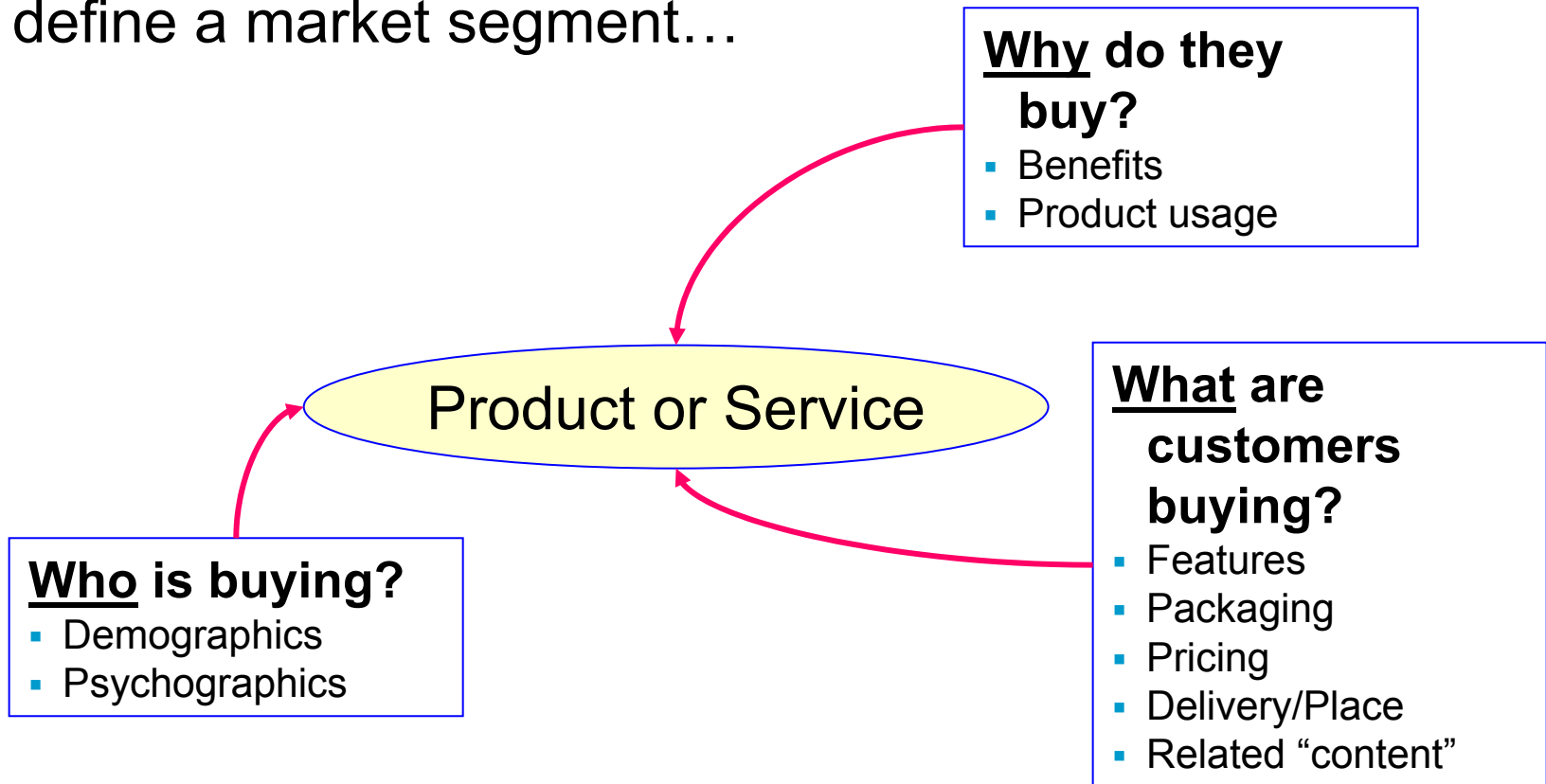
Analyze Your “SWOT” In the Product Category

- **SWOT should cover all aspects required to succeed, e.g.**
 - Technologies
 - Personnel & expertise
 - Engineering
 - Sales, marketing, biz dev
 - Manufacturing
 - Location
 - Financial resources
 - Partnerships

Strengths	Weaknesses
Opportunities	Threats

Identify Relevant Market Segments within the Industry

These components help define a market segment...



Understand the Customer in Each Segment You Pursue

Demographics

- Age
- Ethnicity, religion
- Nationality
- Gender
- Income
- Family size
- Family life-cycle stage
- Location
 - City/state/country
 - Rural/urban
- Language(s)

Psychographics

- Lifestyle
 - Type of car/home
 - Hobbies/activities
 - Innovator- -laggard
- Values
- Political views
- Learning patterns
- Musical tastes
- TV viewing habits
- Personality types
- Fit with brand values

Product Usage

- Why acquired?
- Intensity of need
- How used
 - Trial behavior
 - Frequency
 - Purpose
 - Exclusivity
- Frustrations
- Favorite features
- What substitutes (in any category) are available for this experience?

1. Who is the “average” (representative) customer?
2. Who do you want to target?

Graphically represent the “spectrum” of customers; allow cross-tabs if possible.

Conduct a Comprehensive Competitive Analysis for Each Product Category

- What other product categories (and associated vendors) compete?
 - Is there a competing activity or pastime that could erode your sales or product use?
 - Could the competing category eclipse this one?
 - Is there a segue between your category and this one?
- What can you learn from your competitors? What is their strategy?
- Can you predict their next move?
- What are their goals? What makes them tick? Get to know them as well as you know your own company
- What are their assumptions?
- How do they view you?
- Compare your products feature-by-feature...who has the better focus on key customer needs and perceptions of value?
- Are the competitors stealing your customers? Are you stealing theirs?
- What has been the “engine for growth” for your competitors?
- Can you see a paradigm shift over the horizon that will change the balance of power?
- Where are their vulnerabilities?
- Are the number of competitors growing or shrinking?
- Who has the upper hand in:
 - Technology
 - Partnerships
 - Marketing agreements
 - Financial backing
 - Customer base
 - Product appeal, quality
 - Agility & speed
 - Capacity to grow

Package & Present the Market Analysis, then Dive into Your Plans

- **Get feedback from team:**

- Is the explanation you give clear & concise?
- Is this a realistic snapshot of the market?
- Is it reasonable to think you can win in the chosen product categories?

Next Steps:

- **Integrate into business plan**

- Prioritize initiatives
- Develop product plans
- Deliver quality products quickly... “close early & often”