MVC training session #2
How to do market research

20 Oct 2022

Overview of Market Research

Market Research Process

- **Problem Definition**
- **Approach Formulation**
- **Research Design Selection**
- **Data Collection**
- **Data Processing**
- **Analysis & Reporting**

Research Designs

- Secondary
- Primary
- Exploratory
- Descriptive
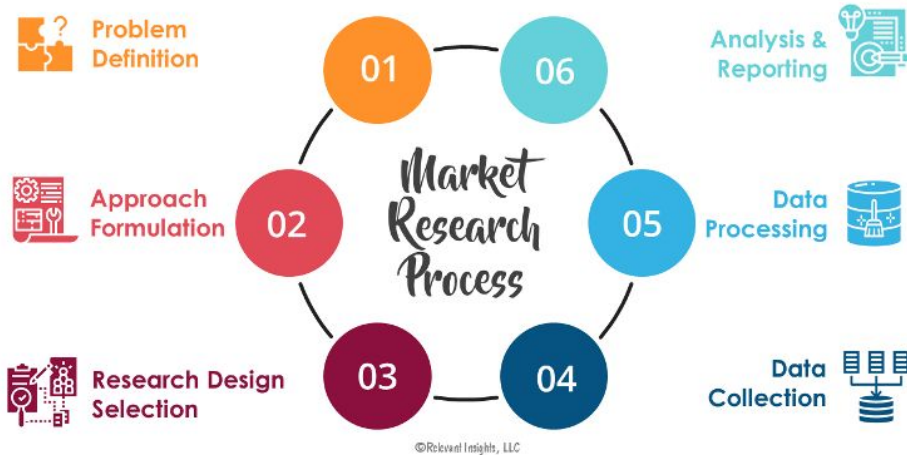- Causal

Data Collection, Processing & Analysis

- Qualitative
- Quantitative

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Insights & Business Implications

- Price
- Product
- Promotion
- Place
- Customer/User Experience

- Strategy
- Organization
- Operations
- Leadership
- Customer Acquisition & Retention

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Understanding market research

- the process of determining the viability of a new service or product
- conducted in-house or by a third-party company
- through surveys, product testing etc.
- includes **market segmentation** and **product differentiation** to tailor advertising efforts or determine which features are seen as a priority to the consumer.

market segmentation

Geographic segmentation	Demographic segmentation	Psychographic segmentation	Behavioral segmentation	Firmographic segmentation
Based on location, from continents or regions down to streets.	Based on information such as gender, age, career or socioeconomic factors.	Based on lifestyle factors, such as hobbies, tastes or interests.	Based on customer's behavior around your brand or product.	Based on the characteristics of companies rather than customers.

key criteria to identify different market segments:

1. **Homogeneity**, common needs within a segment
2. **Distinction**, being unique from other groups
3. **Reaction**, a similar response to the market

product differentiation

- Depends on consumers' attention to one or more key benefits of a product or brand that make it a better choice than similar products or brands.

- The elements of differentiation include **product design, marketing, packaging, and pricing.**

- A product differentiation strategy should demonstrate that a product has all the features of competing choices but with **additional exclusive benefits no one else offers.**

- Companies gain a competitive advantage and market share through product differentiation.

product differentiation

How Companies Differentiate Their Products	
Ways Companies Differentiate Their Product	**Examples**
Customer Service	Amazon's Prime Now delivery service
Quality	Mercedes and German engineering
Packaging	Squeezable jelly
Modified product	All natural yogurt
Appeal to a certain demographic	Clothing styles
Convenience	National Rental Cars - quick in and out
Niche Market	Etsy - targets consumers who want unique handmade items

How do we gather the relevant information

Primary Information

Primary information is the data that the company has collected directly or that has been collected by a person or business hired to conduct the research. This type of information generally falls into two categories: exploratory and specific research.

Exploratory research is a less structured option and functions via more open-ended questions, and it results in questions or issues being presented that the company may need to address.

Specific research finds answers to previously identified issues that are often brought to attention through exploratory research.

How do we gather the relevant information

Secondary Information

Secondary information is data that an outside entity has already gathered.

This can include population information from government census data, trade association research reports, or presented research from another business operating within the same market sector.

Secondary Market Research Sources

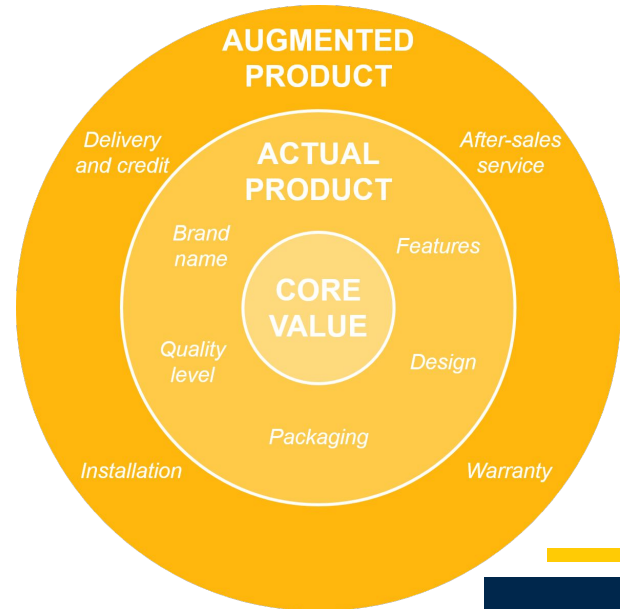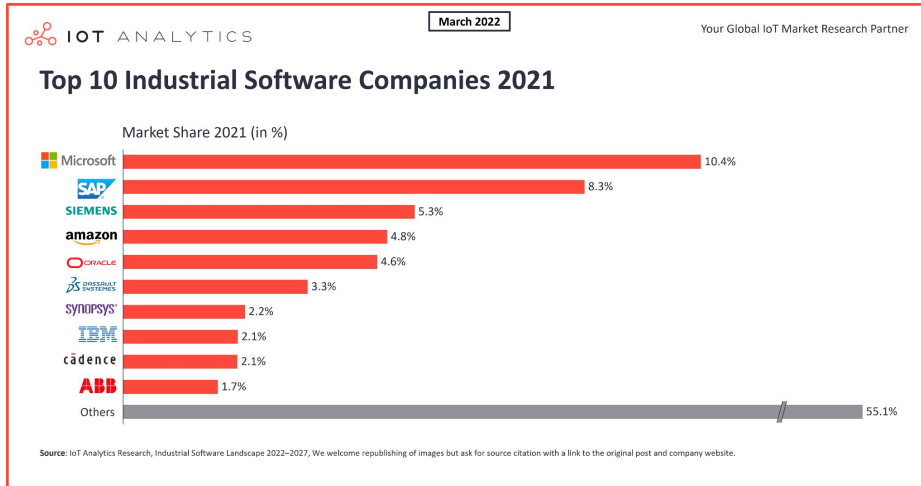|		
1 The internet	6 Digital intelligence platforms
2 Research & trade associations	7 Educational institutions
3 Government agencies	8 Company reports
4 Competitor websites	9 Media outlets
5 Non-governmental agencies	10 Public library records

What to include in an industry analysis

➔ Key players
➔ Growth
➔ Trends
➔ Competitors

Key players

- Who are the key companies or businesses in your industry?
- what are the core products and services that they sell? What are their business models?

IOT ANALYTICS
March 2022
Your Global IoT Market Research Partner

Top 10 Industrial Software Companies 2021

Market Share 2021 (in %)

Microsoft — 10.4%
SAP — 8.3%
SIEMENS — 5.3%
amazon — 4.8%
ORACLE — 4.6%
DASSAULT SYSTEMES — 3.3%
synopsys — 2.2%
IBM — 2.1%
cadence — 2.1%
ABB — 1.7%
Others — 55.1%

Source: IoT Analytics Research, Industrial Software Landscape 2022–2027, We welcome republishing of images but ask for source citation with a link to the original post and company website.

AUGMENTED PRODUCT

ACTUAL PRODUCT

CORE VALUE

Delivery and credit
After-sales service
Brand name
Features
Quality level
Design
Packaging
Installation
Warranty

Growth

Industry Growth Stages

- Is your industry growing or shrinking?

  You'll want to show in your business plan how much is sold in your industry, both historically and predictions for the future.
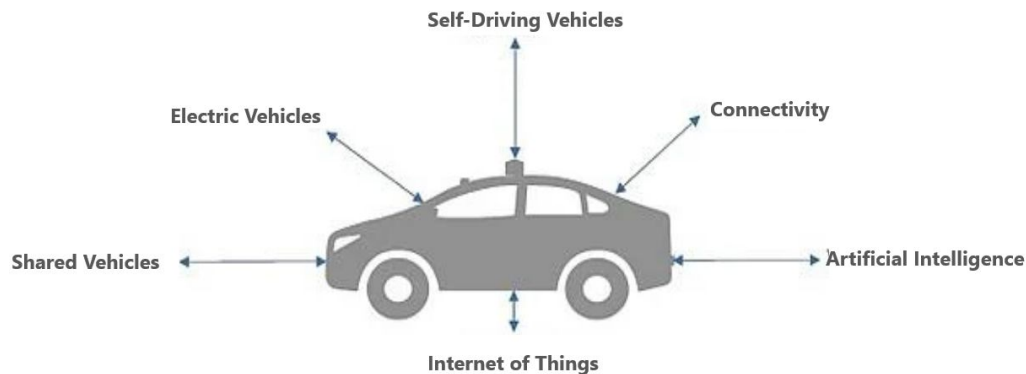
  For example, the smartphone industry will ship 1.53 billion units in 2017 and is predicted to ship 1.77 billion units in 2021.
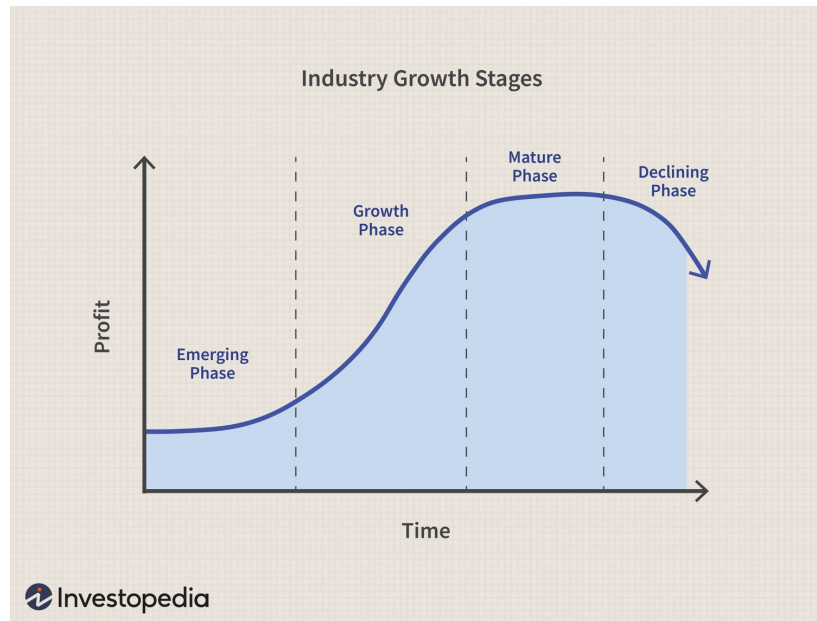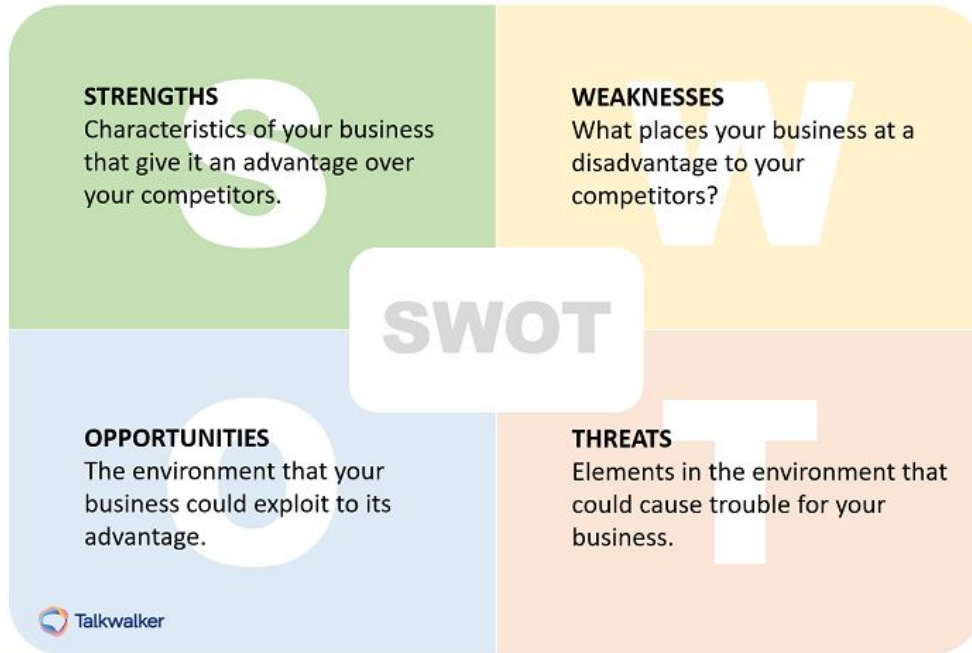
Trends

- If there are trends in your industry, you'll want to discuss those as well and how those trends will impact your business.
- E.g. "fast casual" restaurants in the restaurant industry, e-readers in the book industry, self- driving trend in auto cars.

TOP AUTO TRENDS 2021

Self-Driving Vehicles

Electric Vehicles

Connectivity

Shared Vehicles

Artificial Intelligence

Internet of Things

Competitors

STRENGTHS
Characteristics of your business that give it an advantage over your competitors.

WEAKNESSES
What places your business at a disadvantage to your competitors?

SWOT

OPPORTUNITIES
The environment that your business could exploit to its advantage.

THREATS
Elements in the environment that could cause trouble for your business.

Talkwalker

- Who are your key competitors in your industry?

- Are there businesses who are using strategies that are similar to yours? How are you different?

Industry-specific considerations

- Consumer goods: Product segmentation, Brand image, distribution channel (online vs offline)
- Electric vehicles: Industrial chain (battery),
- Healthcare: innovation capital, TAM (estimate patient base), partnership
- Artificial Intelligence: Research and innovation, commercial application, and mass production.