



Understanding Your Market.

Getting this wrong can be one of the biggest setbacks in any business when it starts-up. There is a tendency to overestimate the market size and the share you can achieve. If you are in doubt watch Dragon's den – many a poor victim has fallen foul at this stage. To get a better understanding of your market you need to define your market and then get intelligence on your market, then finally test your market.

- Define your market
- Research your market
- Test your market

Defining Your Market

Factors to consider and research about your market:

Demographics: what age group, sex, race, religion etc are likely to buy your goods and services?

Technology trends: What affect is technology having on the market? Are more people buying what you offer online for example? Is there scope for a more direct service?

Rules and regulations: what affects your business idea? What constraints will this bring?

Economic climate: with the recent Covid-19 pandemic we can see clear trends e.g., retail closing. What other economic factors might affect your market?

Customer needs: what is it they want? What are they not getting? What are the subtle but important things that affect their choices?

Competitors: who are you competing against? What do they offer? What's their reputation like?

Research Your Market

Learn as much as you can about the market you want to operate in.

Speak to your potential customers.

Speak to your suppliers.

Speak to your competitors.

Go to conferences, industry expos (albeit online at the moment).

Do online research.

Check social media.

Test Your Market

What value are you bringing to your market?

What differentiates you?

Test out your offering with your customers, and get their feedback.

What will you deliver for them?

What price are they likely to pay?



Activity



Carry out the activities above and then capture your ideal customers.

Target Customer	Customer Needs & Wants	What Your Offering will Deliver	Likely Number of Customers	Prices Likely to Pay for your Offering
Describe a 'typical' customer of this type. What defines them? What is important to them? Customer A	Describe what the customer needs & wants in relation to your offering e.g. needs skill development opportunities, wants a place to work etc.... Reference how you know these things e.g. from market research data	Describe how/why your offering will satisfy the customer's needs &/or wants. Note any particular aspects of your offering that will delight the customer.	How big is this target group? How many would you be aiming to attract as customers?	How much do you think you could sell your product/service for? (Consistent with your pricing strategy)
Customer B				
Customer C				
Etc.				

Other related information

SEDG Resource - Developing A Marketing Strategy

SEDG Resource - Developing Digital Capabilities

SEDG Resource – Undertaking Market Research

SEDG Resource – Questionnaires and Surveys

SEDG Resource – Focus Groups

Need help?

You can contact at us and arrange a call at: sedg@tsdg.co.uk