



Market Research

Erasmus+

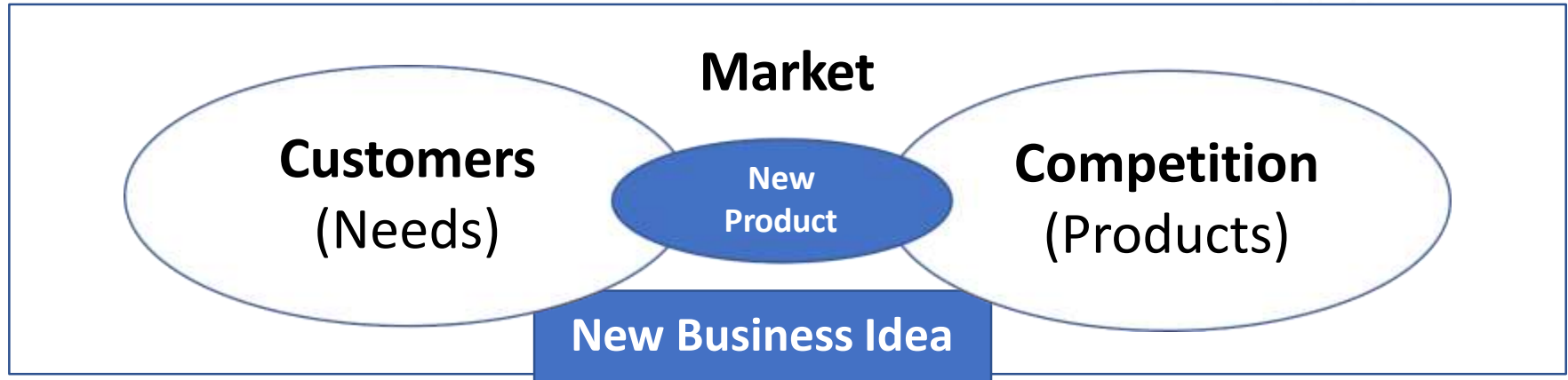


In this workshop we will:

- show you how to **conduct market research**
- help you to learn how to **define the target market**

Helpful to analyze business ideas from the market perspective

A new **business idea** can be successful if it results in a new **product** that is accepted positively by **customers** and survives in the **market** against **competition**.



- How can the market in which we operate be defined? (**target market**)
- How does market potential unfold in the market? (**market potential**)
- What is the current and expected market growth like? (**market trend**)
- What are the relevant customers? (**key customers**)
- Who are the current competitors in this market? (**direct competitors**)
- ...



1. Market

Size, Value, Trend

2. Clients

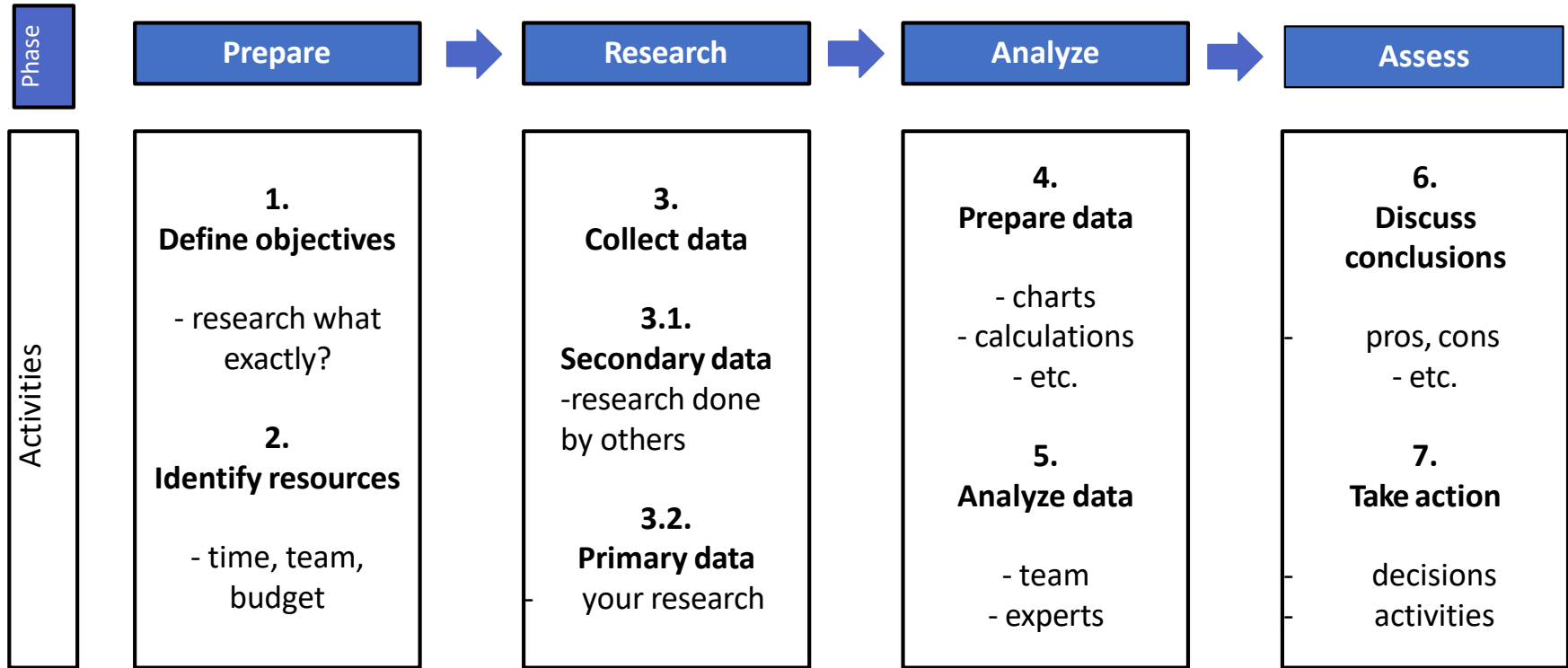
Segments, Needs

3. Competitors

Solutions, USPs

4. Potential

Chances, Barriers



**Simple
products**

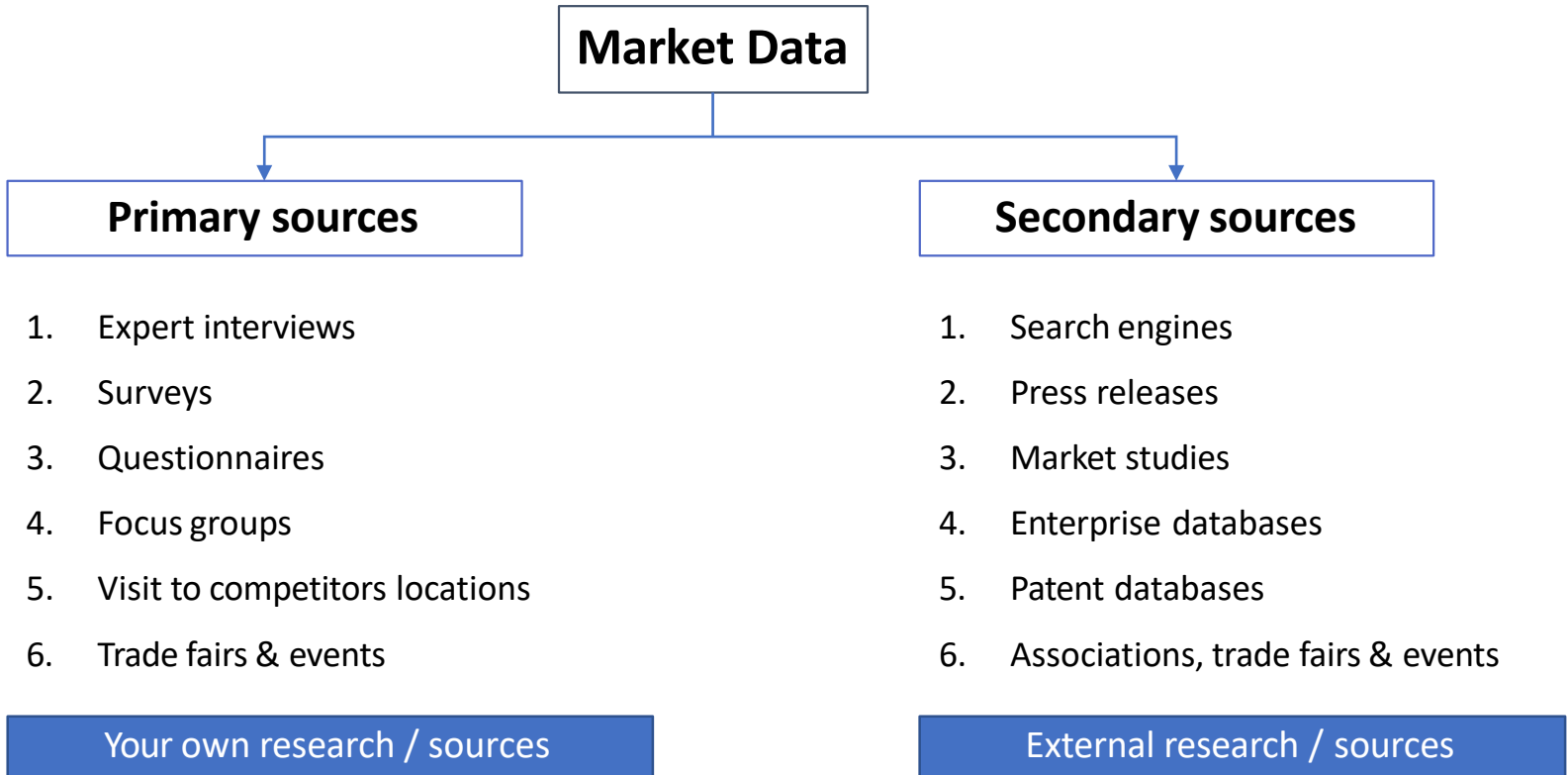
1/3 primary data
2/3 secondary data
lower costs
quicker

**Innovative
products**

2/3 primary data
1/3 secondary data
higher costs
longer



**Which product?
Which data?
How much budget?**



Primary data

**Information that is collected first-hand,
generated by original research**

Advantages:

- Information is specific ('fine grained'), relevant and up to date

Disadvantages:

- High costs and amount of time associated with its collection
- Existing knowledge of market might be decisive

Secondary data

**Information that has already been collected
for other purposes and is readily available**

Advantages:

- Inexpensive
- Not time consuming

Disadvantages:

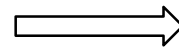
- Non-availability of data
- Quite general level
- Data classification
- Comparability of data

Source	Use
www.google.com	advanced search engine
▪ Google <u>Scholar</u>	publications
▪ Google <u>Patents</u>	patents
▪ Google <u>Image</u>	images
▪ Google <u>Books</u>	books
▪ Google <u>News</u>	news

Source	Use
statista.com	graphs, statistics, different industries
marketresearch.com	market analyses, sector analyses
marketsandmarkets.com	technology studies, market studies
frost.com	technology studies, market studies
Roland Berger, McKinsey, PWC, Deloitte, E&Y	business publications



Data / Information

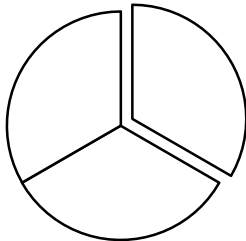


Analyze / Assess

Market Characteristics



Description of
Key Metrics



<p>1. Market Definition</p>	<p>Specific Name</p>	<p>... describes which specific market do you address</p> <p><i>What market are we talking about? (product view)</i></p>	<p>market for ... NAICS-classification</p>
<p>2. Market Size</p>	<p>Revenue Number</p>	<p>... describes the total sales volume or turnover in a given market</p> <p><i>How much revenue has been generated so far?</i> <i>How much revenue is possible in future?</i></p>	<p>small, medium, large</p> <p>sources: <i>statistics (e.g. Statista)</i></p>
<p>3. Market Trend</p>	<p>Growth Rate</p>	<p>... is an indicator of how a specific market is changing. This allows to analyze the market development in the past and in future</p> <p><i>How has the market developed so far?</i> <i>How will the market develop in the future?</i></p>	<p>positive, neutral, negative</p> <p>sources: <i>statistics (e.g. Statista)</i> <i>opinions (experts)</i></p>

1. MARKET CHARACTERISTICS (EXAMPLE)

1. Market Definition	Specific Name	Market for Electric Vehicles <i>NAICS-Code: 48 – Transportation (www.naics.com)</i>
2. Market Size	Revenue Number	Large 2020 – 260 b USD 2026 – 1 t USD <i>Source: Statista (www.statista.com)</i>
3. Market Trend	Growth Rate	Positive sales growth from 4,2% in 2020 to 8,3% in 2021 20% between 2020 to 2026 <i>Source: Statista (www.statista.com)</i>

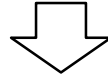
Market Characteristics



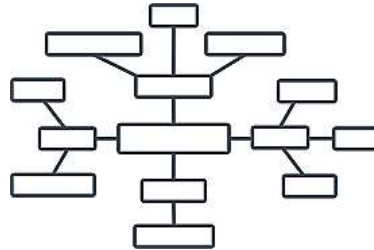
Description of
Key Metrics

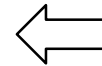
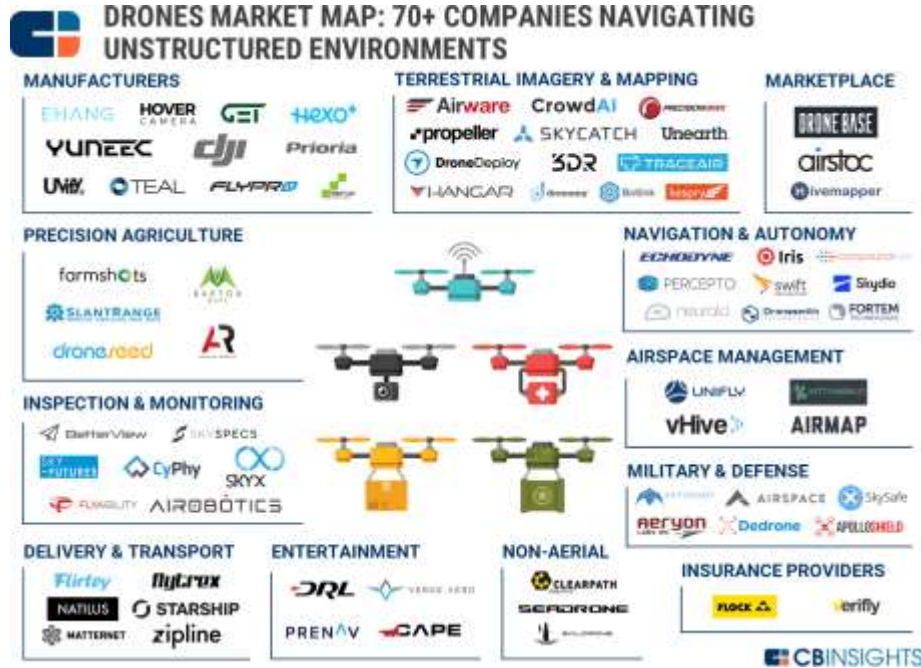


Market Map

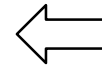


Visualization of
Key Players

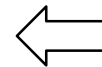




Clients



Competitors



Stakeholders

<https://www.cbinsights.com/research/report/>

Clients

B2B:

- companies

B2C:

- Individuals

B2G:

- organizations

Primary Clients

Secondary Clients

Future Clients

Competitors

Products / Services:

1. Existing companies (SMEs, Corps)
2. New companies (start-ups)
3. Future companies (R&D projects)

Direct Competition

Indirect Competition

Future Competition

Stakeholders

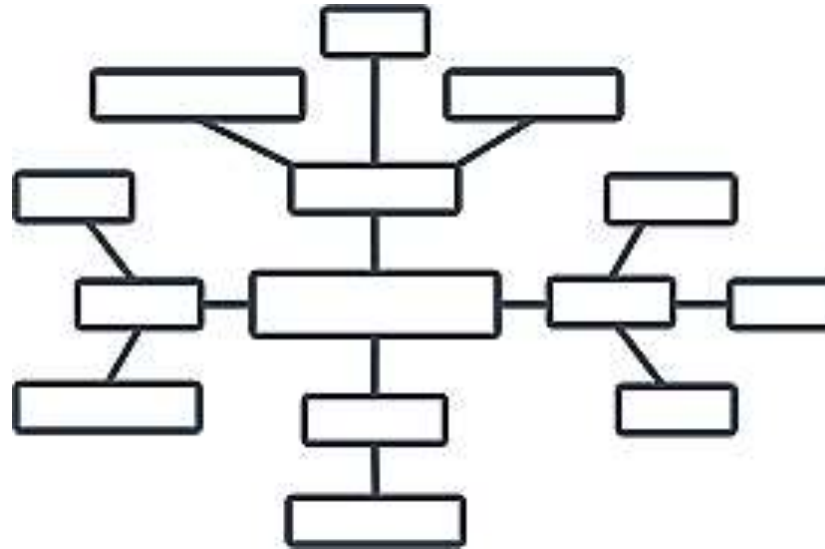
Additional Market Players:

1. Industry Associations
2. Public Organizations (Ministries)
3. Investors (VCs, Business Angels)
4. Manufacturers, Distributors
5. R&D Organizations
6. ...

Key Opinion Leaders

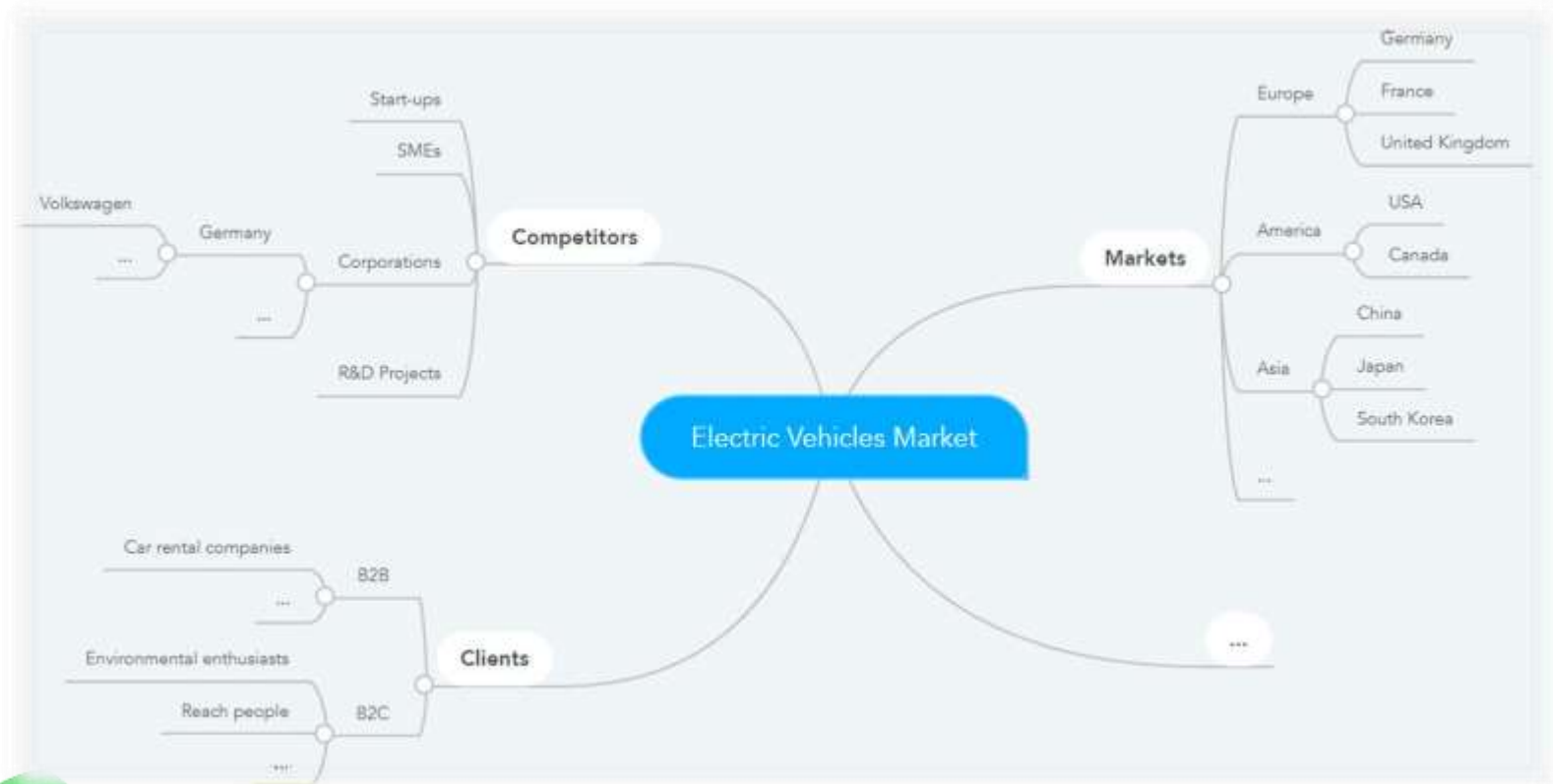
Sponsors / Supporters

Potential Partners

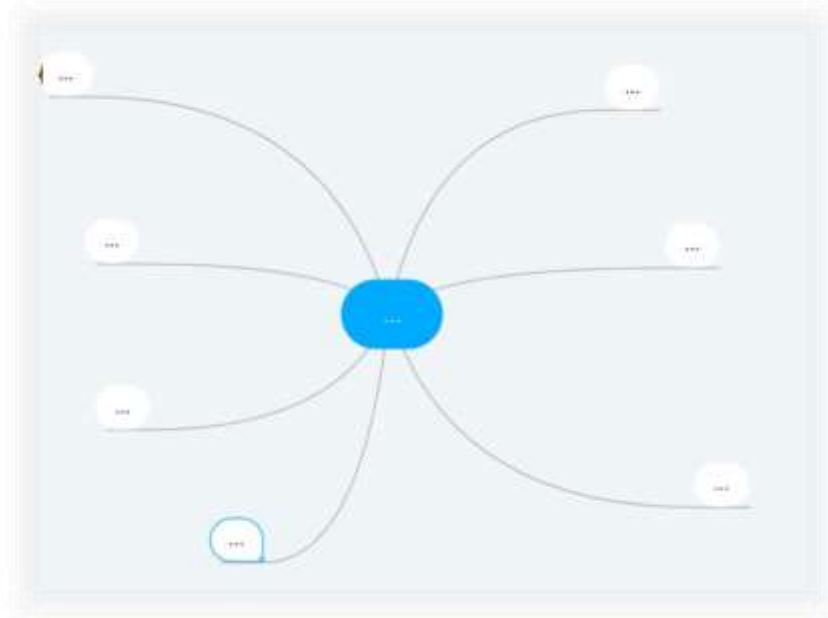


Mindmap

2. MARKET MAP (EXAMPLE)



2. EXERCISE (HOME WORK)



Mindmap

Market Characteristics



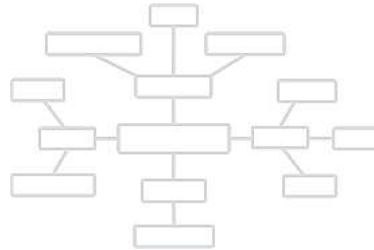
Description of
Key Metrics



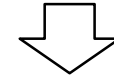
Market Map



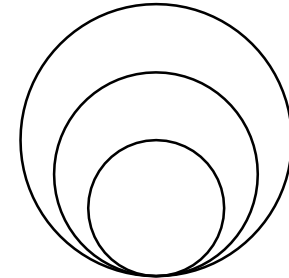
Visualization of
Key Players

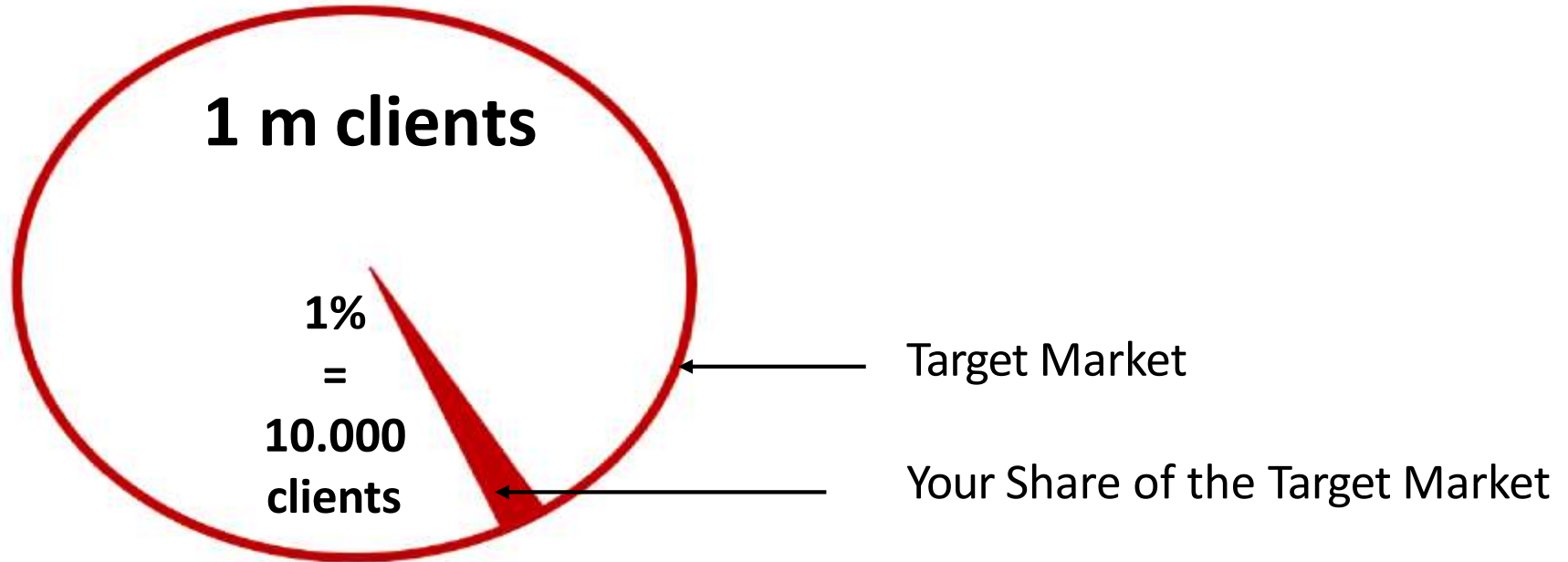


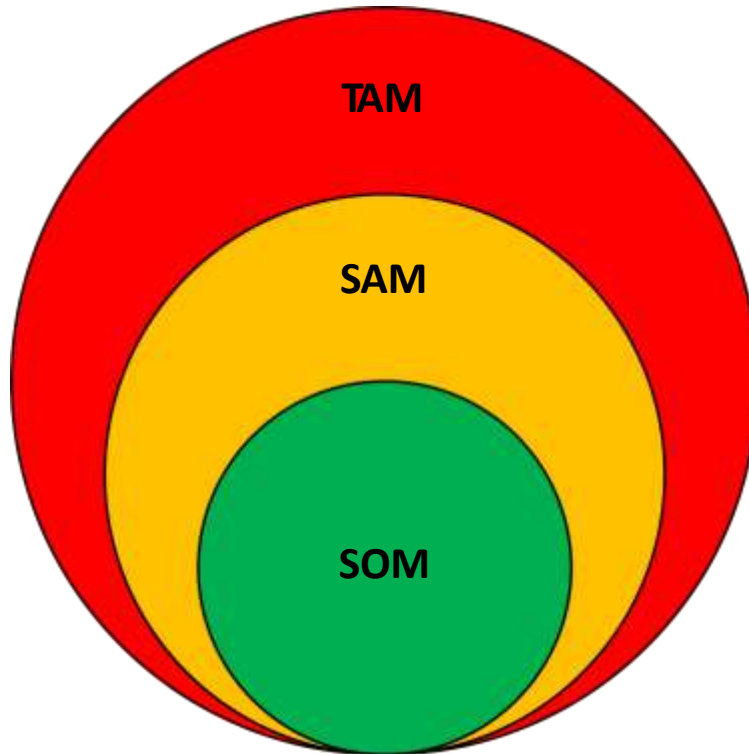
Market Potential



Assessment of
Target Size and Value







Theoretical Potential

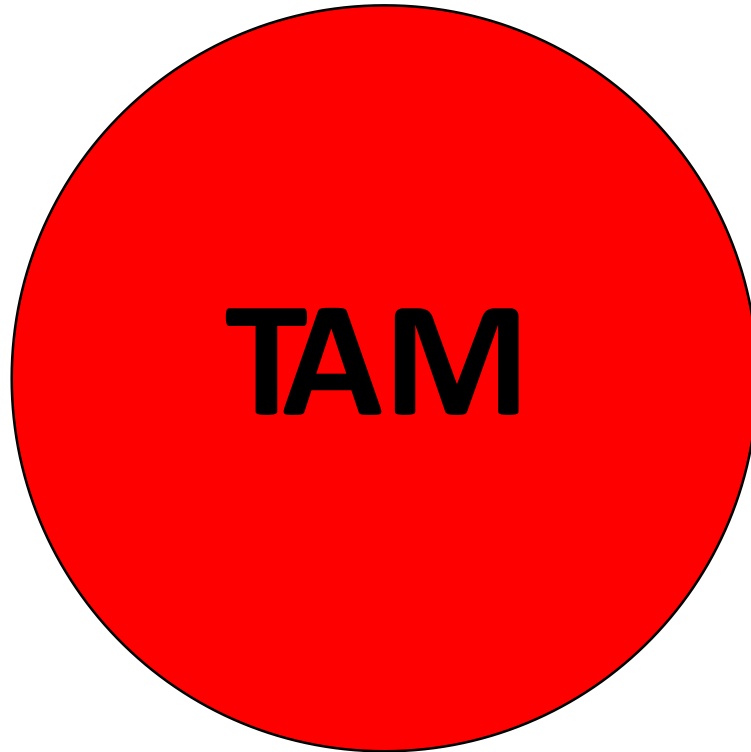
(monopoly, no market barriers, no competitors)

Realistic Potential

(aimed at a specific target group of customers)

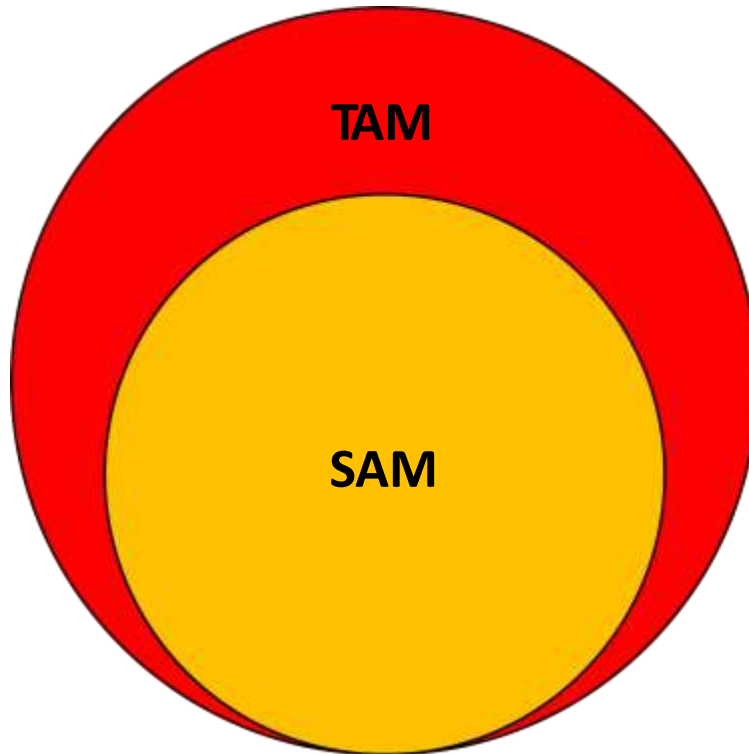
Short-Term Potential

(aimed at own resources – first growth phase)



TAM – Total Addressable Market

Who could buy in theory?

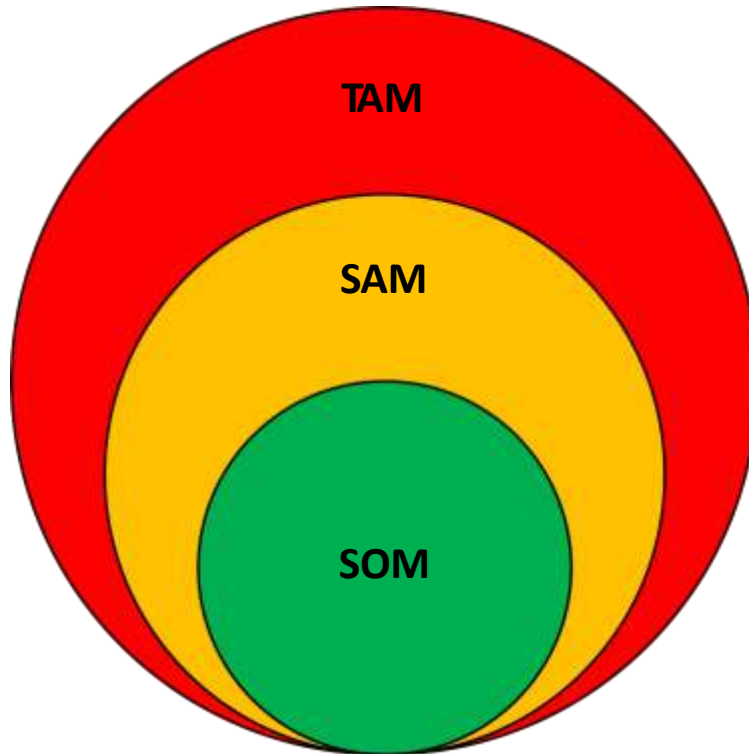


TAM – Total Addressable Market

Who could buy in theory?

SAM – Served Market

Who could be the real client?



TAM – Total Addressable Market

Who could buy in theory?

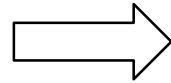
SAM – Served Market

Who could be the real client?

SOM – Obtainable Market

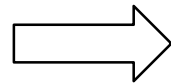
Who could buy from us?

Market Size



No. of clients

Market Value



Value of sales

Problem: Bird strike

Market: Market for bird monitoring

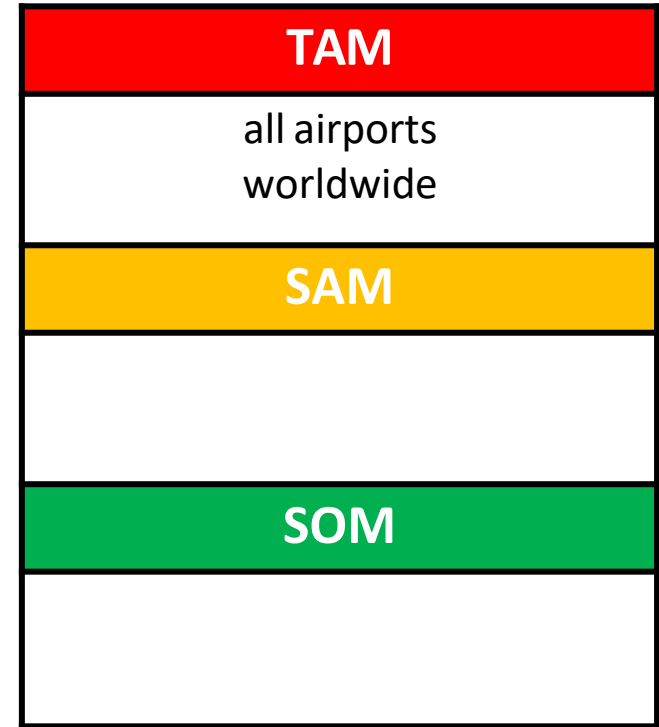
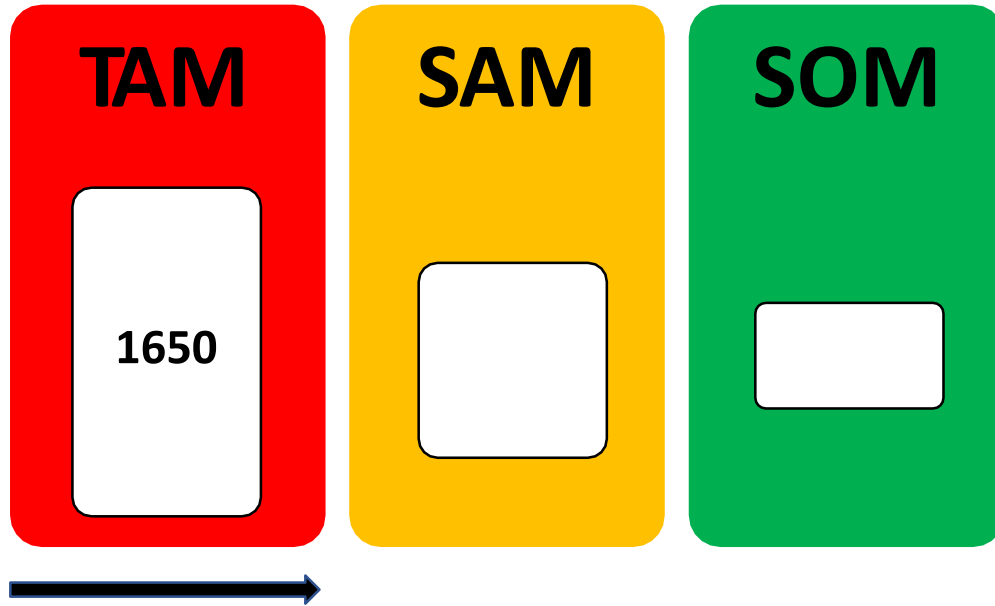
Target client: airports

Solution:

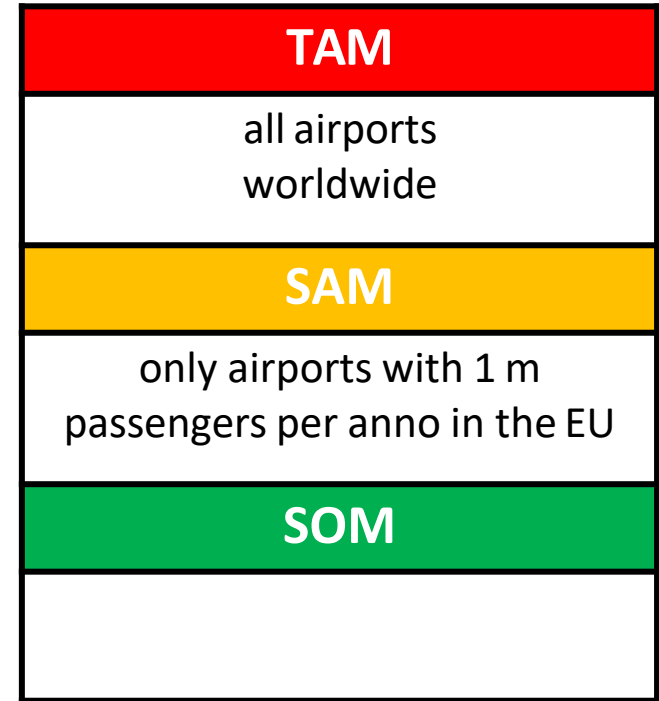
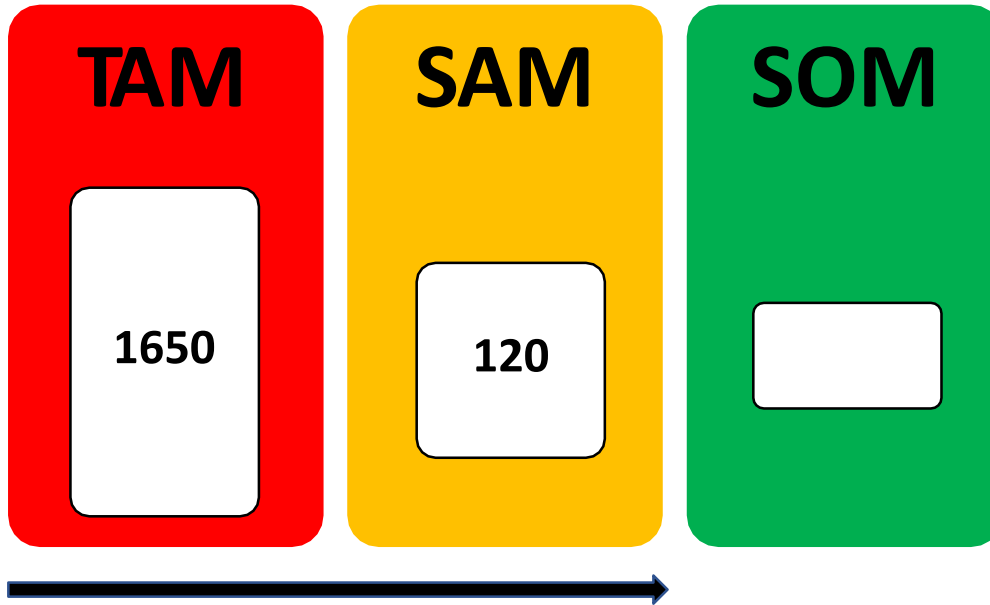
Digital scare crow



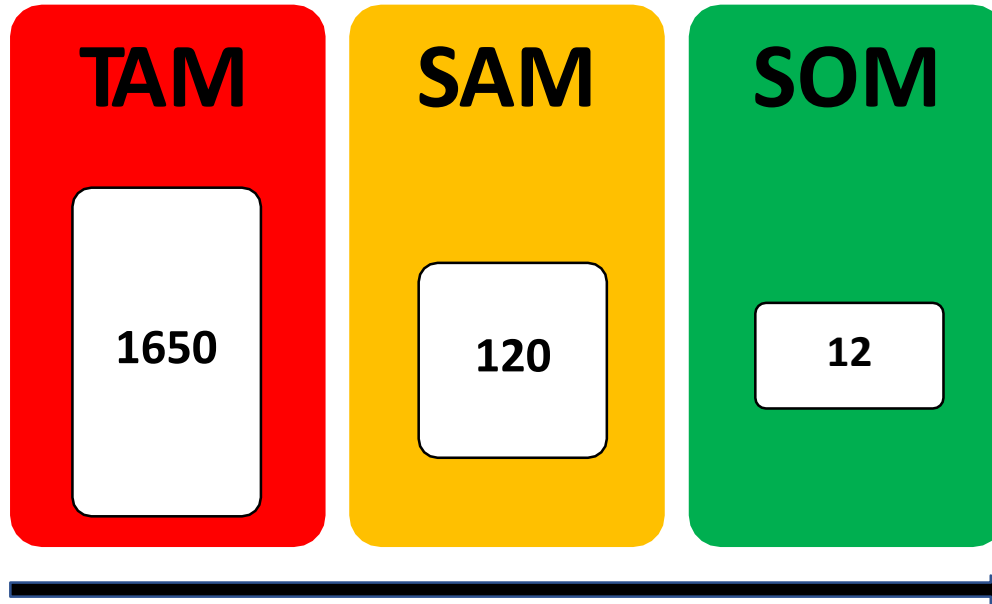
TAM Size = Clients in theory?



SAM Size = Real target clients?

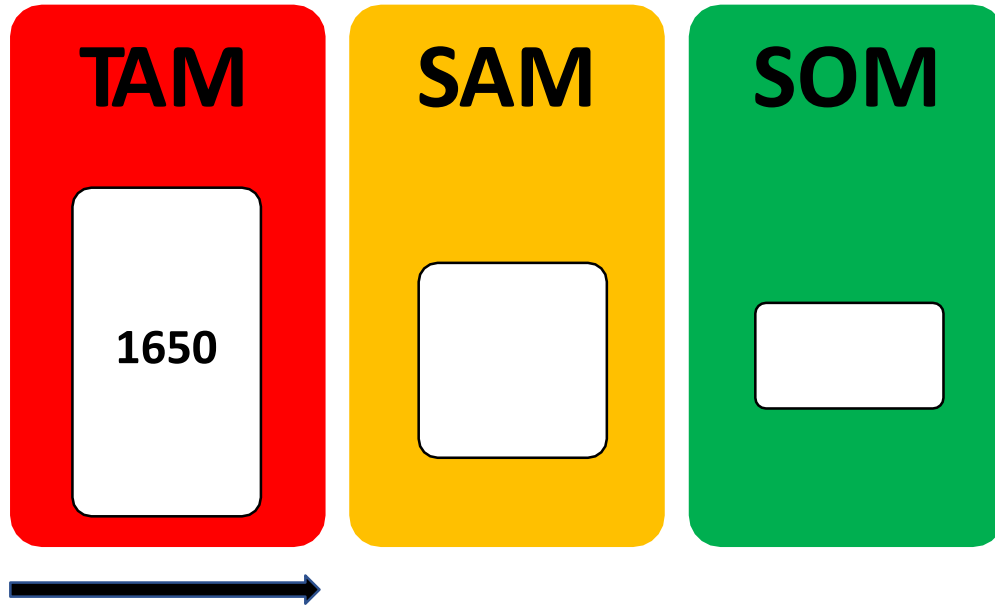


SOM Size = How many real target clients looking at own resources / limitations?



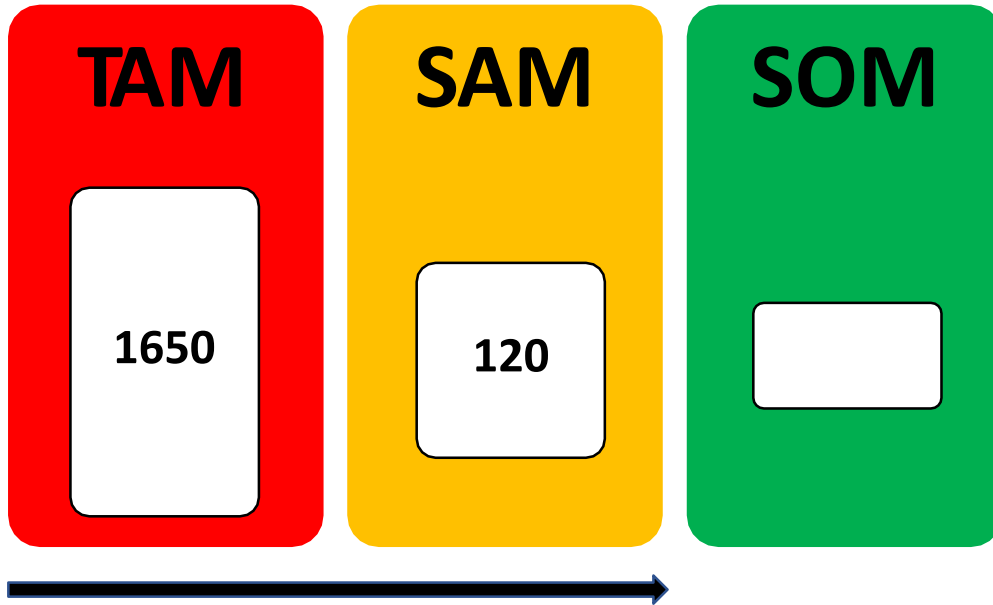
TAM
all airports worldwide
SAM
only airports with 1 m passengers per anno in the EU
SOM
business model / resources: 12 products (3 years) = 10%

TAM Value = All Theoretical Clients x Price



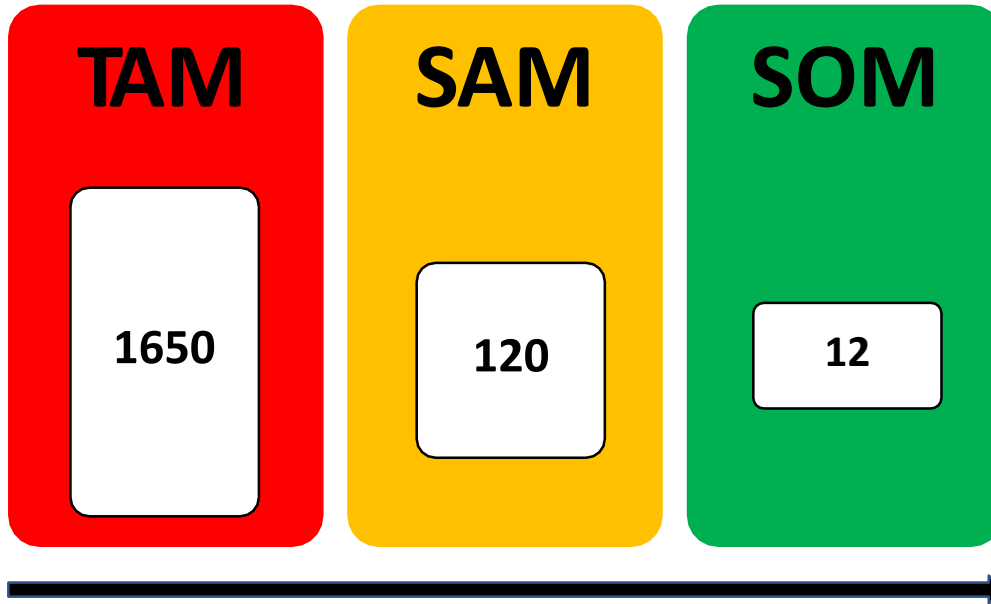
TAM
1650 airports x 250.000 USD = 412,5 m USD
SAM
SOM

SAM Value = Specific Real Clients x Price

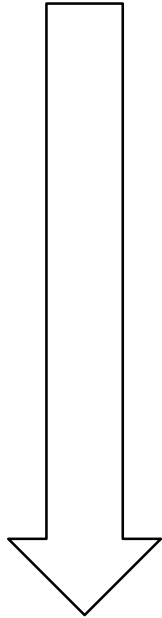


TAM
1650 airports x 250.000 USD = 412,5 m USD
SAM
120 airports x 250.000 USD = 15 m USD
SOM

SOM Value = Obtainable Clients x Price
in the first growth stage (e.g. 3 years)



TAM
1650 airports x 250.000 USD = 412,5 m USD
SAM
120 airports x 250.000 USD = 15 m USD
SOM
12 airports x 250.000 USD = 3 m USD



1. Describe your target group:

- Who are you addressing with your product in general?
- Who could be a real target clients? (specific segment/type)

2. Define the market size:

- How many of potential target clients can be identified?
- How many of these clients are relevant for your business model?

3. Define the market value:

- what is the product price?
- how much money does a client spend on this product?
- how many times does a client buy this product a year?