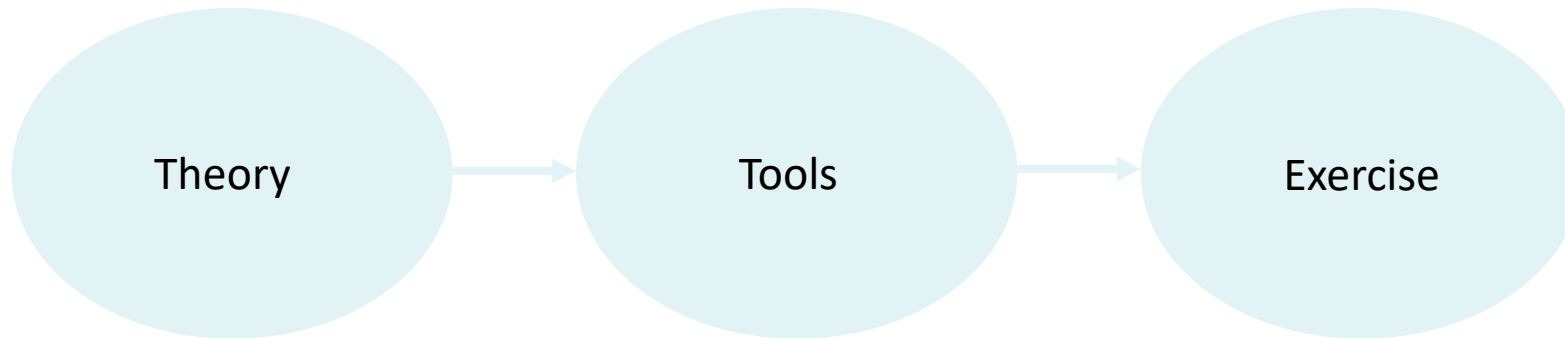# ENCORE
Workshop – Market Analysis

Alicante

09.05.2022-11.05.2022

Learning Outcomes

- Highlight the **importance** of a market analysis.

- Learn **when** a market analysis should be done and **what** makes a successful market analysis.

- **Apply tools** that entrepreneurs use to successfully conduct a market analysis.

Agenda

Theory → Tools → Exercise

Market analysis

Market analysis = A market analysis is a thorough qualitative and quantitative assessment of a current market.

Why conduct a market analysis?

– Avoid wasting resources and time

– Determine first if proposed solution is needed

– Ensure demand is big enough so people will pay for what you offer

– Reduces risk because understanding potential customers and market conditions is crucial to have a better chance of developing viable products or services.

Types of market analysis

- ## Qualitative

Determine customer motivation:

e.g. close observation = small groups or face to face

- Measurable data that can be transformed to statistics

- ## Quantitative

Collecting large amounts of data:

e.g. surveys, questionnaires, polling methods...

- Designed for diving deeper & understanding the underlying reasons, opinions and motivations

A market analysis helps to find out:

- Who are my potential customers?

- What are their buying habits?

- How many of them are there?

- How much will they pay?

- Who is my competition?

- What have their challenges and successes been?

Where to get the necessary data for a market analysis

– Current customers → **invaluable resource**

– Statistics from official government websites

– Internet (not Wikipedia)

Tools for market analysis

1. PESTEL

2. Decision Canvas

3. TAM SAM SOM

4. BCG

PESTEL

Evaluate the external environment of a business by breaking down opportunities and risks into:
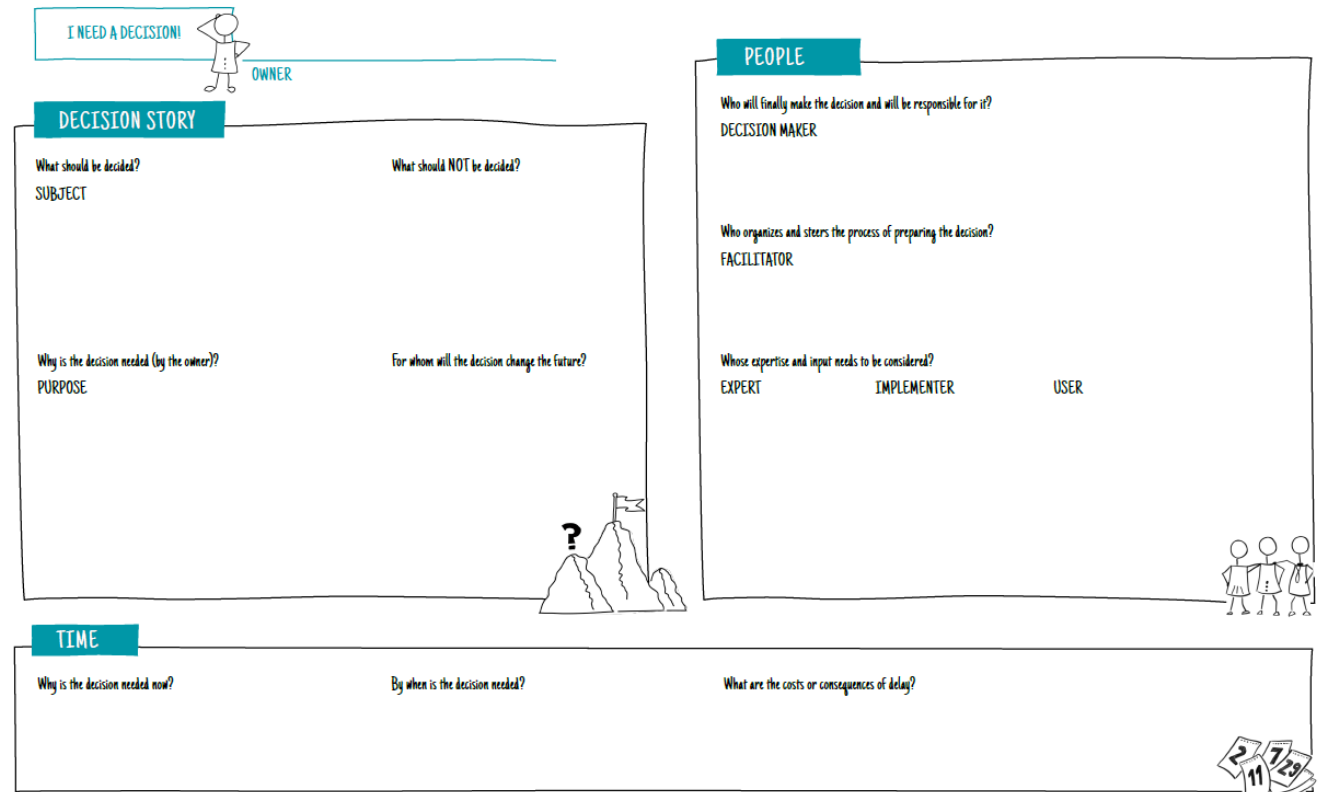
- **P** olitical

- **E** conomic

- **S** ocial

- **T** echnological

- **E** nvironmental

- **L** egal

Decision Canvas – Over the fence

- Visualizes all the questions that need to be discussed before starting a decision-making process or project – on one page!

- Supports in identifying whether a decision needs to be taken

- Slow thinking – supports in good decision-making – think about yourself!

DECISION CANVAS

I NEED A DECISION!
OWNER

DECISION STORY

What should be decided?
SUBJECT

What should NOT be decided?

Why is the decision needed (by the owner)?
PURPOSE

For whom will the decision change the future?

PEOPLE

Who will finally make the decision and will be responsible for it?
DECISION MAKER

Who organizes and steers the process of preparing the decision?
FACILITATOR

Whose expertise and input needs to be considered?
EXPERT   IMPLEMENTER   USER

TIME

Why is the decision needed now?

By when is the decision needed?

What are the costs or consequences of delay?

TAM SAM SOM

- **TAM:** Total Addressable Market = Total market for your product

- **SAM:** Serviceable Available Market = Portion of the market you can acquire based on your business model

- **SOM:** Serviceable Obtainable Market = Percentage of SAM you can realistically capture
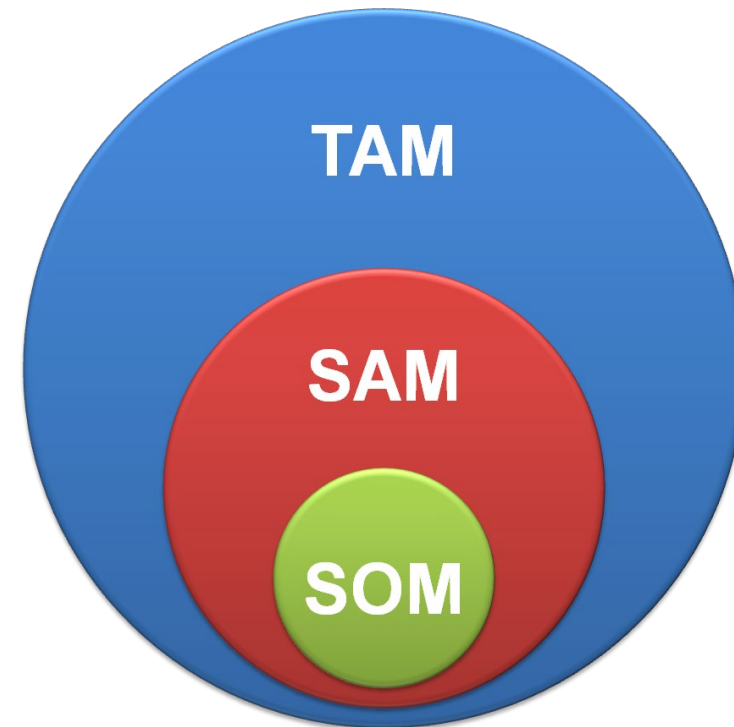
BCG matrix

- Cash cows: don't cost much and promise high returns

- Stars: need big investments to turn them into cash cows

- Question Marks: can be turned into stars with a lot of support and investment

- Dogs: should only be held on to if they have value other than financial e.g. vanity project
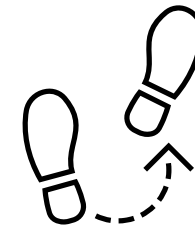
Market analysis

- According to a pre-defined structure (Market Evaluation Model)

- Macro- and micro environment analysis according to pre-set indicators

- No unified approach – each company needs to find their process

- Often done through consulting – why? Expensive and resource intense when done accurate

Market Analysis

| Macro-economic analysis | Industry analysis | Competitor analysis | Customers |
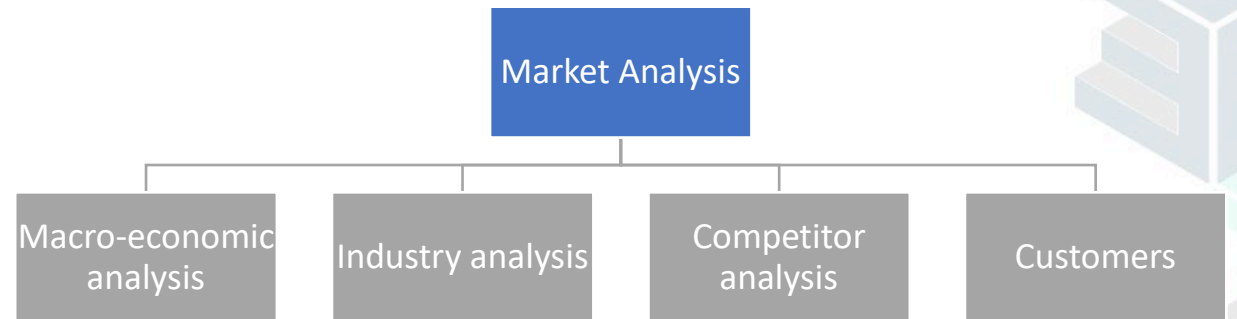
Exercise *(1-1,5 hour)*

1. Get together in your university team groups

2. Conduct a market analysis for your EKCs

3. Use the Excel grid to write down your findings

4. Write a short summary of your findings

5. Present shortly what the outcome of your analysis is.

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