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Intro to Market Research and SWOT Analysis



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Hey all!
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Market Research

Market Analysis

Research is essential to understanding a company's problem and opportunities and formulating effective solutions and ideas

Market research is also important for **validating assumptions** by finding supporting facts and data from trusted sources



Market Analysis (cont.)

There are 2 types of market research:


Primary research

- ▷ Useful when you know what questions to ask and exactly whom to target
- ▷ Most effective for validation and solution creation
- ▷ Most common methods include: surveys, focus groups/user testing, interviews

Secondary research

- ▷ Useful at any stage of research, but most useful at initial research
- ▷ Common sources: think tank publications, credible news articles, industry information database/existing market research

How Should You Pick Your Idea?

1. Determine which idea(s) resonates most with you
 - a. What is the central problem you want to solve?
 2. Determine feasibility (market research)
 - a. Is your idea already in the market? What do the trends predict? How will it grow? Are you and your team's abilities compatible?
 3. Determine target audience standpoint
 - a. Step in your target audience's shoes
 4. Apply frameworks for quantitative/qualitative reasoning
- 

Porter's 5 Forces*

Objective: Determine profitability and attractiveness of the market and ultimately assess whether a company should enter/seek a different position in the industry or exit entirely

- ▷ Competitive structure of industry
- ▷ Market profitability

* More helpful for *existing* ideas, but great to use to think further about how your idea can grow



Porter's 5 Forces (cont.)



Porter's 5 Forces (cont.)

Rivalry Among Existing Competitors

- Number of competitors
- Diversity of competitors
- Industry concentration
- Industry growth
- Switching costs
- Quality differences*
- Brand loyalty*
- Barriers to exit*

Threat of New Entrants

- Barriers to entry
- Economies of scale
- Capital requirements
- Cumulative experience
- Switching costs
- Brand loyalty
- Access to distribution channels (suppliers)
- Capital requirements

Substitutes

- Number of substitute products available
- Buyer propensity to substitute (market research)
- Relative prices of substitutes
- Perceived level of product differentiation
- Switching costs

Bargaining Power of Buyers

- Number of customers (market size)
- Differences among competitors
- Price sensitivity
- Buyers' ability to substitute
- Buyers' information availability
- Switching costs

Bargaining Power of Suppliers

- Number and size of suppliers
- Uniqueness of suppliers
- Focal company's ability to substitute

SWOT Analysis

SWOT Analysis

Strengths, Weaknesses, Opportunities, Threats

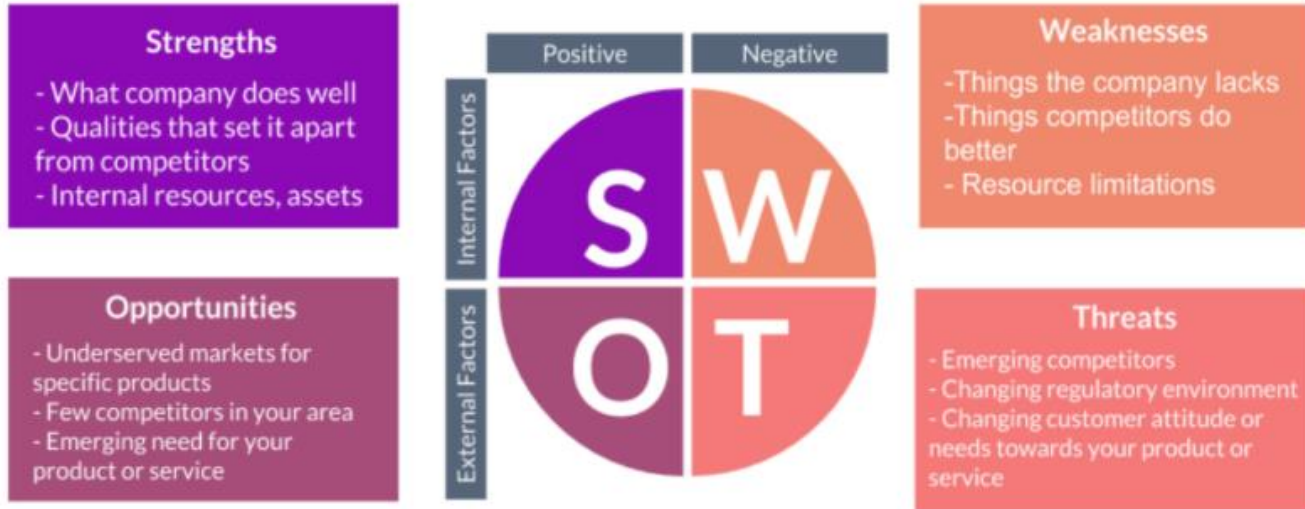
A *qualitative* framework for analyzing the market

Objective: Help organizations develop a full awareness of all factors surrounding a decision

- ▷ Competitive landscape
- ▷ Industry position
- ▷ Assists, Obstacles



SWOT Analysis (cont.)



Tip: Strengths and Weaknesses are things the company can directly change/control while Opportunities and Threats affect the entire market and are not in a singular company's control

SWOT Analysis (cont.)

For example...

▷ **Strengths**

- High product quality, good financial standing

▷ **Weaknesses**

- Organization not adaptive to changes, many layers of hierarchies

▷ **Opportunities**

- An economic boom is expected, a cheaper technology is developed

▷ **Threats**

- Other companies making similar products for cheaper costs





Collaborative Breakout Sessions

Breakout sessions are NOT recorded.

Don't be shy to show your friendly smile and participate!
Join back into the main room after to share and learn more.

Recap

- Market research is important for confirming your idea's performance and growth assumptions and gathering more information and data on the competitive environment you are in
- Porter's 5 forces is a framework for analyzing the industry competitive structure
- SWOT analysis is a framework for analyzing your idea's position in the industry's competitive environment





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Thank you!

Any questions?