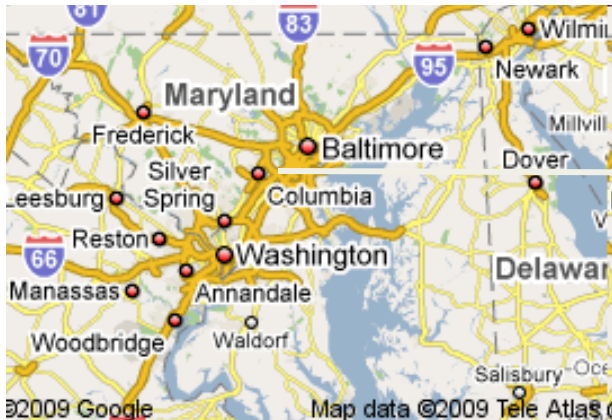


# Understanding the Market and Market Analysis

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# Motivation

TTOs and Inventors should have some idea of markets..

# OUTLINE

1. Knowing the customer and market
2. Knowing the Competition and Entry Barriers
3. Business Model Development

# The Product

## Is Your Idea

a Solution **to** a Problem or a solution  
looking **for** a problem?

# Knowing your Customer

Customer

VS

Consumer?

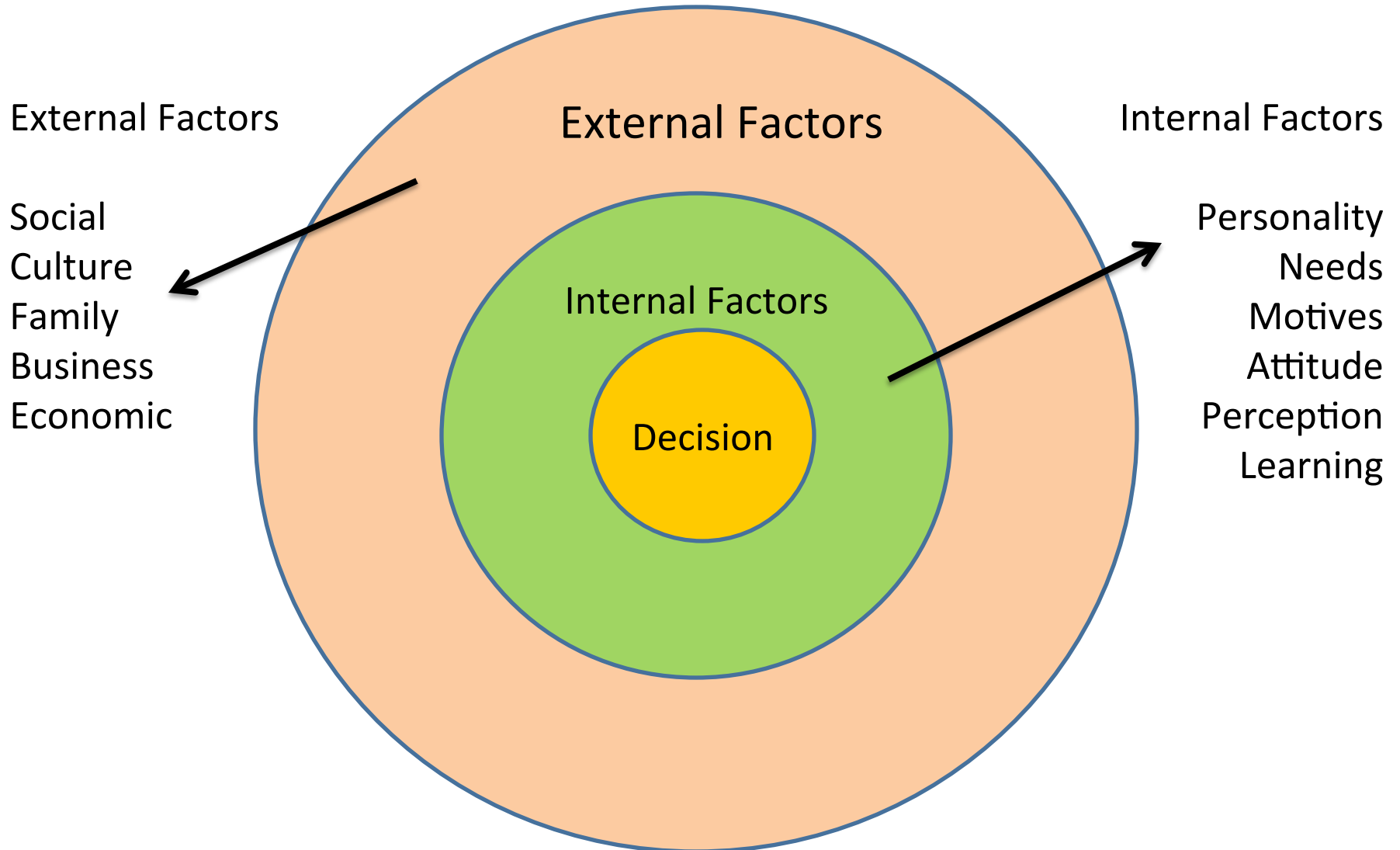


# Consumer Behaviour

*"The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society."*

**- excerpts from Dr Lars Perner University of Southern California)**

# Consumer Behavior



# Why Study Consumer Behavior?

- **Marketing strategy**

Towards better marketing campaigns

- **Public policy**

Recycling, phones and driving, smoking, alcohol consumption, certain medications, pollution, etc.

- **Social media marketing**

Getting ideas across to people through social media

- **A better consumer**

Educating the consumer



# Knowing Your Market

The market analysis is attempting to answer the questions:

- **To whom?** (Who is the target market)
- **How many?** (Size of market)
- **At what price?** (\$ Value of the market)

*These are simple questions, with often complex answers and a high level of uncertainty.*

# Market Pull and Technology Push

(Market pull - technical solution for an existing problem)



**3nethra** – An intelligent pre-screening Ophthalmology device  
<http://forushealth.com/forus/products>

# Market Pull and Technology Push

Technology push? (new or changed market))



Competition Unknown!

# Product Type and Market Size

**Custom products** (special electronic equipment, jewelry) - mostly contract jobs

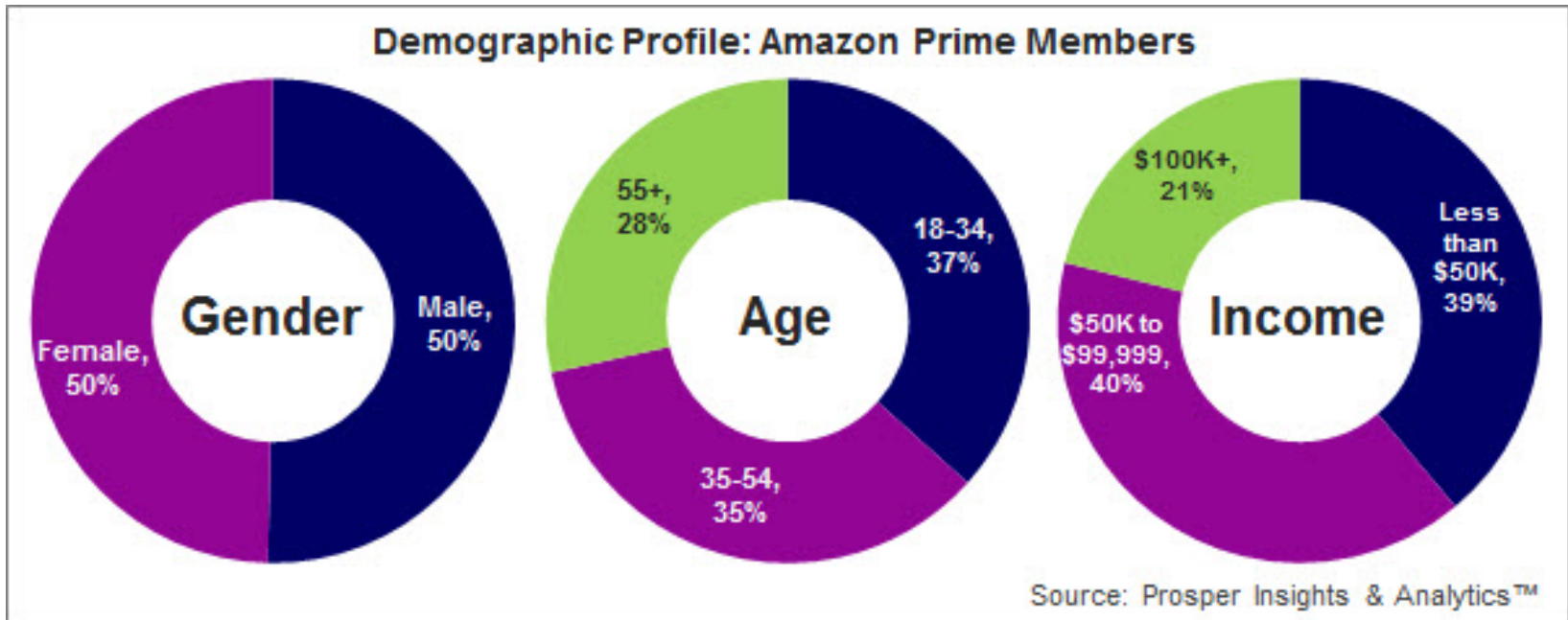
**Small volume** 500 – 5000? Depends on industry

**Large volume products** 50,000 – 50,000,000?

# Market Segments

- **Demographics**
- **Geographics**
- **Behavioral**

# Market Demographics



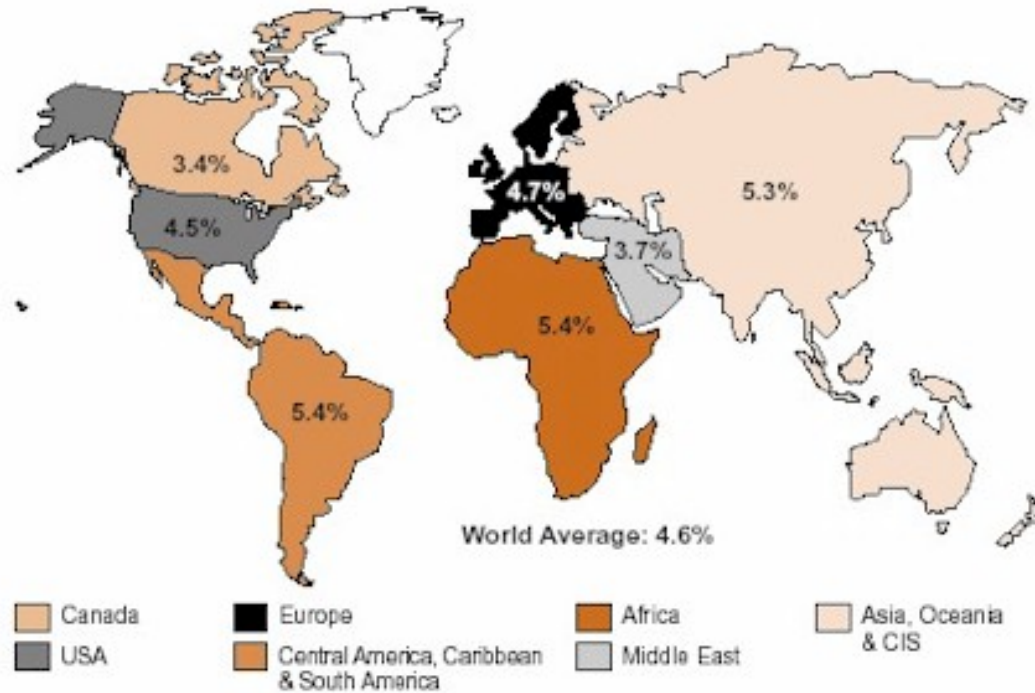
Forbes, 2013

# Market Demographics

## Demographic Segments

- Institutional or individual users
- Age group - Gen Y, Gen X, Baby Boomers and Seniors, males or females or both)
- Tech savvy?
- Geographic location – village, small town, city, country.
- Value of your product to money, space and time.

# Geographical Distribution of Market



<http://www.tc.gc.ca/eng/civilaviation/publications/tp13549-chapter5-2143.htm>



# Behavioral Segments (Psychographics)

Personality

Values

Attitudes

Lifestyles

Interests

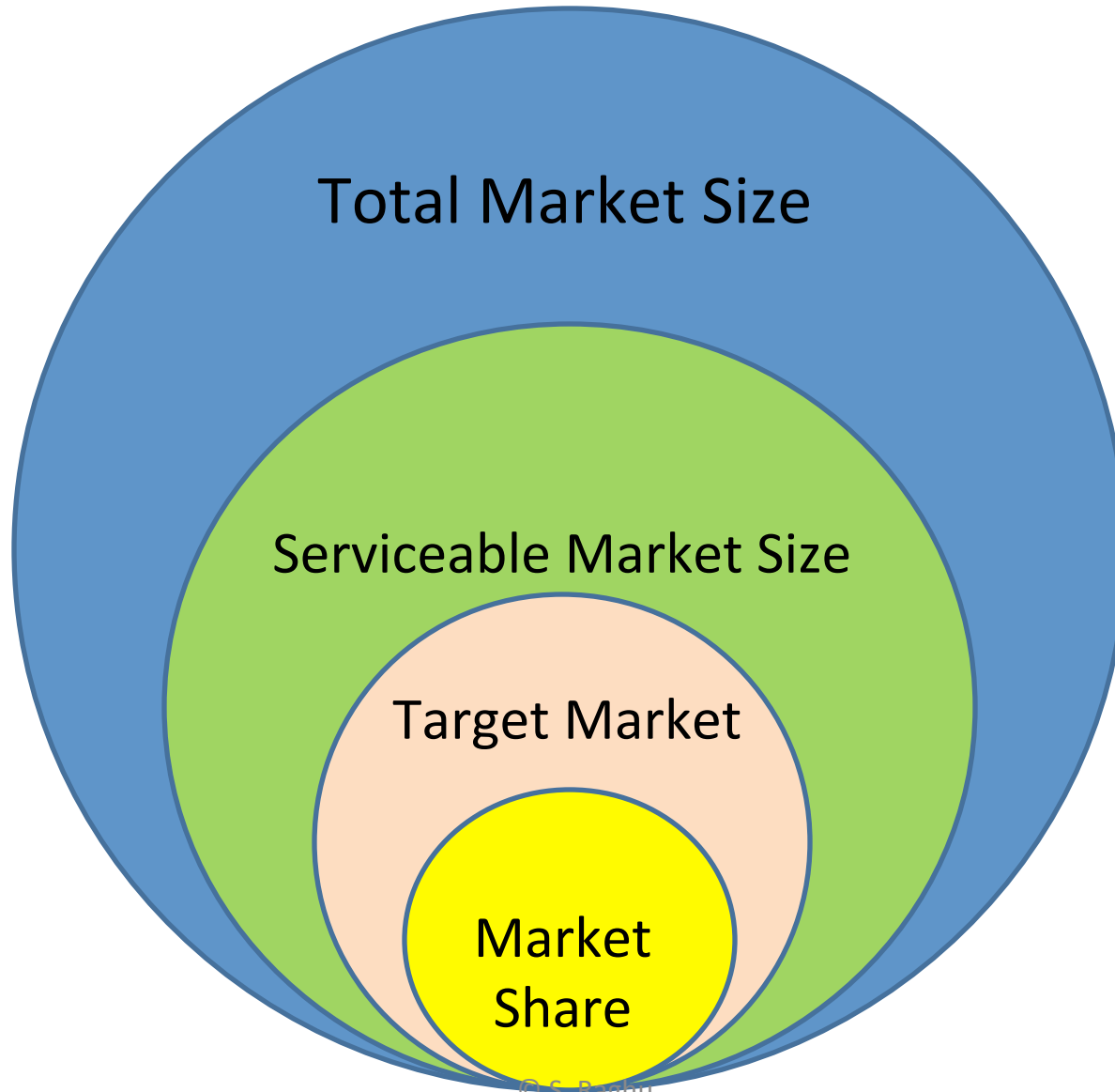
# Market Penetration

What percentage of market do you plan to capture?

What is the entry barrier?

How will you prevent competition from getting into your space?

# Market Penetration



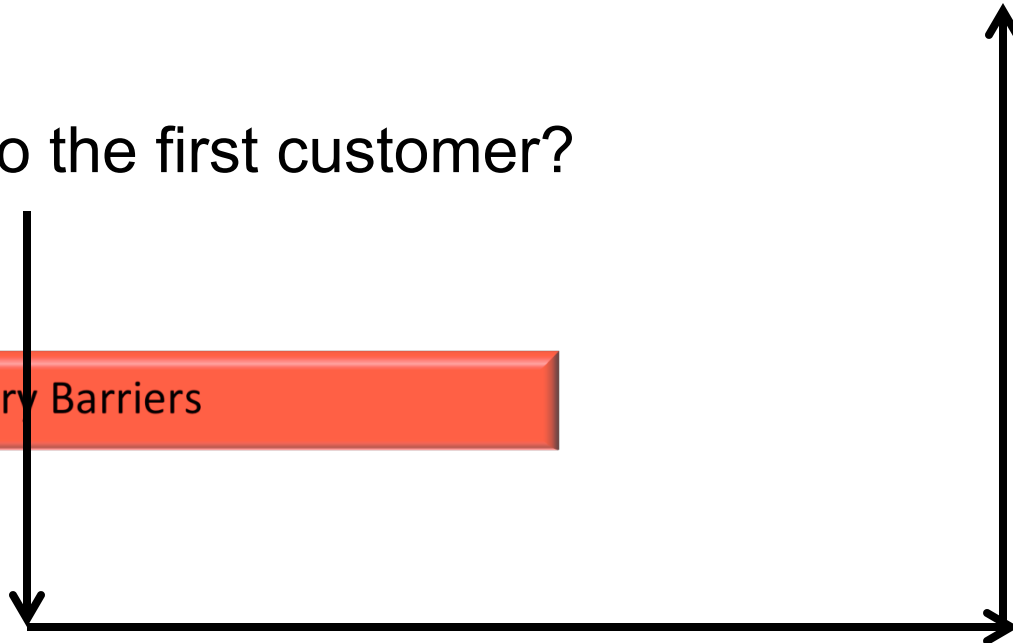
# The First Customer

First customer / First adopter?



Route (access) to the first customer?

Competition and Entry Barriers



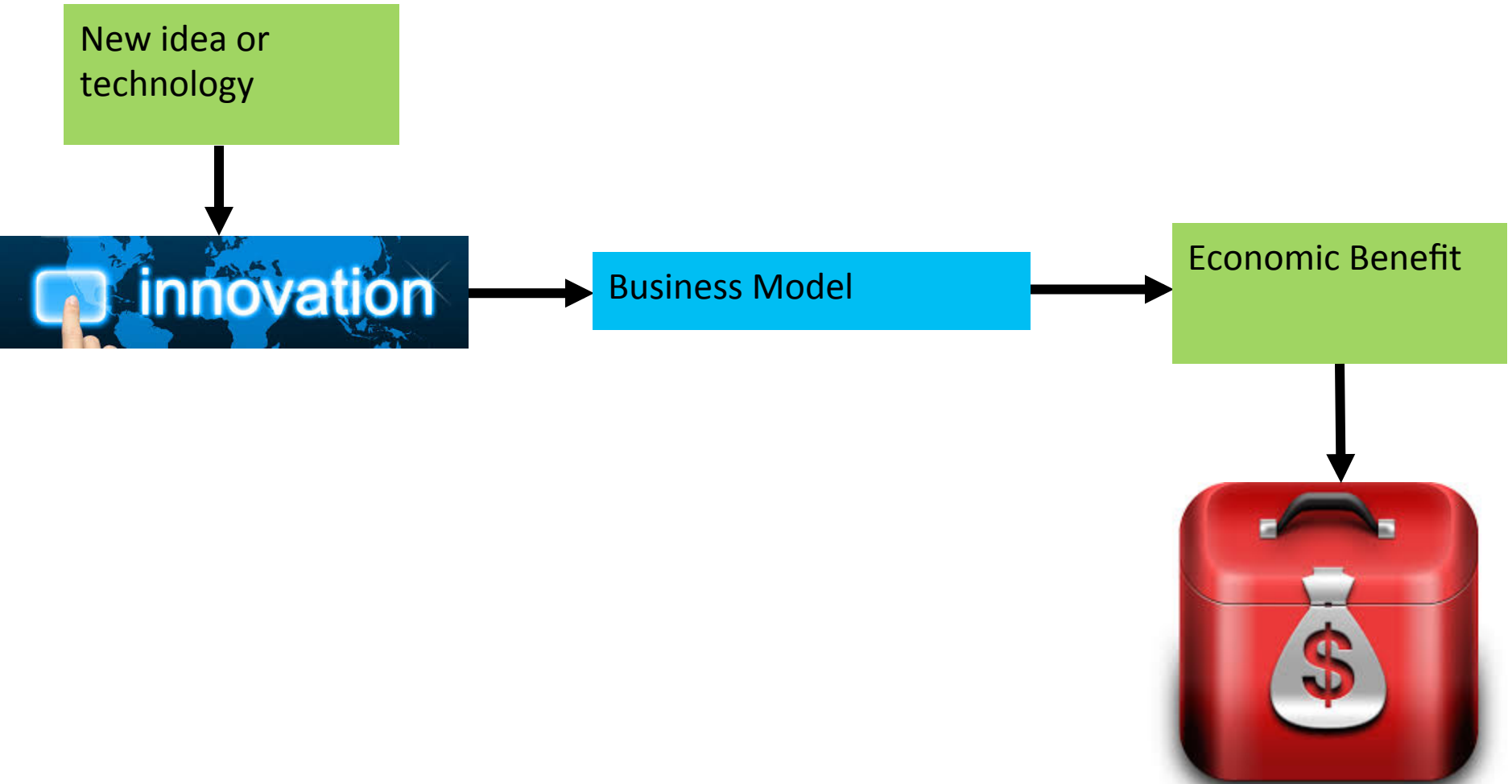
# Entry Barrier



# Knowing your Competition



# Business Model



# Why New Products Fail

Inadequate Market Analysis	32%
Bad Product	23%
Higher Costs than Anticipated	14%
Weak Marketing Program	13%
Poor Timing	10%
Competition	8%
<b>TOTAL</b>	<b>100%</b>

<http://www.bioplanassociates.com/services/newproduct.htm>



# Summary: The Market

Your Idea (solution to a problem) --→ Your Product?

Why does the market need this? (Market pull (technical solution) or Technology push? (new or changed market))

Who will buy it (customer profile – age group, profession, field of application, decision levels, geographical distribution...?)

How many people/organizations will buy it? (Market size?)

# Exercise