

ENTREPRENEURSHIP DEVELOPMENT AND STARTUPS

DIPLOMA WALLAH

COMMON FOR ALL BRANCHES

Jharkhand University Of Technology (JUT)

UNIT 4: Market Analysis & Strategy

1. Definition of Market Research

Market research is the **systematic process of collecting, analyzing, and interpreting information** about a market – including information about potential customers, competitors, and the overall industry environment.

It helps businesses **understand demand, identify opportunities, reduce risks**, and make **data-driven decisions** before launching or improving a product or service.

2. Importance of Market Research

Market research is one of the most crucial steps in business planning because it:

1. Helps identify **customer needs and preferences**.
 2. Reduces business risk by validating ideas before large investments.
 3. Helps understand **market trends** and changing consumer behavior.
 4. Enables better **competitor analysis** and positioning strategy.
 5. Guides **pricing strategies** and helps predict product demand.
 6. Assists in **choosing target markets** and defining marketing plans.
 7. Helps discover **new opportunities** for innovation and expansion.
 8. Improves customer satisfaction through tailored products/services.
 9. Provides **quantitative data** (numbers) and **qualitative insights** (opinions).
 10. Supports long-term **strategic planning** for sustainable growth.
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3. Types of Market Research

(a) Primary Research

Primary research means collecting **new and original data** directly from sources such as customers, surveys, interviews, or focus groups. **Examples:**

- Conducting an online survey using **Google Forms**.
- Interviewing customers in a store.
- Observing shopping behavior.

Purpose: To understand fresh customer opinions, needs, and feedback.

Advantages:

- Specific to your business needs.
- Up-to-date data.
- Direct interaction with target audience.

Disadvantages:

- Time-consuming.
- Expensive to conduct on a large scale.

(b) Secondary Research

Secondary research involves using **existing data** collected by others — such as industry reports, government data, research papers, or online databases.

Examples:

- Reading **Nielsen** or **Statista** reports.
- Studying government census data.
- Using online market reports.

Purpose: To get an overview of market trends, size, and competition.

Advantages:

- Cost-effective.
- Easily available.
- Helps in forming initial understanding.

Disadvantages:

- May be outdated.

- Not specific to your niche audience.

4. Basic Tools for Market Research

Tool	Description	Example
Online Surveys	Collects data directly from users through digital forms	Google Forms, SurveyMonkey
Competitor Analysis Tools	Analyzes competitor websites, pricing, and customer feedback	SEMrush, SimilarWeb
Industry Reports	Provides in-depth market trends, statistics, and forecasts	Statista, IBISWorld
Social Media Analytics	Monitors audience behavior and engagement	Meta Insights, X Analytics
Customer Feedback Tools	Gathers reviews and suggestions	Google Reviews, Typeform

5. Steps in Conducting Market Research

1. **Define the Objective** – What do you want to know? (e.g., Who is my target customer?)
2. **Determine the Research Type** – Primary or Secondary.
3. **Collect Data** – Use surveys, interviews, or reports.
4. **Analyze Data** – Identify trends, patterns, and insights.
5. **Interpret & Present Results** – Create reports or visual charts.
6. **Make Decisions** – Apply insights to product development, pricing, and marketing.

6. Analyzing Market Size, Trends & Growth Potential

To decide whether a business idea is viable, you must analyze:

Factor	Description	Example
Market Size	Total demand or number of potential customers in the market	“India’s smartphone market = 200M users”

Market Trends	Current and future consumer behavior patterns	“Rising demand for electric bikes”
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Growth Potential	Expected rate of increase in market demand over time	"EV industry to grow by 25% CAGR by 2030"
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Key Metrics:

- Total Addressable Market (TAM)
- Served Available Market (SAM)
- Serviceable Obtainable Market (SOM)

7. Real-Life Example

Example: Zomato used market research to identify that Indian consumers prefer fast delivery and varied food options.

- They used **primary research** (customer feedback, delivery time surveys).
 - And **secondary research** (industry reports on food delivery market size).
- Result: They designed services around speed • and variety, making them market leaders.

8. Applications of Market Research

1. Product Development and Innovation.
2. Customer Segmentation and Targeting.
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3. Brand Positioning and Marketing Strategy.
4. Pricing and Distribution Decisions.
5. Risk Management and Forecasting.

9. Advantages of Market Research

1. Helps businesses make **informed decisions**.

2. Reduces **business failure risk**.
3. Identifies **market opportunities** early.
4. Improves **customer satisfaction**.
5. Increases **competitive advantage**.

10. Disadvantages of Market Research

Can be **time-consuming**.

Sometimes **costly**, especially primary research.

Data may become outdated quickly.

Requires **expertise to analyze** data correctly.

5. Biased responses can affect **accuracy**.

Summary in Hinglish (Easy to Remember)

Market research ek aesa process hai jisme business apne customers aur competitors ke baare me data collect karta hai.

Isse pata chalta hai ki market me demand kya hai, log kya chahte hai, aur kis price par lena pasand karenge.

Aaj ke digital time me **Google Forms, social media insights, aur online reports** se research karna bahut easy ho gaya hai.

Agar business market research ache se kare, to wo **smart decision le sakta hai** aur loss hone ke chances kam ho jaate hai.

Market Analysis & Strategy

1. Competitor Analysis

Definition:

Competitor analysis is the **process of identifying and evaluating your business rivals** — both direct and indirect — to understand their strengths, weaknesses, strategies, and how they perform in the market.

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This helps you find **what makes your business unique** and how you can improve or stand out.

Types of Competitors:

1. Direct Competitors:

- Businesses offering the *same or very similar* products/services to the same target audience.
- Example: *Swiggy and Zomato* (both deliver food).

2. Indirect Competitors:

- Businesses that offer *alternative solutions* to the same customer need.
- Example: *Zomato (food delivery)* vs *Homemade meal service (tiffin)*.

Steps in Competitor Analysis:

1. Identify top 3–5 competitors.
2. Gather data — websites, customer reviews, social media, reports.
3. Compare pricing, quality, marketing, and target audience.
4. Analyze competitor strengths and weaknesses.
5. Identify **market gaps** where you can offer something better.

Example:

If you're launching a **new coffee brand**, your:

- Direct competitor = Starbucks.
- Indirect competitor = Energy drink companies like Red Bull.
By analyzing them, you might find that **consumers want affordable premium coffee** — this becomes your opportunity.

2. SWOT Analysis

SWOT stands for **Strengths, Weaknesses, Opportunities, and Threats**.

It's a strategic tool used to evaluate internal and external factors that can affect your business.

Component	Description	Example (New Coffee Brand)
Strengths	Internal advantages	Unique local coffee beans, eco-friendly packaging
Weaknesses	Internal drawbacks	Limited marketing budget
Opportunities	External chances for growth	Rising demand for organic products
Threats	External risks	Competition from large brands, rising raw material costs

Benefits of SWOT Analysis:

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Gives a **clear overview** of your business position.

Helps in **strategic planning** and risk management.

Improves decision-making for marketing and investment.

Identifies **growth opportunities**.

5. Keeps the business prepared for market challenges.

3. Developing a Competitive Advantage

Definition:

A **competitive advantage** is what makes your business **better than competitors** in the eyes of your customers.

It can come from your product, price, customer service, innovation, or brand reputation.

Types of Competitive Advantages:

1. **Cost Advantage** – Offering lower prices due to efficiency. Example: *DMart* uses bulk purchasing to keep prices low.
2. **Differentiation Advantage** – Offering unique features or quality. Example: *Apple* differentiates with innovation and design.
3. **Service Advantage**— Providing exceptional support or customer experience. Example: *Amazon's fast and reliable delivery system*.
4. **Brand Advantage** – Building strong emotional connections with customers. Example: *Nike's "Just Do It" identity*.

How to Build Competitive Advantage:

- Innovate continuously.
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- Focus on customer satisfaction.
- Maintain product quality.
- Leverage technology.
- Build a trustworthy and memorable brand.

4. Introduction to Marketing Mix (4 Ps)

The **Marketing Mix** or **4 Ps** helps startups plan their overall marketing strategy effectively.

P	Meaning	Description	Example
Product	What you sell	Features, quality, packaging, design	iPhone's sleek design and performance
Price	What customers pay	Pricing strategy (premium, economy)	Netflix subscription models
Place	Where it's sold	Distribution channels (online/offline)	Amazon e-commerce, retail stores
Promotion	How you promote	Advertising, PR, social media	Coca-Cola ads, influencer marketing

4 Ps in Startup Context:

- **Product:** Startups should offer a solution, not just a product.
- **Price:** Competitive but profitable pricing.
- **Place:** Digital-first (use online platforms).
- **Promotion:** Social media, influencer collaborations, SEO, and referral programs.

5. Branding Basics for New Ventures

Definition:

Branding means **creating a unique identity** for your business that communicates your values, mission, and product personality to your customers.

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Key Elements of Branding:

1. **Brand Name & Logo** – Easy to remember and unique.
2. **Brand Story** – Why the brand exists (mission, vision).
3. **Brand Colors & Design** – Visual identity (consistent style).
4. **Brand Voice** – Tone used in communication (formal, friendly, youthful).
5. **Brand Promise** – What customers can expect from you.

Why Branding is Important:

Builds **trust** and recognition.

Helps you **stand out** in a crowded market.

Attracts and retains loyal customers.

Increases **business value** over time.

5. Supports marketing efforts effectively.

Example:

- **Brand:** *Mamaearth*
- **Promise:** Natural & toxin-free products.
- **Voice:** Family-friendly and trustworthy.
- **Result:** Strong customer connection + market success.

6. Guest Speaker (Optional Activity)

Invite a **local entrepreneur** to share their journey about:

- How they researched their market.
- What strategies helped them attract customers.

- How they built their **brand identity** and maintained a **competitive edge**.

This activity provides **real-world insight** and practical learning for students.

7. Summary (in Hinglish):

competition aur marketing ke basics seekhte hai.

Har business ko apne competitors ko samajhna zaruri hai — kaun direct hai aur kaun indirect.

SWOT analysis se pata chalta hai hum kaha strong hai aur kya improve karna hai.

Phir hum apna **competitive advantage** banate hai — jaise better quality, price, ya service.

Marketing Mix ke 4 Ps (Product, Price, Place, Promotion) se hum apna business market me effectively launch karte hai.

Aur **branding** se hum apna ek unique image banate hai jo logon ke mind me tik jaata hai.

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