

Understanding the Market: Market Research

Understanding the Market: Market Research & Analysis and Analysis

(A concise, easy-to-read study guide)

1. What Is Market Research?

Aspect	Definition
Purpose	Gather information about customers, competitors, and the overall environment to support business decisions. • Customer needs & preferences • Buying behavior
Scope	• Market size & growth • Competitive landscape • External forces (economic, legal, technological, etc.)
Types	Primary – data collected first-hand (surveys, interviews, focus groups, observations). Secondary – existing data (industry reports, government statistics, academic papers, news articles).

2. The Market Research Process

1. Define the Problem & Objectives

- Clarify the business question (e.g., “What price will maximize adoption of Product X?”).
- Set measurable objectives (e.g., “Identify top three purchase drivers for Millennials”).

2. Develop a Research Plan

- Choose research design: exploratory, descriptive, or causal.
- Select data sources (primary vs. secondary).
- Determine sampling method & size (probability vs. non-probability).

3. Collect Data

- **Quantitative**: online surveys, point-of-sale data, web analytics.
- **Qualitative**: in-depth interviews, focus groups, ethnographic observation.

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4. Analyze Data

- **Quantitative tools:** descriptive stats, cross-tabulations, regression, factor analysis.
- **Qualitative tools:** thematic coding, sentiment analysis, content analysis.

5. Interpret & Present Findings

- Translate numbers into actionable insights.
- Use visual aids (charts, heat maps, dashboards).
- Provide clear recommendations linked to the original objectives.

6. Make Decisions & Implement

- Apply insights to product development, pricing, promotion, distribution, or strategic planning.

7. Monitor & Update

- Track outcomes, revisit research as market conditions evolve.

3. Market Analysis Frameworks

Framework	When to Use	Core Components
SWOT (Strengths, Weaknesses, Opportunities, Threats)	Quick internal/external snapshot	Internal factors (strengths, weaknesses) + External factors (opportunities, threats)
PESTEL (Political, Economic, Social, Technological, Environmental, Legal)	Macro-environment assessment	Six macro-environment categories influencing the market
Porter’s Five Forces	Industry-level competitive analysis	• Threat of new entrants • Bargaining power of suppliers • Bargaining power of buyers • Threat of substitutes • Rivalry among existing competitors
4Ps (Marketing Mix)	Product-market fit & positioning	Product, Price, Place, Promotion

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Framework

When to Use

Core Components

Customer Segmentation Matrix

Targeting & positioning

Demographic, Geographic, Psychographic, Behavioral variables

4. Key Metrics & Tools

Metric	What It Shows	Typical Sources
Market Size	Total revenue or unit volume of the market	Industry reports, government data
Growth Rate (CAGR)	Annualized growth over a period	Historical sales data, forecasts
Market Share	Company's portion of total market	Company sales vs. total market sales

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