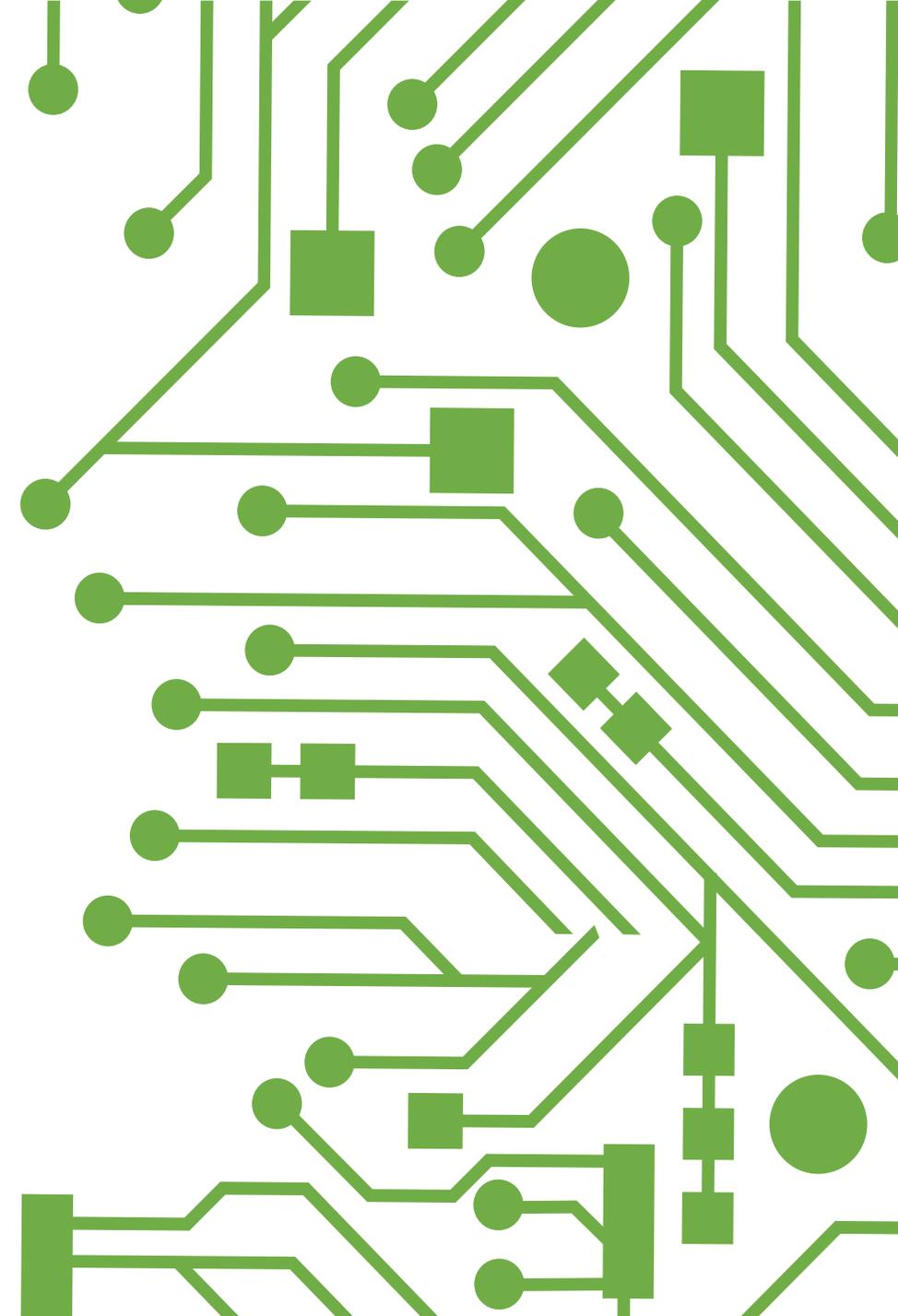


MODULE COMMUNICATION

3.1

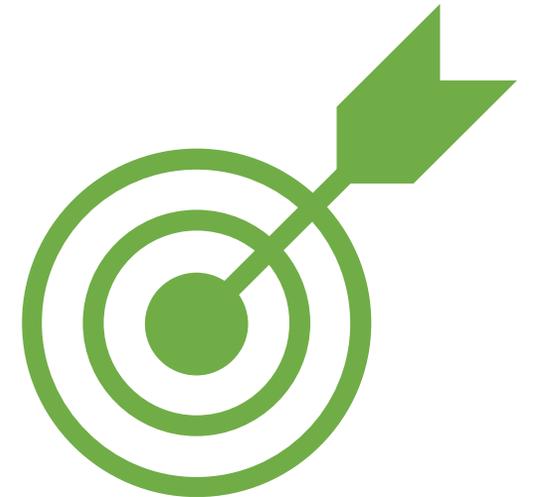
Desktop Research Skills



LEARNING OBJECTIVES

After finishing this module you will be able to:

- 1 Define what type of solution / idea you have
- 2 Understand where you should focus your research
- 3 Understand how to test your idea





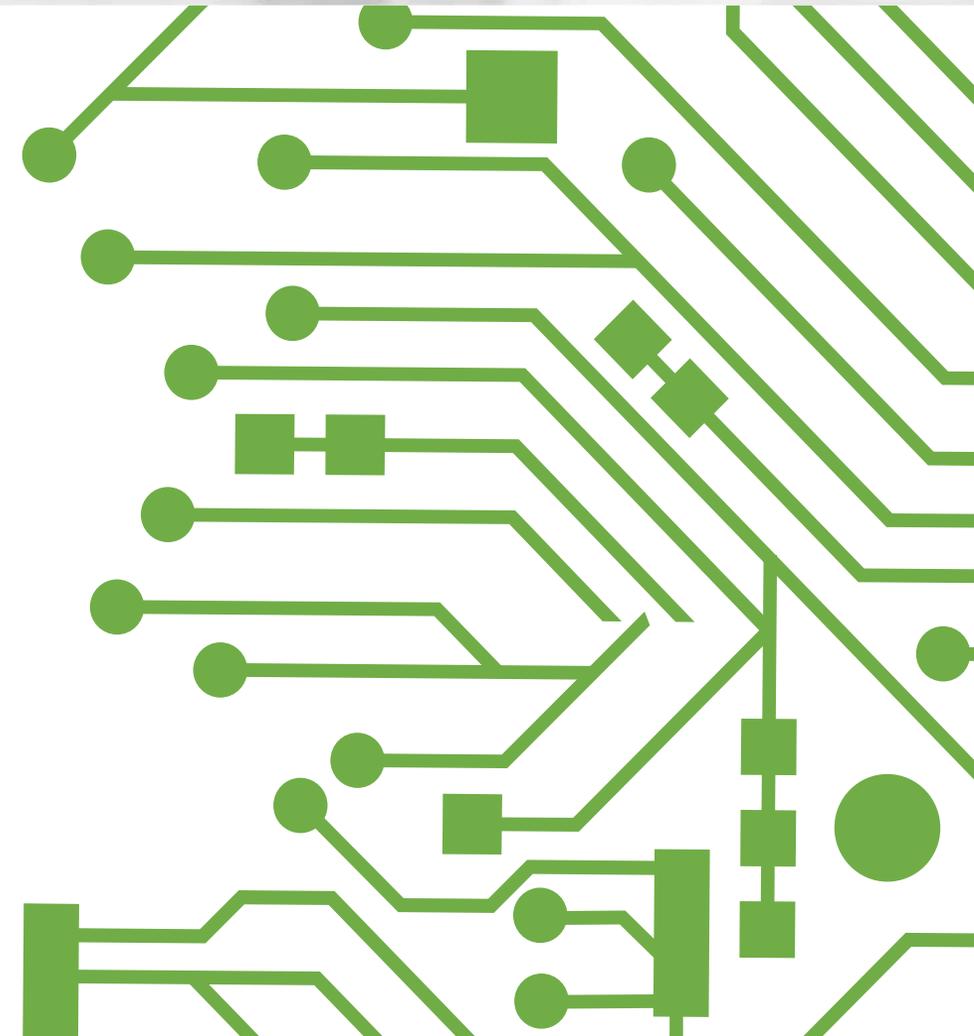
MODULE **OUTLINE**



DEFINE YOUR SOLUTION AND NEEDS MET
NEW NEEDS? NEW MARKET?
IMPROVED BUSINESS MODEL?

WHAT TO FOCUS YOUR RESEARCH ON
COMPETITORS
ALTERNATIVE SOLUTIONS
COMMUNICATION
MARKETING

YOUR FIT
TOOLS



INTRO

When you have your business idea defined and initially tested (as presented in Module 2.1 Business Ideation) your next step is researching the potential markets in which it can be launched and how this should be done. You must identify competing and complementary solutions, competitors and potential future competitors, customer groups and new trends in your industry.

DEFINE SOLUTION AND NEEDS

ARE YOU?:

1. Satisfying existing but unanswered needs (*SMS-loans, Nespresso*)? Then your market exist but your product is new, and your focus must be **developing the right product**.
2. Improving, disrupting or transforming an existing market with a better business model (*Skype, Ryanair*)? Then your market and product already exist, and your focus must be on **market penetration**.
3. Introducing a known product to a new market (*AirBnB*). Then your market is new and your product exist, and you must focus on **market development**.
4. Creating an entirely new market (*Google, Facebook*)? Then neither your market nor product exist, and you must focus on **diversification**

DEFINE SOLUTION AND NEEDS

PRODUCTS

EXISTING

NEW

EXISTING

MARKET
PENETRATION

PRODUCT
DEVELOPMENT

NEW

MARKET
DEVELOPMENT

DIVERSIFICATION



RESEARCH THE MARKET

1 Existing but unanswered needs – Develop the right product

Your market exist and product is new. Your focus must be on **Product development**

GOAL 1:

Identify the most important needs you new solution are covering (speed?, availability?, ease of use?, sustainability?, durability?, etc.)

GOAL 2:

Analyze existing solutions and define how your product development can gain you advantages.

1 Existing but unanswered needs – Develop the right product

Step 1: Research the customers needs. How will they perceive your added value?

When researching the existing but unanswered needs you are solving, you must identify the degree of importance these needs have to customers.

1 Existing but unanswered needs – Develop the right product

Step 1 continued: Research the customers needs. How will they perceive your added value?

Are your potential customers willing to accept:

- Higher price?, lower quality?, longer delivery time?

In short, the trade-offs your customers will accept in return for your improved solution.

The identified trade-offs should be taken into account in your product development and business model.

1 Existing but unanswered needs – Develop the right product

Step 2: Research competitive advantages

2.1: How do you differ from competitors and competing solutions?

- Consider Nespresso. Their competitors are regular coffee producers with competing solutions such as energy drinks and tea.

While identifying the competing solutions, it is important that you also diagnose your state of competition.

Are you competing in a crowded market? Are you competing against a monopoly, against many small and potentially agile companies?, a combination?.

1 Existing but unanswered needs – Develop the right product

Step 2 continued: Research competitive advantages

2.2: Which complementary solutions exist?

- Milk, sugar, cookies, water boilers, cups etc.

Is it likely that they will become competitors in the future, or can you integrate them as collaborators in your companies value chain?

2.3: How will competitors and potential competitors act upon realizing your solution exist? Can you find similar situations from the past including your competitors?

Can you create barriers (collaborations, patents, fast “go-to market” strategy)?

1 Existing but unanswered needs – Develop the right product

Step 3: Research what you need (to meet customers' needs and achieve your competitive advantage)

Once you have identified the most customer needs, and defined how this creates a competitive advantage, you must identify what you need to make it happen.

1 Existing but unanswered needs – Develop the right product

Step 3 continued: Research what you need (to meet customers' needs and achieve your competitive advantage)

- Competing on price – can you lower costs?
- Competing on delivery time – can you produce and deliver faster?
- Competing on availability – can you make your product widely available?
- Competing on sustainable or environmental production - can you find the right suppliers and collaborators?

2 Improving, disrupting or transforming an existing market

Your market and product already exist. Your focus must be on **market penetration**.

Goal 1:

- Identify where your competitors meet and communicate with their customers

Goal 2:

- Identify how your competitors market their solutions

Goal 3:

- Identify opportunities

2 Improving, disrupting or transforming an existing market

Step 1: Research your competitors customer communication

When researching your competitors customer communication, you must identify where they focus their effort and where they have large interaction.

- Are they frequently publishing newsletters?
- Are they active on social media?
- Do they have chat functions on their websites?
- Do they have customer support?
- Do they participate in trade fairs?, ...?

2 Improving, disrupting or transforming an existing market

Step 2: Research your competitors marketing

When researching your competitors marketing efforts, you must identify where they use their budget.

- Do they buy adverts in external medias?
- Are they using influencers?
- Are they using external retailers?
- Are they using google AdWords?
- Are they good at SEO (Search Engine Optimization)?

2 Improving, disrupting or transforming an existing market

Step 3: Identify opportunities

When identifying opportunities for your communication and marketing you must focus on the potential benefits your alternative business model offers.

3.1: Evaluate your findings from researching your competitors.

3.2: Identify the customer communication methods and marketing efforts where you can do better.

3.3: Analyze alternative communication methods and marketing options.

3 Introducing a known product to a new market

Your market is new but your product already exist. your focus must be on **market development**.

Goal 1:

- Identify products covering needs similar to your solution (direct and complementary)

Goal 2:

- Analyze communication methods and marketing efforts used for similar products (see 2 step 1-2 above)

Goal 3:

- Copy-paste

3 Introducing a known product to a new market

Step 1: Research what alternative solutions exist, that cover the same or similar issue as your solution.

Initiate your research by defining the new needs you want your existing solution to cover.

When researching alternative solutions start with directly competing solutions and work your way towards complementary solutions

(see 1 step 1-2).

Define key similarities, from a customers point of view, to your product and start defining which similarities are most relevant.

3 Introducing a known product to a new market

Step 1 (continued): Research what alternative solutions exist, that cover the same or similar issue as your solution.

Once you have list of the most relevant similar products, start defining the products customers demography.

3 Introducing a known product to a new market

Step 2: Analyze communication methods and marketing efforts used for similar products (see 2 step 1-2)

Analyze the producers identified in step 1.

When analyzing customer communication and marketing efforts used by similar products, as opposed to direct competitors, your focus must meanwhile be to define the characteristics of your new customer group (and new market)

Identify where and how customers interact (newsletters? social media? chat functions?, customer support?, trade fairs?, ...?)

3 Introducing a known product to a new market

Step 3: Copy-Paste

Use the defined characteristics of your new customer groups combined with the identified communication methods used by similar products, to define your list of communication methods and to whom they should be targeted.

In short copy-paste the successful methods used by similar products, but tweak it to fit the differences in demography you have identified.

4 Creating an entirely new market

Your market and product is new. Your focus must be on **diversification**.

Goal 1:

- Identify the new needs you are attempting to cover (see 1 step 1 and Module 2.1 Business Ideation)

Goal 2:

- Identify products covering needs similar to your solution (direct and complementary) (see 3 step 1)

4 Creating an entirely new market

Goal 3:

- Analyze communication methods and marketing efforts used for similar products (see 2 step 1-2 above)

Goal 4:

- Identify opportunities and Copy-Paste

4 Creating an entirely new market

Step 1: Identify the new needs you are attempting to cover (see 1 step 1 and revisit Module 2.1 Business Ideation (Testing and validated learning))

When researching the unanswered needs you are solving, you must start with re-checking if your solution is wanted.

1. Do consumers recognize that they have the problem you are trying to solve?
2. If there was a solution would they buy it?
3. Would they buy it from you?

If all 3 = yes, you must identify the degree of importance these needs have to customers (step 3).

4 Creating an entirely new market

Step 2: Identify alternative solutions covering needs similar to your solution (direct and complementary) (see 3 step 1)

Initiate your research by defining the new needs you want your new solution to cover.

When researching alternative solutions:

1. Start with directly competing solutions
2. Work your way towards complementary solutions (see 1 step 1-2)
3. Define key similarities, from a customers point of view, to your product, and
4. Start defining which similarities are most relevant.

4 Creating an entirely new market

Step 2 (continued): Identify alternative solutions covering needs similar to your solution (direct and complementary) (see 3 step 1)

Once you have list of the most relevant similar products, start defining the products customers demography.

4 Creating an entirely new market

Step 2 (continued): Identify alternative solutions covering needs similar to your solution (direct and complementary)

What are your potential customers willing to accept:

- Higher price?, lower quality?, longer delivery time?, ...?

In short, the trade-offs your customers will accept in return for your improved solution to their needs.

The identified trade-offs should be taken into account in your product development and business model.

4 Creating an entirely new market

Step 3: Analyze communication methods (3.1) and marketing efforts (3.2) used for similar products (see 2 step 1-2 above)

3.1: When researching alternative solutions' customer communication, you must identify where they focus their effort and where they have large interaction.

4 Creating an entirely new market

Step 3 (continued): Analyze communication methods (3.1) and marketing efforts (3.2) used for similar products (see 2 step 1-2 above)

- Are they frequently publishing newsletters?
- Are they active on social media?
- Do they have chat functions on their websites?
- Do they have customer support?,
- Do they participate in trade fairs?, ...?

4 Creating an entirely new market

Step 3 (continued): Analyze communication methods (3.1) and marketing efforts (3.2) used for similar products (see 2 step 1-2 above)

3.2: When researching alternative solutions' marketing efforts, you must identify where they use their budget.

4 Creating an entirely new market

Step 3 (continued): Analyze communication methods (3.1) and marketing efforts (3.2) used for similar products (see 2 step 1-2 above)

- Do they buy adverts in external medias?
- Are they using influencers?
- Are they using external retailers?
- Are they using google AdWords?
- Are they good at SEO (Search Engine Optimization)?

4 Creating an entirely new market

Step 4: Identify opportunities and Copy-Paste (see 2 step 3 and 3 step 3)

When identifying opportunities for your communication and marketing you must focus on the potential benefits your alternative business model offers.

4.1: Evaluate your findings from researching your competitors.

4.2: Identify the customer communication methods and marketing efforts where you can do better.

4.3: Analyze alternative communication methods and marketing options.

4 Creating an entirely new market

Step 4 (continued): Identify opportunities and Copy-Paste (see 2 step 3 and 3 step 3)

Use the defined characteristics of your new customer groups combined with the identified communication methods used by alternative solutions, to define your list of communication methods and to whom they should be targeted.

In short copy-paste the successful methods used be similar products, but tweak it to fit the differences in demography you have identified.

RESEARCH FAILURES

Do not repeat others mistakes

Once you understand what type of idea you have, you will be able of finding former ideas that have been in your situation.

Search for failures and unsuccessful launches of ideas that attempted to do what you must do in the future.

Analyze where they failed according to your new knowledge about what must be done.

RESEARCH YOUR FIT

Research your solutions opportunities (see Module 2.1 Business Ideation)

No matter if you are introducing your new or existing product in a new or existing market, your main stakeholders are your customers or potential customers.

Step 1: Do your initial testing:

1. Do consumers recognize that they have the problem you are trying to solve?
2. If there was a solution would they buy it?
3. Would they buy it from you?
4. Can you build the solution for the problem?

Research your solutions opportunities (see Module 2.1 Business Ideation)

Step 2: Enable your idea for testing.

Create your **Minimal Viable Product (MVP)** - the earliest and lowest edition of your product, that a potential customer could accept.

Step 3: Make hypothesis

Make clear hypothesis that makes prior predictions about what is supposed to happen when customers interact with your product.

Research your solutions opportunities (see Module 2.1 Business Ideation)

Step 3 (continued): Make hypothesis

The value hypothesis:

- Are you creating value for your customers?.

The growth hypothesis:

- How will the product or service spread from early adopters to mass adoption?.

Research your solutions opportunities (see Module 2.1 Business Ideation)

Step 4: Testing

Test your hypothesis (predictions) empirically - offer customers the chance to try something and measure their behavior.

Step 5: Validated learning

Achieve validated learning - learning backed by empirical data collected from real potential customers.

TARGET GROUPS, TOOLS AND PHASES

Countless tools with countless options for all phases

There are many clichés in entrepreneurship. In former modules we have covered "Fail faster" and "Fake it till you make it".

They are all build on experience and all hold truth in them.

For your initial research three other clichés are important:

- "Friends, Family and Fools" (FFF)
- "Keep It Simple Stupid" (KISS)
- "Kill Your Darlings" (refers to the dangers of an entrepreneur using personal favorite elements)

Testing and research

For your initial testing start with the people closest to you and expand your tests towards the rest of your network. In short the people willing to give you their time expecting nothing in return (your friends, family and fools)

Goal 1:

- Create your Minimal viable product (MVP) - Use feedback from FFF to create focused, short and targeted tests and hypothesis' for external network testing (Keep it simple stupid -KISS).

Testing and research

Goal 2:

- Simplify and optimize MVP - Use feedback from external network to focus and optimize (KISS) your MVP and simplify features etc. Kill your darlings.

Goal 3:

- Validate learning - Use the optimized MVP for external customer testing.

Tools and research (see module 2.1 business Ideation for methods)

Initial testing tools – Surveys and interviews.

Surveys and interviews can be either unstructured (open-ended questions -qualitative focus), structured (Close-ended questions - quantitative focus) or semi structured (combination).

Step 1: Use unstructured or semi structured surveys for validating if your FFF recognize the need your solution is covering and use semi structured to find out if they would buy it and at what price.

For your initial testing it is important that you leave room for, and encourage, all kinds of feedback for everything.

Tools and research (see module 2.1 business Ideation for methods)

Step 2: MVP testing:

Use your hypothesis to create semi structured and unstructured tests for your external network.

Step 3: Market testing:

Use your simplified and optimized MVP to create new hypothesis in order to create semi structured and structured tests for your potential customers.

Suggested tools:

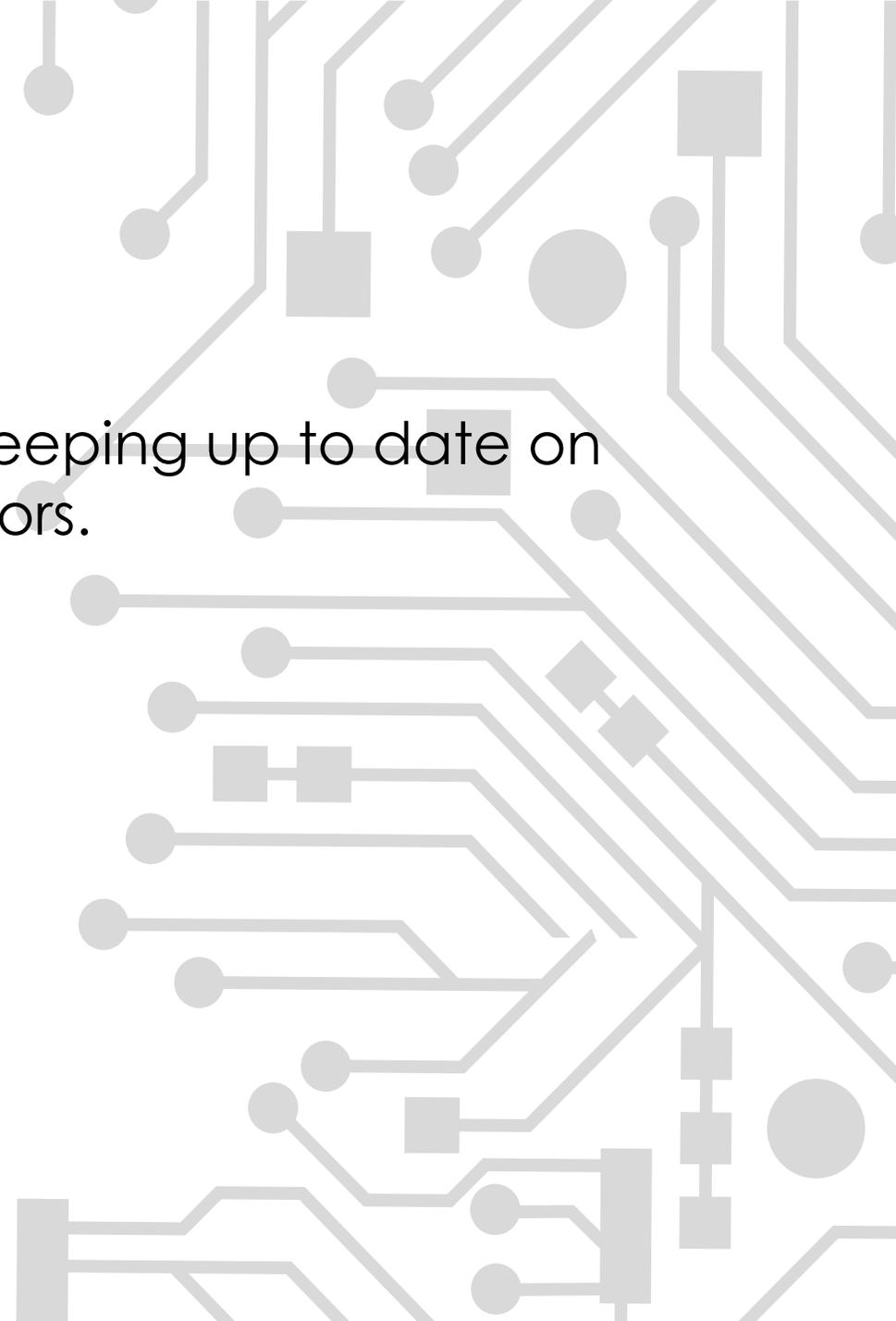
SurveyMonkey: <https://www.surveymonkey.com/>

Google Surveys: <https://surveys.google.com/>



FUTURE LEARNING

In module 3.2 you will be presented for ways of keeping up to date on developments, trends, innovations and competitors.

A decorative graphic on the right side of the slide, consisting of a complex network of grey lines, circles, and squares, resembling a circuit board or a data network diagram.

RESOURCES

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