Market Analysis and Go to Market Strategy

Market analysis: Identifying, clarifying, assessing the target market of the product.

Refining the target market:
2. Market segments e.g. health industry, banking, biomedical, webhosters etc
3. Company size: Large customers,
4. Subcategories or niche focus: age groups, gender, location, disposable income, ethnicity, occupation, family status

Selecting a target market:
1. Balancing between too narrow and too broad
2. Identifying the most "profitable" segment
3. Identifying the "accessibility" of the segment

Competitive analysis:
1. Assessing the power of status quo
2. Who else is targeting the same market
3. Who else could target the same market

Assessing the size of the market:
1. Top down versus bottom up
2. The danger of being overly optimistic: evaluating hypothesis

Determining what you sell:
1. Clarifying the "pain" you solve
2. What you offer and how it is offered
3. Pricing:
   a. i) problem’s cost to customer, ii) competition’s cost, iii) cost to you
   b. Direct sales, OEM (Original Equipment Manufacturer) offering
   c. Per user pricing vs volume vs "all you can eat"

Go To Market strategy: determining a strategy of how to reach the target market: 1) What you sell, 2) to Whom, 3) How, and 4) Where you promote:
How: direct vs indirect, online vs through reps
   (i) Trade shows, (ii) Online, web and social, (iii) Referrals, (iv) Channels

MOST IMPORTANT:
1. You need to go out and talk to customers!!!
2. Establish and evaluate hypothesis: “Users will pay $15 for a better X”.

Customer pitch:
6. Demo or screenshots; 7. Competitive analysis; 8. The team; 9. Next steps;

Contracts and partnerships
Issues: a) Channel conflict, b) Market canibalization

MOU (Memorandum of Understanding): Semi-formal written agreement on a deal.
Ideal: a) discussion, b) brief email summary, c) MOU, d) MOU signed by both, and optionally, e) contract.