

CS190: Market Analysis and Go to Market Strategy

(Kaw: 8, 9, 10 Barr: 6)

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

Refining the target market:

1. B2B versus B2C vs B2B
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:

- (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:

1. Cover; 2. Problem; 3. Solution; 4. Sales model; 5. Technology – novelty
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.

See: <https://www.marsdd.com/news-and-insights/the-seven-step-go-to-market-strategy/>