



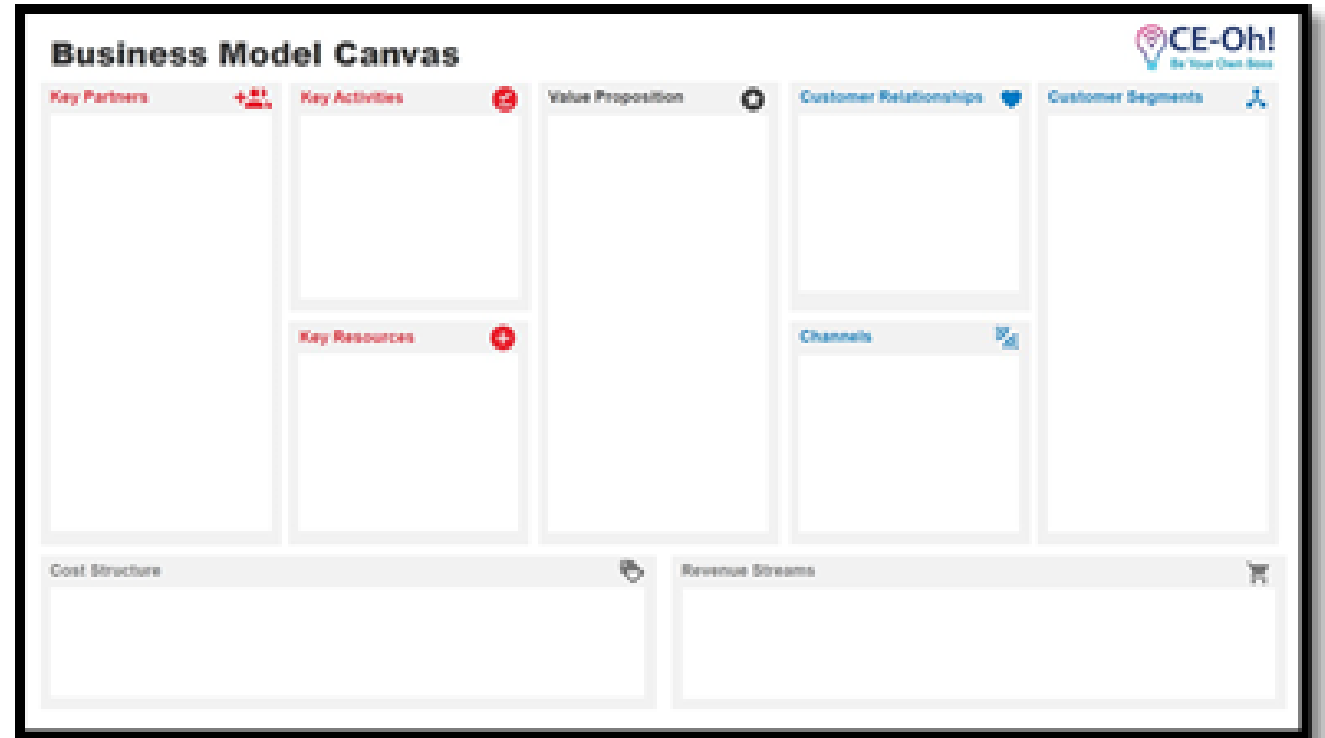
Warm-up Activity

Are you a planner?

Take a few minutes to review the business model canvas document and become familiar with it.

Note the types of information that you're going to fill in as we go.

What's your first impression?



Warm Up Activity Continued

Please answer these questions:

What do you believe you will need to know to help you determine if your ideas present a good business opportunity?

What makes you feel confident that your business will succeed?

Finally, what steps do you think you will need to take to launch your business?



Vocabulary

Here is the **vocabulary** for this module.

business environment

business model validation

carrying capacity

focus group

future orientation

lean startup methodologies

list-rental companies

market

market research

minimum viable product

primary data

product management

product planning

research cycle

research objective

secondary data

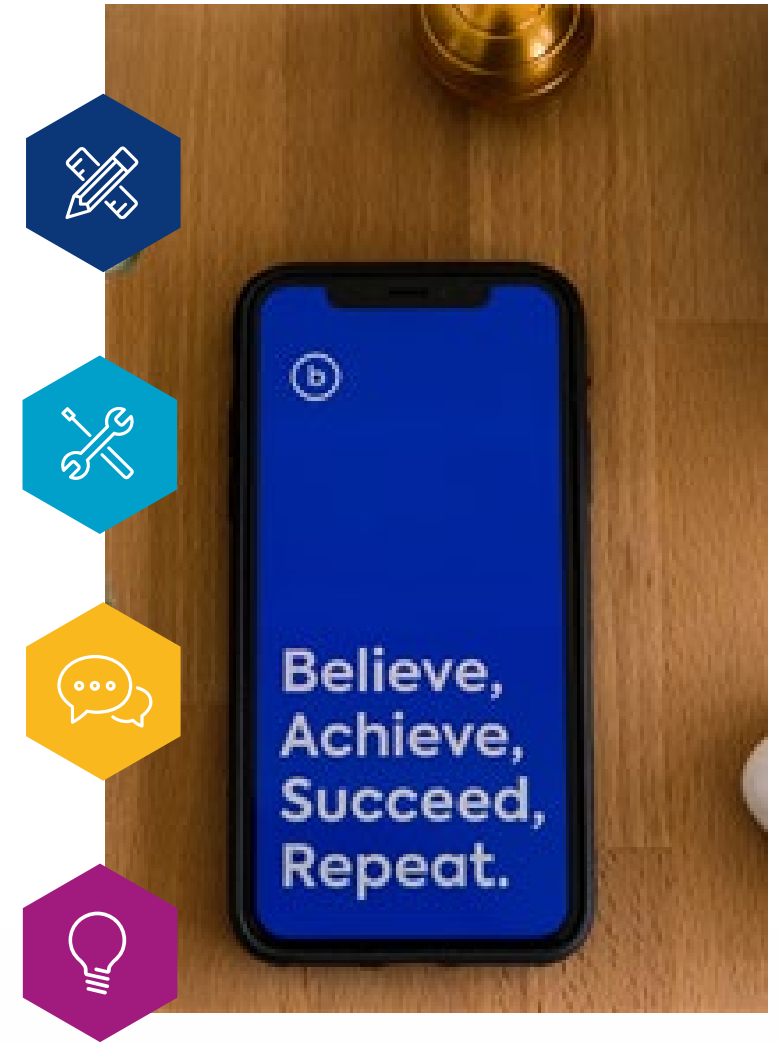
UE testing



Key Learning Objectives

Let's introduce our key learning objectives for this module.

- We will discuss market research methodology and identify why it is an important part of planning your business.
- We will give examples of resources you can use to conduct market research with a focus on primary and secondary data and you will demonstrate your understanding by comparing the two types of data.
- We will talk about ways you can refine your ideas by analyzing the data you collect.
- We'll discuss the research cycle and how you can apply this knowledge as you develop your product using lean startup methodology.



Transition

Before you start devoting your time, energy, and effort into developing your business, you must find out if there really is a market for your product or service... It's time to conduct some market research.





You will need to
conduct **market
research**

Your **market** is
made up of three
main parts:
customers,
competition and
the business
environment

Customers

- People or businesses that you believe will purchase your goods or services
- You need to understand your customers, so you are not swayed by an assumption



Competition

- You will need to research your competition
- **Carrying capacity** is the number of competing businesses that a customer base will support.



Business Environment

The **business environment** is the term used to describe anything that affects your ability to provide your product or service, or to run your business





Future Orientation

Market research requires an open mind and the ability to recognize that the future isn't written; you are empowered to make things happen.

Product Planning

The steps entrepreneurs take from ideation and introducing their product or service to the market



Product Management

Marking your product successful



Conducting Market Research

Now that you know the things you need to do, let's turn our attention to the ways you can find the information you need to make informed, data-driven decisions.



Primary Data



SURVEY LINK

Primary data is information that you collect directly from people who you're hoping will become your customers.

Focus groups use a guided discussion about a product or service before it is launched and can be very helpful.

Primary Data Continued



UE testing is popular, especially when developing technology-based products. In this type of test, you provide a customer with access to your product to see how they use it.



List-rental companies provide you with leads for the purpose of conducting research or direct marketing through mail, telesales, or email.



Secondary Data



Secondary data is information that has been gathered and compiled by someone else in the form of a report, article, or could be something like a map or graph.

Business Process



Associations

Many industries have a trade association that can provide you with market statistics and other reference materials.



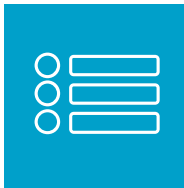
Google Maps

You may want to use a resource like Google Maps to find out where your competition is located.



Government Resources

The US Census Bureau also turns out tons of inexpensive or free business information, most of which is available on the Internet.



The Chamber of Commerce

Your local Chamber of Commerce can provide a wealth of information about businesses and demographics in your area.



Activity



Think about the type of business you would like to open. Can you find a secondary source of data not listed on the previous slide?

Conduct a search for information, then post about a resource you've found in the **Research Community Space**. Include the following information:

In the subject area of your response, please provide the line of business you're researching

- The name of the resource you've found
- The URL of the resource
- The type of information you were able to find there
- Why you think this information will be helpful to you

Asking the Right Questions

One of the best ways to learn about your market and customers is by asking questions. When you ask the right market research questions, you can identify opportunities to improve your business plan.

To determine what questions you will need to ask, you'll first need to create **research objectives**; a list of the questions you need to answer to create a successful business.



Stop and think: what kinds of research objectives do you think you'll have? These objectives (the information you need to know) will help you construct your market research.

Types of Questions

**Yes/No, Short Answer
or Rating Scale
Questions**



Open-ended questions

Asking the Right Questions



Yes/No, Short Answer or Rating Scale Questions

Allows users to answer a lot of questions easily.

Do you have children? (Yes or No)

How often do you go out to eat? (Use a Likert scale with ratings from almost never to almost always)

How old are you? (short answer)

Asking the Right Questions



Open-ended questions

Allow your customers to provide their input in their own words.

What do you like most about eating a Joe's?

Writing Questions

Use easy-to-answer warm-up questions

Ask about the most important things you can't answer using secondary data

Follow these guidelines:

Make sure your questions are clear; use words that are easy to understand

When possible, ask for specific information about what customers have done

Ensure that your questions are written using business writing skills



The Market Research Process

Now you've got the information you need to begin conducting research, so let's walk through the steps you will need to take to conduct meaningful market research.

1. Determine Your Research Objectives

Before you start conducting research, you have to know what information you need to gather.

Make a checklist of all the questions and problems you need to research to create your research objectives.

2. Identify Your Sources

Decide how you need to research to answer each of the questions you've listed in your research objectives. For example, some information may be gathered using secondary data sources, while others may require you to create a survey.

3. Gather the Information

Now that you know what you need to know and how you're going to approach finding that information, it's time to conduct your research.

Make sure that you answer each of your research objectives and keep in mind that as you gather new information, you may need to add to your list of questions.

4. Organize Your Findings

This will let you know if you need to go back and do more research. By assembling your information you may also get some preliminary answers to questions.

5. Analyze Your Findings

It's time to do some critical thinking. What do the data and information show you about your idea? You want to take the information you've gathered to draw conclusions.

6. Make Your Determination

Is your idea a good one? Do you need to pivot or modify your vision to meet customer wants and needs? Should you consider scrapping that idea and pursuing another?

Business Model Validation



The decision phase represents the next important part of the entrepreneurial process; **business model validation**.

During this phase, you'll begin planning your business using the business model canvas.



Testing the Waters

One valuable piece of information you will need to understand from your market research is determining what your **minimum viable product (MVP)** will be.



Lean Startup Methodologies

Lean startup methodologies

allow you to start doing business as soon as possible, keeping financial investment at a minimum while you continue to develop your product and business.



Business Model Validation





Knowledge Check

Multiple Choice Question



Why is market research an important part of planning your business?

- ☐ A. It guarantees that I will be successful by giving me a roadmap to developing the perfect product
- ☐ B. It's not important, rather than conducting market research I can engage in lean startup methodology instead
- ☐ C. Because once I've conducted the research and analyzed the findings, I'll know if my idea is a good one, if I should pivot, refine, or change ideas

Multiple Choice Question



True or false

Primary data is collected directly from potential customers while secondary data is information gathered from other people's research

- ☐ True
- ☐ False

Multiple Choice Question



Compare primary and secondary data. Match the data collection types with the types of data each collects.

Primary Data	Secondary Data	
<input type="checkbox"/>	<input type="checkbox"/>	Focus Group
<input type="checkbox"/>	<input type="checkbox"/>	Report
<input type="checkbox"/>	<input type="checkbox"/>	List-rental Company

Primary Data	Secondary Data	
<input type="checkbox"/>	<input type="checkbox"/>	UE Testing
<input type="checkbox"/>	<input type="checkbox"/>	Article
<input type="checkbox"/>	<input type="checkbox"/>	Map

Multiple Response Question



We learned that the research cycle includes six steps. Which two of the following steps are **NOT** part of the research cycle?

☐ Measure

☐ Ideas

☐ Market

☐ Learn

☐ Data

☐ Pivot

☐ Product

☐ Build



Match the term with the correct definition:

The number of competing businesses that a customer base will support

Gathering information about consumers' needs and preferences

The process of bring a product to market; everything that happens after ideation

Allowing customers to use your product so you can collect data about their user experience; this information can be used to improve a product or service

Terms:

Product planning

UE Testing

Market Research

Carrying Capacity



Match the term with the correct definition:

The process of gathering and analyzing data to determine that your business idea is a business opportunity

The extent to which an individual thinks and plans for the future

Building new businesses while in the process of developing products to get the product to customers faster

Potential customers; includes people and businesses

Terms:

Business model
validation

Market

Lean startup
methodologies

Future orientation

Market Research Activity

Create a Google Doc to begin drafting your market research. Use what you've learned in this module to prepare research objectives, methodologies and questions for your personal small business.



Reflection

Let's go back and ask the questions we presented at the beginning of the module. Please answer these questions:

What do you believe you will need to know to help you determine if your ideas present a good business opportunity?

What makes you feel confident that your business will succeed?

Finally, what steps do you think you will need to take to launch your business?



Compare and Contrast

Take a moment to reflect on your learning and comparing and contrasting your answers.

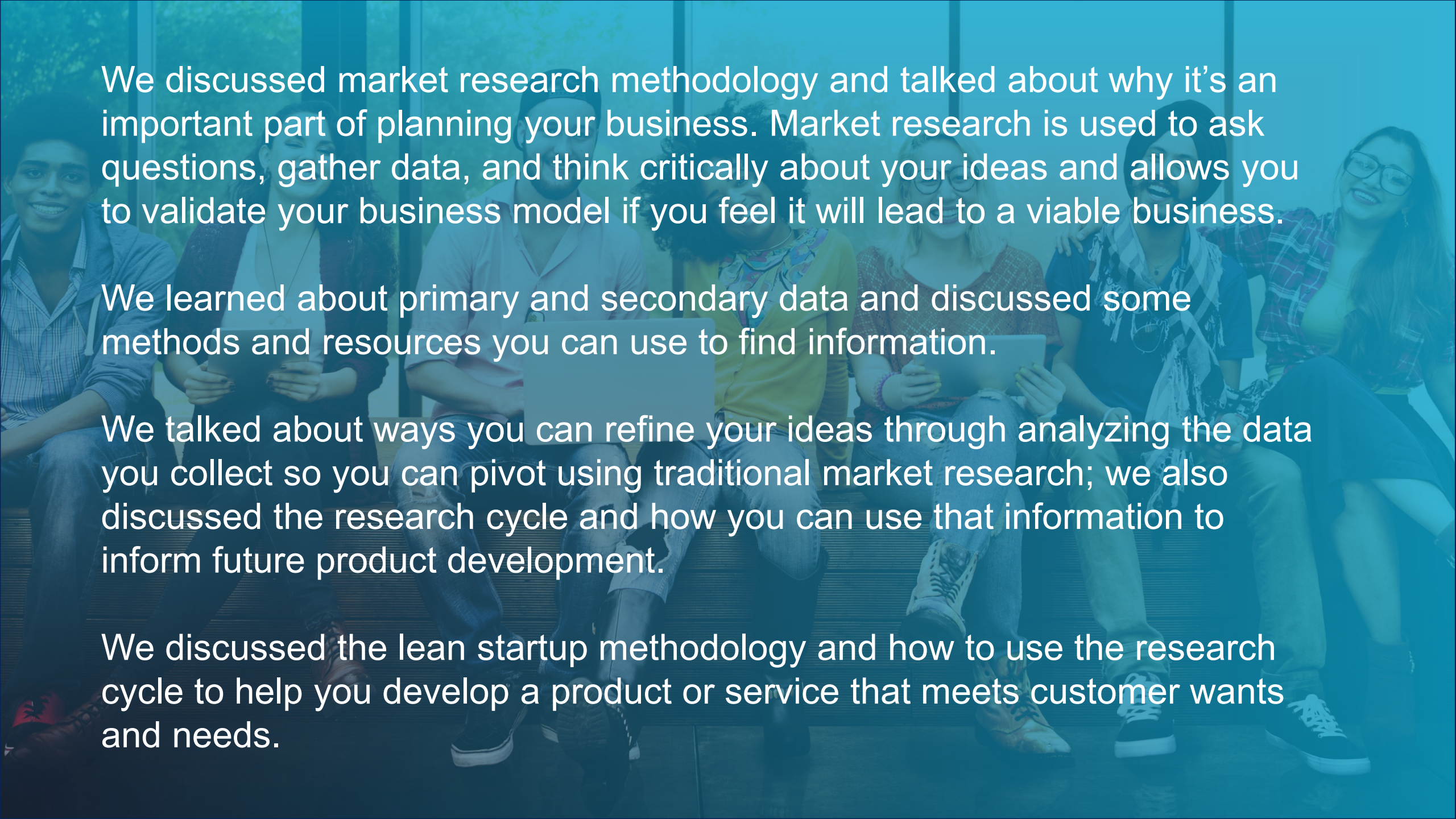
What we learned about:

Business environment
Focus group
List-rental companies
Primary and secondary data
Research cycle

Business model validation
Future orientation
Markets and market research
Product management
Research objective

Carrying capacity
Lean startup methodologies
Minimum viable product
Product planning
UE testing





We discussed market research methodology and talked about why it's an important part of planning your business. Market research is used to ask questions, gather data, and think critically about your ideas and allows you to validate your business model if you feel it will lead to a viable business.

We learned about primary and secondary data and discussed some methods and resources you can use to find information.

We talked about ways you can refine your ideas through analyzing the data you collect so you can pivot using traditional market research; we also discussed the research cycle and how you can use that information to inform future product development.

We discussed the lean startup methodology and how to use the research cycle to help you develop a product or service that meets customer wants and needs.



Business Environment

All of the internal and external factors that affect how a business is run as well as its ability to build and maintain customer relationships.



Business Model Validation

The process of gathering and analyzing data to determine that your business idea is a business opportunity.



Carrying Capacity

The number of competing businesses that a customer base will support.



Focus Group

A diverse group of people who participate in a guided discussion about a product or service before it is launched.



Future Orientation

The extent to which an individual thinks and plans for the future.



Lean Startup Methodologies

Building new businesses while in the process of developing products to get the product to customers faster.



List-rental Companies

Companies that provide sales leads by selling the names and addresses of individuals that meet tailored search criteria.



Market

Potential customers; includes people and businesses.



Market Research

Gathering information about consumers' needs and preferences.



Minimum Viable Product

A prototype of a product that the entrepreneur sells to customers with the hope of getting customer input about the product.



Primary Data

Information collected by researchers directly from sources through surveys, interviews, etc.; considered the best kind of data.



Product Management

Activities that determine the strategy, roadmap, and feature definition for that product or product line. Also includes marketing, forecasting, and profit and loss (P&L) responsibilities.



Product Planning

The process of bringing a product to market;
everything that happens after ideation.



Research Cycle

A cycle of creating and testing ideas by building something small for customers to try, measuring their reactions, and learning from the results.



Research Objective

Defining the specific information needed to be determined to evaluate a business idea or opportunity.



Secondary Data

Data that was collected and compiled by other researchers rather than from primary sources.



UE Testing

Allowing customers to use your product so you can collect data about their user experience; this information can be used to improve a product or service.

