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Lesson 2 ; Analysis of Market Potential

Analysis of Market Potential

Determining the market potential of a product is part of a successful marketing process and requires marketing research. You'll need to examine at least three factors that will determine whether the market potential of your product is worth the investment. You need to analyze your potential customer base, analyze your competition and analyze the current environmental conditions that may affect market potential.

METHODS IN GENERATING IDEAS

☐ FOCUSED GROUP DISCUSSION (FGD)

- ☐ A moderator handles a very open, free flowing, and in depth discussion with a group of people who can provide insightful ideas about a new product or service that will fill a market need.

☐ PROBLEM SOLVING ANALYSIS

- ☐ This is similar to the FGD except that the participants are already given an inventory of product or service problems. The participants will just identify from the list given the compelling problems of a potential product/service instead of generating new ideas

CONCEPT STAGE

In this stage the developed idea will undergo a **consumer acceptance test**. This test includes getting the *initial reactions of the primary target market and the distribution channel*.

Conversational interviews are conducted to understand consumer preference on physical characteristics and attributes of a product or the physical evidence of a service.

Both favorable and unfavorable results will be used to devise an acceptable product or service. **This will also be used to compare new idea with the competition with regard to the superiority or inferiority.**

PRODUCT DEVELOPMENT STAGE

In this stage, the entrepreneur leverages on the information generated from the prospective customers via the concept stage. Actual reactions from prospective customers are determined. The entrepreneur will conduct a consumer panel where the actual product samples or actual service samples will be given or rendered to panel of potential customers.

The participants' task is to critique the actual product or service and record the good qualities and inferior attributes. They are also given samples of competitors' products or services for comparative purposes.

ECONOMIC FACTORS

These factors play a vital role in scanning of marketing environment because economic factors directly affect any business venture. These factors include **income, expenses, and resources**, that can influence the cost of doing and generating income.

The entrepreneur should take note of the following Economic factors:

- ☐ Exchange rates
- ☐ Unemployment trends
- ☐ Labor Cost
- ☐ Stages of Business Cycle
- ☐ Trade flows and patterns
- ☐ Level of consumers' disposable income
- ☐ Monetary policies
- ☐ Price fluctuations
- ☐ Stock Market Trends

ETHICAL FACTORS

These are the factors that will serve as an entrepreneurs' **guide on how to be ethical in running the business**

The entrepreneur should take note of the following Ethical factors:

- ☐ Ethical advertising and sales practices
- ☐ Accepted accounting, management, and marketing standards
- ☐ Attitude toward counterfeiting and breaking patents
- ☐ Attitude toward development and well-being of employees

Homework ; 2

What are the methods in generating ideas in market potentiel ?

what are the factors in determining market potentiel ?

Send all your homework's to the following pdf or word

Email ; gestion23000@gmail.com