



1.3 Entrepreneurial activity

1.3.1 Ideas

1.3.2 Opportunity evaluation and market research

Market/industry definitions

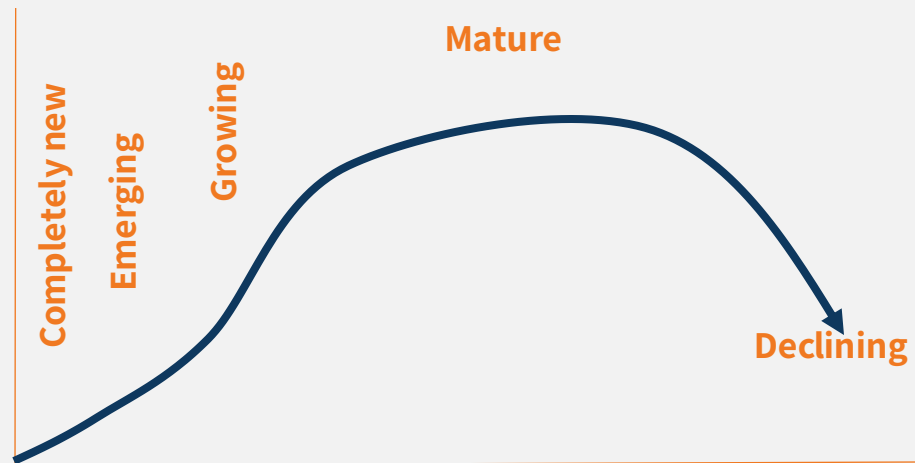


- An industry is likely to comprise a number of markets
- It is made up from any group of firms that supply these markets
- These markets are likely to comprise a number of market segments
- All the companies in an industry do not compete in every market segment

Market/industry typologies



Life Cycle



Concentration

- Fragmented
- Consolidated

Geographic extent

- Local, regional, national
- Global

New-to-the-world industries



- Why are the product/markets converging?
- How might you describe this new industry? What is its commercial potential?
- Where are the opportunities for start-ups in this new industry?



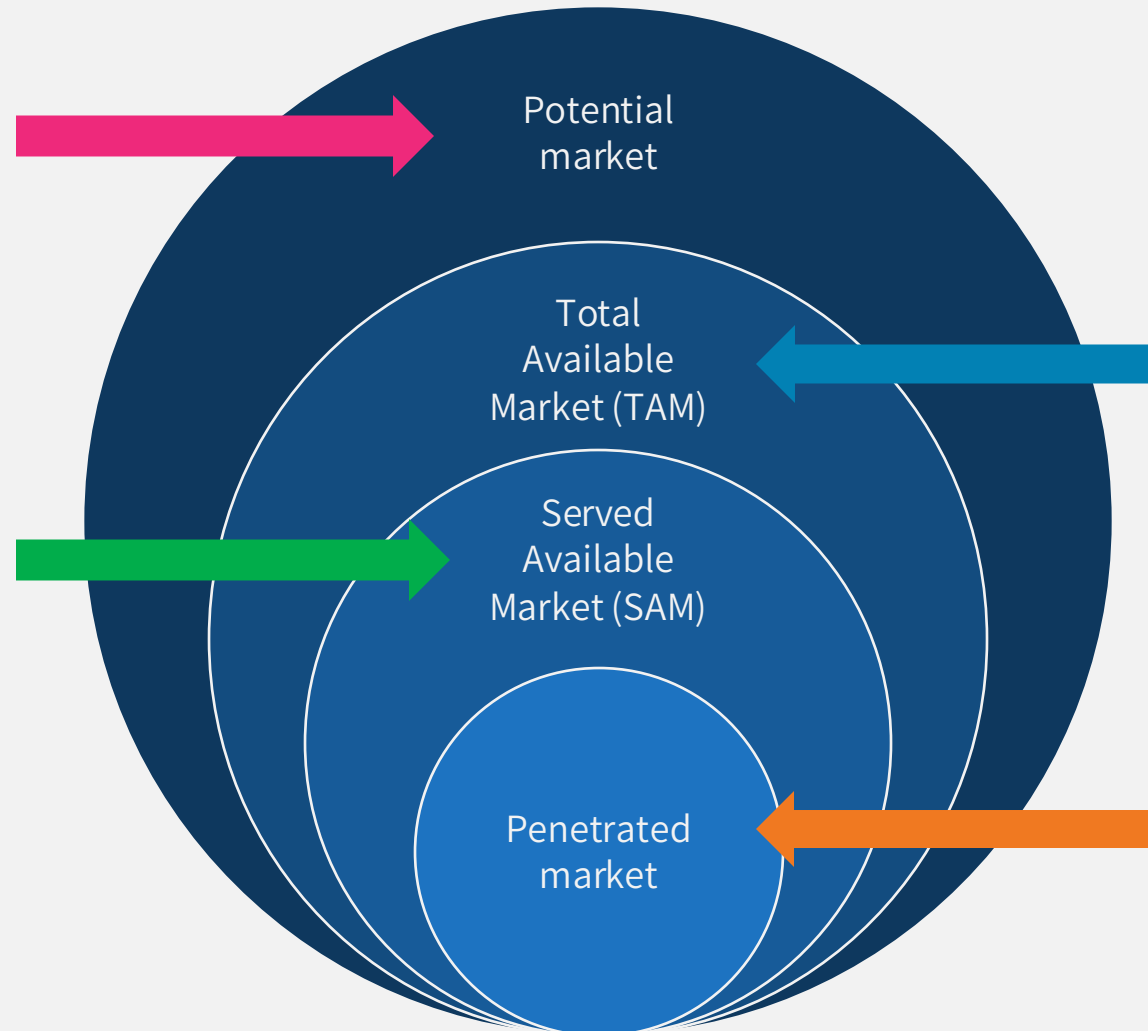
<http://www.youtube.com/watch?v=a6cNdhOKwi0>



Market size definitions



Size of a general market that might be interested in buying the product

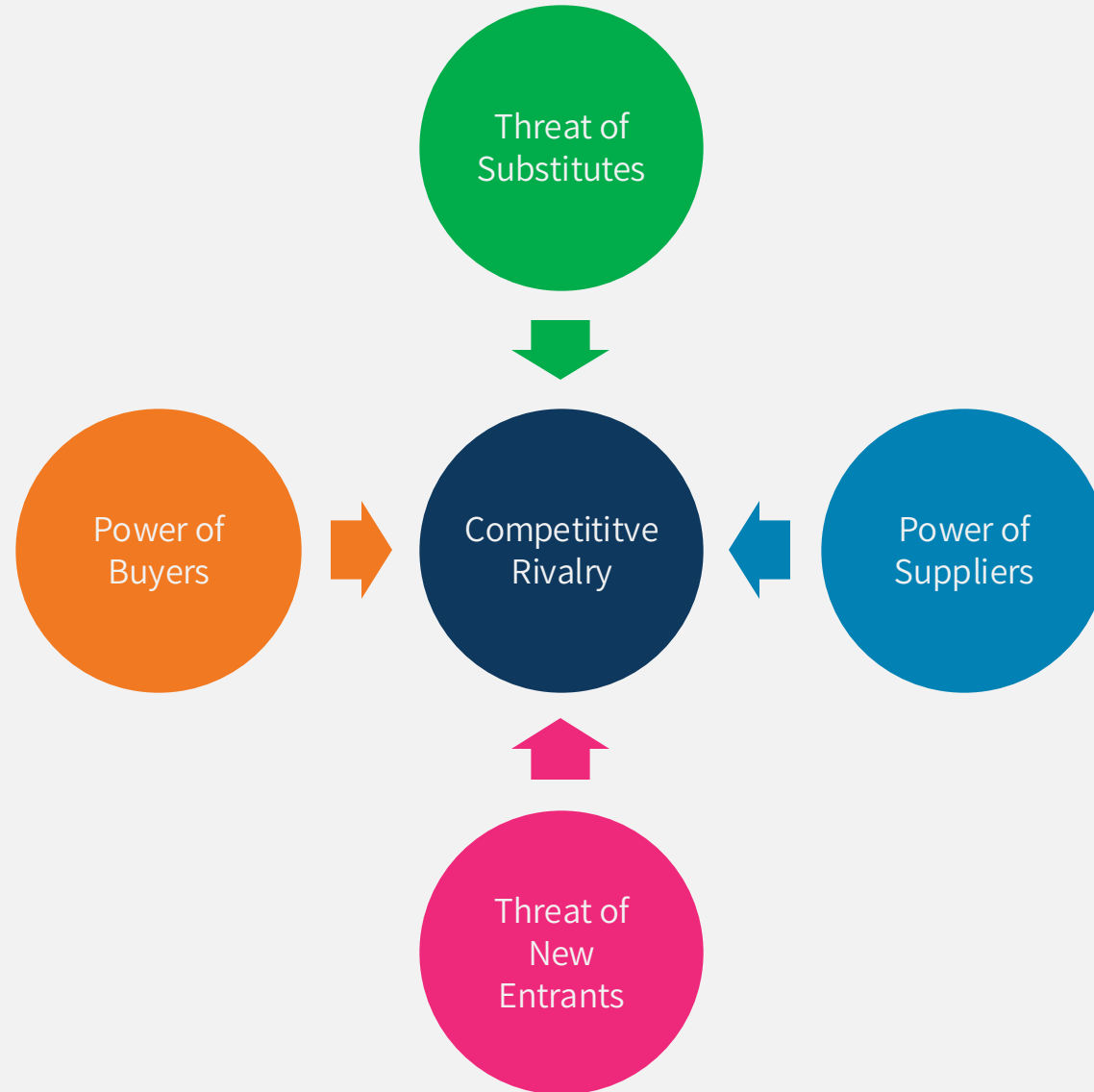


Size of the potential market who are available to buy your product

Size of your target market

Size of the market you aim to capture

Porters Five Forces



Porters Five Forces



This short HBR animation explains Michael Porter's five forces & how they affect competition in an industry



<https://www.youtube.com/watch?v=XCWHSeDU-zk>



Competitors



- Direct
- Indirect
- Future

SWOT analysis

- Strengths
- Weaknesses
- Opportunities
- Threats



Critical success questions



- What drives competition?
- What are the sectoral, performance & customer conventions that competitors adhere to & how important are they to customers?
- What are the main dimensions of competition?
- How intense is competition?
- How can you be different & obtain competitive advantage?

Assignments



Research the general market & industry for your product/service:

- The size & structure of the market.
- Identify specific competitors & describe the strengths & weaknesses of their competing product/services. Use Porter's Five Forces

Acknowledgments



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