

EUROPEAN PROJECT:
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MARKET RESEARCH

WHAT IS A MARKET RESEARCH?

A market research consists of analyzing and studying the viability of a business project. It is a long and hard work process, during which a large amount of information is collected regarding customers, competitors, the operating environment and the market in particular.

Therefore, the definition of a simpler and more concrete market study may be one that defines it as a set of actions that are executed in order to know the response of the market to a new product or service. It will analyze aspects as fundamental as the environment, price of the products, existing competition, potential clients or the way of communication and distribution of the same

MAIN FEATURES

- ✓ It analyzes the nearest environment where the product or service will be developed.
- ✓ It is a document that proves the existence of a need in the market and what products currently exist satisfying it and in what way.
- ✓ It provides the products or services that currently exist in the market and that satisfy that unmet need.
- ✓ It makes an estimate of the quantity of products that the market is demanding more.
- ✓ Determination of the main channels of distribution and commercialization of the products, through which we will reach the final consumer in a better way. For example, currently, one of the main marketing channels will be the internet.
- ✓ It detects the risk we run in case our product is not sold and is not demanded by users.
- ✓ It knows in detail information about our direct competition, as well as the goods and services they offer. This analysis of the competition will help us to know more about the companies that compete in the same market as our business.
- ✓ It analyzes the prices of complementary and substitute products. For example, we take care of a car rental company; However, during this period, the price of gasoline is reaching exorbitant prices. If our client is going to make a trip, possibly consider going by another means of transport: train, plane or bus, due to the high price of gasoline
- ✓ In short, the analysis of our market research will be divided into two large blocks: Macro environment and Microenvironment

THE MACRO ENVIRONMENT

The macro environment involves the analysis of the following factors:

a) Demographics

- b) Economic
- c) Cultural and social
- d) Legal
- e) Politicians
- f) Environmental
- g) Technological

DEFINITION OF MACRO ENVIRONMENT

The macroenvironment of a company is the term that is used to encompass all those external variables that affect the business activity. These variables generally affect not only the company, but the whole of society and its activities, and include matters relating to the population, legal or technological issues. It is essential to make a good analysis of the macroenvironment of a company, knowing that in which situation we develop our activity we can protect ourselves from those issues that may be harmful to us, and take advantage of those situations that allow us to increase sales.

DIMENSIONS OF MACRO ENVIRONMENT

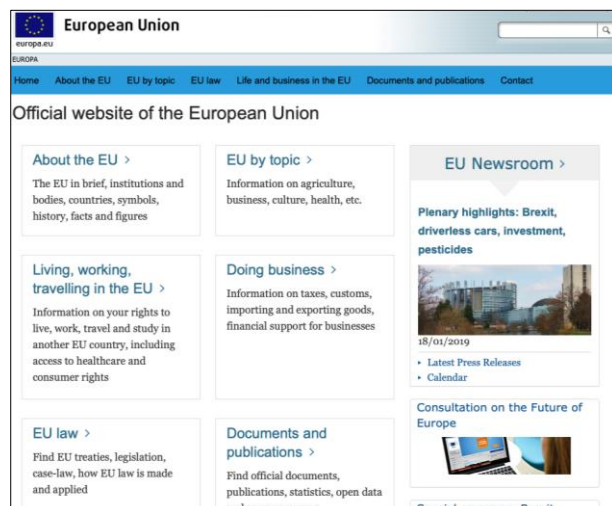
Traditionally, the business macro-environment has been divided into 7 dimensions to study and assess, which would be the following:

- ✓ Demography: population structure, age, migratory movements, birth rates and mortality.
- ✓ Economic: income, evolution of current GDP, inflation, monetary and fiscal policy of the Government, unemployment, interest rate, exchange rate.
- ✓ Cultural and social: lifestyles, social groups, social concerns, changes in the values of society or consumption of narcotics, among others.
- ✓ Legal: entry and exit barriers to a market, jurisprudence, or regulation of specific issues.
- ✓ Politics: division into provinces / autonomies, lobbies, political system, groups with great power in the country.
- ✓ Environment: level of degradation, social concerns, protected areas, protective legislation.
- ✓ Technological: infrastructures, patents and innovations, R & D or productivity of the industries.

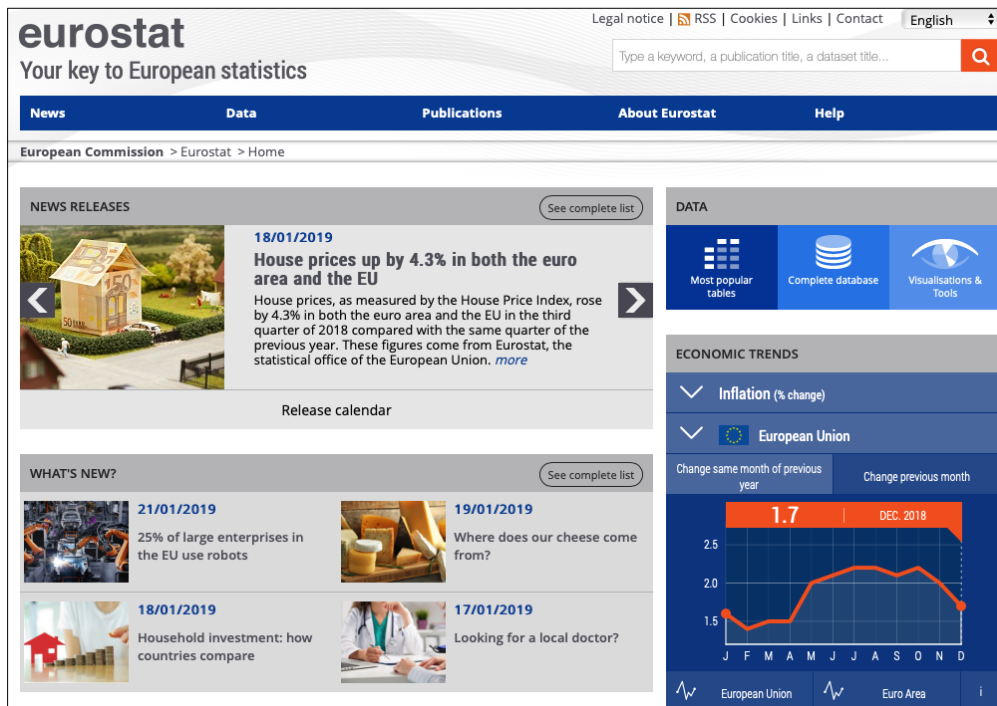
OFFICIAL SOURCES OF INFORMATION AND QUERY

- ✓ Important to indicate in each data or graph!
- ✓ Source where it was obtained
- ✓ Your publication date
- ✓ As an example we offer the following examples:

Official website of the European Union
<https://europa.eu>



Eurostat: <https://ec.europa.eu/eurostat>



The Analysis must be DESCENDING: Study of the data at national level ---- regional / local ----- local (city / town) In the market study, it is also fundamental to COMPARE the data we obtain at a national level, with those of the region / region and, finally, with the locals (city / town, specifically). As an example, regarding the UNEMPLOYMENT RATE.

THE MICROENVIRONMENT

The microenvironment is the analysis of the following factors:

- Study of the product or service.
- Analysis of the offer.
- Analysis of the demand.
- Analysis of prices.
- Analysis of the distribution and marketing channels.
- SWOT analysis.

DEFINITION OF MICROENVIRONMENT

The micro-environment is used to define those external forces that are close to the company, which have a direct impact on their ability to serve their product or service to the final customer. As for example the regulation of the industry. The microenvironment exists whenever there is commercial activity. Unlike the macro environment, the company will have the power to influence these forces, depending on factors such as the size of the company, the exclusivity of its product or service, the financial resources available, the degree of knowledge of its customers or the level of self-sufficiency among many others.

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