

SIDE III. THE MARKET

Introduction:

Understanding the market in which you plan to enter is crucial for the success of your business. In Side III, we will review secondary resources that you may use to understand market characteristics such as size, demographics, etc., and discuss how to create your go-to-market strategy.

In this Chapter:

- A) Market Size
- B) Go-to-market Strategy

The Goal of this Side:

- There are a variety of secondary resources available to you when reviewing your market. In this Side, you will learn how to identify the size of your market, the demographics of your market, and build your own go-to-market strategy.

By the end of Side III, you will have...

- Identified the size and characteristics of the market you plan to enter
- Designed a go-to-market strategy which you will use to launch your solution

For more information on how to understand your market, you may wish to visit these online sources:

- Kissmetrics (2017). “The Ultimate Guide to Startup Marketing” [Webpage].
- Entrepreneur.com (2013). “Defining Your Marketing in 7 Steps” [Webpage].
- MaRS (2017). “Leveraging Key Market Research in Growing Your Startup” [Webpage & Video].

A) MARKET SIZE

At this point, you have already conducted primary market research through interviews and speaking to potential customers. One of the most efficient ways to understand your market further is by conducting secondary market research. This involves processing data that has been collected by another party. This type of market research may involve studying anecdotal data that is available through other sources such as reports and press articles or, accessing commercially available data through market research reports.

Secondary research is usually less costly and quicker to obtain than primary research. Startups that use secondary research have to weigh this against the fact that the data is collected for another purpose which could influence its relevance and value to your specific purpose.



Exercise 3.1 – Understanding your Market

Use publicly-accessible resources (such as Statistics Canada, for example) to identify the following characteristics of the market you wish to enter:

- How many major competitors exist in your market?
- How do these businesses currently communicate with customers?
- What is the geographic range of your market?
- Is it easy for new firms to enter this market?
- Do communications/marketing infrastructure channels already exist in this market which you may be able to capitalize on?

For more information on how to identify your market and why this is important, visit:

- MaRS (2013). “Conducting Market Analysis to Target Customers for your Product” [Webpage].
- MaRS (2016). “Online Course: How to Calculate Your Market Size” [Free Course].
- MaRS (2017). “How to Find Canadian Market Data” [Webpage].

B) GO-TO-MARKET STRATEGY

Rarely do startups have a sufficient go-to-market strategy. If you can put together a truly compelling go-to-market strategy, you will be much further ahead of your competition, and other businesses who are looking to enter the market. The go-to-market strategy (GTM) is focused on how your business will put offerings into the market to reach market penetration, revenue and profitability expectations.

GTM strategy is not an event; rather, it is focused on the entire product lifecycle – from concept to grave. This means that, while your goal is certainly to launch a new product and ensure its success, the GTM strategy will also consider how to maintain product effectiveness and ensure customers remain interested in your solution.

Exercise 3.2 – Creating your GTM Strategy

Use the checklist below to design your go-to-market strategy:

- Determine the market opportunity
- Decide upon the principal contact point for initial market penetration
- Understand the buying process
- Establish a differentiated position from substitutes and alternatives
- Prepare an implementation plan: who will you need on your team, infrastructure requirements, communications, etc.
- Identify partners and stakeholders who will be part of this strategy

For more information on why a strong go-to-market strategy is important, view:

- MaRS (2016). “Go To Market Smarter” [Video].

