

MARKET RESEARCH

FOR STARTUPS





W H Y M A R K E T R E S E A R C H

IS SO DAMN IMPORTANT



Aside from gaining a better understanding of the industry and environment you're entering, there is another reason why a startup founder should engage in market research:

impressing investors.

Market research for a startup, if done with quality, impresses investors for two main reasons.

Firstly, it shows the initiative of the founder and convinced the investor that the entrepreneur is committed to the success of the startup. When you're able to state clearly who your competitors are and why you're different from the market you gain respect from anyone looking to fund you.

Secondly, good market research is compelling to investors because it makes their job easier. By law, investors working with other people's money (investment funds) are required to conduct a thorough due diligence process. They have to be sure everything you say in your pitch and business plan is actually true. If you conduct this research on their behalf it saves them a lot of time and effort- which, as one would expect, makes them very happy.



QUANTIFIED COACHING



MARKET RESEARCH FOR STARTUPS

EXERCISE #1: PEOPLE WATCHING

"NO MATTER WHAT YOU'RE SELLING, YOU'RE SELLING IT TO PEOPLE. WATCH THEM."

Everyone loves people watching but this is people watching with a purpose. You're looking for trends that are specific to your startup.

There are many categories you can break your research down into but these are the main ones with some sample questions to get you started:

First, identify your assumptions:

DEMOGRAPHICS

What age range are your target users?

What gender are your target users?

How much money would you guess your target users make?

Where do your target users work? Where do they hang out?

BEHAVIORS

Which social networks do your target customers use daily?

How often do your customers go shopping and where?

What do your target users like to do on the weekends?



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EXERCISE #1: PEOPLE WATCHING

Next, it's time to watch the market.

DEMOGRAPHICS

Watch people in the **age and gender range** you described as being in your target market. This is where you'll either confirm or disprove your assumptions.

Socio-economic status

(Understanding how they spend their money)

What kind of phone do they have?

What are they wearing?

Where are they? *(In an expensive coffee shop? On a bus...?)*

Do they use a laptop or their smart phone?

BEHAVIORS

Which social networks do your target customers use daily?

Where does your target customer get their news?

What do your target users like to do on the weekends?



RESEARCH IS
CREATING NEW
KNOWLEDGE.”

NEIL ARMSTRONG

YOUR TARGET MARKET PERSONA

DEMOGRAPHICS

Age
Discretionary Income
Employment Status & Occupation
Location of home
Location of work
Commuter?

BEHAVIORS

What are their hobbies?
Where do they spend time online?
Where do they shop?
How do they learn new information?
Who do they spend the most time with per day?

Exercise #2: Online Tools



KEYWORD TOOLS

☐ GOOGLETRENDS.COM

Learn what people all over the world are searching for and see how topics have trended over time.

☐ UBERSUGGEST.COM

Type in your competitors url and see which pages on their website get the most traffic.

SOCIAL MEDIA

INSTAGRAM

Think of a hashtag that relates to your business and search for it on Instagram. Look at the profiles of the top people that come up. Notice what they're wearing, where they take photos, and what they share.

TWITTER

Take the same hashtag that you used on Instagram and search it on Twitter. Now, see what people are saying about the concept. What questions are coming up? Is the audience mostly male or female? What age range are most of the people posting?

YOUTUBE

Once again, use that same hashtag and search for it on YouTube. What kind of videos come up? Are they educational or entertaining? What demographic is the Youtuber in? What do the comments say?



DID YOU KNOW?

There are tons of **free resources** like this guide on the Quantified Coaching website.

WWW.QUANTIFIED.COACH

WWW.BLOG.QUANTIFIED.COACH

EXERCISE #3: COMPETITION RESEARCH

USING CRUNCHBASE.COM

According to Crunchbase:

"Over 55 million professionals—including entrepreneurs, investors, market researchers, and salespeople—trust Crunchbase to inform their business decisions."

According to QC:

"Crunchbase is where you can find up to date industry information and learn about the biggest players in every market."

The free version is more than enough.

This is the source that many investors use to make market judgements.

WHAT TO DO

Search for companies, people, or keywords at the top of the home page.


It will return a list of companies that you can filter by various metrics such as funding amount or market share.

These are the top competitors in the field.

Take time to learn about at least the top five and look at the similarities between them. Look at things like colors/ branding/ copy writing tone.

Now, note the inconsistencies between them. How do they stand out from each other?

It's up to you to figure out how to differentiate your startup from these 5.



“The goal is to
transform data into
information, and
information into
insight.”

- CARLY FIORINA

I hope you found this guide helpful in your market research journey.

REMEMBER, THERE ARE ALWAYS NEW INSIGHTS TO BE
FOUND. YOU JUST HAVE TO KEEP LOOKING.

For more awesome free resources like courses on how to develop
your startup strategy and articles written exclusively for
entrepreneurs, check out **www.quantified.coach**